



DINAS A SIR CAERDYDD
CITY AND COUNTY OF CARDIFF

COUNCIL SUMMONS

THURSDAY, 22 FEBRUARY 2018

GWYS Y CYNGOR

DYDD IAU, 22 CHWEFROR 2018,

You are summoned to attend a meeting of the **COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF** which will be held at Council Chamber - City Hall, Cathays Park, Gorsedd Gardens Road, Cardiff, CF10 3ND on Thursday, 22 February 2018 at 4.30 pm to transact the business set out in the agenda attached.

Davina Fiore
Director of Governance & Legal Services

County Hall
Cardiff
CF10 4UW

Friday, 16 February 2018

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

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<i>Item</i>		<i>Approx Time</i>	<i>Max Time Allotted</i>
1	Apologies for Absence <i>To receive apologies for absence.</i>	4.30 pm	5 mins
2	Declarations of Interest <i>To receive declarations of interest (such declarations to be made in accordance with the Members Code of Conduct)</i>		
3	Minutes (Pages 1 - 46) <i>To approve as a correct record the minutes of the meeting 25 January 2018.</i>		
4	Petitions <i>To receive petitions from Elected Members to Council.</i>	4.35 pm	5 mins
5	Lord Mayor's Announcements <i>To receive the Lord Mayor's announcements including Recognitions and Awards.</i>	4.40 pm	5 mins
6	Budget Proposals 2018 - 2019 (Pages 47 - 364) <i>To receive and approve the Cabinet Budget Proposals for 2018 – 2019.</i> Appendix 11(d) is exempt from publication as it contains information of the kind described in paragraphs 14 and 21 of Parts 4 and 5 of Schedule 12A of the Local Government Act 1972. Members of the Public will be excluded from the meeting during discussions on this item	4.45 pm	160 mins
7	Urgent Business	7.25 pm	5 mins

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

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THE COUNTY COUNCIL OF THE CITY & COUNTY OF CARDIFF

The County Council of the City & County of Cardiff met at County Hall, Cardiff on 25 January 2018 to transact the business set out in the Council summons dated Friday, 19 January 2018.

Present: County Councillor Derbyshire (Lord Mayor).

County Councillors Asghar Ali, Dilwar Ali, Bale, Berman, Bowden, Bowen-Thomson, Boyle, Bradbury, Bridgeman, Burke-Davies, Carter, Congreve, Cowan, Cunnah, Davies, De'Ath, Driscoll, Ebrahim, Elsmore, Ford, Goddard, Goodway, Gordon, Henshaw, Gavin Hill-John, Philippa Hill-John, Hinchey, Howells, Hudson, Jacobsen, Jenkins, Jones-Pritchard, Keith Jones, Owen Jones, Joyce, Kelloway, Lancaster, Lay, Lister, Mackie, McEvoy, McGarry, McKerlich, Michael, Molik, Morgan, Naughton, Owen, Parkhill, Jackie Parry, Keith Parry, Patel, Phillips, Dianne Rees, Robson, Sandrey, Sattar, Simmons, Singh, Stubbs, Taylor, Graham Thomas, Huw Thomas, Lynda Thorne, Walker, Weaver, Wild, Williams, Wong and Wood

104 : APOLOGIES FOR ABSENCE

Apologies were received from Councillors Ali Ahmed, Lent, Merry and Murphy.

105 : DECLARATIONS OF INTEREST

The following declarations of interest were received in accordance with the Member Code of Conduct

Councillor	Item	Interest
Councillor Dianne Rees	Item1. Motion 1	Personal interest as a Community Councillor.
Councillor Graham Thomas	Item1. Motion 1	Personal interest as a Community Councillor.
Councillor Joel Williams	Item1. Motion 1	Personal interest as a Community Councillor.
Councillor Jones-Pritchard	Item1. Motion 1	Personal interest as a Community Councillor.
Councillor Linda Morgan	Item1. Motion 1	Personal interest as a Community Councillor.
Councillor Bowden	Item 14. Motion 4	A personal and prejudicial interest as a person affected by pension changes for women. The Councillor left the meeting for this item.

Councillor	Item	Interest
Councillor Elsmore	Item 14. Motion 4	A personal and prejudicial interest as a person affected by pension changes for women. The Councillor left the meeting for this item.
Councillor Goodway	Item 14. Motion 4	A personal and prejudicial interest as a family member is directly affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Gavin Hill-John	Item 14. Motion 4	A personal and prejudicial interest as a family member is directly affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Hinchey	Item 14. Motion 4	A personal and prejudicial interest as a family member is directly affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Mackie	Item 14. Motion 4	A personal and prejudicial interest as a person affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor McGarry	Item 14. Motion 4	A personal and prejudicial interest as a person affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Michael	Item 14. Motion 4	A personal and prejudicial interest as a family member is directly affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Naughton	Item 14. Motion 4	A personal and prejudicial interest as a family member is directly affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Simmons	Item 14. Motion 4	A personal and prejudicial interest as a person affected by Pension changes for women. The Councillor left

Councillor	Item	Interest
		the meeting for this item.
Councillor Patel	Item 14. Motion 4	A personal and prejudicial interest as a family member is directly affected by Pension changes for women. The Councillor left the meeting for this item.
Councillor Gavin Hill – John	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Lay	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Patel	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Robson	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Sandrey	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Simmons	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Stubbs	Item 15. Oral Questions – Question 2	As Non-Executive Director of Cardiff Bus appointed by Council
Councillor Hudson	Item 10 - Cabinet Member Social Care, Health and Wellbeing Statement	Personal Interest as relative in receipt of Social Care Services

106 : MINUTES

The minutes of the 30 November 2017 were approved as a correct record and signed by the Chairperson.

107 : PETITIONS

The following petition were received for action as necessary:

Councillor Carter - 127 signatures calling on the Council to return the old Pentwyn Arms site back to the people of Pentwyn by turning it into a community building.

Councillor Wood - a further 43 signatures calling on the Council to stop the cuts to leisure centres (to be added to Cllr Naughtons petition submitted at November Council).

Councillor Gordon - 239 signatures petitioning the Council to explain why they granted planning permission to demolish this landmark heritage Victorian Building (The Rise, Penhill Road, Cardiff) as they feel that the historic building should be preserved as it is such an important local feature.

Councillor Congreve - 53 signatures requesting the Council to provide permit only parking between house numbers 12 – 48 Clearwater Way, Cardiff.

108 : PUBLIC QUESTIONS

Public Question 1 *from Mr John Jones*

You recently stated that you wanted to ensure that the Council get the basics right in how you care for the vulnerable and elderly in our City. Cllr. Chris Weaver also stated at the same time that he wanted to get people and communities involved in the decisions taken at Council. These are two positive objectives.

What direction has been given to Councillors and Council staff to ensure these objectives are met?

Reply from Councillor Huw Thomas

We take the care of the city's older people very seriously and are committed to helping them to remain independent at home for as long as possible. We also continue to make very good overall progress in strengthening our adult social services and related safeguarding functions, particularly in relation to older people.

The Council's Independent Living Service brings together a number of services for older people which can be accessed through our First Point of Contact telephone helpline and our Independent Living visiting service. The services offered are tailored to the needs of each individual; however, they can include money advice, access to equipment and disabled adaptations, meals on wheels and emergency alarm services. The Independent Living Service also has a Day Opportunities team that helps to combat social isolation by encouraging older people to access social events within their community.

In terms of involving communities in decisions, throughout November and December last year, the Council held a series of community engagement sessions which took place across the city.

The aim of these sessions was to talk to people about what is important to them and their community, and to capture their views about various proposals for change from both the Council and key partners such as Health. This is something that the administration is committed to and something that I want to see continue.

For example, the Council is currently developing an Older Persons Accommodation Strategy, which will set out the plans for future development and enhancement of sheltered and extra care accommodation. Consultation will be a key part of the approach to developing the strategy and a number of consultation sessions with older people and key stakeholders will take place shortly to help inform the strategy.

Supplementary Question from Mr John Jones

I have always tried to work with the Council, however in the case that I have outline the fundamental and basic processes have not been carried out to the standard the Council has set itself in the first line of your reply.

The Council proposes to develop the Highfields site on Allensbank Road where the density will be 2 to 3 times more than any other sites, and a 3 storey block of flats are to be built in front of the bungalows occupied by vulnerable, elderly and disabled people, which will be known as the Berlin Wall.

Although the Council have given every assistance to their partners and I do emphasis their partner's views, they have not given any assistance to these elderly resident, in fact in their own they feel forgotten, and even after they have sent their concerns in after we contacted them. They feel that they have been ignored, as have all the people who have sent in objections.

A substantial number of people have sent in objections even though they were given minimum time.

Can you tell me how you maintain that you even got the basics right and how Councillor Weaver's ambition to get the public involved in decisions in their areas, stands up to scrutiny and also Councillor Lynda Thorne stated early in the process that this site would be a flagship for the Council and therefore predetermined the outcome, would you agree it will be a flagship to show how not to treat people?

Reply from Councillor Huw Thomas

I would not agree. To be clear, having met with yourselves and having concerns from your residents association put to me, I, as you asked, investigated those claims in terms of process and I must say from the evidence that was presented to me by officers I was satisfied in terms of the process that was followed and in terms of consultation with residents on the scheme.

As for the merits of that scheme, I am not going to comment on that as it is a planning matter but I have full confidence in my Council colleagues led by the Chair of the Planning Committee, Councillor Jones to follow due process with regards planning and some of the concerns that you raised are entirely matters that the Planning Committee will be reflecting on during their deliberations.

I am also satisfied that there are good and effective communications with the residents in the area that you mentioned, I know this from personal experience having seen the first hand contact that for example Councillor Hinchey has with those residents as a local Ward Councillor. So I am satisfied and reassured also that there are good strong lines of communication to those residents and as Council we will continue to ensure that those lines of communication are in place.

Public Question from Mr Terence Jermyn

I am aware that the Council has released land in Cardiff for housing development. What energy consumption criteria and energy efficient systems have they specified

for these developments in order to minimise such energy consumption and also to obtain best value for money for the residents of Cardiff?

Reply from Councillor Thorne

The schemes included within the Council's Cardiff Living programme of new housing development, which is being delivered in partnership with Wates Residential, have specific criteria for the energy performance of every home built.

The tender documents stated that all dwellings built through the programme will achieve at least 17% uplift in energy performance compared to Part L of the Building Regulations for Wales 2014 without reliance on renewable energy.

The energy performance criteria cover both council homes and market sale properties and require the use of a 'fabric first' approach. This involves making the fabric of the building as energy efficient as possible, thereby reducing the demand for energy and heating, as well as helping to tackle fuel poverty.

It's also important to note that other land sales for housing development in the city that are outside of the Cardiff Living Programme do not have any energy efficiency criteria above current building regulations.

Supplementary Question from Mr Terence Jermyn

The Council in partnership with a private developer are proposing to build 42 units on the Highfields Site on the Passivhaus standard. The site orientation is almost exactly North - South which means that the windows face East and West, this means that solar energy gain would be minimal in winter when it is most required by this design and will cause major overheating problems in the summer when it is not needed. To solve these problems will require more extensive construction costs, all technical information stresses the importance of having some South facing windows with Passivhaus.

I have received supporting correspondence from various Passivhaus organisations, I also have an email from an expert on the continent, who says building on a North South axis is like buying a Porsche and then putting wooden wheels on it, he also says that not all building areas are suitable for Passivhaus and that it is not economic if it is built on unsuitable land.

How does the Council justify going against all reputable technical knowledge and select Highfields for their first flagship Passivhaus development when its orientation is so obviously wrong and how is this value for money?

Reply from Councillor Thorne

I am certainly no expert on this issue but I can advise you that Passivhaus and this particular scheme, doesn't require solar panels. The Passivhaus scheme is about the fabric of the building and making the fabric of the building such that it actually doesn't need any further energy efficiency from solar panels or any other panels.

I can assure you that my officers are not new to energy efficient properties, we have building them since the year 2000, on the Gabalfa estate when we replaced the prefabricated bungalows, on Angelina Street and on all the other Council houses that were built between 2002 and 2008 which were part of the Cardiff Living Programme.

If you need further technical information we can clearly get that for you in writing from the officers.

109 : LORD MAYOR'S ANNOUNCEMENTS

The Lord Mayor's Statement of Activities November 2017 to January 2018 had been circulated for information.

In addition, the Lord Mayor was pleased to congratulate a number of citizens of Cardiff who have been honoured in the Queen's New Year Honours list.

Name	Award	Level	Citation
Professor Karen Margaret HOLFORD	Commander of the Order of the British Empire	CBE	Deputy Vice Chancellor, Cardiff University. For services to Engineering and the Advancement of Women in Science and Engineering.
Professor Philip Alexander ROUTLEDGE OBE	Commander of the Order of the British Empire	CBE	Consultant Physician, Llandough Hospital, Cardiff and Professor Emeritus of Clinical Pharmacology, Cardiff University. For services to Medicine.
Professor Antony CHAPMAN	Officer of the Order of the British Empire	OBE	Lately Vice Chancellor, Cardiff Metropolitan University. For services to Higher Education.
Mr Sam KENNEDY-WARBURTON	Officer of the Order of the British Empire	OBE	For services to Rugby Union.
Mr Michael BELL	Member of the Order of the British Empire	MBE	For services to the Cardiff Philharmonic Orchestra.
Mr Royston Vincent COURT	Member of the Order of the British Empire	MBE	For services to Inclusive Judo.
Mr Alan DAVIS	Member of the Order of the British Empire	MBE	Coach, Maindy Flyers, Cardiff and Newport. For services to Youth Cycling and Diversity Inclusion in South Wales.
Dr Rosemary FOX	Member of the Order of the British Empire	MBE	National Director for Screening Programmes, Public Health Wales. For services to Healthcare in Wales.
Mrs Mary CLARKE	Medal of the Order of the British Empire	BEM	For services to Flood Defence and the community in Cardiff.

Name	Award	Level	Citation
Mr Gareth EVANS	Medal of the Order of the British Empire	BEM	Deputy Local Policing Inspector, South Wales Police. For services to Community Cohesion and Engagement.
Mrs Julie MORRIS	Member of the Order of the British Empire	MBE	Head teacher at Severn Primary School for services to education

The National Holocaust Memorial Day Service 2018 was to be held on Monday 26 January at 11:00am here at the City Hall supported by representatives of faith and community groups would take part in the service.

Lord Mayor's Charity Fund raising - The Lord Mayor was pleased to announce that he had successfully completed his personal challenge – a 2 mile swim at Eastern Leisure Centre pool in aid of the two chosen charities – RSPB Cymru and Bug-life Cymru in 1 hour 20 minutes.

110 : CONSULTATION GREEN PAPER - BUILDING MORE & BETTER JOBS

The Cabinet Member for Investment and Development introduced the Green Paper on 'Building More and Better Jobs' and made a [statement](#)

Members were invited as part of the consultation process to make comments and observations at the meeting or to submit a response either as an individual or as a Group by 31 March 2018 in the interest of influencing the future shape of Cardiff.

The following observations were received and would be captured from the meeting as part of the consultation process.

- Members welcomed the Green Paper approach and the formulation of a strategy to create jobs;
- Members were interested in how the wider city zoning approach would work; the links between zones and additional infrastructure requirements. Member were keen to hear from local business about this approach.
- Members stressed the importance of ensuring all sectors have an a opportunity to feed into the consultation and have their say on economic regeneration and that job opportunities are generated and that the local population has the skills to take advantage of these opportunities
- The importance to communities of local regeneration programmes
- Addressing the issues of poor transport infrastructure; planning for the new infrastructure and non-car based transport; and the programme for the Metro.
- The need to address the effect of Brexit.
- The importance of innovation and technology to move the Smart City agenda forward and improved connectivity and digitalisation.
- How greater investment can be generated for the city and possible taxes such as a tourist tax.
- The support initiatives such as the Capital Cardiff Fund give to new business ventures.

The Lord Mayor thanked Members for their contributions which would be captured in full and submitted as part of the consultation process.

111 : CONSTITUTION COMMITTEE - RECOMMENDATIONS ON COUNCIL
PROCEDURE RULES AND SCRUTINY PROCEDURE RULES

The recommendations of the Constitution Committee on changes to the Council Procedure Rules and Scrutiny Procedure Rules in relation to the Call-In procedure were submitted for Council approval.

The Chair of the Constitution Committee, Councillor Goodway introduced the report and proposed the recommendations and these were seconded by Councillor McKerlich.

The Constitution Committee over its last 3 meetings had in consultation with Party Group Leaders and Whips considered ways to improve the significance of meetings and making Full Council meetings more meaningful; give time to debates on policy matters in the form of Green Papers creating an improved platform for non-executive members to contribute to policy development, and increasing back-bench contributions in debates. As importantly making better use of time available/more manageable and best use of council resources.

The meeting was informed of the commitment to reviewing the revised Council Procedure Rules to ensure that the business of the Council was effective.

RESOLVED - That

1. the proposed changes to the Council Meeting Procedure Rules, as shown in Appendix B as recommended by the Constitution Committee to take effect from Annual Council in May 2018 were approved;
2. the recommendation of the Constitution Committee to change the Scrutiny Procedure Rules, as shown in Appendix C was approved;
3. the Monitoring Officer be requested to action the updates to the Constitution accordingly.

112 : APPOINTMENT OF INDEPENDENT MEMBER OF STANDARDS & ETHICS
COMMITTEE

The Council was recommended to approve the appointment of an Independent Member of the Standards & Ethics Committee following the completion of the formal Standards & Ethics Appointment procedure.

RESOLVED – That the appointment of Mrs Thora Lewis as Independent Member of the Standards and Ethics Committee for a term of 4 years was approved.

113 : STATEMENTS

[Leader Statement](#)

The Leader responded to questions on his statement relating to City Deal, the investment from UK Government, Hinkley Point and Marine licence for disposal of dredged material and Staff Engagement initiatives.

[Cabinet Member for Children and Families Statement](#)

The Cabinet Member responded to questions on Support4Families, and assistance provided by the Multi Agency Safeguarding Hub (MASH).

[Cabinet Member for Social Care, Health and Well-being Statement](#)

The Cabinet Member responded to questions on Dementia Friendly City, and was pleased to report on the Council achievement as a Dementia Friendly City Status.

[Cabinet Member for Strategic Planning and Transport Statement](#)

The Cabinet Member responded to questions on London to Cardiff Electrification Works at Splott Road Bridge and contingency plans; University Hospital of Wales Transport Interchange, parking spaces; Park and Ride on Sunday's; and 'Next-bike', the new on street cycle hire.

[Cabinet Member for Investment and Development Statement](#)

The Cabinet Member responded to questions on Building More & Better Jobs in Cardiff; and the Severn Growth Summit.

[Cabinet Member for Culture and Leisure Statement](#)

The Cabinet Member responded to questions on Sport and Physical Activity; 21st Century Schools; and Arts Venues including St David's Hall.

[Cabinet Member for Education, Employment and Skills Statement.](#)

In the absence of the Deputy Leader and Cabinet Member, the Leader responded to questions on 21st Century School's Band B Funding.

[Cabinet Member for Finance, Modernisation and Performance Statement.](#)

The Cabinet Member responded to questions on Council Website, Planning Portal; and the introduction of Council Tax exemption for Care Leavers.

[Cabinet Member for Housing and Communities Statement](#)

The Cabinet Member responded to questions on Welfare Reform – Universal Credit; Volunteering in Cardiff; and ongoing work around Rough Sleepers in Cardiff.

[Cabinet Member for Clean Streets, Recycling & Environment Statement](#)

The Cabinet Member responded to questions on Fly-Tipping and Enforcement.

114 : MOTION 3

The Lord Mayor used his discretion to alter the order of business to allow Motion 3 to be taken first.

The Lord Mayor advised that the notice of motion proposed by Councillor Bablin Molik and seconded by Councillor Joe Carter had been received for consideration and was included on the Summons for the meeting. Two amendments had been received to the motion.

The Notice of Motion was proposed as follows:

The Council notes that:

- The 'Trapped in a Bubble' report estimates that 18% of people feel lonely 'always' or 'often'. This would equate to 62,000 people in Cardiff;
- loneliness can be experienced by people of all ages, ethnic backgrounds, abilities and sexual identities;
- whilst individual factors play a key role, community and societal factors can contribute to loneliness;
- research has found that lacking social connections and can be damaging to our health as smoking 15 cigarettes a day;
- research commissioned by the Eden Project estimates the cost of social isolation and disconnected communities in Wales as £2.6 billion per annum;
- the third sector has a pivotal role in providing support services which help to address loneliness and isolation;
- investing in services to prevent loneliness will improve health and well-being and in the long term save money in health and social care budgets and society in general.

This Council calls on the Cabinet to:

Develop a strategy for tackling loneliness in Cardiff, with consideration given to:

- Close partnership with third sector organisations;
- a range of interventions currently being used elsewhere such as intergenerational living models, befriending services, social clubs and volunteering opportunities;
- using the council's corporate landlord role to allow greater use of local authority facilities by groups that combat loneliness;
- encouraging schools, colleges and universities to create a culture of volunteering among their students so as to address the generational gap and encourage engagement and participation.

Amendment 1: Proposed by Councillor Jayne Cowan

Seconded by Councillor David Walker

Addition of an additional opening sentence to read:

“The Prime Minister has recently appointed a Minister of Loneliness to tackle the social and health issues caused by social isolation, with a multi million pound fund”

Amendment of the Resolution with the addition of *“bring a report back to full Council in September 2018 to”* after This Council calls on the Cabinet to

Addition of two bullet points immediately after the amended resolution as follows:

- *“reinstating the funding for luncheon clubs, whilst working with local Councillors , community groups and organisations to help set up new groups or resurrect ones which have closed”*
- *Acknowledging the good work undertaken by Good Neighbour Groups across Cardiff which serves many of our residents well. Look to explore funding options to continue to grow the services they provide”.*

The Motion as amended would read as follows:

The Prime Minister has recently appointed a Minister of Loneliness to tackle the social and health issues caused by social isolation, with a multi million pound fund.

The Council notes that:

- The ‘Trapped in a Bubbles’ report estimates that 18% of people feel lonely ‘always’ or ‘often’. This would equate to 62,000 people in Cardiff;
- loneliness can be experienced by people of all ages, ethnic backgrounds, abilities and sexual identities;
- whilst individual factors play a key role, community and societal factors can contribute to loneliness;
- research has found that lacking social connections can be as damaging to our health as smoking 15 cigarettes a day;
- research commissioned by the Eden Project estimates the cost of social isolation and disconnected communities in Wales as £2.6 billion per annum;
- the third sector has a pivotal role in providing support services which help to address loneliness and isolation;
- investing in services to prevent loneliness will improve health and well-being and in the long term save money in health and social care budgets and society in general.

The Council calls on the Cabinet to bring back to full Council by September 2018:

Develop a strategy for tackling loneliness in Cardiff with consideration given to:

- reinstating the funding for luncheon clubs, whilst working with local Councillors, community groups and organisations to help set up new groups or resurrect ones which have closed;
- acknowledge the good work undertaken by Good Neighbour Groups across Cardiff which serves many of our residents well. Look to explore funding options to continue to grow the services they provide.
- close partnerships with third sector organisations;
- a range of interventions currently being used elsewhere such as inter-general living models, befriending services, social clubs and volunteering opportunities;
- using the Council's Corporate Landlord role to allow greater use of local authority facilities by groups that combat loneliness;
- encouraging schools, colleges and universities to create a culture of volunteering among their students so as to address the generational gap and encourage engagement and participation.

Amendment 2: Proposed by Councillor Susan Elsmore

Seconded by Councillor Lynda Thorne

Bullet Point 1 – second sentence after the words equate to add “about”

Bullet Point 2 – reword as follows:

- Loneliness can be experienced by anyone regardless of age, ethnicity, sexuality or ability;

Delete Bullet Point 3

Bullet Point 4 – first line after research delete has and replace with “shows”

Bullet Point 4 at the end of the sentence insert source (Holt-Lunstad 2015);

Bullet Point 6 – replace with “All sectors, including the third sector have a pivotal role in promoting and providing services which help to address loneliness and isolation;”

Bullet Point 7 – delete all after well-being

Delete all after This Council calls on Cabinet to: to bullet point 4 and replace with

Continue to develop and co-ordinate those strategies for tackling loneliness in Cardiff, including:

- (i) Support to older people and community groups to develop and deliver local solutions that counteract loneliness, for example the Day Opportunities Strategy;
- (ii) Work with communities across the generations to foster informal structures that enable people to participate in society on their own terms, for example Preventative Services, in partnership with Cardiff City Foundation, have for the

second year running facilitated an intergenerational literacy project in partnership with four local primary schools and older people.

- (iii) Adult Services through Healthy and Active Partnership (HAP) commissions targeted interventions at preventing unnecessary entry into statutory health, or social care services or to prevent or delay an increase in existing care package intervention. This is a volunteer based service which addresses the issue of social isolation and loneliness by encouraging and supporting individuals to access community facilities and activities of interest to them.
- (iv) Consider innovative ways to support community groups by encouraging the use of Council facilities, for example libraries and hubs for Well-being Wednesday;

The Motion as amended would read as follows:

This Council notes that:

- The Trapped in a Bubble report estimates that 18% of people feel lonely 'always' or 'often'. This would equate to about 62,000 people in Cardiff;
- Loneliness can be experienced by anyone regardless of age, ethnicity, sexuality or ability;
- Research shows that lacking social connections is as damaging to our health as smoking 15 cigarettes a day (Holt-Lunstad, 2015);
- Research commissioned by the Eden Project estimates the cost of social isolation and disconnected communities in Wales as £2.6 billion per annum;
- All sectors, including the third sector, have a pivotal role in promoting and providing services which help to address loneliness and isolation;
- Investing in services to prevent loneliness will improve health and well-being.

The Council calls on the Cabinet to:

Continue to develop and co-ordinate those strategies for tackling loneliness in Cardiff, including:

- (i) Support to older people and community groups to develop and deliver local solutions that counteract loneliness, for example the Day Opportunities Strategy;
- (ii) Work with communities across the generations to foster informal structures that enable people to participate in society on their own terms, for example Preventative Services, in partnership with Cardiff City Foundation, have for the second year running facilitated an intergenerational literacy project in partnership with four local primary schools and older people;
- (iii) Adult Services through Healthy and Active Partnership (HAP) commissions targeted interventions at preventing unnecessary entry into statutory health, or social care services or to prevent or delay an increase in existing care package intervention. This is a volunteer based service which addresses the issue of social isolation and loneliness by encouraging and

supporting individuals to access community facilities and activities of interest to them;

- (iv) Consider innovative ways to support community groups by encouraging the use of Council facilities, for example libraries and hubs for Well-being Wednesdays;
- (v) Continue to encourage schools, colleges and universities to create a culture of volunteering among their students so as to address the generational gap and encourage engagement and participation.

The Lord Mayor invited debate on the motion. At the conclusion of the debate the Lord Mayor invited Councillor Molik to sum up. In summing up Councillor Molik advised that she would not accept either of the amendments.

The Lord Mayor moved to the votes as follows:

The Vote on Amendment 1 proposed by Councillor Cowan was LOST.

The Vote on Amendment 2 proposed by Councillor Elsmore was CARRIED.

The Substantive Motion would read as follows:

This Council notes that:

- The Trapped in a Bubble report estimates that 18% of people feel lonely 'always' or 'often'. This would equate to about 62,000 people in Cardiff;
- Loneliness can be experienced by anyone regardless of age, ethnicity, sexuality or ability;
- Research shows that lacking social connections is as damaging to our health as smoking 15 cigarettes a day (Holt-Lunstad, 2015);
- Research commissioned by the Eden Project estimates the cost of social isolation and disconnected communities in Wales as £2.6 billion per annum;
- All sectors, including the third sector, have a pivotal role in promoting and providing services which help to address loneliness and isolation;
- Investing in services to prevent loneliness will improve health and well-being.

The Council calls on the Cabinet to:

Continue to develop and co-ordinate those strategies for tackling loneliness in Cardiff, including:

- (i) Support to older people and community groups to develop and deliver local solutions that counteract loneliness, for example the Day Opportunities Strategy;
- (ii) Work with communities across the generations to foster informal structures that enable people to participate in society on their own terms, for example Preventative Services, in partnership with Cardiff City Foundation, have for the second year running facilitated an intergenerational literacy project in partnership with four local primary schools and older people;

- (iii) Adult Services through Healthy and Active Partnership (HAP) commissions targeted interventions at preventing unnecessary entry into statutory health, or social care services or to prevent or delay an increase in existing care package intervention. This is a volunteer based service which addresses the issue of social isolation and loneliness by encouraging and supporting individuals to access community facilities and activities of interest to them;
- (iv) Consider innovative ways to support community groups by encouraging the use of Council facilities, for example libraries and hubs for Well-being Wednesdays;
- (v) Continue to encourage schools, colleges and universities to create a culture of volunteering among their students so as to address the generational gap and encourage engagement and participation.

A vote was taken on the Substantive Motion. The Substantive Motion was CARRIED.

115 : MOTION 2

The Lord Mayor advised that a notice of motion proposed by Councillor McEvoy and seconded by Councillor Keith Parry had been received for consideration and was included on the Summons for the meeting. There were no amendments to the motion.

The Notice of Motion was as follows:

The Council notes the proposal to dump 300,000 of mud from outside of Hinkley Point Nuclear Power Station in Cardiff's waters.

The Council calls upon the Cabinet to observe Precautionary Principle (PP) as detailed in Article 191 of the Treaty on the Functioning of the European Union. The PP aims at ensuring a higher level of environmental protection through preventative decision-making in the case of risk. In other words, prevention is better than cure, also called the "preventative principle".

Given that there has been no calculation of the potential dosage of radiation from the Hinkley Point material beneath 5cm and also that there were only 5 samples taken at a depth below 5cm, this Council concludes that in the interests of public safety, the Council will pay for independent a thorough analysis of the mud at depth, in consultation with CEFAS and the campaigners behind the petition to the National Assembly for Wales.

The Lord Mayor invited debate on the motion. At the conclusion of the debate the Lord Mayor invited Councillor McEvoy to sum up.

The Lord Mayor called for a vote on the Motion as proposed by Councillor McEvoy. The motion was LOST.

116 : MOTION 1

The Lord Mayor advised that a notice of motion proposed by Councillor Thomas and seconded by Councillor Williams had been received for consideration and was included on the Summons for the meeting. There was one amendment to this motion.

The Notice of Motion was as follows:

- 1) This Council notes that there are six Community Council's in Cardiff, namely:
 - Lisvane Community Council
 - Old St Mellons Community Council
 - Pentyrch Community Council
 - Radyr & Morganstown Community Council
 - St Fagans Community Council
 - Tongwynlais Community Council

- 2) This Council recognises the hard work carried out by the members and officials of these Community Council's and notes that many of the participants are volunteers. Without the efforts of Community Council's, a number of local amenities would close and events in these communities would not happen. However, vacancies can sometimes be difficult to fill and there can be a lack of candidates at Community Council elections, risking a democratic deficit.

- 3) This Council also notes that historically over many years, channels of communication between Community Council's and Cardiff Council have been weak or non-existent. This includes notifications to the Community Council's of works proposed on highway or Community Council involvement in planning applications and a say in best use of any Section 106 monies.

- 4) This Council calls on the Cabinet to, in conjunction with the Community Council's, consider how links could be improved and strengthened. The Cabinet may wish to consider:
 - (i) If there are areas where services could combine (eg: either the Community Council or Cardiff Council undertaking grass cutting in an area)
 - (ii) Introducing a single point of contact for Community Councils.
 - (iii) How the Community Council Charter can be further embedded within Cardiff Council and how awareness of it can be increased
 - (iv) Regular liaison between key officials and Community Councils, with those periodically attending Community Council meetings.
 - (v) How the role of Community Councils in making representation on planning applications and section 106 agreements can be enhanced.

The Cabinet should bring forward a report within six months.

Amendment 1 – Proposed by Councillor Bradbury

Seconded by Councillor Stubbs

Point 2 – Deletion of all after the first sentence

Deletion of Point 3 and replace with

3) However this Council notes that in the 2017 Election all Community Council seats were uncontested and therefore no election held.

Point 4 (ii) deletion of the word 'Introducing' and replace with 'How to enhance and continue with'

Deletion of Point 4 (v)

The motion as amended would be as follows:

- 1) This Council notes that there are six community Councils in Cardiff, namely:
 - Lisvane Community Council,
 - Old St Mellons Community Council
 - Pentyrch Community Council
 - Radyr & Morganstown Community Council
 - St Fagans Community Council
 - Tongwynlais Community Council
- 2) This Council recognises the hard work carried out by the members and officials of these Community Councils and notes that many of the participants are volunteers.
- 3) However this Council notes that in the 2017 Election all Community Council seats were uncontested and therefore no election held.
- 4) This Council calls on the Cabinet to, in conjunction with the Community Councils, consider how links could be improved and strengthened. The Cabinet may wish to consider:
 - i) If there are areas where services could combine (e.g. either the Community Council or Cardiff Council undertaking grass cutting in an area).
 - ii) How to enhance and continue with a single point of contact for Community Councils
 - iii) How the Community Council Charter can be further embedded within Cardiff Council and how awareness of it can be increased.
 - iv) Regular liaison between key officials and Community Councils, with those periodically attending Community Council meetings.

The Cabinet should bring forward a report.

The Lord Mayor invited debate on the motion. At the conclusion of the debate the Lord Mayor invited Councillor Thomas to sum up. In summing up Councillor Thomas advised that she did not accept either of the amendments.

The Lord Mayor moved to the votes

The Vote on the Amendment proposed by Councillor Bradbury was CARRIED.

The Substantive Motion was as follows:

- 1) This Council notes that there are six community Councils in Cardiff, namely:
 - Lisvane Community Council,
 - Old St Mellons Community Council
 - Pentrych Community Council
 - Radyr & Morganstown Community Council
 - St Fagans Community Council
 - Tongwynlais Community Council
- 2) This Council recognises the hard work carried out by the members and officials of these Community Councils and notes that many of the participants are volunteers.
- 3) However this Council notes that in the 2017 Election all Community Council seats were uncontested and therefore no election held.
- 4) This Council calls on the Cabinet to, in conjunction with the Community Councils, consider how links could be improved and strengthened. The Cabinet may wish to consider:
 - i) If there are areas where services could combine (e.g. either the Community Council or Cardiff Council undertaking grass cutting in an area).
 - ii) How to enhance and continue with a single point of contact for Community Councils
 - iii) How the Community Council Charter can be further embedded within Cardiff Council and how awareness of it can be increased.
 - iv) Regular liaison between key officials and Community Councils, with those periodically attending Community Council meetings.

The Cabinet should bring forward a report.

A vote was taken on the Substantive Motion. The Substantive Motion was CARRIED.

117 : MOTION 4

(Those Members who had declared a personal and prejudicial interest left the chamber during consideration of this item.

The Rt. Hon the Lord Mayor Councillor Derbyshire had declared an interest and vacated the Chair. The Deputy Lord Mayor took the Chair for the remainder of the meeting).

The Deputy Lord Mayor advised that a notice of motion proposed by Councillor Bowen-Thomson and seconded by Councillor Ebrahim had been received for consideration and was included on the Summons for the meeting. One amendment had been received to this motion.

The Notice of Motion was as follows;

2.6 million women born in the 1950's have had significant pension changes imposed on them by the Pensions Act of 1995 and 2011. Hundreds of thousands of women are suffering severe financial hardship as a result of how these changes were implemented and communicated.

WASPI (Women Against State Pension Inequality) have been campaigning for the government to make 'fair transitional state pension arrangements' for women born in the 1950's. They have emphasised the hardship endured by many women as a result of these changes, particularly as many had little or no personal notification of the changes.

The Department for Work and Pensions has confirmed that it did not write to women affected by the 1995 Conservative Government's Pension Act until 14 years later, in 2009. However, these letters were sent to women born up to April 1953 and subsequently halted in 2011 whilst further increases in state pension age were made by the Government. The DWP started writing to women born after 6th April 1953 in 2012, just 2 years before some were due their state pension.

These changes affect women in Cardiff. The number of women born in the 1950's affected by the Pensions Acts by constituency is estimated as follows;

Cardiff Central = 3,400 women
Cardiff North = 5,300 women
Cardiff West = 5,200 women
Cardiff South and Penarth = 5,800 women
(House of Commons Library Estimate, Jul 2017)

The change in the number of women aged 60+ years claiming Employment Support Allowance (ESA), universal credit or jobseekers allowance (UC or JSA) between Aug 2013 and Aug 2017 by constituency is as follows:

Cardiff Central = +440% (ESA) & +50% (UC/JSA)
Cardiff North = +440% (ESA) & +100% (UC/JSA)
Cardiff West = +430% (ESA) & +150% (UC/JSA)
Cardiff South and Penarth = +510% (ESA) & +100% (UC/JSA)

The percentage of women aged 60+ years needing to claim ESA or UC/JSA, between 2013 and 2017, has increased disproportionately compared to other age groups and compared to men. Pension age changes are a significant contributory factor to this increase.

The significant loss of income to women who were expecting their pension at 60 will have an adverse effect on our local area. According to WASPI, some women are at risk of losing up to £45,000 as a result of not receiving their pension until they are 66 years of age. Women and families affected by these changes will have less disposable income. For some women, they are having to sell their homes, claiming housing support and/or finding they need to claim other benefits to survive. Not all women are able to continue working due to ill health, caring responsibilities for parents and/or grandchildren, redundancy etc.

In response, this Council calls upon the Government to make fair transitional state pension arrangements for all women born on or after 6th April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification.

This Council further calls upon the Government to reconsider transitional arrangements for women born on or after 6th April 1951, so that women do not live in hardship due to pension changes they were not told about until it was too late to make alternative arrangements.

Cardiff Council also commits to supporting women affected by the sudden impact of these unfair transitional state pension arrangements by providing advice and information through the community Hubs and Libraries across Cardiff to help women access all benefits to which they are entitled.

Amendment 1 Proposed by Councillor Robson

Seconded by Councillor Parkhill

Delete all except for the final paragraph

Amend final paragraph, removing the words struck through:

“Cardiff Council also commits to supporting women affected by the sudden impact of ~~these unfair~~ transitional state pension arrangements by providing advice and information through the community Hubs and Libraries across Cardiff to help women access all benefits to which they are entitled”

The Motion amended would be as follows:

Cardiff Council commits to supporting women affected by the impact of transitional state pension arrangement by providing advice and information through the community Hubs and Libraries across Cardiff to help women access all benefits to which we are entitled.

The Deputy Lord Mayor invited debate on the motion. At the conclusion of the debate the Deputy Lord Mayor invited Councillor Bowen-Thompson to sum up. In

summing up Councillor Bowen –Thompson advised that she did not accept either of the amendments.

The Deputy Lord Mayor moved to the votes.

The Vote on Amendment 1 proposed by Councillor Robson was LOST.

The Vote on the original Motion as proposed by Councillor Bowen-Thompson was CARRIED.

118 : ORAL QUESTIONS

Question - *Councillor Philippa Hill-John*

Can the Cabinet Member please confirm the purpose of the Llandaff conservation area appraisal review please?

Reply – *Councillor Wild*

Llandaff was last reviewed 12 years ago as part of a city-wide review programme of all 27 conservation areas in Cardiff.

The purpose of an appraisal review is to review the extent of the boundary and to provide a clear definition of the special interest of the conservation area and you will be pleased to hear as part of that there will be a public meeting.

Supplementary Question – *Councillor Philippa Hill-John*

Why are the recommendations within the 2006 conservation area appraisal review so readily ignored by this Council.

Reply – *Councillor Wild*

I'll pick that up with you outside. I don't necessarily agree that they are ignored and I am sure you will be pleased that Llandaff has been chosen as one of the areas that we are looking to really tighten up this within the new SPG's and the new guidance from CADW, it is such a beautiful and historic area I am sure you are pleased that we are taking this on to make we have got some safeguards in place in that area.

Question - *Councillor Berman*

Following the recent decision by Cardiff Bus to withdraw its number 56 service, residents in certain parts of Penylan have now lost access to a direct bus route to the city centre and this is having a major impact for some residents – such as those who are elderly, those with disabilities or mothers with young children – for whom alternative services may now be out of reach. At a recent meeting between ward councillors and Cardiff Bus, the company's representatives explained they were no longer able to continue this service without receiving a subsidy from the local authority.

Will you therefore commit to exploring with ward councillors what could be done to restore a direct bus service to the city centre to the affected parts of Penylan, including looking at the possibility of the council providing a subsidy for this socially-necessary service?

Reply – *Councillor Wild*

As you know this is a commercial decision made by Cardiff Bus. I do sympathise with those passengers who find it more difficult to find a direct route to town. It is worth noting that there are other direct services relatively nearby and a short walk, the numbers 1 & 2, 51 & 53. It is not exactly an outer area for people to get into town, there is a bus service support grant but at the moment that is very much fully spent and if I am completely frank there are other areas where there are more demands on the services where we are having to prioritise that grant.

Supplementary Question – *Councillor Berman*

In relation to what you said, the 1 and 2 don't go directly into town from that area, and they are further away from some of the houses than the 56 used to go to. Would you be prepared to meet with myself and Councillor Boyle and Councillor Asghar Ali just to explore if there is anything the Council might be able to do to assist?

Reply – *Councillor Wild*

Of course we do need to make sure that bus services in that area are providing good services for local people.

Supplementary Question – *Councillor Lay*

Does the Cabinet Member believe that if more residents actually used the service it might not have been withdrawn in the first place and as Councillors we should be leading by example and using more public transport throughout the City?

Reply – *Councillor Wild*

I agree, bus services are struggling across the whole of the UK, we all need to lead by example in terms of doing that and when the Green Paper come forward as we know buses are going to be very much at the centre of that they are a priority for this administration. We do know there are problems, we are honest about those and we should be leading by example and taking public transport.

Question - *Councillor Lister*

Will the Cabinet Member work with myself and stakeholders including residents, community groups and retailers in Cardiff Bay Retail Park to develop a strategy to improve Grangemoor Park so we can achieve Green Flag Status?

Reply – *Councillor Bradbury*

Arrangements are being made to meet and, as I have indicated previously, I am more than happy to work with local ward members and local communities to improve and protect our parks and green spaces.

The Grangetown Ward is one where there is considerable community effort and the Parks Service works with a range of partners, including Keep Wales Tidy, Innovate Trust and the Cardiff Rivers Group. Through working with others, I am optimistic about what we can achieve at Grangemoor Park.

Supplementary Question – *Councillor Molik*

Councillor Bradbury came and visited Roath Park Lake with us earlier in the week, and discussed our concerns that it maintains its Green Flag status.

Can I seek assurance that the correct investment will be put into our parks to maintain the Green Flag status?

Reply- *Councillor Bradbury*

The policy is to keep our parks that have Green flag status, to maintain that and also to look at extend the number of parks who are bidding and achieving Green Flags in Cardiff.

Question – *Councillor Wood*

Cardiff has seen a large number of planning applications for high density student accommodation in recent months. At the October Council meeting in reply to a written question, we were told the council would be bringing forward a draft Student Accommodation Supplementary Planning Guidance (SPG). Can we have an update on progress and a date when this SPG will be ready?

Reply- *Councillor Wild*

The draft SPG is in the process of being completed. Once this work is finished and documents translated, public consultation is anticipated to take place in the spring.

Supplementary Question – *Councillor Wood*

It is good to see that this is coming on. The SPG guidance is needed in this area given the number of applications. As you aware the SPG's cannot introduce new policy or change National Guidance, with that in mind, would you be willing to write to the Welsh Government to ask them to consider revising their policies to make it better for residents to oppose these often overbearing and unnecessary developments of this type of student accommodation?

Reply – *Councillor Wild*

It is important that we do take on the views of local people. I am hoping that the SPG will have that in it, but I will check with officers to see that that is the case and if

necessary if we need to improve it, I will ask then to write it in, but I want to see what is on that SPG first. It will go to public consultation so there will be a chance for people to feed in on that and you could put forward your views at that stage as well.

Supplementary Question – *Councillor Williams*

In relation to student accommodation, could you outline what plans the Council have to address the lack of parking provision that is brought and demanded as a result of the development of these student blocks. There is an obvious associated problem of on street parking that comes as a result of student accommodation, I would be interested in your views on how we are going to rectify that?

Reply – *Councillor Wild*

Parking is always a tough one to do either way, in terms of discouraging it but at the same time we don't want people to park on other roads. Our SPG's are pretty tight on that. I do intend to go back on our SPG's to try and make sure we strengthen those as much as possible.

We are trying to make less encouragement for people to own cars, and to park cars on the street, we need to do that.

Question - *Councillor Stubbs*

Can the Cabinet Member make a statement about improving drainage on rugby pitches on Tremorfa Park?

Reply – *Councillor Bradbury*

As the Cabinet Member with responsibility for sport, I am committed to improving playing surfaces and built facilities in the city.

Officers met recently with club representatives and we have committed to undertake a programme of verti-draining, once ground conditions permit.

I can also advise that officers are active in exploring external funding sources in partnership with governing bodies, local leagues and clubs, which would enable improvements to be made.

Supplementary Question – *Councillor Stubbs*

Often we solve the initial problem and that is that St Albans is being dealt with but the broader problem develops because of the building of houses and increased amount of concrete in the area which makes it more difficult for the pitch to drain.

I am asking for you to investigate a longer term solution and maybe get officers to meet with the clubs to listen to some of their ideas, perhaps they can come along and watch a game with myself and Councillor Henshaw who is now also a regular at Tremorfa Park?

Reply – *Councillor Bradbury*

I would be happy to meet with any clubs to discuss how we can improve their facilities and that includes St Albans.

Question - *Councillor Driscoll*

Following the cross party support of our recent composite motion on Air Quality, when can we expect the live AQM monitors to be installed in Llandaff and across the city?

Reply – *Councillor Michael*

Shared Regulatory Services have investigated the sourcing of indicative real time monitors and a number of these are due to be purchased shortly and will then be installed in areas across the city.

Officers are duly aware of the air quality issues in Llandaff due to the presence of an Air Quality Management Area, and the air quality monitoring network within that AQMA has recently been revised for 2018.

Officers will further assess the potential to implement real-time monitoring capabilities in the Llandaff AQMA, but this will be dependent on the availability of appropriate funding and there being suitable infrastructure to install these monitors in the area.

We will continue to improve our real-time monitoring and reporting capabilities as this will form a strategic measure within the new Clean Air Strategy for Cardiff.

Supplementary Question – *Councillor Driscoll*

We know the biggest contributor to air quality is diesel cars and I continue to ask the questions about electric vehicle charging points.

We have 2 large car parks in Llandaff, Danescourt as well, in fact when built, the High Street car park received a civic award. I thank you for the work you and Councillor Bradbury have done around the car park.

Will you continue this work and bring the High Street car park back to its former glory by clearing up and cutting back the area but also maybe installing some vehicle recharging points which I have been asking for to be on the list, in what is recognised as an area that suffers from poor air quality by passing traffic and traffic parked on Cardiff Road?

Reply – *Councillor Michael*

We are doing a lot of work at the moment on the alternative fuel strategy and electric charging, electric vehicles and taxis are one of the main parts of that. I won't go into too much detail on how far we have got, there is still quite a bit of work to do but I can assure you this City will not lack the willpower to take on pollution that we have experienced.

Supplementary Question – *Councillor Sandrey*

Given that the Welsh Government has today conceded in Court that their inaction on air pollution was unlawful, would you agree it is imperative that local authorities take a lead on this issue?

Reply – *Councillor Michael*

We are.

Question - *Councillor Naughton*

In light of the council's decision not to subsidise the Cardiff East Park and Ride on Sundays, is the Cabinet Member still committed to a shift from cars to public transport?

Reply – *Councillor Wild*

I do think it's a bit misleading to suggest this was a Council decision, we do subsidise the Cardiff East Park and Ride and are still continuing that subsidy. There are commercial realities and it's a simple fact that it is not in the interest of this organisation or Cardiff Bus for them to continue to subsidise a service that is not proving at all popular. That service on a Sunday was going as low as 50 or 60 people across the whole day, we are hoping things may change on that but in the meantime we are working closely with Cardiff Bus to try and make sure that other things are in place to improve their services.

Supplementary Question – *Councillor Naughton*

Would the Cabinet Member agree with me that the decision to remove park and ride to the city centre on a Sunday is a backwards step in trying to have less journeys by car which is the Council's aim and would you look in the future to reinstate the service.

Reply – *Councillor Wild*

I do agree, we would like every single person in Cardiff to have a bus service directly even if there are low numbers but as I have explained there are commercial realities, people working hard to make this work across both organisations and if things change, and we know there is likely to be a growth in terms of developments in that area, then we will look at that again and I am sure Cardiff Bus will as well.

Supplementary Question – *Councillor Rees*

Can you tell me how much consultation did you and officers have with Cardiff Bus over the closure of the Cardiff East Park and Ride, and did you consult with the major leisure providers in the City Centre, the WRU and also the Heath Hospital about the closure of the park and ride on a Sunday?

Reply – *Councillor Wild*

It was a decision by Cardiff Bus and I know that other people across this chamber on the board have been working hard to make sure we are doing as well as we can for that organisation. We are not party to those conversations, but we have regular dialogue with them. I don't know whether conversations took place with those providers and I agree with you, when there are big events on we need to make sure we are providing a service. I will check that for you and if they didn't take place, see what can be done, especially when there are big events and there is a real need for that park and ride on the weekend.

Question - *Councillor Owen Jones*

Can the Cabinet Member provide an update on the current situation regarding Network Rail and the Carillion run site on Splott Bridge?

Reply – *Councillor Wild*

An update on the position in relation to Carillion was provided in the earlier statement.

In terms of the company's work for Network Rail on the upgrade to Splott Road Bridge, I can confirm that there are critical dates to this contract in terms of rail possessions in February and, if they are missed, this will create significant issues for both the electrification works and the re-opening of the bridge to two-way traffic.

The Council has received assurances that Network Rail is working with employees of Carillion and their supply chain to ensure that any ongoing concerns are addressed.

Supplementary Question – *Councillor Owen Jones*

The residents and traders of Adamsdown and our neighbours in Splott have patiently put up with years of disruption, the works on Windsor, Beresford and now Splott Bridge have caused large diversions and drops in trade.

I am glad to hear that the current signs regarding Carillion are good but can you please guarantee that you and the Council will do everything in your power to work with Network rail to ensure that these works are completed as promised in the Summer so that residents and shopkeepers in the east of the city can finally see a return to some normality?

Reply – *Councillor Wild*

I agree, it's not been a great situation for residents of Splott, Adamsdown and other people that use that area. At this time Network rail's delivery team are committed to delivering a programme of works, its coverage and associated possessions next month is on the critical path for completion of larger elements of Cardiff's electrification project so we will stay tight with them on it and as I promised your ward colleague we will make sure we keep you fully abreast of these.

Question - *Councillor Driscoll*

Following the Additional Learner Needs Review and the proposed introduction of the new ALN (additional learner needs) statements to replace SEN (special educational needs) statements, will this see the re-introduction of the funded transport to college for disabled children that was phased out in 2016/2017 that discriminates against disabled children and their families?

Reply – *Councillor Thomas (In the absence of Councillor Merry)*

Initial legal advice is that the new Additional Learning Needs legislation in Wales does not include any further provision in relation to school transport.

However, I can confirm that officers are in the process of undertaking an Independent Review of the Passenger Transport requirements and part of the review will focus on:

1. The impact of the new Additional Learning Needs legislation;
2. The Band B School Organisation Programme proposals; and
3. The impact on the number of Additional Learning Needs pupils requiring transport due to population increases.

Any modification to our policy and practices will ultimately be underpinned by engagement and consultation as a requirement of the Equality Act 2010.

Supplementary Question – *Councillor Driscoll*

I recognise you are working on the ALN to try and rectify this but in the meantime these families are finding it difficult. I know I've raised this at Council previously but these children and parents feel like their voices are not being heard and I make no apology for speaking up for them again.

These children are embarking on the most important stage in their lives to college where they will learn some practical skills, a pathway into a job and eventually independent living. If these children were to drop out of college because of no support from this Council they would become another NEET. Is it accepted that the phased withdrawal of funding for assisted travel has let these down, when can you tell these children and their parents the flawed transport policy will be changed and they will receive the much needed funding.

This Council wants to be a Child Friendly City, how can we be this City while we are still letting these children down?

Reply – *Councillor Thomas*

I appreciate this is a very passionate issue and if I was a parent of a child in this situation I would be passionate as well. We want Cardiff to be a Child Friendly City and I also personally want everybody to be able to contribute to and benefit from the City's success.

As I said in my earlier answer, we will be looking at this situation, colleagues across the chamber will appreciate the financial strictures that the Council is experiencing and I wonder if there is a National solution that can be pursued through the Welsh Assembly that will then put the funding in place not just for this authority but for all authorities to make sure that these people get access to the education they need.

Question -*Councillor Sandrey*

Waste collections regularly fail to empty and return communal bins at blocks of flats across Llanedeyrn. Residents in Brynfedw, Coed Y Gores, Chapelwood and Pennsylvania would like to know when they can expect a better service?

Reply – *Councillor Michael*

I am aware of the issues experienced in your ward; the majority of which have related to contamination of the recycling and food waste presented by some residents. The waste collection teams will not collect contaminated bins as this risks the rest of the load.

Education and enforcement officers are working with residents to improve ownership and responsibility for their household waste. The irresponsible actions of a few are having a big impact of their neighbours, but we are committed to tackling these issues in order to improve the service for everyone.

Supplementary Question – *Councillor Sandrey*

Poorly carried out collections leave areas looking dirty and untidy.

Could these estates please be considered for deep cleans to rectify this mess?

Reply – *Councillor Michael*

I'm not sure what poorly collected waste is. If residents have contaminated waste then our teams will not collect them. If you can imagine a lorry load of recycling, you only want one bag of contaminated waste to ruin the whole load, so we aren't going to do that.

If you write to me and explain where in your ward you are having problems I will see if I can arrange for some cleaning to be done there for you.

Supplementary Question – *Councillor Lancaster*

Councillor Sandrey's question sheds light on an important issue that recycling rates in our large blocks of flats around the City is traditionally low and continues to prove a stumbling block in the efforts of Cardiff Council to improve its recycling rates.

Do you have any plans to improve the rates of recycling in our large blocks of flats?

Reply – *Councillor Michael*

In the next few months we will be bringing out a new waste strategy, and that will focus exactly on that, enforcement and education, because one of the things we have to do is increase our recycling rate to get to 64% then 70%. We are down to nearly 15/20,000 tonnes, we have to try to eek this out from everywhere possible, so we will be looking at waste from flats and working with housing to see if we can find a way to help increase that rate.

Question - *Councillor Singh*

What steps is the Cabinet Member taking to ensure that the benefits of the development taking place on the BBC building which is on the doorstep of areas such as Riverside and Grangetown will be shared with residents of these areas?

Reply – *Councillor Goodway*

By its very nature the development now under way at Central Square will drive economic activity and social improvements across the wider area. It's already starting to happen and can be seen in developments like the Tramshed in Grangetown.

But this Administration takes nothing for granted. The new Council leader has made clear that he wants the benefits derived by the delivery of our ambitious agenda to be felt across the county and we will learn from past mistakes.

My officials are currently exploring new funding opportunities to support investment in the area to the immediate west of Central Station to help improve accessibility and the commercial environment. As soon as we are in a position to do so we will consult with local members of the nature of those improvements as well as specific schemes. This aims to ensure that the benefits of the development are shared by surrounding communities.

In addition we are addressing a range of labour market initiatives as part of the Cardiff Commitment. The Councillor may be aware that, as part of that initiative we recently held an 'Open Your Eyes Week' event involving the 9 cluster primary schools to Fitzalan where over employers based in Central Square such as Blake Morgan and BBC Wales, presented career opportunities to the year 6 pupils. The event will repeated in June this year.

Supplementary Question – *Councillor Williams*

Would Councillor Goodway agree with me that in order for the growth and opportunities that stem from the City Centre, and for the whole of the City to benefit, those opportunities need to be shared throughout every ward in our City and the wider region?

Reply – *Councillor Goodway*

I reiterate it is the commitment of the Leader of the Council to make sure we design the delivery of the agenda so that people across the city feel the benefit of it.

Question - *Councillor Hudson*

Cardiff businesses in particular rely heavily on tourism. With the imminent abolishment of tolls on the Severn Bridges, a population close to 1million people living in Bristol and South Gloucestershire area can access south Wales easily. What measures are the council undertaking in the greater Bristol areas to promote and encourage these people to visit Cardiff in particular?

Reply – *Councillor Goodway*

I refer the Councillor to the answer I gave to the Leader of the Opposition when he asked a similar question during consideration of the Investment & Development statement.

Supplementary Question – *Councillor Hudson*

We see adverts to use Bristol Airport etc. I think this is a key opportunity for Cardiff Council to explore so that we can advertise our services as well, especially for Cardiff Airport. Can you take this forward please?

Reply – *Councillor Goodway*

We are ahead of the game, the previous Cardiff Business Council as you recall funded a massive advertising campaign in London around the theme of Cardiff the nearest Capital to London that was a hugely successful campaign. Unfortunately the Cardiff Business Council was wound up under the previous administration but we will be working with the business community in order to establish new arrangements including the new organisation that is now in place, in order to make sure that we exploit the opportunities that are derived from the change that is going to take place at the end of the year.

Question - *Councillor Molik*

Show Racism the Red Card Wales published a report late last year stating increase in the level of racism seen amongst primary school children in Wales, more recently home office statistics have shown 29% increase in hate crime and 35% increase in religious hate crime. Young Muslims in Wales say they have been frequently stared at in public, called "terrorists" at school and been told by strangers to take off headscarves. What are we doing to tackle racism, religious hate crime and Islamophobia in our schools?

Reply- *Councillor Thomas*

At present, the recording and reporting of hate crime incidents is not consistent in Cardiff schools.

This has been recognised as an area requiring improvement and, in order to address this issue, the Council convened a multi-agency group in October last year to improve the quality and consistency of schools' responses to hate related bullying

and discrimination. This group includes young people so that their views are considered fully.

The group is establishing a best-practice model, including a training package for school staff and guidance material that reflects the Welsh Government's revised guidance on anti-bullying.

The training will enable schools to have an appointed 'expert' staff member, equipped to offer advice, promote recording and monitor incidents within their school. This will enable schools to better identify bullying trends and bring in external specialist support where necessary.

Supplementary Question – *Councillor Molik*

A couple of months ago we celebrated the life of Betty Campbell in this Chamber - the very first black head teacher in Cardiff. My question is that we now have reports that due to racism within the education sector it is actually putting off non-white teachers from working within the sector in Wales and that is not only causing inequality within our workforce in education but also it lacks the role models that our young people need in schools. Is there intention of addressing this diversity issue that's occurring in our teaching workforce?

Reply – *Councillor Thomas*

You are absolutely correct to highlight that as a potential issue in terms of lack of role models and in terms of negative experiences putting people off.

One of the things I recognise as having made a difference in recent years is the Welsh Government's Minority Ethnic Achievement Grant which has specifically targeted schools with high levels of children from minority ethnic backgrounds with additional money so they are able to employ more teaching staff to provide those children with the best education possible.

You will be aware with the Assembly Member for Cardiff Central Jenny Rathbone having raised this in plenary last week that there is a concern that changes being made that grant will be significantly reduced in Cardiff and I would urge members of your group that if you are able to bring influence to bear Welsh Government Ministers and the Education Cabinet Secretary in particular to make sure that grant is continued in full then now is the time to do so as that will have a knock on impact on what you and I are seeking to achieve in terms of better representation of minority ethnic staff members in our schools.

Question - *Councillor Jacobsen*

Will the Cabinet Member arrange a meeting with the leaseholders of the old Morrison's Store in Pentwyn and myself to discuss the use of the building for the benefit of residents in Pentwyn?

Reply – *Councillor Goodway*

I would be very happy to facilitate such a meeting with the leaseholder.

Supplementary Question – *Councillor Jacobson*

I have the names of the leaseholders and financial consultants of this building, can the Council move forward quickly for the residents of my ward on this please?

Reply – *Councillor Goodway*

I shall take every step to make sure we deal with the matter expeditiously.

Supplementary Question – *Councillor Sandrey*

I've been trying to work on this issue for months and failing to make contact with the leaseholders so if there is a meeting, can my ward colleagues and I also be invited?

Reply – *Councillor Goodway*

I'll make sure that happens

Question -*Councillor Hudson*

In view of the increase in fly tipping, how many times has Wedal Road HWRC been closed to residents in the last 6 months, and was it closed in an effort to downgrade the site?

Reply – *Councillor Michael*

As I confirmed in my earlier statement, fly tipping in the city is actually going down and has been since 2011.

In the last quarter, we also achieved 100% clearance of reported fly tipping incidents in less than 5 days.

Your personal opinion of fly tipping in Cardiff is therefore unfounded and wrong.

Of the 182 operational days in the last six months, the Wedal Road site has had to close fully or partially on 7 occasions. This is due to one of two reasons – operational issues, such as a breakdown in the vehicles that service the skips, or due to traffic congestion leading into the site which causes obstructions on the main road.

As an old site, Wedal Road will experience temporary closure issues so I would encourage residents to go to Lamby Way or Bessemer Close as these sites do not experience similar service disruption. The facilities at Bessemer Close and Lamby Way provide more recycling options, have covered disposal areas and have more space for vehicles so don't experience these issues.

Supplementary Question – *Councillor Hudson*

I was concerned about Wedal Road closing because a few residents have contacted me, will the Cabinet Member confirm or deny that Wedal Road will close on 3rd March

and that no new site for recycling in Cardiff North has been identified let alone will open before the closure.

Reply – *Councillor Michael*

Every time I'm asked this question I always give the same answer, which is when I have something to say on this subject I will say it and I continue to say the same thing.

Supplementary Question – *Councillor Cunnah*

My view is it's up to people to have to dispose of waste to check the opening times and it is completely wrong to dump your waste in someone else's road and which we shouldn't condone that.

I would just like to ask the Cabinet Member that I noticed in his statement before that 100% of fly tipping incidents have been dealt with within 5 days, in Canton when people have been irresponsible and I have reported it, it's usually been the same day, often the next day and I think the officers have done an excellent job responding to fly tipping and would he join me in thanking those officers.

Reply – *Councillor Michael*

We often get into political rows about what we see as fly tipping and it's always someone else's fault. It's not the fault of the people in this room, it's not the fault of the Council, it's the fault of those who actually do it and as I said earlier, we don't dump waste but what we can do is actually pick it up and get it off the streets as quickly as possible. So I share Councillor Cunnah's view, the officers have done a fantastic job, let's hope they can keep it up for the next 3 months.

Question - *Councillor Henshaw*

Could the Cabinet Member outline to us what provision is being made to ensure that people who are deaf have efficient and sufficient access to the advice sessions at the City Centre Hub?

Reply – *Councillor Thorne*

A number of officers based at the Central Library Hub have recently passed Level 1 in British Sign Language and more officers will be attending training from April in order to gain this qualification. In addition to this, all staff based in the Advice Hub will have received basic sign language training by April this year.

Officers can arrange for a translator to attend an appointment with the customer; however, it is accepted that this can be an inconvenience as the customer will need to return to the Hub at a later date.

As a result, the Hub service is in the process of introducing Signvideo, which is an instant BSL interpretation service for face-to-face enquiries.

This will allow the Hub Officer and the deaf customer to converse normally using a video-based interpreter to relay the conversation. This service is due to go live shortly and we hope this will significantly improve the service to our hearing impaired customers.

Hearing loops are also available in all Hubs for hearing impaired customers who use hearing aids. These loops help to reduce external environmental noises making it easier to converse with officers on a one to one basis.

Supplementary Question – *Councillor Henshaw*

Thank you for reaffirming our commitment to equality and thank you for reassuring us that as a Council we are providing equality of access to services for our residents who are deaf.

Question - *Councillor Robson*

Dog mess is a major problem in our Parks and Open Spaces. Will you commit to increase the level of enforcement to ensure that dog owners pick up after their dogs?

Reply – *Councillor Michael*

The Council has 7 officers in the Parks Rangers team and 27 officers in Neighbourhood Services Enforcement team that can issue fines for dog fouling, along with undertaking a range of other duties. However, it is extremely difficult to witness offences due to the size of our public open spaces and parks.

I am supportive of the proposed implementation of Public Space Protection Orders relating to dog control. These would look to exclude dogs in all enclosed playgrounds, marked sports pitches and schools that are owned and/or maintained by the Council.

Public Space Protection Orders will help to send a clear message to dog owners and assist enforcement action to help control dogs in these key areas.

Supplementary Question – *Councillor Robson*

The development of these new orders sounds very positive, in terms of tackling the problem particularly in our sports pitches which is one of the areas where this particular question originated from. Many sports pitches do suffer from this problem, and it's dangerous for those who are playing sport on those fields and obviously it's very inconsiderate of the dog owners, so can you keep me updated please as this develops.

Rhondda Cynon Taf has I believe, these in place now and it's made a big difference so hopefully we can emanate it.

Reply – *Councillor Michael*

I am aware of the damage this causes, a friend of mine actually lost his leg playing rugby on a pitch where we had this problem so I am well aware of the damage this does.

We are discussing this, we are going to go through consultation and I will let you know exactly how this is progressing.

Supplementary Question – *Councillor Howells*

I don't know if you saw at the weekend the picture that was tweeted by Clwb Cymru highlighting the amount of dog mess that they have had to remove, if you haven't I can send it to you. It's not very pretty so I share the concerns of Councillor Robson and ask that you seriously consider the approach that RCT is undertaking which is to ban dogs from marked sports pitches and play areas.

Reply – *Councillor Michael*

I did see the picture, I've been to plenty of sporting events throughout my life and shifted a lot of it in my early days running football and rugby teams, so I'm well aware of the mess, we will be going down that route so we will be doing it.

119 : URGENT BUSINESS

There was no urgent business

120 : LOCAL AUTHORITY GOVERNOR APPOINTMENTS

The Council was requested to approve the recommendations of the Local Authority Governor Panel 15 January 2018.

RESOLVED – That

1. the following appointments be approved to existing vacancies: -

School	Ward	Start of Vacancy	Appointment Approved
Bryn Deri Primary School	Radyr & Morganstown	03/10/2017	Neil Desmond
Marlborough Primary School	Penylan	23/06/2017	Trevor Saadi
Peter Lea Primary School	Fairwater	09/12/2017	Philip Bond
Radyr Primary School –	Radyr & Morganstown	07/08/2017	Charlotte Robins
Ysgol Glan Morfa	Splott	19/12/2017	Owain Gwyndaf Jones
Ysgol Pencae	Llandaff	01/09/2016	Blodwen Lewis

2. the following appointments be approved to future Local Authority vacancies

School	Ward	Start of Vacancy	Appointment Approved
Adamsdown Primary School	Adamsdown	25/03/2018	Cllr Nigel Howells
Bryn Celyn Primary School	Pentwyn	27/03/2018	Marion Ludgate
Bryn Deri Primary School	Radyr & Morganstown	27/03/2018	Matthew Jones
Greenway Primary School	Rumney	21/02/2018	Caroline Derbyshire
Radnor Primary School	Canton	27/03/2018	Cllr Elsmore
St Peter's RC Primary School	Plasnewydd	21/02/2018	Cllr Mary McGarry
St Teilo's CW High School	Pentwyn	27/03/2018	Phillip Smith
The Court	Llanishen	27/03/2018	Garry Hunt

121 : COMMITTEE MEMBERSHIP

The Council was requested to approve changes to Committee Membership.

RESOLVED – That the following appointments to Committee vacancies be approved in accordance with Party Group wishes:

Committee	Nomination
Constitution Committee	Councillor Lister
Democratic Services Committee	Councillor Lister
Local Authority Governor Panel	Councillor Congreve
Policy Review & Performance Scrutiny Committee	Councillor Owen Jones
Glamorgan Archives Joint Committee	Councillor Keith Jones

122 : OUTSIDE BODIES APPOINTMENTS

The Council was requested to approve the appointment of Council representatives to Outside Bodies vacancies under the Local Choice Functions.

RESOLVED - That

1. Councillor Lister is appointed to the South Wales Merchant Navy Board.
2. The vacancy on the Cardiff and Vale Community Council be filled at a future meeting

123 : URGENT DECISION: INSTRUMENT OF GOVERNMENT - THE WELSH LEARNING CAMPUS

This report was received by Full Council for information only and was in relation to an urgent decision taken by the Director of Education in relation to the making of an Instrument of Government under The Federation of Maintained Schools (Wales) Regulations 2014 for the Western Learning Campus.

124 : WRITTEN QUESTIONS

WRITTEN QUESTION TO THE CABINET MEMBER CLEAN STREETS,
RECYCLING AND ENVIRONMENT

Written Question from Councillor Sandrey

It has been suggested that public drinking water fountains could be a way of reducing the use of plastic-bottled water. Has Cardiff Council looked into this possibility at all? Hull and Bristol have recently installed some.

Reply from Councillor Michael

This is something that we are looking into, particularly in relation to how we can encourage the refilling and reuse of plastic water bottles or other drinks containers in order to reduce the amount of plastic waste produced here in Cardiff. However, we currently have no plans to support the widespread provision of public drinking water fountains across the city.

Written Question from Councillor Sandrey

A man called Brian Harper is the inventor of the UK's first dog-poo powered street lamp. He was featured in the Guardian on January 1st and says he is looking to interest managers of urban parks in the technology. Is this something Cardiff Council could express an interest in trialling?

Reply from Councillor Michael

No.

Written Question from Councillor Boyle

Are you satisfied with the rigour and findings of the ecology reports produced as part of NRW's planning application for the Roath Flood Scheme?

Reply from Councillor Michael

The ecology reports were considered by officers to be thorough and adequate to enable an informed determination of the application by Planning Committee back in April 2016 when I was the Chair.

Written Question from Councillor Berman

Is the council satisfied that that the works being undertaken by Natural Resources Wales (NRW) as part of the Roath Brook Flood Scheme are proportionate to the identified level of flood risk to properties in the area, that NRW has suitably assessed all the available options for mitigating against the identified flood risk and that NRW has appropriately determined the best approach, including when taking account of the impact on the local environment?

Reply from Councillor Michael

The planning application for the flood scheme was approved by the Council's Planning Committee in April 2016 and the scheme was subject to relevant technical scrutiny and assessment by council officers at the time. Natural Resources Wales (NRW) is the competent regulatory body responsible for the management of flood risk from main rivers in Wales. The Council considers that NRW has suitably assessed the available options to minimise the impact on the local environment from a flood risk perspective.

WRITTEN QUESTION TO THE CABINET MEMBER CULTURE AND LEISURE

Written Question from Councillor Carter

How much money was raised as a result of the sale of the Dome Education centre in Pentwyn and how much was subsequently invested at Pentwyn Leisure Centre?

Reply from Councillor Bradbury

The disposal of the former Dome Community Centre site in 2015 realised a capital receipt of £460,000, which was ring-fenced for investment in improving local facilities in Pentwyn, including the leisure centre. £161,000 was spent on accessibility and internal works at the leisure centre, which included the installation of automatic doors, fire risk assessment modifications, conversion of a changing room into a community room and the conversion of a store room into a first aid room. In addition, £123,000 was spent on tile replacement in the swimming pool.

Written Question from Councillor Berman

At the last full council meeting, I asked if you would look again at the trees in Roath Brook Gardens and Roath Mill Gardens which Cardiff Council has asked Natural Resources Wales (NRW) to fell at the same time as implementing the next phase of the Roath Brook Flood Scheme, even though these trees are not required to be felled to facilitate the flood scheme works. I understand there are three trees in this category (with another five such trees having been felled in the earlier phase of the scheme). Can you update Members as to what reconsideration, if any, has taken place and what the outcome was?

Reply from Councillor Bradbury

I discussed this matter with officers following the Council meeting in November and they reviewed the position regarding the three trees in question. They have concluded that the original decision to fell them on safety grounds due to their poor condition is appropriate and, on this basis, should proceed. The situation is that, if these specific trees are not felled as part of the flood risk management scheme works, then the Council will need to follow on within a relatively short timeframe and undertake the work itself.

WRITTEN QUESTION TO THE CABINET MEMBER EDUCATION, EMPLOYMENT AND SKILLS

Written Question from Councillor De'Ath

A number of primary schools in the city have participated in the Operation Christmas Child (OCC) initiative run by US-based group Samaritans Purse, whereby gifts are collected in shoeboxes to be sent to children in hardship overseas. After being collected by the group, each donated shoebox has religious literature added, alongside the gifts, which aims to convert the recipient to evangelical Christianity. This act has attracted criticism for attempting to convert potentially vulnerable young people to a different faith – with the OCC website containing a supposed case study of an African child who “led her Muslim family to Christ” after receiving a OCC shoebox.

What guidance has been issued to schools around participating in OCC and will the Council seek to ensure that all parents and carers at schools that do participate are made fully aware of what OCC entails?

Reply from Councillor Merry

I am aware of the concerns which have been expressed in relation to Operation Christmas Child and I can confirm that this issue is due to be discussed next month at a meeting of Cardiff's Standing Advisory Council for Religious Education (SACRE).

Written Question from Councillor Berman

What timeframe do you currently envisage for taking forward the recently announced and very welcome proposals for an expansion of Cardiff High School and, given that this expansion will take some time to be delivered, will you consider making any temporary provision in the interim to increase capacity so more pupils who live within the school's catchment area can secure a place at the school in the intervening period?

Reply from Councillor Merry

As was set out in the report on the Council's 21st Century Schools Band B priorities, which was considered by the Cabinet on 14th December 2017, our Band B submission seeks to address the most acute sufficiency and condition issues in Cardiff. Any project to increase the size of a school establishment, change its configuration or location will require statutory consultation and Cabinet determination. The statutory consultation will set out the detailed proposals and proposed location for each scheme in line with the School Organisation Code 2013. It is anticipated that any statutory consultation on the matters contained within the report on Band B would commence in batches from Spring 2018, pending confirmation of the Council's budget position, as this will inform the match funding associated with the programme for the forthcoming year.

Similarly, it should be noted that because of the scale and number of proposed projects in the Band B investment programme, the delivery of the schemes will also be undertaken in batches over the timespan of the programme commencing in 2019.

As a result of the phasing, it may be necessary to put interim measures in place where sufficiency issues present and there are no local alternatives available.

It is recognised that Cardiff High School may be parents' first preference for their child(ren)'s secondary education. However, there continues to be sufficient English-medium secondary education places available in the locality, including in neighbouring catchments areas, that are able to provide for demand and the Local Authority continues to be able to offer places.

WRITTEN QUESTION TO THE CABINET MEMBER FINANCE, MODERNISATION AND PERFORMANCE

Written Question from Councillor Berman

Given that the council's most recent budget monitoring report shows that directorate budgets are projected to be overspent by £4.956 million by the end of the current financial year; that a shortfall of £1.954 million is projected in meeting savings agreed within the budget for 2017-18; that the Policy Review & Performance Scrutiny Committee has expressed concern about unrealistic savings proposals; and that a balanced position is only likely to be obtained by drawing down the entirety of the £3 million general contingency budget coupled with management actions to control expenditure in the current year and the identification of in-year targeted savings, do you accept that the council's administration is failing to ensure the provision of effective financial rigour and that the council's financial management appears as a result to be in chaos with a not insignificant level of unplanned savings now having to be made?

Reply from Councillor Weaver

The key point is that the Budget Monitoring – Month 6 Report, which was considered by the Cabinet in November 2017, showed that, at an overall level, the Council is projecting a balanced position against budget.

Yes, there are pressures within directorate budgets and, yes, there are potential shortfalls against budget savings; however, these have been effectively managed through a combination of prudent budget setting and the in-year management of resources.

With regard to the directorate positions, the major element of this relates to demographic pressures in relation to Looked After Children and children with Additional Learning Needs; pressures that are common to many local authorities across the UK.

Given the quantum of the budget savings that this Council has had to achieve in recent years and the increasingly challenging nature of the savings proposals themselves, it is unsurprising that some degree of risk to the achievement of in-year savings will exist. These risks are clearly set out the Council's Budget Report.

It is also worth noting that, in the majority of cases, the projected shortfalls are simply due to timing issues, rather than any failure to achieve the savings as a whole. These

factors were recognised in the Council's 2017/18 Budget with the £3million General Contingency being set aside to reflect potential risks in this area.

I agree that fiscal management and discipline is important, and Cabinet colleagues share that view. The consequences of decisions committing the Council to a policy or project can be significant. For example, the business case for subsidising the Dr Who exhibition that was signed off in July 2011 assumed that the scheme would be cost neutral, but has actually left the Council with a liability of £1.147 million, creating an additional challenge to setting a balanced budget. All decision makers ought to be conscious of the impact that such decisions can have.

I would submit that, rather than the position being as you set out in your question, the financial management of this Council continues to be very effective, both in terms of managing the in-year position and in identifying and managing financial risks in the medium term.

Written Question from Councillor Berman

As referred to in paragraph 4 of the month 6 budget monitoring report to the November Cabinet meeting, can you please provide full details of all the management actions taken across directorates to control expenditure in the current financial year and a full breakdown of the in-year targeted savings which have been identified by directorates?

Reply from Councillor Weaver

The management actions undertaken during the year included a review of all key areas of spend by directorates. This included any non-essential purchase of goods and services, a review of agency engagements, overtime working and the timing and need to fill posts as they became vacant. Directorates have also reviewed income sources in order to seek new opportunities to maximise income in the current year. In addition, directorates also identified targeted in-year savings, which were reflected as part of their Month 6 projections in the Budget Monitoring – Month 6 Report that was considered by the Cabinet in November 2017. This included a variety of different measures, including holding vacancies, the identification of additional income, use of reserves, maximisation of grant funding and targeted reductions to external spend.

WRITTEN QUESTION TO THE CABINET MEMBER HOUSING AND COMMUNITIES

Written Question from Councillor Carter

What steps are taken to keep drugs out of night shelters and other accommodation for rough sleepers?

Reply from Councillor Thorne

With regards to the management of premises, all homeless accommodation providers fully comply with the Misuse of Drugs Act 1971. This means they will not knowingly permit or suffer the production or attempted production of any controlled

substance, the supply or attempted supply of any controlled substance or the smoking of cannabis, cannabis resin or prepared opium.

As part of this, each organisation works closely with the Police and will share all relevant intelligence. A resident in breach of these conditions would also be in contravention of their occupancy agreement and would face disciplinary action, up to and including eviction. These issues would never be ignored and all evidence and suspicion will be followed up.

In relation to personal use of controlled substances, each scheme will have its own drug policy. These were developed following direct consultation with South Wales Police.

All recent counts have found that approximately 70% of people sleeping rough have very significant substance misuse issues. As such, frontline services must work with active users to try to assist them to address this support need and policies must reflect this to avoid multiple exclusion and increased vulnerability. This would relate only to the accommodation occupied exclusively by a service user. Clearly, drug use in shared sleeping space and other communal areas would never be tolerated in any scheme.

Treatment, rehabilitation and other second stage schemes working with people who are actively engaging with support to address their drug use will apply stricter conditions on personal use. This ranges from close monitoring to voluntary drug testing and is necessary to ensure that any relapse suffered by an individual does not impact on the recovery of other service users. The Council's Gateway model ensures that we can work towards placing people according to their need and preference.

WRITTEN QUESTION TO THE LEADER

Written Question from Councillor Boyle

Has UEFA told us why our late bid to be a host city for the 2020 European Championships was unsuccessful?

Reply from Councillor Huw Thomas

I met with the Chief Executive of the Football Association of Wales (FAW) following the decision that was announced by UEFA on 7 December 2017 and I know that we received only positive feedback that Cardiff's bid was solid and strong.

The decision making process by UEFA's Executive Committee was based on the votes of committee members and, unfortunately, we lost out to London's Wembley Stadium, which was already due to host matches as part of EURO 2020.

The Council will continue to work in partnership with the FAW, Welsh Government, South Wales Police and other organisations to bring major football events to Cardiff in the future.

Written Question from Councillor Wood

Revised security measures during the autumn rugby internationals saw extensive queues form on pavements and open spaces outside the stadium. Some fans expressed concerns these crowded, and often confined queues put them at increased risk. With the upcoming Six Nation internationals these queues may reoccur, have revised risk assessments been undertaken?

Can any reassurance be provided to rugby fans, regarding their safety, whilst queuing to enter the stadium before passing the security check points?

Reply from Councillor Huw Thomas

The safety and security of the visiting public and, likewise, the staff at each of the stadium venues in Cardiff is the responsibility and first priority of each venue's safety management team; similarly, the Council led Sports Grounds Safety Advisory Group works with each venue to deliver this goal.

Members of the public also have a responsibility to themselves and others and in this respect, and they are advised to follow the advice and guidance provided for their own benefit when attending such events. In recent months, part of this advice has been – and will continue to be for the foreseeable future – that people arriving at the venue allow additional time to negotiate the necessary safety and security checks and that they should avoid carrying bags or other items that are not essential.

The Autumn Series of rugby internationals at Principality Stadium were the first rugby matches where these additional safety and security measures had been implemented. Following the problems that were experienced at the first match of the Autumn Series on 11 November 2017, which attracted a crowd of over 70,000 people, the Chief Executive and I, in our capacity as directors of Millennium Stadium plc, raised matters directly with Welsh Rugby Union officials in order to ensure that improvements were made in accordance with safety and security requirements. Throughout the Autumn Series, operational plans were re-evaluated and refined to minimise queuing and, wherever possible, to minimise the perceived risk to the queuing public. This same approach will be applied to future events, including the upcoming Six Nations matches.

Although it is not possible to provide blanket guarantees with respect to public safety, I can assure you that there is a detailed risk assessment process in place for each event. This process involves stadium managers, South Wales Police, the intelligence services, other emergency services and the Council, who together determine the appropriate measures required to provide reassurance and safeguard the public.

WRITTEN QUESTION TO THE CABINET MEMBER STRATEGIC PLANNING AND TRANSPORT

Written Question from Councillor Carter

Who agreed the installation of anti-terrorism barriers on the new Cardiff Bay cycle path?

Reply from Councillor Wild

The installation was agreed by Cardiff Harbour Authority following advice from the Welsh Extremism and Counter Terrorism Unit.

Written Question from Councillor Carter

When the original Cardiff East park and ride was established, Cardiff Bus (and previously First) won the tender to operate for the service for the council on a commissioned basis. Under the current contract, could you explain who is responsible for changing services and prices in the current Cardiff East Park and Ride contract?

Reply from Councillor Wild

Cardiff Bus operates the bus services and manages the site. Revenue generated is retained by Cardiff Bus. The current contract allows Cardiff Bus to change the operation and tariffs charged, subject to agreement to the changes by the Council.

**CYNGOR CAERDYDD
CARDIFF COUNCIL**



COUNCIL:

22 FEBRUARY 2018

CABINET PROPOSAL

BUDGET PROPOSALS 2018 - 2019

Appendix 11(d) is exempt from publication because it contains information of the kind described in paragraphs 14 and 21 of parts 4 and 5 of Schedule 12A to the Local Government Act 1972

Reason for this Report

To enable the Cabinet to:

1. Submit to Council their proposal for the estimates of expenditure and income in order to set the Council Tax in accordance with the Local Government Finance Act 1992, having considered and reflected on the responses to all aspects of the consultation.
2. Recommend to Council the strategy and plan for the control of the Authority's borrowing and investments for the year 2018/19 (the Annual Treasury Management Strategy).
3. Recognise the financial challenges facing the Council, as set out in the Medium Term Financial Plan, and note the opportunities for savings.
4. Recognise the work undertaken to raise awareness of, and ensure the financial resilience of the Council.
5. Recommend to Council the Prudential Code, capital expenditure and treasury indicators for 2018/19 – 2020/21 and the Council's Minimum Revenue Provision Policy for 2018/19.
6. Set the rent levels for Housing Revenue Account properties, service charges and management fees for leaseholders for 2018/19.
7. Agree the rates of fees and charges for Council services for 2018/19.

Structure of the Report

8. The Council's Budget Report needs to provide sufficient assurance that a balanced budget and affordable Capital Programme have been set and that robust consideration has been given to the Council's financial standing. It also needs to set out the Council's financial strategy over the medium term.

9. The following table summarises the location of key sections of the report. The implications to the report, and in particular, the statement made by the Section 151 (S151) Officer contained within those implications should be noted.

Section	From Para No
Background - financial and strategic context	10
Capital Ambition	20
Consultation & Engagement - with public, scrutiny committees and others	33
Revenue Budget - analysis of resources required and resources available	39
Financial Standing - risks, financial resilience and reserves	51
Service Implications of Budget - directorate analyses	76
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Background

10. Cabinet received the 2018/19 Budget Strategy Report in July 2017. The report identified the anticipated budget reduction requirement for the period 2018/19 to 2020/21 and set a framework for addressing the identified gap. Since July, the budget reduction requirement has been updated to take account of the most recent information and further work has been undertaken in relation to savings proposals, including consultation. Further information on these updates is included in later sections of this report.

11. The savings requirement for 2018/19 of £14.3 million builds on £145 million savings achieved over the past five years. Continued delivery of significant levels of savings over a sustained timeframe becomes increasingly difficult. In recognition of this, work has been ongoing throughout the current financial year to progressively challenge the 2018/19 budget proposals put forward by directorates in order to ensure that all savings:-
 - included within directorate proposals are owned by the relevant director
 - have been properly evaluated for residual and achievability risk
 - have been subject to a robust equality impact assessment where relevant
 - include wherever possible, the full-time equivalent employee implications of the saving proposal
 - identify both cross directorate opportunities and risks that have been discussed by relevant senior officers and Cabinet Members
 - demonstrate transparency to ensure clarity at scrutiny committees and with other stakeholders
12. The 2018/19 Budget Strategy Report also set the approach for development of the Council's Capital Programme, as this is an integral part of the overall budget. The level of general capital support provided by Welsh Government (WG) as part of the annual settlement is insufficient to meet current annual sum commitments. This means that the Council has an underlying need to borrow each year, even before any new schemes or additional amounts are approved. Whilst additional borrowing can resolve an issue in the short term, it must also be affordable when considered over a longer timeframe and in the context of competing demands on the revenue budget.
13. Against this backdrop, the Budget Strategy set an initial framework for developing the investment priorities in the Capital Programme between 2018/19 – 2022/23. This stated that new funding bids for this iteration of the five-year Capital Programme should relate to the renewal of existing assets, be risk assessed, evidence based and have considered all alternative funding solutions that could achieve the same outcome. The strategy also stipulated that any new capital expenditure pressures that do not relate to existing assets must be considered in the context of external funding or robust invest to save business cases. Since approval of the Budget Strategy, work has been ongoing to set a level of investment in existing assets over the life of the current five-year programme that is realistic and affordable. This approach is explained in more detail later in the report.
14. Challenging financial circumstances place even greater emphasis on the need to be clear about priorities. The Council's priorities and vision for the city are set out in its Corporate Plan, and in Capital Ambition, the five-year plan for the city. As the Council's key strategic financial document, the Budget must align with these plans as far as possible.

15. Cabinet and Council will consider the 2018/19 Corporate Plan in March 2018. The key priorities identified in the Corporate Plan, along with the way in which these are reflected at a high level within the 2018/19 Budget, are summarised below:

Corporate Plan Priority	Key Features of 2018/19 Budget
Better Education and Skills for All	<ul style="list-style-type: none"> • Continued investment in schools • Funding for the Cardiff Commitment
Supporting Vulnerable People	<ul style="list-style-type: none"> • Net investment in Social Services • Savings with an emphasis on early intervention or prevention • Additional support to tackle homelessness
An economy that benefits all our citizens	<ul style="list-style-type: none"> • Investment in transport and infrastructure • Support for the Cardiff Capital Region City Deal (CCRCD)
Working together to transform services	<ul style="list-style-type: none"> • Savings that strive to focus on how the Council can work differently by generating income, reviewing processes, continuing collaboration and focussing on prevention or early intervention to avoid cuts to front line services wherever possible • Two stage consultation process

16. The Wellbeing of Future Generations (Wales) Act 2015 requires public bodies to put long-term sustainability at the forefront of their thinking and to work together through Public Service Boards (PSBs) to improve the wellbeing of each local authority area. To do this, they must contribute towards seven national Well-being Goals and adopt five ways of working that are aimed to ensure the needs of the present generation can be met without compromising future generations' ability to meet their own needs. Cardiff's draft Wellbeing Plan sets out seven well-being objectives for Cardiff as identified by the PSB. They reflect the wider Wales Goals as well as taking account of Cardiff's Well-being Assessment.
17. In times of budgetary pressure, it can be challenging to maintain a focus on the long term. However, in setting the budget, every effort is made to keep in mind that decisions taken now can have an impact well beyond the life of the Medium Term Financial Plan (MTFP.) In recognition of this,

a number of key technical features of the budget process are designed to weigh up how budget decisions taken now may affect future generations and the Council's long-term financial position. These features are summarised below and are set out in further detail in Appendix 1, which also identifies other ways in which the Council's financial planning reflects the five ways of working.

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

18. The above features are aimed at ensuring the Council's finances are as healthy as they can be for future generations. In addition, in setting the budget, although resources are limited, they have been targeted in a way that reflects the Council's priorities, including the seven wellbeing objectives included in the draft Well-being Plan. This is more evident within the capital programme, which by its nature, invests in assets and infrastructure that will benefit the city in the longer term. Appendix 1 sets out the ways in which the 2018/19 Budget invests in the future of the city.
19. More generally, despite the extremely challenging financial situation the Council has aimed as far as possible, to preserve key frontline services for future generations, albeit in some instances the method of delivery may be different. The Council has sought to collaborate with others, with ongoing examples including the Shared Regulatory Service (SRS) and the leisure arrangements with Greenwich Leisure Limited (GLL). Whilst significant levels of savings have been inevitable over recent years, the Council has tried to protect front line services for as long as possible, instead focussing on maximising income streams, implementing preventative measures, reviewing internal processes and securing value from external contracts wherever possible.

Capital Ambition

20. Cabinet approved Capital Ambition as a statement of the Administration's priorities and principles for change that will be required in response to the pressures affecting local public services. It sets out four priorities, each of which contain a series of 'commitments for Cardiff' covering a wide-range of Council services:
- **Working for Cardiff:** Making sure that all our citizens can contribute to, and benefit from the city's success
 - **Working for Wales:** A successful Wales needs a successful capital city
 - **Working for the Future:** Managing the city's growth in a sustainable way
 - **Working for Public Services:** Making sure our public services are delivered efficiently, effectively and sustainably in the face of rising demand and reducing budgets.
21. Capital Ambition also set out a series of principles that will underpin the development of the Council in coming years:
- **Getting the Basics Right:** Maintaining a relentless focus on the performance of key statutory services.
 - **Digital First:** Making the best use of new technologies to deliver our services, and providing digital access indistinguishable from that available to citizens in every other aspect of their lives.
 - **Putting Communities Front and Centre:** Aligning community services, making sure that developments and investments in local communities are well-planned and maximise the impact of public investment through a new approach to 'locality working', building on the success of the Community Hub programme.
 - **Joining-up of Frontline Services:** Staff from across the Council, and across public services, will work increasingly across departmental and organisational silos, with a focus on delivering the best for citizens, communities and the city.
 - **Purposeful Partnerships:** We will build strong partnerships, at the local, city, regional and national level to deliver for Cardiff.
 - **A New Deal with Citizens:** Keeping our streets clean, hitting our sustainable transport targets and looking after our most vulnerable people cannot be achieved by the Council alone. We need a new deal with citizens through which we can work together to tackle problems and realise our shared ambitions for Cardiff.
22. To ensure that the Council's resources support the delivery of the Administration's new priorities, the development of a new Corporate Plan is being undertaken in tandem with the development and setting of the

Council's budget for 2018/19. The Corporate Plan will be supported by Directorate Delivery Plans, which will set out in greater detail how objectives will be delivered, as well as how directorate business will be taken forward. These key business planning documents will be supported by a significantly strengthened Performance Management Framework.

23. Delivering Capital Ambition will require coordinated action by the Council and its partners. The Cardiff Public Services Board (PSB), chaired by the Leader of the Council, brings together the city's public and third sector leaders, and builds on the long-established platform of partnership working in the city.
24. Delivering this extensive programme will require a significant refocusing of the Council's change management capacity. In particular, a small number of key priorities will require a mobilisation of corporate leadership and resources including dedicated project teams with corresponding governance and performance management arrangements. To facilitate this a four-year Capital Ambition Delivery Programme has been established with a focus on areas where fundamental change is required.
25. The establishment of the Capital Ambition Delivery Programme replaces the Council's existing Organisational Development Programme (ODP), established in 2014 as a three-year programme to support organisational change and to deal with a series of systemic issues including improving corporate governance and performance in key statutory services. An independent review of the ODP, undertaken in May 2017, concluded that it had effectively served its purpose and the overall arrangements in place should allow the Council to respond and adapt to the changing operational environment. This has been confirmed by the Wales Audit Office's review of progress of the ODP.
26. The independent review also recommended that any 'reset' ODP should focus on a small number of transformational programmes and projects aligned clearly with the Council's Corporate Plan and Budget, and that any programmes and projects considered as service changes should be built into service improvement via existing service planning and performance management arrangements. This concentration on a small number of areas of focus will be a central feature of the Capital Ambition Delivery Programme.
27. The Capital Ambition Delivery Programme is composed of two discrete components:

Modernisation: *Transformation of corporate systems and processes that support service delivery*

28. Delivering Capital Ambition will require an interlocking programme of work to modernise the Council's corporate systems and processes that support service delivery; streamlining and simplifying the Council's internal processes and systems; making better use of the Council's (and

partners') asset base; and finding new and better ways of working to take advantage of new technology. Specific programmes will include:

- Digital First
- Assets and Property
- Regional collaboration on Shared Services
- Focussing on the Needs of Citizens
- Fundamental Reviews of Services

29. Given the scale of the long term financial challenges facing the Council, all services will need to be subjected to detailed and challenging review. A rolling programme of Fundamental Reviews will therefore be undertaken, with external input where necessary.

Resilient Services: *Transformation of front-line services*

30. As stated in Capital Ambition, there is a need for the Council to work “*across the public services in order to deliver lasting solutions to complex problems*”. Projects in this programme will typically require change across services, often working in partnership with other organisations, with local communities and with those who receive the service. Specific projects in this programme will include:

- Service Integration in Social Care, Health and Housing
- Service Integration in Support of Vulnerable Children
- Total Street
- Inclusive Growth

31. Given the scale of the change envisaged, and the need to maintain a clear focus on the delivery programme over a sustained period, strong governance and programme management arrangements, integrated into the Council’s existing governance structures and established boards, will be required.

32. At senior management level, the Chief Executive and the Senior Management Team will support the delivery of the Capital Ambition Delivery Programme in consultation with the Leader of the Council, Cabinet Member for Finance, Modernisation and Performance and the Cabinet as a whole.

Consultation and Engagement

33. Consultation and engagement on the 2018/19 Budget has taken a number of forms as set out in the following table:

Consultee Group	Nature of Consultation / Engagement
Public Consultation	<p>Public consultation on the 2018/19 Budget began as part of the Ask Cardiff Survey during the summer. This consulted on a number of budget themes, received 5,598 responses and paved the way for a more detailed, second stage budget consultation that took place between 2 November 2017 and 14 December 2017.</p> <p>There were three strands to the second stage consultation:-</p> <ul style="list-style-type: none"> • Citywide public consultation on issues of general interest. Further detail on the format and responses to city-wide consultation is summarised in the next section with further detail in the “Changes for Cardiff” consultation document at Appendix 2(a). • Service specific consultation with identified service users / group of organisations • General Council Consultation on internal changes within the Council including back office efficiencies, staff changes, process improvements and broader changes around income generation and other service implications.
Scrutiny Committees	Budget briefings and consideration of the detailed budget proposals have taken place in February 2018. Responses received in respect of Scrutiny Committees’ deliberations will be tabled and considered as part of the Cabinet meeting.
Trade Unions	Consultation has taken place with the trade unions and any comments will be considered in advance of the Cabinet meeting.
Employees	Consultation has taken place both generally through staff meetings and particularly with employees impacted by individual savings proposals.
Schools Budget Forum	Following a number of briefings over the budget formulation period, the Forum met on 6 December 2017 to consider Cabinet’s budget proposals as it affected their remit. Appendix 2(b) includes their response.
Audit Committee	At its meeting on 20 January 2018, the Audit Committee considered the Treasury Management Strategy as part of their scrutiny function. The relevant parts of this report reflect their views.

Citywide Consultation

34. A mixed methodology was used for the citywide consultation in order to maximise accessibility and engagement. This included promotion of electronic and paper copy questionnaires alongside targeted face-to-face engagement. Mechanisms to promote engagement were:

- promotion of the online survey electronically with both the survey and information on the consultation available on dedicated Council web

pages www.cardiff.gov.uk/budget and
www.cardiff.gov.uk/haveyoursay

- regular promotion via social media throughout the consultation period via @cardiffcouncil and @cardiffdebate
- Facebook “boosts” to increase the visibility of the promotion
- the ability to email comments directly via budget@cardiff.gov.uk
- promotion of the consultation via email to members of the Cardiff Citizen’s Panel and the wider Council email address list (91,391 unique email addresses)
- communication to approximately 6,000 staff within Cardiff Council via “Your News”
- distribution of 2,000 paper copies throughout leisure centres, libraries and hubs and at face-to-face events held at locations across the city
- eighteen community engagement events at community buildings across the city
- focus groups with specific individuals who are less frequently heard, e.g. mental health service users, Black and Minority Ethnic groups and younger people

35. The citywide consultation received 2,937 completed returns and further detail on the responses received is included in Appendix 2. In summary, the consultation reflected strong support for specific savings proposals including:

- over nine in ten (91%) agreed with the emphasis on early intervention and helping people stay in their own homes for longer, with 88% of people in agreement that the Council should be working with the Health Service to deliver bespoke packages of care
- around seven in ten (72%) of respondents agreed with the aim of reducing care home placements
- over three quarters (76%) supported the move towards separate glass collections in order to reduce costs and meet recycling targets
- more than two-thirds (68%) agreed with proposals to explore the merger of the passenger transport team with a neighbouring authority
- amongst families using the school meals service 52% showed support to the proposal to increase costs compared to 42% that disagreed
- just under three quarters (73%) of respondents agreed with the proposal to expand the Meals on Wheels service, with 22% of respondents knowing someone who could benefit from the service
- over 70% of respondents indicated they would sign up for e-billing of Council Tax
- just under three quarters (74%) of respondents agreed with ending the publication of the Council’s free newspaper “In Cardiff”

- there was support for various proposed increases to fees, including in respect of cremations and burials, the rehoming of dogs and Cardiff International White Water (CIWW) Centre.
36. As well as consulting on specific 2018/19 savings proposals, the citywide consultation also sought views in relation to volunteering opportunities and investment priorities. People indicated that they were most interested in volunteering opportunities that would improve community safety and help the elderly or most vulnerable in their neighbourhoods.
37. The three areas that people indicated they would prioritise for investment, all of which are reflected within the 2018/19 Revenue Budget or the 2018/19- 2022/23 Capital Programme, were:
- building more affordable houses and tackling homelessness
 - investing in sustainable transport to reduce congestion and improve air quality
 - intervening early to support vulnerable children

Issues

38. Under Section 33 of the Local Government Finance Act 1992, it is a statutory requirement for the Council to produce a balanced budget. This Budget Report sets out the financial issues facing Cardiff Council and within that context, it outlines the setting of the 2018/19 revenue budget and the likely position over the medium term. It sets out the Capital Programme and the Council's limited choices in respect of additional borrowing given affordability constraints. It also considers the Council's financial standing in respect of risks, reserves and resilience.

Revenue Budget

The 2018/19 Settlement

39. The Final Local Government Revenue and Capital Settlement for 2018/19 was announced by the Cabinet Secretary for Local Government and Public Services in December 2017. The published list of known Specific Grants from WG at the all Wales level is attached as Appendix 3. The main points to note from the settlement at an All Wales level are:
- a range of change in Aggregate External Finance (AEF) of between -0.5% and +0.9% with a Welsh average of +0.2%
 - the provision of top-up funding to ensure that no authority received a settlement decrease of more than 0.5%
 - the transfer into AEF of six specific grants including the Welsh Independent Living Grant, the Social Care Workforce Grant, the Looked After Children Grant, the Carer's Respite Grant and the Grant for Social Care for Prisoners in the Secure Estate, with a partial transfer of the Single Revenue Grant

- the inclusion within the overall funding envelope of two new responsibilities in relation to homelessness and increases to residential care cap limits
40. The published position for Cardiff is a funding increase of 0.9%, which equates to additional cash of £3.898 million when compared to 2017/18. However, this sum is eroded to £2.426 million (+0.55%) after taking account of the new responsibilities that are included within the overall settlement quantum.
41. The specific grant information within the settlement indicated that there would be an 11% reduction to Education Improvement Grant (EIG) in 2018/19. The reduction involves the removal of the Minority Ethnic Achievement Grant (MEAG) and Gypsy and Traveller elements of the grant. These grants, total £10 million across Wales, of which Cardiff receives £4.1 million. At Cardiff, the funding is primarily allocated to individual schools to enable them to fund additional classroom support for these learners.
42. Due to the significance of this issue, the Welsh Local Government Association (WLGA) and individual authorities have been in discussions with WG who have agreed to put in place a transitional funding arrangement for 2018/19. This will take the form of a specific grant totalling £5 million of which Cardiff is expected to receive £3 million.

Resources Available

43. The resources available to the Council in funding the budget include non-hypothecated revenue funding from WG, Council Tax and use of reserves. The level of these resources for 2018/19, before any Council Tax increase, are set out in the following table:

Resources Available	£000
Resources from WG (per final settlement)	440,947
Council Tax at nil increase	157,729
Use of reserves to support the budget	2,350
Total Resources Available	601,026

44. The Council Tax base approved by Cabinet in December 2017 anticipated an increase in the number of Band D equivalent properties by the end of March 2019. In setting the tax base, it was considered prudent to retain the current collection rate of 98.5% due to the potential impact of welfare changes and uncertainty regarding the economy and inflation. The change in the Council Tax base results in an increased level of resources of £480,000 for 2018/19, before any increase to the rate of tax.
45. The 2018/19 Budget Strategy Report included an assumption that £2.35 million would be available to support the 2018/19 budget through drawdown of reserves. The Appendix on Earmarked Reserves sets out further detail in this regard while additional information regarding current

and future level of reserves and balances is included in a later section of the report.

Resources Required

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

Resources Required	£000
2017/18 adjusted base budget (after transfers)	595,674
New Responsibilities (per settlement)	1,472
Employee Costs	3,361
Demographic Pressures	5,308
Commitments	3,656
Directorate Expenditure and Income realignments (net)	1,194
Exceptional Inflation	4,550
Schools non-pupil number growth (net)	5,039
Total Resources Required	620,254

Funding Gap

47. Comparing the resources available to the Council (before any increase in the rate of Council Tax) with the resources required, results in the following shortfall:

Funding Gap	£000
Resources required	620,254
Resources available	601,026
Funding Shortfall before savings and new pressures	19,228

48. The following table shows the level of resources allocated to support new directorate pressures with more detail set out in Appendix 5. The table also identifies that the amount to be raised from additional Council Tax in 2018/19 is £6.406 million after allowing for the impact on the Council Tax Reduction Scheme (CTRS) amounting to £1.480 million. The impact of this will result in a Council Tax increase of 5%.

Budget Shortfall	£000
Shortfall before directorate pressures and savings	19,228
New directorate pressures	1,474
Sub Total	20,702
Less	
Savings	(14,296)
Net amount to be raised from additional Council Tax	6,406

49. The net additional increase in Council Tax and the savings identified in the above table account for two of four components that the Council identified as part of its 2018/19 Budget Strategy. The two other components, use of earmarked reserves and a cap on schools pressures (non-pupil number) have already been accounted for within the calculation of the resources required and available for 2018/19. The following table sets out in full the four components of the 2018/19 Budget Strategy along with their respective contributions to balancing the budget.

Budget Strategy to address shortfall	£000
Cap on schools growth (non-pupil number)	2,196
Use of Earmarked Reserves	2,350
Savings	14,296
Council Tax at 5% (net)	6,406
Total	25,248

50. The cap on school's growth has been applied to schools' financial pressures with the exception of growth attributable to increasing pupil numbers, which has been fully funded. The £2.35 million drawdown from earmarked reserves is described in the section on financial resilience while further detail in respect of savings are included in Appendix 6 and in the section of the Report on Service Implications of the Revenue Budget.

Financial Standing, Risks and Financial Resilience

51. In considering the budget, members must have regard to the Council's financial standing, risks and resilience both now and in the future. The extended period of financial challenge renders these considerations even more important.
52. To help provide a rounded view of the Council's financial position, snapshots of financial health are prepared and reported to senior management and Cabinet on a regular basis. The snapshots contain information on past performance, including levels of reserves and financial performance ratios. They summarise the current year's monitoring position for capital and revenue and outline the quantum of

savings proposals that are expected to be unachieved. Finally, they provide an insight into the MTFP and capital financing requirements for future years. The Financial Resilience Snapshot at the time of setting this budget is included at Appendix 7. The information it contains is considered over the next few pages, along with a summary of the more general financial risks facing the Council.

53. As summarised in the snapshot, the Month 9 Budget Monitoring Report identifies a balanced position against the overall Council budget. Within the balanced position there is a projected overspend of £5.204 million in relation to directorate budgets together with a projected overspend of £630,000 on capital financing. These are offset by the £3.0 million General Savings Contingency and by savings in corporate areas including NDR refunds on Council properties, a surplus on Council Tax collection and by savings in insurance and in-year release of specific contingency budgets. The projected overspend within directorates includes £3.990 million in relation to Social Services with significant cost pressures identified in relation to looked after children. As part of the due diligence considerations, the 2018/19 Budget includes £5.490 million in order to reflect the full year effect of these budget pressures.
54. Within the directorate overspend position, there is a projected shortfall of £2.159 million against the savings targets for 2017/18, with a further shortfall of £2.001 million projected in relation to the shortfalls carried forward from 2016/17. The due diligence for the 2018/19 budget process has taken account of the risk associated with unachieved savings, in particular, reviewing their achievability in future years. It is clear that the majority of the unachieved savings relate purely to timing issues rather than the ability to make the saving itself. Therefore based on this review, the 2018/19 budget allows for the write out of £306,000 of 2017/18 savings, with the remainder anticipated to be achieved during 2018/19 given the perceived risk associated with their ongoing achievability. The write out of savings are set out in the table below:

Directorate	Savings Title	£000
Economic Development	St David's Hall & New Theatre	116
Social Services	Review Emergency Accommodation Service for Learning Disability Users	190
TOTAL		306

55. The Snapshot identifies that in order to achieve a balanced budget the Council has had to identify cumulative savings of almost £160 million over the past six years. This is an extremely challenging context for the £14.3 million savings identified for 2018/19 and the predicted MTFP budget reduction requirement of £91 million. The MTFP section of this report provides further detail in relation to period 2019/20 – 2021/22 which remains a concern, particularly given the difficulty of setting and realising year on year budget savings on such a significant scale.

56. The following practices are aimed at understanding and mitigating the risk associated with achieving significant savings proposals over a sustained timeframe:

Practice	Description
Initial Risk Assessment	<ul style="list-style-type: none"> • Directorates assess and report the risk associated with their budget proposals in accordance with the Council's risk methodology. • The equalities impact of all proposals is considered and full impact assessments are undertaken for those with a red or red-amber rating. • The planning status of all proposals is regularly reviewed to identify those that are not yet at a detailed planning stage. <p>Further information on the risk rating of the 2018/19 savings proposals is set out in subsequent paragraphs.</p>
Review & Challenge	<ul style="list-style-type: none"> • Senior Management Team (SMT) and Cabinet Members receive regular updates on the overall shape of the budget, emerging financial issues and key areas of risk. • Scrutiny Committees are given the opportunity to review and scrutinise budget proposals.
Monitoring	<ul style="list-style-type: none"> • Budgets are monitored closely throughout the year and Cabinet Members and directorates receive regular monitoring information. • Progress towards achievement of savings is reviewed as part of the monitoring process and directorates are challenged to bring delivery of savings back on course where issues of achievability are identified.

57. In recognition that it is impossible to eliminate all risk relating to the achievability of savings proposals, the budget retains a general contingency of £3 million. This is an important part of the Council's financial resilience, especially given that the Council's General Reserve, which is intended to help cushion the impact of unexpected events or emergencies, is comparably low for an authority the size of Cardiff.

58. The budget has continued to include issue specific contingency allocations. These include £950,000 to reflect the potential for increased costs in relation to external placements for looked after children in Social Services and £350,000 to offset potential income shortfalls in relation to the Material Recycling Facility as a result of volatility in the market for recycle materials. A contingency budget of £192,000 is also maintained in relation to waste disposal reflecting the difficulty in predicting tonnage figures and the consequent impact on disposal costs. The 2018/19 Budget also provides an additional £250,000 to meet the impact of

pressures in School Transport and this will also be held as a contingency budget whilst a review of the service is undertaken.

59. The budget also continues to retain a contingency in relation to the CTRS which is to reflect potential changes in the volume of claimants. The contingency budget includes an additional £1.480 million to reflect the proposed increase in the rate of Council Tax in 2018/19 but also includes a budget realignment of £1.064 million which has been used to support the overall Council budget. After reflecting these adjustments, the revised balance in the Contingency for 2018/19 is £2.138 million. This is considered sufficient to meet any new pressures that may arise during the year.
60. The risk analysis of the 2018/19 budget savings proposals is set out in detail at Appendix 8 and summarised in the table below:

Risk Assessment	Residual Risk £000	Achievability Risk £000	Equality Impact Assessment £000
Red	2,400	0	27
Red-Amber	3,755	6,910	1,854
Amber-Green	3,196	3,783	5,162
Green	4,945	3,603	7,253
TOTAL	14,296	14,296	14,296

61. Appendix 8 also indicates the planning status of each saving proposal. This identifies that savings of £743,000 have been realised, £12.119 million are at detailed planning stage and £1.434 million have a higher degree of risk as only general planning has been undertaken to date. The general planning category accounts for 10% of the total savings proposed.
62. The above risk analyses relate specifically to the 2018/19 budget savings proposals. The wider financial risks and challenges facing the Council are set out in the table below. These risks are regularly reviewed as part of financial resilience updates, the budget monitoring process and updates to the Corporate Risk Register. The following table categorises the main risks to be considered.

Theme	Identification of Key Risks
CAPITAL AND TREASURY	<ul style="list-style-type: none"> • The level of additional borrowing in previous years and proposed in the Capital Programme will require the use of more revenue resources for capital financing in future years. • Capital schemes approved on an income generation basis (through generating savings or increasing income) but which fail to do so will also increase pressure on the revenue budget. • The Capital Programme includes a significant net target of £40 million in capital receipts to fund the programme. • The increasing financial exposure to the Council of the completion of the 21st Century Schools Band A Programme and the development of the Band B Programme from 2019/20 onwards. • The impact on the Treasury Management Strategy of the timing of capital expenditure and the receipt of income in relation to major projects. • The current five-year programme assumes that no additional expenditure funded by borrowing will be undertaken beyond that agreed in this budget unless it is self-financing. • The condition of property and infrastructure assets including statutory maintenance obligations places additional pressure on scarce capital resources. • The potential impact of major projects and development initiatives which arise during the year.
FUNDING	<ul style="list-style-type: none"> • The potential impact on funding if there are any negative redistributive impacts of specific grants transferred into the Revenue Support Grant (RSG). • The challenging financial position in respect of reducing WG resources and increasing financial pressures against a reducing controllable base budget. • The impact of increasing volatility and uncertainty in respect of hypothecated grants. • The intention of WG to revisit reform of Local Government Finance in Wales. • The impact on Cardiff Bus, which is wholly-owned by the Council, should the WG make significant reductions to the reimbursement rate in respect of concessionary fares. • The potential requirement to address significant specific grant reductions at short notice where these are integral to the functions of the authority.

Theme	Identification of Key Risks
DEMAND	<ul style="list-style-type: none"> • The imminent implementation of Universal Credit, on the ability of individuals to contribute to the cost of services provided where that is relevant. This links with the impact of progressive implementation of welfare reforms together with financial risks in respect of the (CTRS). • Continuing demographic demand for social care services – reflecting both volume and complexity of need. • Pressures on supported additional learning needs due to both continuing pupil number growth and complexity of need. • Reducing demand for services where the Council has historically charged for the activity, creating an income shortfall.
SAVINGS	<ul style="list-style-type: none"> • The significant amount of cashable savings predicated on preventative strategies and the difficulty of tracking their impact in terms of financial monitoring. • The necessity to deliver budgeted savings from change proposals that are not yet fully defined. • The significant level of savings based on income initiatives that are yet to be tested in the market. • The need to deliver significant levels of savings during a period of prolonged financial austerity, particularly given the impact delays to delivery of the proposal have on the budget monitoring position. • The cumulative impact of achieving savings, in addition to the unachieved 2017/18 savings which remain to be realised. • Managing the apparent trajectory of growth in Social Services and Schools as diverting resources from other services cannot be a long term solution to funding this demand
ORGANISATIONAL CHANGE	<ul style="list-style-type: none"> • The on-going service impact of the past reduction in headcount that has taken place over an extended period. • The impact for functions delivered as part of a collaborative arrangement if the planned benefits are not realised. • The capacity to deliver organisational change in conjunction with increasing demands on business as usual activities.

Theme	Identification of Key Risks
OTHER	<ul style="list-style-type: none"> • The proximity in recent years of the Council's partial exemption calculation (VAT) to the 5% threshold. • The risk of WG levying fines if the Council fails to meet recycling or landfill diversion rates. • The impact of pay awards over the period of the MTFP as they move above the 1% cap imposed in previous years, together with any change to the overall grading structure. • Inflation over the MTFP period with potential impact on pricing. • Exceptional price inflation that is being experienced in some areas resulting from the National Living Wage (NLW) and other pressures. • The uncertain implications of BREXIT on the economy. • The implications of the White Paper, Reforming Local Government: Resilient and Renewed.

63. Given the identified risks, care will continue to be taken to ensure that significant changes to business processes or headcount do not have a negative impact on the financial control environment. In addition, due consideration will be given to understanding appropriate governance arrangements, including financial accountability, where different models of service delivery are considered.

64. The S151 Officer will continue to highlight the financial standing of the Council on a regular basis, as part of members' overall awareness of financial matters and as an indicator of financial resilience. A further key factor in relation to the Council's financial resilience are its General and Earmarked Reserves, which are considered in further detail in the next section.

Council Reserves

65. The Council's strategy for holding and utilising reserves is set out in its Financial Procedure Rules. Members, following advice provided by the S151 Officer, will consider both the level of reserves held and whether any amounts should be used to support the budget setting process. As part of this consideration, members are made aware that the use of reserves is finite in nature and therefore care is required to ensure that their use does not create a significant budget gap which would need to be filled in the following year.

66. CIPFA recommended accounting practice requires the S151 officer to create a protocol for reserves and balances which sets out the purpose, usage and the approval processes for transfers in and out of reserves and whether the intended use of the reserve is still valid. The Council's Audit Committee considered and noted the protocol in November 2017.

67. The next table shows the actual balance at 31 March 2017 and projected balances for 31 March 2018 and 31 March 2019 for the General Fund and Housing Revenue Account (HRA) earmarked reserves. The projection at 31 March 2018 includes assumptions contained within the Month 9 Monitoring Report and, as such, there is potential for certain estimates to change before the end of the financial year. The projected balances as at 31 March 2019 include the impact of the movements stated in the following paragraphs as well as the contributions to and from other earmarked reserves in line with the purposes set against each reserve.
68. The Council's General Fund earmarked reserves which exclude the HRA are outlined in Appendix 9(a) and are held to meet known or predicted commitments. Appendix 9(b) shows the earmarked reserves in relation to the HRA. The General Housing Reserve comprising accumulated housing surpluses from previous financial years is ring-fenced for use in connection with the HRA and cannot be used to fund the Council's overall budget. There is currently a projected surplus of £436,000 on the HRA in 2017/18 which is anticipated to be transferred to the Reserve at the year end.

	Actual at 31 March 2017 £000	Projection at 31 March 2018 £000	Projection at 31 March 2019 £000
General Fund Earmarked Reserves	54,492	43,020	33,823
HRA General Reserves	8,438	8,874	8,874
HRA Earmarked Reserves	4,086	2,129	848

69. The Council also maintains a General Reserve to help cushion the impact of unexpected events or emergencies. The Council's General Reserve as at the end of the 2016/17 financial year was £14.255 million. This reserve is anticipated to remain the same in the current year with the Month 9 Monitoring report showing a balanced position with no transfers to or from the General Reserve. Following consideration of the Council's current position, in relation to risks and the advice of the S151 Officer, it is the intention of Cabinet not to make any use of the General Reserve to fund the 2018/19 budget.
70. Previous benchmarking reports published by WG have identified that the Council has some of the lowest levels of general and earmarked reserves in Wales. The financial resilience snapshot in Appendix 7 shows that earmarked reserves represented 8.0% of the gross revenue expenditure (6.63% in 2015/16). There is no set statutory minimum level of reserves and decisions made should reflect the individual position of each council.
71. The Council has historically taken a proactive role in relation to the use of its reserves and identified, as part of its 2018/19 budget strategy that a

figure of £2.35 million would be released to support the budget. This will include a contribution of £1.0 million from the Strategic Budget Reserve which was set up specifically to support financial resilience and the future budget requirements of the Council over the medium term. Other contributions include £450,000 from the Insurance Reserve, £250,000 from the Employee Changes Reserve, £200,000 from the Welfare Reserve, £154,000 from the Cardiff Enterprise Zone Reserve and £20,000 from the Emergency Management, Safeguarding & Prevent Reserve. In each of these cases, the contributions are considered prudent given the size of the reserve and the level of known commitments. In addition, reserves have been identified where there have been no recent movements and future commitments are not anticipated. These include £222,000 from the Local Lend a Hand Mortgage Scheme which ended in December 2017, £31,000 from the Integrated Partnership Reserve and £23,000 from the Public Service Board Initiative Reserve.

72. School balances represent the accumulated surplus or deficits generated by individual schools. Although they form part of the Council's overall balance sheet, school balances are different to earmarked reserves in that the annual movements in balances are not directly controlled by the Council. As a result, school balances are not available for use in funding the Council's budget, but may still represent a risk to the Council's overall financial resilience. On this basis, it is of critical importance that due diligence is undertaken in respect of school spending plans, ensuring that they are in alignment with approved budgets. To ensure that this is the case, work will continue to be carried out with all schools, especially those causing significant financial concern. Where the Council's S151 Officer determines that the provisions contained within the relevant schemes or procedure rules have been substantially or persistently breached or a budget allocation has not been satisfactorily managed, then intervention powers will be taken to suspend delegations for that school.
73. The total school balances as at 31 March 2017 were a net surplus of £4.243 million. Within this overall balance was a combination of both surplus and deficit balances in respect of individual schools, with total deficits amounting to £2.749 million. Of these deficit balances, a balance of £1.421 million existed in respect of the federation between Michaelston Community College and Glyn Derw High School. School balances can only be written off at the point a school is closed as part of the School Organisation Programme (SOP) and, as both of these schools closed at the end of the 2016/17 academic year, the final balance will be written off during 2017/18. Although the deficit balance in respect of these schools has now been cleared, a significant deficit balance still exists in respect of Cantonian High School. This deficit amounted to £891,000 at 31 March 2017. A planned deficit repayment plan has been agreed with the school, with the aim being to clear this balance over a 10 year period. The position at 31 March 2017 represented a significant improvement on the position at 31 March 2016 and was one year in advance of the repayment plan.

74. The judgement of the Council's S151 Officer, taking into account the budget monitoring forecast as at 31 December 2017, the corporate budget position, the General Reserve, as well as the General Contingency budget of £3.0 million is that the projected level of both general and earmarked reserves up until 31 March 2019, is sufficient to allow the £2.35 million drawdown to contribute to funding the 2018/19 budget and that the level of reserves remains adequate to 31 March 2019.
75. Overall, the position in respect of reserves, particularly in light of the achievability of savings and unexpected financial issues that may occur will require careful monitoring throughout the financial year to understand any impact on financial resilience. Beyond this, given the information and uncertainty contained in the MTFP, the position with regard to reserves will continue to be carefully monitored alongside the Council's general standing in respect of financial resilience.

Service Implications of the Revenue Budget

76. The following paragraphs describe the general assumptions that are reflected within the 2018/19 Budget regarding pay and price inflation and other council-wide issues. The specific impact of these issues on individual directorates, along with further detail on those directorates' savings and financial pressures are detailed later in the report.
77. The Budget Proposal includes £14.296 million in savings. As outlined earlier in the report, wherever possible directorates have sought to minimise the impact on front line services. The savings which are set out in more detail in Appendix 6 can be summarised into the following themes:

2018/19 Savings Proposals by Theme	£000
Income Generation	2,455
Collaboration	180
Business Processes including digitalisation	4,503
Review of External Spend	4,758
Prevention and Early Intervention	2,400
Total	14,296

78. The budget includes significant resources in relation of employee related costs and these are set out in the following table.

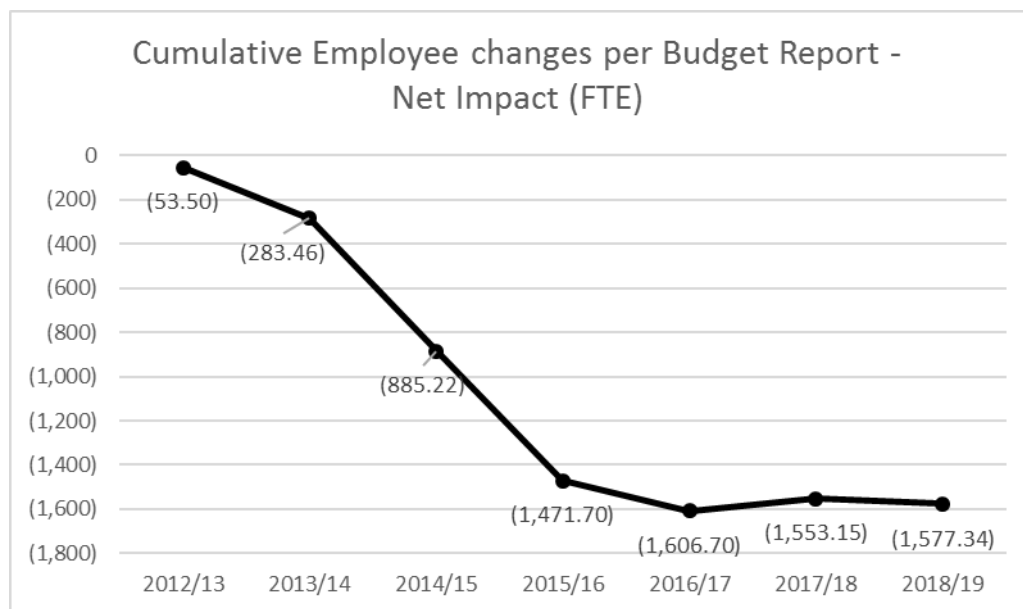
	Non Schools £000	Schools (after cap) £000	Total £000
NJC Pay Award	3,073	1,506	4,579
Teachers' Pay Award	76	1,381	1,457
Actuarial Review of LGPS	212	76	288
Total	3,361	2,963	6,324

79. The National Joint Committee (NJC) pay award for 2018/19, which covers most of the Council's non-teaching employees, is yet to be agreed. At present, it is subject to an employer's offer that was made in December 2017, which is currently being considered by Trade Unions and their members. For 2018/19, the offer comprises an increase of 2% on spinal points 20 and above, with larger increases on lower spinal points. In the absence of more definitive information regarding potential 2018/19 pay levels, the 2018/19 Budget reflects the current employer's offer. In the event that the agreed award is higher than the current offer, the impact will be managed through reserves in 2018/19 with the ongoing impact taken into account when refreshing the MTFP.
80. The 2018/19 Budget reflects the next phased increase in employer's superannuation contributions in relation to the Local Government Pension Scheme (LGPS). Following the latest actuarial review of the LGPS, which took place as at 31 March 2016, a series of staged increases in the employer's contribution rate were agreed. These included an increase from 23.3% to 23.5% in 2018/19.
81. The next pay award in respect of teachers' pay will take effect from 1 September 2018. Whilst there is currently no indicative information as to what this may be, in light of the NJC offer, an award of 2% has been assumed for planning purposes. The budget also includes the full year effect of the September 2017 teachers' pay award, which saw a general increase of 1%, with awards of 2% limited to certain grades.
82. The posts deleted or created as part of the budget are set out in Appendix 10. This shows that there will be a net decrease of 24.19 full time equivalent (fte) posts, comprising 39.19 fte deletions offset by the creation of 15.0 new fte posts. The budget assumes that the post deletions will take effect through the following mechanisms:

Employee Implications of Budget	fte
Voluntary Redundancy	(6.25)
Vacant Posts	(17.40)
Redeployment	(1.00)
Retirement	(1.24)
TBC	(13.30)
Total fte posts deleted	(39.19)
Total fte posts created	15.00
Net Impact	(24.19)

83. Employee changes for each of the last six years are shown in the following graph. The figures shown are the net fte impact as detailed in

previous Budget Reports. They include vacant posts and posts that have transferred out of the Council's direct control, as well as posts deleted through redeployment or redundancy. Over the period shown, 2017/18 is the only financial year in which there was a net increase in posts. This was largely attributable to the creation of additional Social Services posts to address demand pressures and the requirements of the Social Services and Well-being Act 2014.



84. The budget includes the release of £715,000 previously set aside to meet the cost of voluntary redundancy. This release is based on the Council's model for funding voluntary redundancy costs. The model assumes that over the medium term, the costs of voluntary redundancy will be funded partially from within the base budget and partially via drawdown from an earmarked reserve that has been specifically set up for this purpose. In updating the MTFP, this model will need to be kept under review given that at present the financial outlook for future years shows little sign of improvement.

85. As in recent years, the budget assumes that directorates will manage the impact of price inflation within existing resources except in exceptional circumstances. These may relate either to the scale of the increase or the quantum of the budget to which the increase applies. The budget includes inflationary provision for Social Services to meet the costs of anticipated fee increases, out of county placements and fostering rates. Provision is also made for uplifts on schools' out of county placements, and in relation to ICT contracts that have renewed at higher rates partly due to exchange rate fluctuations. The budget also includes inflationary provision for the 2018/19 NDR multiplier uplift, and to allow for anticipated increases in energy prices that will affect the Council's buildings and street lighting.

86. The insurance budget will be reduced by £700,000 in 2018/19. The reduction is based on the latest actuarial review of the Council's Insurance Fund. The actuary's review, which takes place annually, considers the current level of the fund, past claims experience and the

potential for emerging claims. It combines this information with sophisticated statistical modelling techniques and use of insurance industry data to predict future fund requirements.

87. The Capital Financing Budget includes the Council's net costs for external interest on borrowing, interest on temporary cash balances and provision for the prudent repayment of debt. There is an increased budget requirement of £1.519 million in 2018/19. This reflects a combination of factors:-
- an increase in the provision for the repayment of debt following finalisation of the amount of capital expenditure incurred in previous years paid for by unsupported borrowing having taken into account the estimated useful life of the assets funded by this borrowing
 - dealing with the outstanding liability following approval in 2011 of a business case for subsidising the Doctor Who exhibition. This assumed the scheme would be cost neutral, but has a sum outstanding of £1.1 million, which will be charged to future revenue budgets over a seven year period
 - assumes recovery of invest to save capital financing costs from directorate revenue budgets
 - assumes no dividend is receivable from Cardiff Bus
 - reflects a reduction in the level of interest receivable from the HRA as a result of changes to the overall debt structure and the impact of internal borrowing in reducing the consolidated rate of interest within the overall pool of Council debt.
88. The budget is consistent with the Council's Treasury Management Strategy contained within this report, however is subject to fluctuations in a number of complex variables in respect of timing and quantum of capital expenditure incurred, financial markets and the timing of treasury management decisions.
89. It is proposed that the approach to CTRS should remain unchanged for 2018/19. The scheme will continue to comply with the relevant WG regulations. In addition, the scheme will continue to provide additional help for war pensioners by disregarding the income from war pensions including War Widows Pensions, War Disablement Pensions and income from the Armed Forces and Reserve Compensation Scheme. This is in line with the Council's commitment to support veterans and their families. The budget provides for the impact on the CTRS of the proposed 2018/19 Council Tax increase. It also includes a budgetary realignment reflecting the lower demand on this budget in recent years.
90. The budget proposal does not include an allowance for a general increase in fees and charges. Directors were advised that in preparing their fees and charges for 2018/19, they should consider the particular circumstances for which they charge for functions and reflect any such changes in their savings proposals. Appendix 11 sets out the list of proposed revisions to fees and charges in 2018/19.

91. The 2016/17 Budget Report set out an assumption that, from 2017/18, all fees and charges would be increased on an annual basis at least in line with the Consumer Price Index (CPI), unless prohibited by statute or regulation. Following consideration by relevant directors, a number of fees and charges have not been increased (or have increased by less than CPI) for 2018/19. In the majority of instances, this decision has been taken on the basis that a larger increase would be likely to have an adverse impact on demand. This would result in a reduction in overall income, either due to the cumulative effect of recent increases or the Council's existing position within a competitive market. Other charges are set at a fixed percentage of sale fees, to minimise the impact on the cost of collection, or have been introduced during the current year at a level intended to incorporate a nil increase for 2018/19.
92. A number of savings are based on the generation of income. Some savings have assumed securing a wider market share such as Trade Waste (£200,000) and Pest Control (£40,000). Other areas have looked at achieving additional income through maximising opportunities for recharging existing costs such as Security Services (£50,000) and Street Lighting (£30,000).
93. Income will also be generated through price and volume increases. Social Services will increase their income by £350,000 and Bereavement & Registration by £50,000, whilst Planning fees are expected to generate an additional £55,000. For 2018/19, the School Catering Unit will increase the price of primary school meals by £0.10 per day thus taking the charge to £12.50 per week. The cost of secondary school meals will increase by £0.10 per day to £2.95. This will result in additional income of £350,000.
94. It is important that the Council is able to react quickly and appropriately to changing events, both in terms of opportunities and shortfalls. To enable this to happen, it is proposed that the Council continues to delegate to the appropriate officer and Cabinet Member, the ability to introduce and amend prices as and when needed. Decisions will be taken in conjunction with the S151 Officer and the Cabinet Member for Finance, Modernisation and Performance. Where appropriate, Cabinet will need to consider a report within a reasonable timescale of the decision.
95. The Equality Act 2010 places a general duty on the Council to eliminate unlawful discrimination and promote equality according to the nine protected characteristics. To comply with this duty, directors have undertaken Equality Impact Assessment (EIA) screenings for each of their savings and financial pressures. Following initial screening, any proposals regarded to have a red or red-amber rating have undergone a full EIA. Following moderation by the Council's equality team, these assessments have informed the budget setting process.

Amendments since Publication of Consultation Proposals

96. The Council's budget proposals were released for consultation in November 2017. Since then, the Council's funding position has been confirmed and a number of other technical updates and new commitments have emerged. These updates, which are set out in full in Appendix 12, include:
- receipt of the final settlement on 20 December 2017, confirming the level of AEF for 2018/19 along with one further new responsibility
 - approval of the 2018/19 Council Tax base by Cabinet in December 2017
 - the December 2017 employer's offer in respect of the NJC pay award for 2018/19
 - the month 9 monitoring position, which identified additional pressures in respect of Children's Services along with some opportunities to realign budgets downwards in other areas
 - confirmation of the 2018/19 levies the Council must pay to relevant bodies including the South Wales Fire Service
 - confirmation of pricing information
 - minor adjustments to savings proposals to reflect clarifications since consultation.
97. In addition to the above technical updates, in drafting the final Budget Proposal Cabinet have had regard to consultation feedback. As the consultation indicated significant support for key budget assumptions and themes, no consultation related changes have been made to the budget savings proposals. However, care has been taken in drafting the final budget, to ensure that respondents' identified expenditure priorities were reflected as far as possible in the current financial circumstances.
98. At consultation, savings proposals included a sum of £1.2 million to reflect council wide efficiencies, to be achieved through delivering business efficiencies, reviewing third party spend and changing processes, technology and staff resources. In finalising the budget proposal, £600,000 of this has been allocated to directorates to allow specific savings to be proposed. A summary of this change is included in Appendix 12. The residual £606,000 is retained corporately and will be targeted through modernisation measures including end-to end process review and digital efficiencies. During 2018/19 the Council will look to accelerate the implementation of its Digital Strategy and will consider how Robotic Process Automation (RPA) and Artificial Intelligence (AI) can enhance service delivery more efficiently. This will be complementary to savings achieved through the implications of extending the Council's self-service offering and the introduction of the Cardiff App.
99. As part of the 2016/17 Budget, a Financial Resilience Mechanism (FRM) was established to protect against unforeseen reductions in WG funding levels. The mechanism is a £4 million base budget that can be used to

support one off investment in priority areas. As supported investment is one off, the budget could be cut at short notice in future years, with no impact on ongoing services. This provides an important level of financial resilience for the Council in light of the uncertainty and timing of funding settlements. At £4 million, the FRM provides the Council with the means to withstand a worsening in the AEF position of just under 1%.

100. Use of the FRM for 2018/19 was determined following the final settlement, which confirmed that the budget would not need to be released in 2018/19. In determining the one-off investment of FRM for 2018/19, Cabinet have taken account of consultation feedback and there will be significant support for visible street scene services, including improvements to the highway. In addition, the FRM includes allocations for property condition as well as to enable up-front investment in areas such as kerbside recycling and expansion of the meals on wheels service. To improve financial resilience, the FRM also includes £1.1 million transitional funding to help mitigate any specific grant issues during 2018/19.
101. The table below summarises the proposed use of the mechanism for 2018/19 and further detail is set out in Appendix 13.

Financial Resilience Mechanism - one-off use for 2018/19	
Category	£000
Visible Street Scene	1,897
Property Condition	200
City Centre Enforcement	40
Transitional Arrangements	1,180
Other	683
Grand Total	4,000

Directorate Commentaries

102. The directorate section of the report provides a commentary on significant areas of change within the budget. Appendix 14 shows the overall changes to individual directorate budgets between 2017/18 and 2018/19 whilst Appendix 15 shows the same information on a Cabinet Member Portfolio basis.

Corporate Management

103. The savings proposed in Corporate Management amount to £877,000 and are summarised in the following table:

2018/19 Savings	£000
Business Processes including digitalisation	626
Review of External Spend	251
Total	877

104. A saving of £606,000 is anticipated in respect of council-wide efficiencies linked to the Council's Digital Strategy. This saving will be achieved by delivering business efficiencies through reduced third party spend, changes to processes and technology and staff resources. This is in line with the aims set out in Capital Ambition with the use of digital forms of communication and service delivery at the heart of how the Council operates and interacts with the people it serves. A further £20,000 is expected to be achieved through the Procure to Pay process review.
105. A number of savings are also anticipated in relation to external spend. These include £210,000 through a reduction in the amount available to support events and market the City, £31,000 from reduced external audit fees and reductions to the amount required to support contributions to pension funds in relation to ex-employees and £10,000 through efficiency savings based on reduced expenditure on supplies and services.
106. The Corporate Management budgets also include budget realignments in relation to the Volvo Ocean Race and corporate insurance budgets. As part of the 2017/18 Budget £500,000 was provided in order to meet the Council's commitments in relation to its share of the costs of the Volvo Ocean Race. This was a one-off sum in 2017/18 and is not required in 2018/19. The corporate insurance budget has been reduced by £700,000, the reduction reflecting the latest actuarial review of the Council's Insurance Fund.
107. Additional funding of £325,000 has been provided to meet the additional costs arising from the South Wales Fire Service Levy in 2018/19 with a sum of £430,000 also allocated to provide additional funding for Council initiatives in relation to the Central Enterprise Zone as part of the previously agreed funding model. A one-off allocation of £60,000 has been provided through the FRM in relation to Corporate Initiatives.

Economic Development

108. Within the Economic Development Directorate, funding totalling £280,000 is being allocated as part of the one-off FRM. The first component relates to the completion of work to be undertaken in connection with statutory obligations, particularly with regard to a programme of condition and mechanical electrical surveys across the whole of the Council's estate, enabling the identification of priority works. In addition, £80,000 is being allocated to enable the consolidation of the Welsh Language Centre at the Old Library building by providing transitional funding to cover the costs of hosting the centre whilst a permanent income sources is identified.
109. As part of the due diligence for the 2018/19 budget process, the level of risk attached to current shortfalls against budget savings targets in 2017/18 was assessed. Based on this, previous year budget savings totalling £116,000 have been written out of the base budget for 2018/19. These relate to the previous intention to identify an alternative delivery model for St David's Hall and New Theatre and the residual level of

unachievable savings following the Arts Management competitive dialogue procurement process, as reported to Cabinet in February 2017.

110. In addition to the funding increases provided to the Directorate, there has also been a requirement to identify budget savings totalling £2.486 million. The breakdown of savings is outlined below.

2018/19 Savings	£000
Income Generation	457
Business Processes including Digitalisation	1,056
Review of External Spend	973
Total	2,486

111. Savings totalling £457,000 have been proposed in relation to income generation initiatives. The first of these totals £253,000 and is expected to be achieved through increased income from the investment portfolio and operational estate. Other income generation proposals total £204,000 and include an increased market share for the Pest Control Service, improved internal and external charging for Security Services, implementation of a new marketing and service delivery plan for Building Cleaning Services and an increase in prices at the CIWW Centre.
112. Business process savings, including digitalisation, have been proposed totalling £1.056 million. These include £175,000 from a new operational plan to reduce overtime, improved scheduling and achievement of efficiencies in the Building Services supply chain. In addition, the continued implementation of the agreed model for Children’s Play is expected to achieve £115,000 and £47,000 will be achieved by deleting two vacant posts within Tourism. In addition is a combined saving totalling £538,000 which relates to St David’s Hall, New Theatre and the Castle resulting from a review of costs, income and service delivery. In addition is a proposal totalling £141,000 relating to Parks, which is intended to be achieved by reducing management costs, generating additional income and a reduction in the cost of external contracts by bringing work back in-house. Furthermore, £40,000 is anticipated through general business efficiencies across the directorate. The final saving, as part of a review of external expenditure, amounts to £973,000 and relates to the Cardiff International Pool subsidy. New arrangements will be in place from 2018 and will result in the removal of the Council’s subsidy to the pool, with the facility operating under nil subsidy from 2018/19.

Education & Lifelong Learning

113. For 2018/19, the delegated school budgets will increase by a further £7.222 million (3.2%) which is on top of a 3.3% increase in the previous year. Of the £7.222 million being allocated to schools, £5.319 million relates to non-pupil number growth and will meet 70% of the pressures identified. These pressures are largely in connection with salary increments and pay inflation, however amounts are also allocated for the estimated impact of the actuarial review, pensions auto-enrolment, non-

domestic rates, increasing energy costs and associated pupil needs such as complex needs enhancements, specialist resource base provision and the financial pressure outlined in the following paragraphs. A further £2.008 million is being provided in relation to increasing pupil numbers in both mainstream and special school settings.

114. In addition to the 30% cap on non-demographic growth outlined in the previous paragraph, is an additional reduction to school growth to reflect the need to create a revenue budget to fund the capital financing costs arising from the 21st Century Schools Band B Programme and additional asset renewal. 2018/19 represents the first year of an additional reduction to create the necessary budget. The creation of this budget will be spread over a 10-year period and is detailed further in the sections on Band B and asset renewal later in this report. The additional cap amounts to £105,000 in 2018/19, increasing in future years. Of this amount, £45,000 will remain within the Education budget to specifically fund costs associated with Band B. The balance will form part of the corporate capital financing budget and will fund costs associated with asset renewal.
115. An amount of £50,000 has been allocated, as a financial pressure, to the Cardiff Commitment initiative and will enable a permanent staffing resource to be established. This resource will manage the programme of partnership activity and deliver the processes and links required between students, employers and training and education organisations. Furthermore, a financial pressure has been accepted in connection with the Junior Apprenticeship Scheme. This pressure totals £175,000 and will enable support to the scheme, over and above that funded directly by schools. This pressure will be allocated directly to the delegated school budget and, as a consequence, has been subject to the cap on school growth.
116. Further to the issue outlined earlier in this report in respect of the fallout of the MEAG and Gypsy & Traveller components of the EIG, WG have confirmed that £3 million will be provided as one-off specific grant funding for 2018/19. This transitional funding is intended to enable the services provided to be sustained until further clarity is afforded to the position for 2019/20 and beyond. WG have committed to working with local authorities to develop this strategy, with a particular focus on the opportunities around delivering these services on a regional footing in line with the National Model for Regional Working. To protect the Council's financial resilience the FRM contains an amount of £1.1 million to enable the Council to react to specific grant issues that may arise in 2018/19.
117. Whilst additional funds have been allocated to delegated school budgets, the Education Directorate has identified budget savings totalling £1.278 million. These savings are outlined in the following table:

2018/19 Savings	£000
Income Generation	110
Business Processes including Digitalisation	815
Review of External Spend	353
Total	1,278

118. The savings within the Education directorate include £110,000 in relation to income generation. This saving is expected to be achieved through a planned 10p increase in the price of a school meal. This saving represents the anticipated net increase in income after allowing for the impact of inflationary costs of food and employee costs within the School Catering Service. In addition are savings proposals totalling £353,000 as part of reviews of external expenditure. The first totals £200,000 and relates to the central budget held for commissioning nursery places within the private sector. This is expected to be achievable as a result of increasing the number of available places within Cardiff primary schools. The other saving totals £73,000 and is intended to be achieved through a combination of a reduction in the Council's annual contribution towards the running costs of the Central South Consortium and a reduction in the Council's requirement to match fund the remaining components of EIG. The Directorate have also proposed a saving of £80,000 to be achieved from a reduction in the cost of the SIMS and ONE system licences, following a procurement exercise, and the termination of an online Continuing Professional Development software package.
119. Business process savings totalling £815,000 have been proposed. These include the full year effect of the delegation of the Pupil Referral Unit. The costs of this provision will now be met by the delegated school budget following the successful identification of a secondary school to oversee this provision, saving £365,000. A saving of £250,000 will also be achieved by delegating the responsibility for the cost of licences associated with school provision to the school budget. In addition, £200,000 is proposed in connection with central staffing and management costs. This saving represents the full year effect of proposals made in respect of 2017/18 and is intended to be achieved through a reorganisation of staffing structures within the Directorate, ensuring maximisation of the use of grant and trading income to offset costs wherever possible.

People & Communities

Communities & Housing

120. The paragraphs below set out directorate specific financial pressures and savings in relation to Communities & Housing. Within this, £76,000 is being allocated in relation to an accepted financial pressure bid regarding the Joint Equipment Service to reflect increasing demands on this service provision. In addition, the Final Settlement included an allocation of £836,000 in relation to a new homelessness responsibility. This additional funding is being allocated in full and will significantly enhance existing resources to tackle homelessness.

121. In addition to the funding increases provided, there has also been a requirement to identify budget savings totalling £689,000. The breakdown of savings is outlined below.

2018/19 Savings	£000
Income Generation	315
Business Processes including Digitalisation	254
Review of External Spend	120
Total	689

122. Savings totalling £315,000 have been proposed in relation to income generation. The first totals £105,000 and relates to the additional selling of services associated with Disabled Facilities Grants, particularly to charging for low level equipment provided through the Joint Equipment Service. In addition is a £17,000 proposal to remove the subsidy for Adult & Community Learning, enabling the service to become fully self-financing. In addition to these savings are proposals totalling £193,000. The most significant of these is a £103,000 proposal to integrate the Appeals & Complaints Team so that it covers the entire directorate, facilitating a recharge for services provided to the HRA. In addition is a £50,000 proposal relating to a new approach to Employability Services whereby better alignment of grant funding and training income should offset existing management costs. The other savings include £14,000 in respect of a Supporting People Grant realignment and £26,000 in relation to an Assessment & Support realignment.
123. Savings proposals totalling £254,000 have been made under the heading of business processes and digitalisation. The first of these is in relation to a new approach to building resilient communities and totals £80,000. This will be achieved by better aligning Communities First Legacy Grant funding to Neighbourhood Partnerships Locality Planning and Community Engagement budgets to release savings. A £60,000 saving is intended to be achieved by deleting two vacant Benefit Officer posts, whilst deletion of a Community Care Aid Worker post within Preventative Services and realignment of budgets within Neighbourhood Regeneration are expected to save £23,000 and £11,000 respectively. £80,000 has also been proposed and is expected to be achieved through digital efficiencies and the introduction of the new housing online form. In addition, a total of £120,000 is proposed in relation to a review of external spend. This will include the removal of the Neighbourhood Partnership Fund, saving £40,000, an agreed reduction of £30,000 against the Advice Services contract and a £50,000 reduction in the Library Book Fund.

Social Services

124. Significant additional resources have been allocated in the budget in order to meet existing and new financial pressures in Social Services with the overall budget showing a net increase of £8.405 million (5.33%)

compared to the controllable base in the current year. This is after taking into account Directorate savings totalling £5.160 million. Additional funding has been provided to both Children's and Adult Services with budget allocated to meet demographic pressures and exceptional cost and fee increases, a range of financial pressures and the write out of an unachievable savings target from the current financial year. The budget also includes an additional £469,000 to reflect the full year cost of new posts approved as part of the 2017/18 budget. The Final Settlement also included £636,000 to reflect the transfer of a new responsibility in relation to an increase in the capital limits on charges for residential care. This sum has been allocated to Social Services and is reflected in the budget increase set out above.

125. In addition to this, there were transfers into the Final Settlement totalling £4.766 million. This relates to specific grant funding received in 2017/18 but which has now been built into the Council's financial settlement. These include £2.131 million in relation to the Social Care Workforce Grant which was to assist local authorities in managing the financial impacts of changing workforce costs and arrangements in the social care sector, particularly pressures arising from the National Living Wage (NLW). Other specific grants which have transferred include £993,000 relating to Looked after Children, £336,000 in relation to Carer's Respite and £53,000 for the provision of social care for prisoners in the secure state. An amount of £1.253 million has also transferred in relation to funding costs arising from the Welsh Independent Living Fund which closed on 30th June 2015 with costs transferring to local authorities and which has since been funded via specific grant. These sums have also been allocated to Social Services as part of the 2018/19 Budget.
126. In Children's Services an additional £5.490 million has been allocated in order to reflect the budget pressures in the current financial year. This is largely due to the increasing number of looked after children and as in the current financial year a specific contingency allocation of £950,000 will also be maintained in 2018/19 in order to fund any growth in external placements should this become evident during the year. Funding of £450,000 has also been provided to meet exceptional inflation costs in Children's Services including the impact of the Children's 4 Cs Collaborative Framework.
127. The budget for Adult Services has been increased by £1.7 million in order to meet new demographic growth in 2018/19 with a further allocation of £2.725 million also provided in order to reflect potential fee increases in the coming year including the impact of the NLW. A further £1 million has also been allocated to meet anticipated costs in relation to residential and nursing home care in 2018/19, with exceptional levels of cost increases continuing to be evident in the current financial year and of this amount £400,000 is a one-off allocation through the FRM.
128. Funding of £400,000 has been allocated to meet specific financial pressures identified by the Directorate. This includes £85,000 in relation to Cardiff's contribution to the Vale, Valleys & Cardiff Regional Adoption

Collaborative Service in order to meet additional pressures on this service as approved by the Joint Committee in December. The balance of £315,000 will be used to support a range of pressures including additional staff for the Internal Day Care Service in Learning Disabilities, an increase in the number of occupational therapy posts in the Review Team and to create additional support worker posts in order to enhance the work of specialist services and to improve support to looked after children, care leavers and homeless young people.

129. As part of the due diligence for the 2018/19 budget process, the level of risks attached to current shortfalls against budget savings targets in 2017/18 was assessed. Based on this assessment an amount of £190,000 has been allocated to meet unachievable savings in relation to the review of the emergency accommodation service for Learning Disability service users.
130. The budget savings proposed by the Directorate for 2018/19 total £5.160 million and are summarised in the following table:

2018/19 Savings	£000
Income Generation	350
Business processes including Digitalisation	120
Review of External Spend	2,290
Prevention & Early Intervention	2,400
Total	5,160

131. The savings from income generation relate to an increase in service user charges for non-residential services based on changes to the maximum weekly charge a council can make. This is in line with WG policy. The saving of £2.4 million in relation to prevention and early intervention includes £1.2 million through maximising the impact of the Community Resource Team (CRT) to support more people to become independent. This will enable the right level of support to be provided to the right people thereby reducing the level of care and support required from both Health and Social Care. A further saving of £1.2 million is also anticipated as a result of changes to the way domiciliary care services are commissioned and delivered. These changes place the emphasis on supporting people to maximise their level of independence, whilst ensuring they receive the type and level of care and support they require.
132. Savings of £2.290 million are anticipated through a review of external spend. This includes £820,000 from a review, with Health partners of the relative contributions to care packages to continue to ensure compliance with Continuing Health Care (CHC) guidance on how an individual's needs are most appropriately met and funded. A saving of £680,000 is also anticipated through reducing the number of children placed in settings outside Cardiff. This is in combination with other on-going preventative initiatives aimed at reducing the number of looked after children in external placements. There are two savings in relation to new care home placements in Adult Services, £450,000 based on reviewing care home fees and £300,000 based on reducing the number of new

care home placements with the focus on helping people to fulfil their wish to continue to live in their own home as opposed to moving into a care home. As part of the review of external spend a saving of £40,000 has also been identified in relation to mainstream awareness raising budgets, with this service already funded via other budgets within Children's Services. A saving of £120,000 has also been identified in relation to business process and digitalisation. This is based on proposals to expand the use of technology as a complementary service when commissioning care. This proposal is in its early stages, although the Directorate has already begun to work with other areas of the Council and with external providers to pilot the appropriate technology and approach.

Planning, Transport & Environment

133. The paragraphs below set out directorate specific financial pressures, commitments and savings in relation to the Planning, Transport & Environment Directorate. Funding of £773,000 has been allocated to reflect specific financial pressures identified during the budget process. The first of these amounts to £250,000 and relates to the need to increase school transport provision in response to demographic pressures. These pressures relate to primary school pupils, Additional Learning Needs (ALN) and pupils educated outside of mainstream education. This amount will be held as part of a corporate contingency whilst a review of the service is undertaken. In addition, £523,000 has been allocated to support the growth of dry recycling processing and to compensate for the reduction in income received due to a global decline in market prices. In addition to the accepted financial pressures, £3.923 million has been allocated in relation to the transfer of certain elements of the Single Revenue Grant into the Council's RSG. The value of the transfer is lower than the 2017/18 grant amount and, therefore, an additional £189,000 is being allocated to the Directorate to reflect this, in order that the same level of service is provided in 2018/19.
134. A total of £2.102 million is also being allocated as part of the Council's FRM to support one-off investment in priority areas. This includes £200,000 to promote the free recycling collection service and to enhance public awareness of recycling services and locations together with £165,000 to support changes to kerbside recycling collections and the implementation of the first year of separate glass collection. An allocation of £720,000 is also being made to enable localised highway asset improvement works and £400,000 is being allocated in relation to essential road markings, signs and street furniture refurbishment including public litter bins. In addition, £150,000 has been made available for city centre public realm improvements, including those connected with the Central Square development. Furthermore, £427,000 is being allocated to further the work undertaken in previous years to complete additional street cleansing works and enforcement activities with £40,000 allocation to continue the taxi enforcement service.
135. In addition to the Council's FRM allocations outlined in this paragraph, £250,000 has been allocated to further the reuse and recycling of

materials, enabling the achievement of statutory recycling targets. £100,000 is also being allocated to Waste Services to reflect demographic pressures in relation to recycling and waste collections.

136. The following table sets out Planning, Transport & Environment's Directorate savings proposals for 2018/19.

2018/19 Savings	£000
Income Generation	675
Collaboration	180
Business Processes including Digitalisation	501
Review of External Spend	482
Total	1,838

137. Savings totalling £675,000 relate to a range of income generation proposals. The first of these totals £212,000 and is based on improved charging and income generation projects across the Directorate, in line with increased fees and charges and the use of digital solutions. In addition, a net £160,000 has been proposed in relation to Trade Waste with the intention to expand the Council's market share in Cardiff and explore opportunities to work in partnership. Within Central Transport Services, £60,000 has been proposed and is intended to be achieved by utilising capacity in the fleet maintenance facility to bring external contracts back in-house and increase external income. Bereavement Services, Cardiff Dogs Home and Planning Services plan to increase income by £50,000, £15,000 and £55,000 respectively as a result of price and volume increases. Both Transportation Policy and Street Lighting intend to increase income by £30,000 each as a result of improved recharging for services, including in relation to capital schemes. A further saving of £38,000 has been proposed in relation to twin stream waste and recycling collections, which should increase income and reduce costs at the same time. Furthermore, a total of £25,000 is anticipated as a result of renewable energy schemes, enabling the sale of energy and income from feed-in tariffs, and phasing in the reduction of certain bus passes within School Transport.
138. Collaboration savings proposed amount to £180,000. The first totals £93,000 and is in connection with the Shared Regulatory Service and a further year's saving from the creation of the shared service under a single management structure. In addition, £37,000 is proposed in relation to collaborative working with a neighbouring authority to merge the passenger transport team enabling efficiencies in employee and external expenditure. In addition £50,000 has been proposed within Waste Services, where new opportunities for income generation through partnership and cross-boundary working are intended to be achieved from a focus on back office support provision and direct services.
139. Savings totalling £501,000 have been proposed in relation to Business Process reviews. Of this total, £271,000 has been proposed as a result of the use of new technology to improve collection efficiency, reduce vehicle costs and reduce agency usage within domestic collection

rounds. Other proposals within Waste Services amount to £70,000 and are anticipated to be achieved by increasing productivity in relation to treatment and disposal, and improving attendance at work within Domestic Waste Collection to reduce the reliance upon agency staff. £60,000 is also intended to be achieved by reducing vehicle costs within the corporate fleet through reduced damage and insurance claims enabled by better reporting, monitoring, training and the new fleet management system. In addition £100,000 is planned to be achieved by digitalisation of Waste Services, including hybrid printing and digitalisation of income recovery, and using technology to control lighting levels and faults across the city.

140. A number of savings totalling £482,000 have been proposed in connection with reviews of external expenditure. The most significant of these amounts to £130,000 and relates to a change in the energy procurement strategy where it is intended to introduce an approach specific to Cardiff and move away from the current arrangement whereby energy is procured through a joint arrangement. Two further energy savings are proposed, the first of which totals £30,000 and is expected to be achieved by identifying energy efficiencies within Council buildings. The second amounts to £50,000 and will reflect a reduction in energy costs across the estate through improved management and behaviour change as part of the Carbon Reduction Strategy. Furthermore, a saving totalling £30,000 is anticipated from the full year effect of replacing main route lighting with LEDs to reduce energy expenditure.
141. External expenditure savings totalling £152,000 have also been proposed within School Transport. These include a review of the transport provided to ALN pupils including route optimisation and mergers, with a particular focus on those pupils within 2-3 miles of their respective school. In addition, roll out of the travel support allowance, as opposed to provision of transport, will be continued and a phased approach to the reduction of bus passes provided to Llanishen High School pupils outside of the catchment area will be introduced. £50,000 has also been proposed in relation to contract rationalisation and improved business process efficiencies and £40,000 has been proposed in connection with a review of the delivery of maintenance work currently undertaken by external companies, for areas such as Housing and Parks, within Infrastructure & Maintenance.

Resources

Governance & Legal Services

142. The following table below sets out the 2018/19 budget savings proposals for the Governance & Legal Services Directorate.

2018/19 Savings	£000
Income Generation	226
Business Processes including Digitalisation	133
Review of External Spend	83
Total	442

143. Budget savings of £226,000 under the heading of income generation are proposed. Within Legal Services, additional income of £40,000 is being proposed in relation to the service level agreements with schools, £55,000 income in relation to services provided to the CCRC and additional income totalling £35,000 in relation to charges against proceeds from capital receipts. Further income generation totalling £90,000 is proposed in respect of the benefit of collaborative working in relation to Bilingual Cardiff delivery of Welsh translation services and an increase of £6,000 in line with the fees and charges for Legal Services is also proposed.
144. A number of business process changes are proposed. These comprise a reduction to the number of posts within the Scrutiny function totalling £53,000, a £20,000 reduction to the Democratic Services employee budget and £20,000 in relation to efficiencies within Democratic and Member Services. A £40,000 saving is anticipated to be achieved through efficiencies within Legal Services and Bilingual Cardiff and savings within Democratic Services arising from reduced internet, print and translation charges. In addition, a saving proposal totalling £83,000 has been proposed in relation to external legal expenditure following the centralisation of external legal budgets and the increased in-house capacity that has been created.

Resources

145. Within the Resources Directorate £250,000 has been allocated to meet the increased costs of a new three year contract for Microsoft licences. These costs are held in ICT but support services across the Council. Additional funding of £80,000 has also been provided to meet increased costs in relation to the telephony system in C2C. A pressure of £58,000 has also been identified in order to support an expansion of the Meals on Wheels Service to cover weekends and bank holidays. It is proposed that this be funded in 2018/19 through an allocation from the FRM with net costs in future years expected to reduce as income increases.
146. Budget savings of £1.526 million are proposed in the Resources Directorate and these are summarised in the following table:

2018/19 Savings	£000
Income Generation	322
Business Processes including digitilisation	998
Review of external spend	206
Total	1,526

147. Savings based on income generation total £322,000. This includes £100,000 through an expansion of the Meals on Wheels Service with plans to increase service users up to full capacity, increasing income and enabling the removal of the existing subsidy. Cost recovery and income generation within the Capital Ambition Delivery and Enterprise

Architecture teams is anticipated to generate a saving of £109,000. This includes the recovery of staff costs where work is undertaken to support specific projects together with exploring new income opportunities with external organisations. Other income generation savings include £53,000 through the on-going plan to continue to develop cost effective training within the Cardiff Academy including the provision of training to other public sector bodies. This includes health and safety training. Income of £40,000 is also anticipated as a result of taking on the hosting of the South East Wales Schools Capital and Public Buildings (SEWSCAP) and South East Wales Highways Frameworks by Commissioning & Procurement. Further savings of £20,000 are also anticipated by this service through the Council's wholly owned trading company Atebion Solutions which trades commercial and procurement services to other public sector organisations.

148. A range of savings have been identified in relation to business processes and digitalisation. These include efficiency savings identified by the various divisions within the Resources Directorate in relation to their staffing structures and external spend. These savings include £346,000 in Finance, £152,000 in ICT, £123,000 in Performance & Partnerships, £52,000 in Human Resources and £19,000 in Information Governance. In addition to this, further efficiency savings of £80,000 have also been identified across the Directorate including through a review of the procure to pay process, reductions in budgets for printing and stationery and transport and from a further review of staffing resources. Other savings in relation to business processes and digitalisation include £178,000 arising from the planned reduction in support costs for HR IT systems, £11,000 as a result of moving the Council's HR IT system on to the Council's private cloud platform and £37,000 from the cessation of the "In Cardiff" newspaper. The latter saving reflects the Council's Communication Strategy which clearly puts the use of digital forms of communication, especially social media, at the heart of how the Council interacts with the people it serves. A saving of £206,000 has also been identified in relation to external spend in ICT following a further review of ICT funded licences and support contracts.

Medium Term Financial Plan and Financial Strategy

149. The budget reduction requirement refers to the gap between the Council's likely resources and its anticipated funding over the medium term. The outlook over the next three years continues to be extremely challenging with a further significant budget reduction requirement identified for the period 2019/20 – 2021/22. As in previous years, the key reason for the budget reduction requirement is that funding is anticipated to reduce over the medium term, whilst costs are expected to rise significantly due to inflation and demand for services.
150. The Council undertakes regular updates to the budget reduction requirement, as an important part of financial resilience. Following the Budget Report, the next formally reported update will be included in the Council's Budget Strategy Report in July 2018. In recognition of the areas of uncertainty inherent within the plan, the MTFP includes a base

case as well as a sensitivity analysis which models the impact of changes in key variables.

Medium Term Financial Plan Overview

151. This section sets out, as far as possible through using available information, assumptions and estimates, the financial challenges the Council is facing for the period 2019/20-2021/22. The table below identifies an estimated budget reduction requirement of £91 million over this three-year period. An extended version of the table below is set out in Appendix 16(a).

Component of Budget Gap	2018/19 £000	Medium Term Financial Plan		
		2019/20 £000	2020/21 £000	2021/22 £000
Adjusted base Budget B/forward	595,674	608,913	602,154	597,788
Employee costs*	3,361	4,052	3,231	3,257
Price Inflation	4,550	3,146	3,167	3,469
Schools Growth	6,943	11,653	8,912	8,178
Capital Financing	1,624	1,176	1,416	2,696
Commitments (net)	6,283	999	(112)	1,101
Non Schools Demographic Growth	3,300	3,500	3,538	3,577
Emerging Financial Pressures	1,474	3,000	3,000	3,000
2018/19 Savings	(14,296)			
Budget Reduction Requirement**		(34,285)	(27,518)	(29,600)
Net Expenditure	608,913	602,154	597,788	593,466
Funding				
Aggregate External Finance	(440,947)	(436,538)	(432,172)	(427,850)
Use of Earmarked Reserves***	(2,350)			
Council Tax (at 2018/19 Rate)***	(165,616)	(165,616)	(165,616)	(165,616)
Total Funding	(608,913)	(602,154)	(597,788)	(593,466)

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

**

Budget Reduction Requirement	£000
2019/20	34,285
2020/21	27,518
2021/22	29,600
TOTAL	91,403

*** Before any planning assumption on Council Tax increases and use of reserves which are considered in the Response to the Medium Term Plan Section of this Report

MTFP Assumptions – Future Expenditure

152. Financial pressures account for £76 million (84%) of the anticipated budget gap. Within the £76 million, a total of £32 million relates to pressure in schools and £21 million in Social Services.

Employee Costs

153. For non-teaching staff, Local Government pay is a matter for collective bargaining between the national employers and trade unions through the NJC. In December 2017, the employers issued a pay offer covering the financial years 2018/19 and 2019/20. The offer was for 2% per annum on higher grades, with higher awards on lower spinal points in order to bring them up to £9.00 an hour by 2019/20, when a new spinal point structure is due to be introduced. The offer has not yet been accepted and Trade Unions are currently consulting their members. However, in the absence of any other definitive information, the MTFP reflects the pay offer for 2019/20 and 2% per annum on all grades thereafter. The potential for higher pay awards is modelled in the MTFP scenario analysis.
154. In previous years, the MTFP has included allowances to continue to meet the Council's voluntary living wage (VLW) commitment. Under the proposed new structure, fewer spinal points will remain within the scope of the VLW and therefore the costs of the VLW are encompassed within the overall costs of the pay award.
155. The MTFP allows for the cost of teachers' pay progression. It also includes a reduced estimated requirement each year in recognition that over time, annual provision should result in an employee budget that is sufficient to cover the top of each pay grade.
156. No provision for pay progression is included in the MTFP for NJC staff. Since the new pay and grading structure was implemented in 2012/13, annual provision has been made to address pay progression. As grades are limited to a maximum of five increments and it is now over five years since implementation of the structure, employee budgets should be sufficient to cover each post at the top of the grade.
157. The LGPS is subject to actuarial review on a triennial basis. Further to the last valuation, which was as at 31 March 2016, stepped increases in the employer's contribution rate have taken place over the past few years. It is very difficult to pre-empt the outcome of the next actuarial review, which is due as at 31 March 2019 however, at present it is considered reasonable to assume that the existing rate of 23.5% may remain static, especially in light of the increases undertaken over the past few years and the continued buoyancy of the stock markets.
158. The Teachers' Pension Scheme (TPS) is an unfunded public service pension scheme. It was announced in the Chancellor's Budget of March 2016, that the discount rate used by the Actuary to set employer contributions to such schemes would reduce from 3% above CPI to 2.8%

above CPI. In the absence of any confirmation from the Teacher's Pensions Agency it has been assumed this will impact the TPS from September 2019, which is consistent with prior years adjustments to TPS contribution rates. The full impact of this change will be dependent on the actuarial review of the TPS, which is yet to be undertaken. However, it is suggested that the employers' contributions to the scheme will increase from the current rate of 16.48% to just over 18% which would require a 10% increase on existing teachers' pensions budgets. The base case MTFP reflects this pressure over the financial years 2019/20 and 2020/21. The worse-case scenario models the potential for an increase to 20%, a rate which has been suggested by commentators advising Academy Schools in England of potential risk factors over the medium term. Both scenarios will require careful monitoring over the medium term given that the discount factor is a factor of the inflation rate, which will be changeable over this period.

Price Inflation

159. At present CPI is running at 3.0%, which is above the Bank of England's 2% target. Expectations are that CPI will average 2.4% for 2018. Current estimates from the Office of Budget Responsibility suggest the following inflation rates over the course of the MTFP.

	2018	2019	2020	2021
RPI (%)	3.3	2.8	2.9	2.9
CPI (%)	2.4	1.9	2.0	2.0

160. In line with established practice, the MTFP assumes that directorates will manage the impact of price inflation within existing resources except in exceptional circumstances. These may relate either to the scale of the increase or the quantum of the budget to which the increase applies.

161. The areas deemed exceptional over the course of the MTFP include, out of county placement costs, NDR and potential fee increases in relation to Social Services. As well as considering the potential impact of general inflationary increases on the latter, the MTFP also reflects the potential for the NLW to have some impact in this area. Inflationary provision is also included within the plan in respect of assumed fluctuations in energy costs. The move from carbon reduction commitment to climate change levy in 2019/20 has also been considered in the context of energy pricing calculations.

Capital Financing

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

- the capital financing costs included in the MTFP reflect the 2018/19 Capital Programme and there is no assumption of any new scheme approvals in 2019/20 and onwards

- the Council's share of contributions towards the CCRCDC are included within future estimated capital financing costs
- there is an assumption that 21st Century Schools Band B and schools asset renewal costs will be met through capital receipts amounting to £25 million and by an additional reduction to schools growth
- the MTFP assumes a level of internal borrowing which minimises external interest costs

Commitments

163. The commitments section of the MTFP includes estimated increases to the amounts that the Council is committed to pay to other bodies by way of levy or contribution. As well as statutory bodies, these include the Regional Cabinet for CCRCDC.
164. As outlined elsewhere in this report, the Council is undertaking significant investment in schools to reorganise school places, ensure effective use of resources and fitness for purpose buildings. During the period covered by the MTFP, it is likely that new schools due for completion will have higher rateable values, and therefore a higher NDR liability than the existing schools estate. The MTFP builds in an estimate of the increased NDR exposure that may result from the SOP.
165. The commitments section of the MTFP also reflects further estimated reductions to the Single Revenue Grant. Whilst there will be other specific grant reductions to address over the next three years, the reduction to this stream has been reflected in the MTFP in recognition that it supports recycling activity which if compromised, could have an adverse impact on the Council's financial position through the imposition of fines.
166. As well as reflecting anticipated cost increases, the commitments section of the MTFP also captures instances where existing matters are expected to reduce. In line with a December 2016 Cabinet Report, the MTFP anticipates the fall out in 2020/21, of a £0.5 million budget for the provision of temporary accommodation at Cantonian High School.

Demographic Pressures

167. Of the £78 million expenditure pressure identified over the next three years, £22.8 million is attributable to pressure on services due to demographic growth. Over recent years, Cardiff has had one of the fastest growing populations of any of the UK core cities. Indications are that this trend will continue with statistical projections suggesting significant population growth out to 2034.
168. In recent years, Cardiff has experienced significant growth in age groups in which demand for services can be more costly. An increasing school age population places an additional financial burden on schools' budgets. Similarly, an increase in the older population creates additional financial

pressures on Social Services, as people become more likely to need services or to require more complex care packages.

169. The £22.8 million demographic pressure within the MTFP and summarised in the table below occurs in areas that already account for over 60% of the Council's total budget. In the absence of additional government funding to meet these pressures, meeting these anticipated costs will involve the Council redirecting funds from other areas of its budget.

Demographic Increases	Predicted 3 year pressure £000
Social Services – Adults	5,815
Social Services – Children's	4,500
Schools – Pupil Number	8,676
Schools – Associated Needs of Pupils	3,540
Other	300
Total	22,831

170. Whilst labelled as demographic growth, the sum in respect of Children's Services is also reflective of increasing complexity of demand. This is extremely difficult to predict and a small number of high cost packages can have a significant impact on the Council's budget. In recognition of this issue, in addition to the sums identified for Children's Services, the Council's base budget contains £950,000 as a service specific contingency in this respect.
171. A further area that will need to be closely monitored over the MTFP in terms of its demographic impact is the Local Development Plan (LDP), which sees significant growth planned for the city over the period to 2026. Whilst this will result in additional demand for services, this should be accompanied by a degree of recognition within the settlement funding formula as well as in the Council Tax base. Further modelling will need to take place as the LDP progresses.

Emerging Financial Pressures

172. The MTFP includes £3 million per annum to address emerging financial pressures. This sum, which equates to approximately 0.5% of the Council's net budget is included in recognition that it is impossible to foresee all issues. In reality, additional burdens are likely to arise due to issues such as legislative and policy changes and specific grant fall out. Review of these sums will take place at each refresh point of the MTFP when they will be updated to reflect most recent information.

Aggregate External Finance

173. For 2019/20, the Provisional Settlement for 2018/19 set out an average indicative reduction in AEF of 1.5%. This was stated to be on the assumption that the UK Government would proceed with £3.5 billion of

cuts that were planned for 2019/20, but which were yet to be allocated at the time. The Provisional Settlement noted that the indicative 1.5% reduction would be reviewed in the event that the UK Budget signalled an intention not to proceed with these cuts.

174. Following the UK budget in November 2017, it became clear that over £200 million of funding from the Barnett formula was due to come to Wales with £112 million in 2018/19 followed by a further £98 million in 2019/20. It was also the case that the £3.5 billion of cuts assumed by WG for 2019/20 were not as grave as WG had initially anticipated. In light of this improved position, the WLGA made representations to WG to reconsider the indicative funding position for Local Government as set out in the Provisional Settlement.
175. The Final Settlement announced a £20 million improvement on Provisional Settlement for 2018/19 with a further £20 million in 2019/20. Whilst the Final Settlement did not restate the indicative All Wales 2019/20 funding decrease following these changes, there is an understanding amongst Welsh Authorities that it has been ameliorated from a 1.5% reduction to a 1% reduction. Due to its particular set of population pressures, Cardiff's AEF is consistently above the Welsh average. However, at this stage it is considered prudent to assume a funding position in line with the All Wales reduction of 1% for 2019/20. This is in light of the potential for formula or grant changes that could have negative redistributive effects on the Council's funding. The blurring of boundaries between specific grant streams and non-hypothecated RSG is a cause for concern over the MTFP.
176. The assumption of a 1% funding reduction has been extended into later years of the MTFP, resulting in a total assumed funding reduction of £13 million over the three-year period. This position is extremely uncertain and in light of the significant impact that small percentage changes in AEF can have on overall funding levels, a worse-case scenario has been modelled as part of the sensitivity analysis on the MTFP. As set out earlier in this report, the Council has a £4 million FRM, which is available for release in the event that funding levels are worse than anticipated. This would assist in coping with a 1% worsening funding position in one year of the MTFP.

Specific Grant Funding

177. The Council receives a significant amount of specific grant funding. Over recent years, the WG has committed to provide greater flexibility and reduce administrative burdens for Local Government by transferring specific grants into RSG wherever possible. Whilst on the face of it this is helpful, there is a risk that upon transfer, the overall quantum and/or the distribution mechanism of the grant will change. There is also a risk that specific grants may simply reduce or fall out altogether or that transfers into RSG are not effected in the correct way. This hinders visibility and results in a worse than published position in relation to AEF.

178. The 2018/19 settlement indicated further challenges to specific grant streams in 2019/20, including a further reduction at an all Wales level of £11 million to EIG and £9.8 million to schools' post-16 grant. These reductions are in addition to the need to address the full effect of the fallout of the £4.1 million MEAG and Gypsy & Traveller elements of the EIG in 2018/19. As outlined earlier in the report, transitional funding is being provided for the 2018/19 financial year, however this funding may cease to be available in 2019/20. In addition to the challenges in respect of these education grants, within 2018/19 a number of specific grants that support early intervention, prevention and support including Supporting People, Flying Start and Families First will be merged into a single grant stream. The new single grant is expected to reduce by 5% in 2019/20. Opportunities for flexibility across these grant streams, following the merge, will need to be reviewed during the course of the coming year in order to accommodate the anticipated 2019/20 reduction.
179. The Council has a base budget of £250,000 to deal with in-year specific grant funding issues. Over and above this amount, the MTFP reflects anticipated reductions to specific grant streams, where failure to do so could ultimately result in a larger cost, for example the financial fines risk associated with recycling activity funded by Single Revenue Grant. Beyond this, the assumption is that any future specific grant reductions would be dealt with either by reviewing the grant funded activity to address the issues, providing transitional funding through the FRM if it is still available or through the sums set aside within the MTFP for emerging financial pressures.

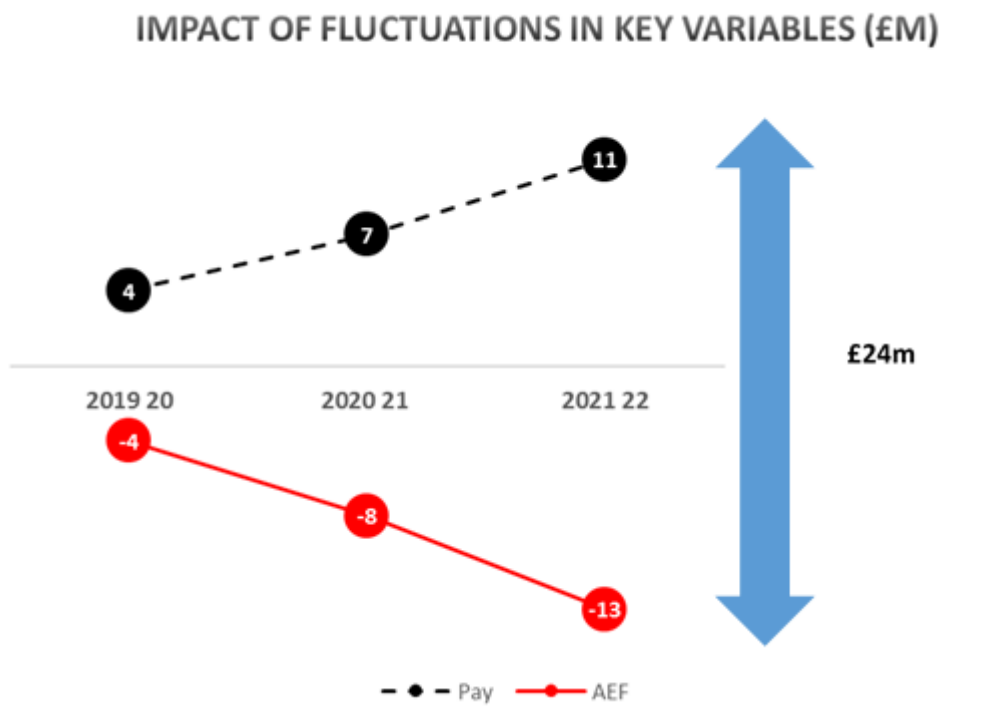
Reserves

180. Good practice is to avoid over-reliance on reserves as budget funding for a number of reasons:
- Firstly, reserves are finite in nature, which means that their use to support the budget creates an immediate gap in the finances of the following year.
 - Secondly, earmarked reserves are originally set aside either for a specific purpose or to support financial resilience, acting as a contingency for known areas of volatility. These functions would be compromised if large levels of reserves were routinely taken for budget funding.
 - Thirdly, the existence of reserves means that the Council has cash balances, which to a degree mitigate the need to undertake short-term external borrowing with its associated costs.
 - Finally, it is also of note that the level of reserves held by the Council may be considered to be just at an adequate level for an authority the size of Cardiff. As a percentage of gross revenue expenditure, Cardiff has one of the lowest levels of general and earmarked reserves compared to other Welsh Authorities.
181. Therefore a careful balance needs to be struck between holding too much and too little cash in reserves. Holding too little cash in reserves

increases the Council's exposure to risk whilst holding too much would tie up funding that could otherwise be used in support of services in times of financial pressure. It is also important to note that cash in reserves is not idle. It generates investment income in line with the Council's Treasury Management Strategy and as noted above, avoids the need to undertake short-term borrowing with its associated costs.

Sensitivity Analysis

182. Minor fluctuations in key variables can have a significant impact on the MTFP. The following graph illustrates the cumulative cash impact of an annual 1% fluctuation in two key variables, pay and funding.



183. The graph depicts that if AEF decreases are annually 1% worse than estimated and pay awards are 1% higher, this would have a cumulative impact of £24 million over the three year period. The impact of the funding reduction in the first year could be offset by releasing the Council's FRM. This would avoid the need to identify additional directorate savings at short notice. However, it would also remove the availability of the mechanism in future years for investment or for financial resilience purposes.

Worse Case Scenario

184. The following table reflects a potential worse-case scenario for the Council over the medium term. This reflects the possibility of:

- pay awards 1% higher than modelled in the base case
- annual funding reductions of 2% over the MTFP compared to 1% within the base case

- a more pessimistic view of potential Teachers Pension Scheme contribution rates

Worse Case Scenario	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Base Case MTFP Position	34,285	27,518	29,600	91,403
Changes:				
AEF	4,409	4,366	4,322	13,097
Pay Award	3,550	3,595	3,640	10,785
Pensions Issues – actuarial	1,245	889	0	2,134
Revised MTFP Shortfall	43,489	36,368	37,562	117,419

185. The base case MTFP reflects the December 2017 employer’s pay offer for NJC staff. This award has yet to be accepted by the Trade Unions and covers only two of the three years within the MTFP. There is currently no indicative pay award for teachers and therefore the base case MTFP reflects an assumed award. There is therefore a risk that pay awards may be higher than reflected in the base case MTFP. For this reason and given the significant impact that a small variation in award can have in terms of budgetary impact, the worse-case scenario models the potential for awards to be 1% higher in each year of the MTFP for all categories of staff.
186. A 1% annual fluctuation in AEF has the biggest impact on the base case MTFP, adding £13.1 million to the estimated budget reduction requirement. Release of the Council’s FRM would mitigate this sum by £4 million. It would however, remove the opportunity for further one-off investment through the FRM in future.
187. The worse-case scenario models the potential for employers’ contribution rates in respect of teachers’ pensions to increase to 20% over the medium term, higher than the increase from 16.48% to 18% that is included within the base case MTFP. Commentators advising Academy Schools in England have suggested that the rate could increase to 20% over this period. This issue will require careful monitoring as it largely depends upon a discount rate, which is a factor of the inflation rate and which will therefore be changeable over this period. The impact is anticipated to take effect in September 2019, with a full year effect in 2020/21.
188. A number of “known unknowns” are being monitored in relation to the MTFP period. These are currently too uncertain to quantify but will be monitored closely as many have the potential to be significant in terms of quantum. These include:
- The terms agreed as part of the UK’s exit from the European Union and their impact on the economy
 - The impact of WG’s devolved income tax powers from 2019

- The impact of WG devolved powers for land transactions tax (replacing stamp duty) and landfill tax from 2018
- Local Government Reform in Wales and associated requirements for pooled budgets.
- Future pressures on demand led budgets which may require budget realignments to be considered
- The WG pilot on 30 hours childcare (from 12.5 hours) for children aged three and four
- The potential for the Office of Tax Simplification (OTS) to recommend modifications to the National Insurance system

Council Response to the Medium Term Financial Plan

189. The previous section set out a further potential budget gap of £91 million over the next three years. Directorate savings in isolation will not be a sufficient solution to the problem. Developing the budget strategy to bridge this gap will require further review of assumptions around the use of reserves to support the budget, schools growth and potential future Council Tax increases. The following table sets out medium term assumptions regarding these areas in order to determine the amount that will need to be found from savings over this period.

	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Budget Reduction Requirement	34,285	27,518	29,600	91,403
Cap on Schools Growth	(2,883)	(2,172)	(1,946)	(7,001)
Council Tax	(5,785)	(6,034)	(6,293)	(18,112)
Use of Earmarked Reserves	(1,500)		750	(750)
Savings	(24,117)	(19,312)	(22,111)	(65,540)
Total	(34,285)	(27,518)	(29,600)	(91,403)

190. The assumptions outlined above will be reviewed and refreshed as part of the Budget Strategy Report to be developed in July. However, at present they reflect:

- A 30% cap on schools growth (excluding pupil numbers, Band B and asset renewal adjustments)
- A Council Tax increase of 4.3% in each year
- A £1.5 million annual draw down of reserves in 2019/20 and 2020/21, reducing to £750,000 in 2021/22.

191. The decision to reduce planned reliance on reserves as budget funding over the medium term has been taken in the context of existing levels of reserves and the Council's ongoing financial resilience. The assumptions outlined above will require a total drawdown from reserves of £3.75 million over the three-year period, which keeps use of reserves over the medium term to around 10% of the estimated balances. The assumed use of reserves within the MTFP will be kept under review. If circumstances were to arise that rendered it possible to top-up reserves

over the next few years, for example the receipt of windfall income, the MTFP assumptions may be revisited.

192. As part of the 2018/19 budget process, directorates have also been considering savings opportunities over the MTFP period. Opportunities are summarised across the five themes that have been used in relation to the 2018/19 proposals. These are consistent with the principles for development of the Council over the medium term, as set out in Capital Ambition and summarised earlier in this report. Further description of the type of opportunities that are captured within each theme is set out in the table below:

Theme	Description
Income Generation	<ul style="list-style-type: none"> • Identifying how the Council can make better use of its assets. • Identifying opportunities in respect of income generation (in both existing and new markets.) • Reviewing and challenging the cost base associated with income streams.
Collaboration	<ul style="list-style-type: none"> • Considering opportunities to work together within the Council as well as alongside the public, partner organisations and others. • Exploring opportunities for new operating models and alternative delivery arrangements. • Reviewing opportunities for the sharing of assets and the use of multi-agency teams.
Business Processes inc Digitalisation	<ul style="list-style-type: none"> • Reviewing internal business processes, through efficiencies and reductions to more closely reflect available resources. • Understanding the ways in which we can make better use of technology in our internal functions. • Continuing the shift to online services, customer focus and enabling technology, encouraging people who are able to use digital services to do so.
Prevention and Early Intervention	<ul style="list-style-type: none"> • Moving towards preventative action and early intervention to provide more cost-effective services and to manage demand for services in the future.
Review of External Spend	<ul style="list-style-type: none"> • Ensuring that we secure value on all our contracts. • Reviewing services that are subsidised by the Council. • Reviewing grants given to outside organisations to provide a service.

193. The opportunities for 2019/20 and 2020/21 are at varying stages of development. Further work on developing a fully defined set of proposals for these years and for 2019/20 in particular, will take place over the spring in order to inform the 2019/20 Budget Strategy Report which will be considered by Cabinet in July 2018. At present, savings in respect of 2021/22 are much more loosely defined than the two earlier years. The

shape of savings opportunities over the medium term is captured in Appendix 16 (b) and summarised in the following table:

Themed Savings Opportunities for	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Sum Required from Savings	(24,117)	(19,312)	(22,111)	(65,540)
Income Generation	2,213	1,762	2,017	5,992
Collaboration	3,576	578	661	4,815
Business Processes inc Digitalisation	10,626	10,317	11,813	32,756
Review of External Spend	6,115	5,282	6,048	17,445
Prevention and Early Intervention	1,587	1,373	1,572	4,532
TOTAL	24,117	19,312	22,111	65,540

194. The Financial Standing, Risk and Financial Resilience section has already set out the challenges of finding savings at significant levels over an extended timeframe. This is a key issue that will need to be kept in mind when developing further detail around savings, particularly for later years of the MTFP. It will be key to keep in mind the irreversible impact that decisions taken in connection with budget strategy can have on the future shape of the Council's budget. This is considered in further detail in the next section.

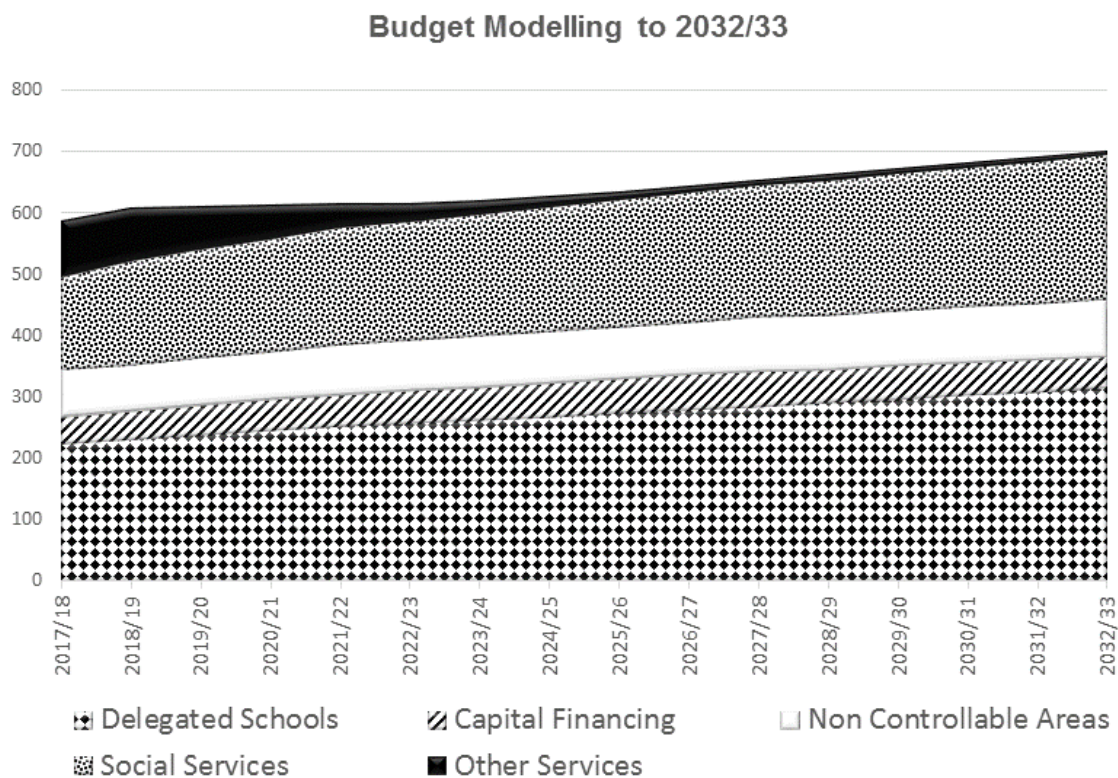
Future Years Outlook

195. A brief review of historic trends will assist in understanding the key influential factors on the potential shape of the Council's future budget. Although the Council has made £213 million savings over the past decade, the net budget has not reduced by this amount. This is because the most significant driver for the Council to make savings, are financial pressures for which it receives no additional grant funding.

196. In order to manage these unavoidable pressures, or to offer protection to certain elements of the budget, the Council must divert existing resources from other services. Two areas that have experienced exceptional demand and price pressures over an extended timeframe are Social Services and schools. Together, these areas account for proportionately more of the Council's budget each year. This is because cumulatively, they have received net additional funding of £60.677 million over the period 2014/15 – 2018/19. The MTFP predicts further significant pressures for these areas.

Financial Year	Delegated Schools Net Growth	Social Services Net Growth	Total
	£000	£000	£000
2014/15	2,720	736	3,456
2015/16	6,574	3,211	9,785
2016/17	11,185	4,082	15,267
2017/18	7,233	9,155	16,388
2018/19	7,376	8,405	15,781
5 Year Total	35,088	25,589	60,677

197. The prospect of sustaining the levels of growth identified above, over an extended future period will not be possible purely through diverting resources from other services. This is modelled on the graph below, which shows “other services” reducing to an extremely small proportion of the Council’s budget. This is not feasible given that these areas themselves include statutory functions.



198. It should be noted that it is extremely difficult to model beyond the timeframe covered by the MTFP given the number of unknown factors. The graph therefore can only be taken as a high-level indication of how things may look in future based on the extrapolation of historic trends. Some of the key assumptions underpinning the graph include:

- The capital financing section of the graph assumes no further growth beyond the existing Capital Programme. Consequently, any new

schemes dependent on additional borrowing will result in the capital financing section of the graph increasing at the expense of other areas.

- The growth assumed for schools and social services over the illustrated period is more modest than in recent years.
- The challenging funding position has been extrapolated over the medium term, moving to an optimistic view of modest funding increases moving into the longer term.

199. The graph highlights the importance of considering how decisions that are taken in one area may affect other areas both now and many years into the future. It re-emphasises the point made at the outset of this section; at times when funding levels are static or reducing, growth in one area is usually at the expense of others. This highlights the importance of continuing to set clear assumptions and policies at an early enough stage to manage the potential shape of the budget indicated by the graph. The cumulative impact of decisions taken now will have a significant and irrevocable impact on later years. It may be that long-standing policies and assumptions are considered unaffordable when viewed over an extended timeframe. Robust annual challenge on this point will be a key part of financial planning and resilience.

Cardiff Capital Region City Deal

200. The Cardiff Capital Region City Deal (CCRCD) valued at £1.2 billion was signed in Cardiff on 15 March 2016, the core proposition being the provision of funding to support investment in projects to stimulate economic growth: £734 million is allocated to the Metro while £495 million covers a Wider Investment Fund (WIF) to support additional economic development activities. The WIF consists of a Local Government capital contribution of £120 million and UK Government Grant of £375 million provided over a 20-year period. The local authority partners operate within an affordability envelope of £210.8 million within which they will manage the total capital and revenue financing costs of the WIF over its life. The local authority contributions are calculated on a population basis with Cardiff's contribution proportion of 23.7% representing £50 million.

201. The basis of how the CCRCD is governed (Joint Working Agreement), how the WIF is managed and approved (Assurance Framework) and the proposals for implementing the CCRCD (Implementation Plan) were approved by Cabinet and Council in January 2017. Cardiff Council has been approved as the Accountable Body to administer the CCRCD, hold the funds from UK Government, local government and other sources and to ensure financial and legal compliance, for which resources are met from a Regional Cabinet budget. The Cardiff Capital Region Joint Cabinet (Regional Cabinet) was established in 2017 to oversee the delivery of the CCRCD and has overall collective responsibility for decisions relating to the WIF. The Regional Cabinet has approved an operating budget for 2018/19 of £1.05 million, of which Cardiff's contribution is £248,850.

202. The Joint Working Agreement (JWA) include some matters that have been reserved for consideration by councils at a later date. A particular funding implication is that until a JWA Business Plan is approved by Regional Cabinet and all partnering local authorities, Regional Cabinet is only authorised to commit up to £50 million pounds of the UK Government revenue funding in respect of 'Initial Project Investments' and the local authority contributions cannot commence. Following a period of development with each of the ten partnering local authorities, Regional Cabinet is to consider the approval of a JWA Business Plan on 23 February 2018. Cardiff will consider the JWA Business Plan in its Council meeting on 22 March 2018.
203. An 'Initial Project Investment' has been approved by Regional Cabinet of £38.5 million for a Compound Semi-Conductor Project. The loan starts to be repaid in 2020/21, and will be recycled for further City Deal investment. Further projects are in a process of feasibility study and business case development following which detailed investment requests will be submitted for appraisal in accordance with the Assurance Framework and then submitted to Regional Cabinet for approval.
204. Cardiff's capital planning for its WIF contribution is predicated on the JWA Business Plan being approved by all Councils in March 2018, following approval by Regional Cabinet. This approval will discharge the 'reserved matter' at which time local authorities will be required to contribute their share of funding towards the capital project costs of £24.2 million for 2017/18. The contribution requirements are in accordance with a Regional Cabinet decision on 15 January 2018 to 'resource switch' and fund the initial investments in 2017/18 from capital funds, in order to preserve the £50 million of UK Government revenue funding for future use.

Housing Revenue Account and Rent Setting 2018/19

205. The HRA is a ring-fenced account which records income and expenditure in relation to council housing. The Local Government and Housing Act 1989 places a statutory duty on local authorities to maintain a separate account for the costs associated with the management and maintenance of Council dwellings. The ring fencing of the account means that local authorities must not subsidise costs relating to council housing from the General Fund or vice versa (i.e. from Council Tax or from the RSG).
206. The main expenditure items within the account include maintenance and repair costs, management costs (including rent collection, housing allocations and property and estate management) and capital financing charges on the HRA's outstanding loan debt. This will include the costs of servicing and repayment of all borrowing.
207. The major income streams include rents and income from service charges.
208. Whilst the responsibility for setting rents for individual dwellings rests with individual landlords, they are required to operate within average weekly

rent levels that fall within the Target Rent Band set by the WG. The WG current policy for social housing rents, which is in place until the end of 2018/19, applies a mechanism for uplifting annual rents which is based on CPI (at the previous September) plus 1.5% plus a maximum of £2 per week.

209. In line with this, it is proposed that from April 2018, rents should increase by 4.5% plus £2 per week. As a result of the change, the average rent for a council home will increase by £6.18 per week (£6.56 based on the 49 week collection) exclusive of service charges.
210. Consultation on the rent increase took place between 19th December 2017 and 17th January 2018. A letter and flyer were sent to 6,700 randomly selected tenants with a freepost return address; this represented 50% of tenants. The information was also sent to tenants who engage in tenant participation events. Approximately 75% of tenants are in receipt of help with their housing costs and, in most cases, this will cover the increase. Those tenants most affected will be those in work with low earnings and those affected by welfare reform such as the Benefit Cap.
211. As a result 105 responses were received; 69% were content with the rent increase while 31% disagreed with the proposed changes. The main issues raised were around affordability. Council rents remain good value and are lower than rents charged by private landlords.
212. A number of ways to mitigate the impact of the increase have been identified, including improved into work services to help people upskill and to seek better paid employment, a more supportive approach to rent arrears and a hardship fund for tenants struggling to pay arrears.
213. Tenants were also asked how they would like the Council to use their rent payments. Respondents were able to vote on multiple priorities. 68% of respondents said the money should be spent on building new Council homes; 67% on improving existing housing and neighbourhoods; 51% on improving Council services and 43% on help for those struggling to pay rent.
214. Additional revenue generated through the rent increase will be used primarily for direct investment in existing housing stock and estates and to deliver the Council's target for building new affordable homes.
215. The Council has already set a target of building 1,000 new council homes over the next five years through a combination of open market buy backs, developer packages and new builds. The additional resource available as a result of the rent increase will contribute to the Council's additional target of between 1,800 and 2,000 homes in total, subject to the agreement of WG to extend Cardiff's HRA borrowing cap. This is further detailed in the capital section of the report.
216. Other factors which make up the HRA budget proposal as set out in Appendix 17 include the following main items:

- provision is made for the pay award in line with the Employers offer, changes due to the next stepped increase of the actuarial review and employee increments as well as any other full year impacts of employee costs
- a £17.6 million budget has been set for Council Housing Repairs. This budget reflects the estimated requirements for both planned and responsive maintenance under the new Building Maintenance Framework
- the direct revenue financing budget for capital expenditure assumes a contribution of £8.050 million in 2018/19
- provision is made for the ongoing estimated impact of Welfare Reform under the Universal Credit scheme on rent income levels, additional costs of collection and recovery, bad debts provision and the potential impact on void allowances
- anticipated revenue costs relating to the Housing Partnership Project
- the HRA's fair contribution to the planned corporate and other initiatives where HRA activities are involved

217. The detailed proposals for changes to the HRA charges which can be found in Appendix 11(b) are summarised as:

- following a review of costs, the majority of service charges that normally increase in line with inflation have been frozen this year
- a small number of charges have been increased to allow for full cost recovery
- some charges have been maintained where cost recovery is being achieved
- some charges have decreased in line with reduced cost and service usage
- some new charges where additional services are now operational

218. For future years 2018/19 to 2021/22, the budget proposals are in line with the HRA Business Plan which will be reported to Cabinet in March 2018 and make provision for the following:

- pay awards and employee increments at assumed levels
- general inflation increases for non-employee budgets
- rent increases in line with WG guidelines taking account of forward indicators for inflation factors
- capital financing requirements in line with the proposed HRA Capital Programme
- contributions to HRA balances to meet future investment in the housing stock and other planned initiatives

School Organisation Plan and 21st Century Schools Band A Programme

219. The School Organisation Plan (SOP) relates to the significant programme of capital investment that aims to reorganise school places in Cardiff, thereby using resources more effectively and ensuring that schools are fit for purpose. The SOP Financial Model includes Cardiff's

21st Century Schools Band A programme, which totals £164.1 million and which is entering the final year of a seven year programme, which commenced in 2011/12. The Band A programme is funded on a 50:50 basis with WG, with WG's contribution taking the form of grant and Local Government Borrowing Initiative (LGBI) revenue funding to facilitate additional borrowing. The overall model comprises a projection for both capital expenditure and capital funding over the life of the plan and, subject to the submission of business case documents to WG, can be summarised as follows:

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

220. 21st Century Schools Projects completed to date including two new build primary schools, a replacement secondary school in partnership with Cardiff & Vale College and a number of extensions to primary schools. A number of projects are ongoing and include two new build primary schools, three replacement primary school buildings, a replacement secondary school and an extension to another primary school. The ongoing projects are scheduled for completion by the end of 2018/19, with a number scheduled for completion in time for the new academic year in September 2018.
221. The capital charges arising from the Council borrowing are funded from revenue release savings, which include savings from facilities management budgets from closed schools as well as efficiency savings and historical adjustments to delegated schools budgets. Capital financing obligations from completed and ongoing SOP schemes are expected to peak at £4.877 million in 2019/20.
222. The SOP also includes significant revenue expenditure in connection with organisational restructuring costs attached to the schemes. These include project management costs, additional costs incurred by schools that are closing or are in transition, and contributions toward the establishment of new educational provision. For example, the expenditure in respect of 2017/18 included a significant commitment to remove the deficit school balance for the federation between Michaelston Community College and Glyn Derw High School, following the closure of both schools in August 2017. Following a review of commitments, a comprehensive SOP revenue budget for 2018/19 has been produced and will be submitted for approval by the SOP Programme Panel in

February 2018. A summary table of the budgeted revenue expenditure is shown below:

SOP Revenue Expenditure 2018/19	£000
Project Team Costs	1,495
Transition Costs	183
Newly Established Schools Support	150
Ongoing Commitments	755
Contingency	500
Total	3,083

223. The ongoing revenue funding available within the SOP Financial Model will continue to fund the capital financing and any other residual costs of the completed programme from 2019/20 onwards. Any residual balances held at the end of Band A will be reviewed in future years, as part of the Council's budget process, for use in supporting the Council's budget or any further 21st Century Schools schemes, such as the 21st Century Schools Band B Programme.
224. The overall SOP Financial Model represents a significant financial exposure for the Council and the following capital and revenue key risks have been identified and are continually reviewed:
- changing scope of works as schemes progress
 - cost over-runs and fluctuating construction cost inflation
 - underachievement of capital receipts, failure to obtain planning consent or changes in Council policy in respect of land sales
 - the potential for revenue costs of closing schools and opening others to be higher than estimated
225. A further challenge for the SOP Financial Model is the cash flow impact of the timing of both capital and revenue expenditure and income. An earmarked reserve has been established for the SOP, and the projected movements on this reserve are shown in Appendix 18. This reserve is used to manage these cash flow implications and the risks as previously identified. At present, the balance on the reserve is judged to be sufficient in the context of the overall size of the SOP programme, however careful monitoring will continue to be required.

21st Century Schools Band B Programme

226. In November 2017, the WG confirmed that, across Wales, £2.3 billion had been earmarked for Band B, the next phase of the 21st Century Schools Programme. As part of this announcement, the WG confirmed their commitment to support the projects submitted by local authorities in their outline strategic business cases, subject to the approval of business cases for specific schemes.
227. Further to this announcement, the Cabinet, at their meeting of 14 December 2017, approved the projects included by Cardiff Council in its outline strategic business case. These projects seek to address significant condition and sufficiency issues in all phases, including some

significant projects in a number of secondary and special schools. The indicative value of these projects total £284 million, with the Council required to match fund 50% of that figure. The exception relates to voluntary aided schools, of which Cardiff Council has one within its indicative programme, where the WG will provide 85% of the total funding.

228. The funding for the Council's share of the overall cost will be met from a combination of external borrowing and capital receipts. The total value of available capital receipts is to be finalised, however modelling has been carried out on the basis of £25 million being available to fund the Band B Programme. The current programme plan outlines the commencement of certain projects in 2018/19, with the majority of expenditure being incurred in the period from 2019/20 to 2023/24. As a result, the annual repayments required in relation to the borrowing undertaken would peak in 2023/24, at which point all borrowing will have been undertaken. Should the profile of expenditure, or the level of capital receipts, change the repayments in later years may change in line with this.
229. In order to meet the repayments requirement arising from the borrowing, it will be necessary to create a revenue budget that can be used over the 25 year repayment period to meet those costs. In respect of the Band A Programme, a revenue budget was created to fund both the capital financing costs arising and those in relation to programme management and school transition. With regard to Band B, it is proposed to create a new budget, sufficient in size to meet the capital financing costs as a minimum. It is anticipated that the residual Band A revenue budget will be sufficient to fund the programme management and school transition costs of the scheme, although this will be subject to continual review as the programme progresses. Revenue expenditure incurred will be managed via a revenue reserve to provide maximum flexibility in the timing of the use of resources.
230. The Band A revenue budget was created from revenue release savings within the delegated school budget, primarily as a result of falling pupil numbers. For Band B, it is not anticipated that pupil number savings will arise, due to the sufficiency challenges within the secondary sector particularly. Therefore, the proposal is to apply a reduction to non-pupil number school growth to provide the funding necessary. However, in order to minimise the impact upon individual schools, the reduction on this element of the growth will be spread over a ten year period, rather than in line with the six year period in which the capital expenditure will be incurred. Any temporary funding shortfalls that arise will be offset by use of general fund resources, to be repaid towards the end of the ten year period.
231. One the recommendations to this report requests delegated authority for the Director of Education to determine all aspects of the procurement process for those projects outlined within the Council's 21st Century Schools Band B programme, in consultation with the S151 Officer and relevant Cabinet members. This will include submission to WG of individual business cases for each project. A three-stage business case

approval process is in place, requiring approval of a Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) before full grant approval is given. However, it is necessary to incur expenditure in relation to design works prior to submission of business cases and, therefore, in line with the approach to Band A projects, it is proposed that expenditure incurred in advance of SOC, OBC and FBC submissions for individual projects is limited. The thresholds proposed are 5%, 10% and 20% of the total cost of each project respectively and the Council should not be committed to any financial obligations outside of these thresholds.

232. Further considerations and risks in respect of the Band B Programme include:

- The risk that capital receipts do not meet the £25 million assumption. This presents a risk to the overall affordability of the programme.
- Each individual element of the programme requires full business case approval from WG. It is only at this point that the individual project budgets are approved and, therefore, there remains a risk to the overall affordability of the programme.
- There is a risk that capital expenditure incurred does not conform to the specific terms and conditions attached to the grant funding.
- There is a risk around inflationary increases in the capital expenditure to be incurred, again placing the overall affordability of the programme at risk. The same applies to currently unknown and unforeseen costs that arise during the programme. Whilst mitigations, such as contingency allocations can guard against this, there remains a risk that these mitigations are insufficient.
- Furthermore, there is a risk that initial estimated project costs are inaccurate and the actual costs of projects are higher than anticipated.
- Costs will be incurred in advance of projects gaining full business case approval and, should projects not gain approval, there is a risk that these costs will need to be aborted, at an additional cost to the Council via the SOP Revenue Reserve.
- There needs to be consideration given to any VAT implications arising from decisions made, particularly if any land transfers form part of the schemes. These present a risk around increased costs if irrecoverable tax is incurred and, therefore, would impact upon the affordability of the overall envelope.

Civil Parking Enforcement

233. Cardiff was designated as a 'Civil Enforcement Area' on 5 July 2010 and, since that date, has undertaken responsibility for enforcing a range of parking contraventions. In addition, new legislation has been made available to local authorities in Wales under the Civil Enforcement of Road Traffic Contraventions (General Provisions) (Wales) Regulations 2013 which allows for the enforcement of bus lanes and certain other moving traffic conventions. In 2014 Cardiff applied to the WG to acquire these additional powers to complement the existing parking enforcement powers and to provide a greater resource to address traffic congestion.

Following WG approval for the transfer of related legal powers to the Council, the Moving Traffic Offences (MTOs) initiative commenced in Cardiff on 1 December 2014.

234. The advantage to the Council of operating enforcement powers since 2010 is that it has been given direct day-to-day control of the deployment of enforcement staff across the highway network thus allowing targeted enforcement in support of transportation strategies and more effective responses to local needs.
235. Civil Parking Enforcement is a ring-fenced account. The income generated from car parking fees, resident's permits, penalty charge notices and MTOs is used to fund the associated operational costs including the cost of the enforcement service. Any surplus or deficit will be transferred to the Civil Parking Enforcement Reserve and can only be used for specific purposes such as supporting transportation services, parking and highway and environmental services in accordance with section 55 of the Road Traffic Regulations Act 1984.
236. The anticipated operating surplus for 2017/18 is £5.830 million. This has been used to fund a range of eligible expenditure in the current year and when this is taken into account the balance in the Civil Parking Enforcement Reserve at 31 March 2018 is estimated at £479,000.
237. For 2018/19, income from car parking fees, residents' permits, penalty charge notices and MTOs is forecast to be £12.186 million. Operating costs include staffing and other costs of enforcement services, administration, traffic regulation orders, maintenance for both on and off street parking and disabled bays. It also includes capital financing costs in respect of repayments in relation to the investment in expanding bus lane and yellow box junction enforcement. Overall, expenditure is estimated to be £6.350 million, leaving a net surplus of £5.836 million in 2018/19.
238. Eligible expenditure commitments supporting overall highway, transportation and environmental improvements total £5.025 million in 2018/19. Direct revenue contributions to capital are also reflected as a commitment for 2018/19. These include £335,000 for Bus Corridor improvements to replace expenditure previously within the approved Capital Programme and a further £240,000 towards further expansion of the 20 mph zones as set out in the Capital Programme. In addition, a further £175,000 is planned for residential parking permit expansion, £50,000 for various highway and transport improvements and £7,000 for the maintenance of Driver Feedback Signs (DFS). A provision of £100,000 is made towards the Bike Hire Scheme and the British Cycling Core Cities Cycling Partnership. Furthermore, there is a provision of £60,000 for Transport LDP monitoring, £60,000 to provide a resource to help schools deliver their Active Travel plans and £40,000 for the Car Free Day initiative. It is estimated that the balance in the reserve at 31 March 2019 will be £223,000.

239. Based on known levels of operating expenditure, other commitments and anticipated increases in income, the future balance in the reserve is estimated to be £285,000 by the end of March 2020, £476,000 by the end of March 2021 and £636,000 by the end of March 2022. The incremental increase in the reserve in 2020/21 and 2021/22 reflects lower commitments towards bus corridor improvements.
240. A summary of the overall position on the Civil Parking Enforcement Account including the anticipated balances on the reserve is set out in Appendix 19 to this report.
241. The anticipated surpluses provide significant scope for future investment in line with the LDP and Parking Strategy to assist in delivering improvements and key transport schemes in the City. Use of the reserve for investment in initiatives will be reported as part of the Council's regular monitoring arrangements including consultation with the relevant Cabinet member.

Joint Committees and Relevant Bodies

242. Cardiff is currently the lead authority for Glamorgan Archives, Prosiect Gwyrdd and CCRCDD; it is also a member of the Central South Consortium Joint Education Service and the Shared Regulatory Service. In addition, the Council has to meet a number of levies and contributions.

Joint Committees and relevant Body	2017/18 Revenue Contribution £000	2018/19 Revenue Contribution £000
Joint Committees		
Glamorgan Archives	209	209
Prosiect Gwyrdd	37	37
CSC Joint Education Service	1,436	1,407
Shared Regulatory Service	3,585	3,615
CCRCDD	237	249
Vale, Valleys & Cardiff Regional Adoption Consortium	488	573
Joint Bodies		
South Wales Fire & Rescue	16,858	17,181
Natural Resources Wales	138	139
Cardiff Port Health Authority	114	114
Newport Port Health Authority	5	5
Coroner	595	613

243. The figures shown for 2018/19 are subject to confirmation by the respective Joint Committees. The fees and charges for the Shared Regulatory Service are set by the Joint Committee or externally by statute or other regulation.

Activities inherited from Cardiff Bay Development Corporation including Harbour Authority

244. The Council agreed to take on the role of the Cardiff Harbour Authority (CHA) in April 2000 following the winding up of Cardiff Bay Development Corporation (CBDC). The functions and responsibilities of the Harbour Authority are detailed in the Agreement made between the Council and CBDC (now the WG) under Section 165 of the Local Government Planning and Land Act 1980. The funding required to discharge these obligations is provided by a specific grant received from the WG. This funding and any income generated are ring fenced.
245. The arrangement has been subject to a number of negotiated changes over the past 18 years; the latest variation was signed on 3 April 2014 and included a three year fixed cost budget for April 2014 to March 2017. The revisions ensured that a sufficient funding level was made available to the Harbour Authority to meet the liabilities under the agreement and any additional duties relating to the Cardiff Bay Barrage Act 1993.
246. The existing agreement expired on 31 March 2017. The WG advised they would like an opportunity to review current arrangements and wished to extend the previous business period by twelve months, up until 31 March 2018, during which period such a review would take place. The impact of this arrangement is that for the financial year 2017/18, CHA operated under the same budget allocation of £5.891 million as in 2016/17.
247. The WG continues to have discussions with CHA over the way forward with a view to jointly agreeing a new funding agreement for 2018/19-2020/21. The WG have already emphasised the pressures on this budget and indicated that supporting CHA at current funding levels is unsustainable and consequently there is a desire to explore savings with the CHA.
248. CHA and the Council have responded positively and constructively to this request and plan to work jointly with the WG on developing an appropriate settlement within the context of a wide-ranging review of CHA activities. WG are conscious of CHA statutory functions, therefore exploring savings and efficiencies must be undertaken carefully and managed appropriately.
249. The WG has delayed the review, originally planned for the Autumn 2017, until next financial year. Subsequently the WG have advised the Council that total funding for 2018/19 is set at £5.4 million, representing a reduction of £491,000 or 8.33%. This allocation has to cover the financial pressures for a staff pay offer and general inflation increases so, in real terms the saving reduction amounts to 11.10%.

CHA Funding	Budget £000
2017/18 Funding	5,891
2018/19 Funding	5,400
Funding Reduction	491

250. CHA are assessing this position and developing a revised budget. The reductions are likely to come from reduced employee costs through a staff restructure, a range of operational savings and reviewing several asset renewal schemes. In addition, the proposals include a cessation of the subsidy for the Tourist Centre. Additional income generation from leases, increases to charges in car parking and harbour dues will help to achieve a balanced budget.
251. The funding for asset renewal is likely to be a significant issue in the future. Past renewals and replacements have been relatively small in value. The CHA plan to raise this with the WG and agree a way forward to determine the likely impact this will have in future years as part of an asset management plan.
252. The overall reduction in the budget reduces the ability to fund large unforeseen operational costs and consequently increases the financial risk to the Council. It is therefore proposed to remove the requirement to retain £100,000 as a minimum retention figure for unforeseen additional costs within the project and contingency fund. In future, the full cost of any unforeseen costs will be recoverable from the WG through an additional claims process.
253. Furthermore, in respect of any major projects or enhancements it is proposed to agree or establish a protocol whereby the CHA submits a proposal to the WG on a business case basis for consideration.
254. The budget and proposed changes to the existing agreement are subject to further discussions with the WG. It is anticipated these will be concluded before the commencement of the new financial year.
255. The CHA maintains a Project and Contingency Fund, which is used to support projects and provides a contingency if the approved budget is exceeded. The Fund receives contributions from a combination of receipts from the sale and disposal of land and a share of past year underspends on the Fixed Cost budget. The balance at 31 March 2018 is estimated at £475,940. This is largely required to fund the remaining costs of the Alexandra Head development scheme in relation to the Volvo Ocean Race. A significantly reduced balance will emerge which is unlikely to increase in the near future.

Capital

256. The Capital Programme for the period 2018/19 to 2022/23 has been prepared following consideration of the demands on capital expenditure as well as resources for capital investment.
257. The CIPFA Prudential Code for Capital Finance in Local Authorities includes Capital and Treasury Management indicators to be considered by the Council when approving capital expenditure plans and borrowing limits. The Code was updated in December 2017, primarily in response to concerns in respect of authorities undertaking activities of a more

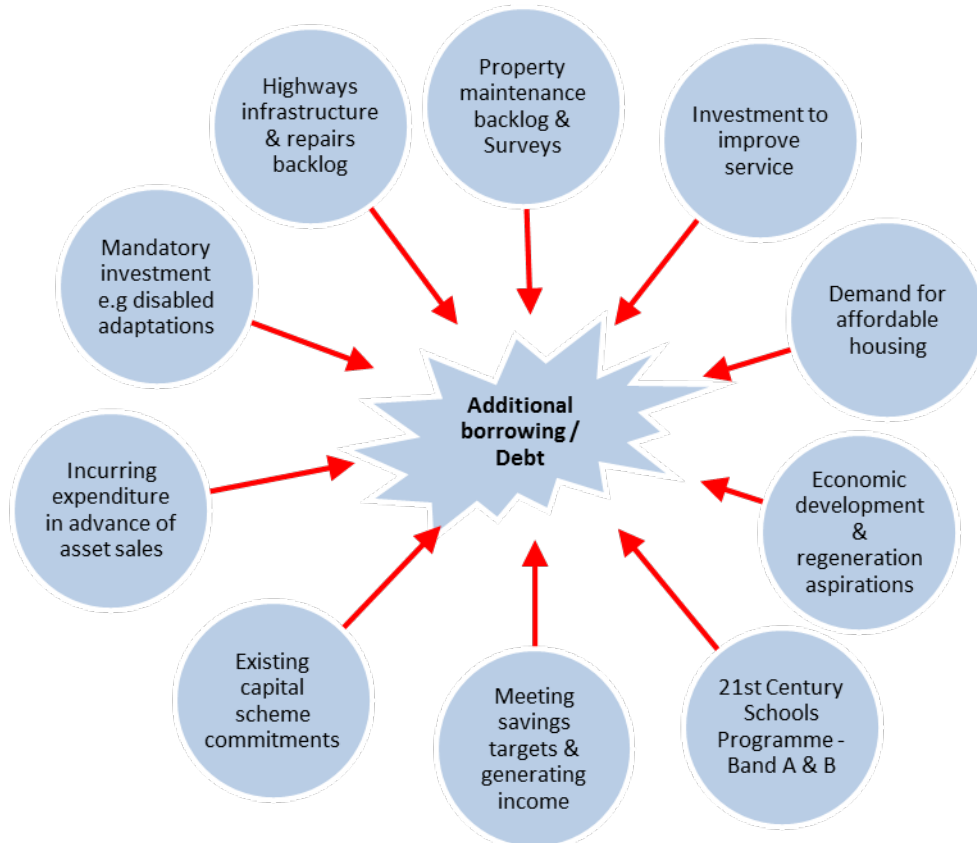
commercial nature such as investments in property and companies primarily for financial benefit.

258. The requirement for the two main changes to strengthen the Code are:-
- for full Council to approve a Capital Strategy that sets out the long term context in which both capital expenditure and investment decisions are made:-
 - to ensure that the strategy, governance procedures and risk appetite are fully understood by members
 - that the strategy should form part of the authority's integrated revenue, capital, treasury management and balance sheet planning to understand future financial sustainability
 - to include sufficient detail in the strategy to allow members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured to meet legislative requirements on reporting
 - the S151 Officer is required to report explicitly on the affordability and risk associated with the capital strategy and where appropriate have access to specialised advice to enable them to reach their conclusions.
 - a reduction in the number of required prudential indicators, but encouraging development of local indicators.
259. The Council already adopts a number of good practices that accord with the CIPFA code, however areas of development will be considered during 2018/19 to ensure that the best practice requirements under the Code can be demonstrated. The changes must be implemented by 2019/20 and so the Budget Strategy report in July 2018 will consider the main requirements of the capital strategy and set out the timescale for its approval by Council.
260. Borrowing is a long-term commitment to the revenue budget and must be prudent, sustainable and affordable in the long term as in 2018/19.
261. The Council continues to increase the amount it needs to borrow which will have a consequential increase on the capital financing budget within the revenue account and the Council's MTFP. The local capital financing prudential indicator shown in this section highlights that the proportion of the Council's General Fund revenue budget that it spends on capital financing is increasing. The paragraphs below set out the considerations taken in determining the Capital Programme. Careful consideration will need to be given to the affordability of additional borrowing as well as the amount, certainty and timing of capital receipts assumed as receivable towards investment.
262. Under the requirements of the Prudential Code of Borrowing, Local Authorities are required to publish a number of prudential indicators to assist in determining whether it has a prudent, affordable and sustainable Capital Programme. The indicators are set out in the Capital and Treasury Sections of the report. For readability and understanding, they are included at the most appropriate point in the text. Appendix 22(b)

indicates all the tables in this report that are required under the Prudential Code.

Capital Programme Plan and Capital Financing Requirement (CFR)

263. The Budget Strategy report considered by Cabinet in July 2017, highlighted the pressures on the Capital Programme, with pressures arising from a number of sources as illustrated in the following diagram.



264. Where capital expenditure has been incurred without a resource to pay for it immediately e.g. via capital receipts, grants or other contributions, this will increase what is termed the Council's Capital Financing Requirement (CFR). The Council is required to make a prudent provision for the repayment of historic capital expenditure annually from its revenue budget. This reduces the CFR. As highlighted later on in this report in consideration of the policy, it is essential that the level of this prudent provision continues to take into account previous and future borrowing commitments, the period over which the benefits of approved capital expenditure schemes are expected and that the Council takes a long term approach to minimise risk.

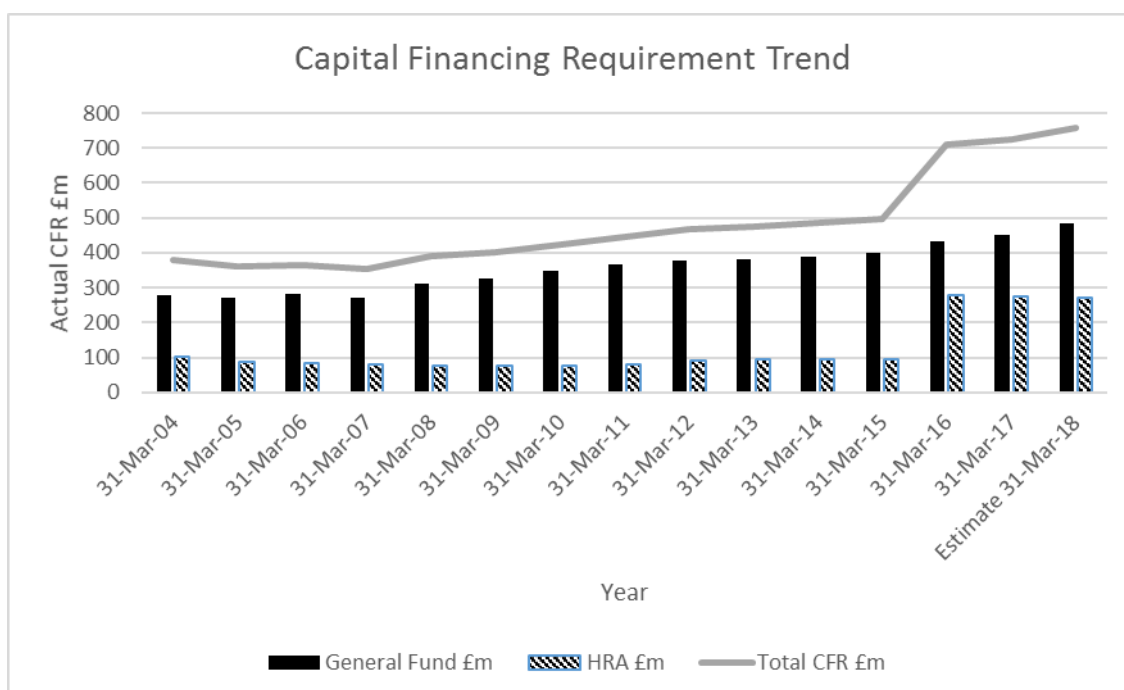
265. Calculation of the CFR is summarised in the table below and results in the need to borrow money.

	<i>Opening Capital Financing Requirement (CFR)</i>
+	Capital expenditure incurred in year
-	Grants, contributions, reserves and receipts used for capital expenditure
-	Prudent Minimum Revenue Provision & Voluntary Repayment
=	<i>Closing Capital Financing Requirement (CFR)</i>

266. The actual CFR as at 31 March 2017 and estimates for current and future years for the General Fund and HRA are shown below:

Capital Financing Requirement as at 31 March					
	2017 Actual £m	2018 Estimate £m	2019 Estimate £m	2020 Estimate £m	2021 Estimate £m
General Fund	450	484	500	510	541
Housing Revenue Account	274	272	295	294	303
Total	724	756	795	804	844

267. This continues a long-term increasing trend starting in 2004 when this measure was introduced, with a spike in 2015/16 as a result of payments made to HM Treasury to exit the Housing Revenue Account Subsidy System as demonstrated in the following graph.



268. The CFR forecast is subject to the timing of capital expenditure, capital receipts and new schemes that may be considered for approval in future years. It can be seen that the Council's underlying need to borrow is increasing and will need to be repaid from future revenue budgets either from savings, revenue income or Council Tax and Housing Rents. The

Council's MTFP reflects the costs of additional borrowing requirements and managing the CFR is considered in the Treasury Management Strategy.

269. As the Council realigns itself strategically to lower funding levels it needs to consider the level of debt, impact on financial resilience and Well-being of Future Generations (Wales) Act 2015. The Council must also consider the consequences of increasing borrowing. The percentage of controllable budget that is committed to General Fund capital financing costs in the long term is increasing. Given the extreme pressure on the revenue budget this clearly limits the affordability for additional borrowing in future years and must be a factor considered by members when determining the Capital Programme along with: -

- the prudential indicators highlighting the longer term impact of capital decisions on the revenue budget and affordability, prudence and sustainability
- the key long term strategic priorities for the city for which investment to be funded by additional borrowing is to be approved
- use of control mechanisms for different types of unsupported borrowing before approval
- determining core areas of long term investment e.g. maximum exposure limits to unsupported borrowing for discretionary services.

Capital Programme 2018/19 – 2022/23

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

- their responsibilities to ensure that they have sufficient and capable resources to undertake options appraisals, develop and deliver capital schemes
- minimising slippage wherever possible, but where likely, notifying Finance at an early stage for inclusion in budget monitoring reports to Cabinet
- ensuring costs charged to capital projects meet the definition of capital expenditure
- having contract management processes and procedures in place to ensure value for money and to ensure any contract variations are essential and approved in accordance with the Council's Constitution.

271. The proposed Capital Programme for 2018/19 and indicative Programme for 2019/20 to 2022/23 is summarised in the following table:-

Capital Programme	2018/19* £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Indicative 2022/23 £000	Total £000
Annual Sums Expenditure	20,465	15,247	15,247	15,247	14,620	80,826
Ongoing Schemes	27,275	22,513	1,238	770	130	51,926
New Capital Schemes	13,247	15,510	27,403	24,187	10,567	90,914
Schemes Funded by External Grants and Contributions	20,460	20,346	51,497	51,380	24,704	168,387
Invest to Save Schemes	18,292	22,385	35,823	42,880	21,204	140,584
Total General Fund	99,739	96,001	131,208	134,464	71,225	532,637
Total Public Housing (HRA)	42,025	29,522	39,200	42,530	34,800	188,077
Total Capital Programme	141,764	125,523	170,408	176,994	106,025	720,714

* Includes slippage estimated at Month 9. The final slippage figure, which will be known at outturn, will be reflected in the Month 4 2018/19 budget monitoring report.

272. Actual capital expenditure in 2016/17 was £106 million (£82 million General Fund, £24 million HRA). Projected capital expenditure in 2017/18 is £140 million (£111 million General Fund, £29 million HRA).

273. The five year programme is detailed in Appendix 20, with some of the main items of expenditure highlighted below:-

Theme	Types of expenditure
Annual Sums	<ul style="list-style-type: none"> • Disabled adaptations to allow people to remain in their homes • Highway infrastructure and property asset renewal • Neighbourhood regeneration • Parks asset renewal • Road safety; cycle and public transport network improvements
Previously Agreed / Ongoing Schemes	<ul style="list-style-type: none"> • Day Centre Opportunities Strategy • Facility to support victims and those at risk of domestic abuse • Whitchurch High School accessibility for disabled pupils • Bereavement Strategy • Western transport interchange • Completion of 21st Century Schools Band A programme • Economic development initiatives including Central Square public realm • Modernising ICT to improve business process

Theme	Types of expenditure
New Capital allocation proposed in 2018/19 Budget	<ul style="list-style-type: none"> • Neighbourhood renewal schemes • City Centre youth hub and Butetown pavilion • Additional asset renewal investment in existing assets, to support highway infrastructure, non schools buildings, parks play equipment and waste infrastructure • Strategic cycle routes • Council contribution to support WG grant bids for coastal erosion, transport links and a targeted regeneration investment programme • Development of a household waste recycling centre in the north of the city • Council agreed contribution to CCRCDC expenditure in accordance with profile approved by Regional Cabinet in January 2018.
External Grant and Contribution assumptions	<ul style="list-style-type: none"> • 21st Century School Band A and Band B grant from WG • WG transport and road safety grants • Planning gain and other contributions received towards a range of schemes
Invest to Save	<ul style="list-style-type: none"> • 21st Century Schools Band A and Band B financial models • Schools property asset renewal, health and safety and additional learning needs • Council leisure centre investment as part of alternative service delivery • Loan to Cardiff City Transport Services Limited • New cemetery to increase burial space in the city • Building energy efficiency schemes • Lamby Way solar farm • Economic Development Initiatives
Public Housing	<ul style="list-style-type: none"> • Improvements to garages, gullies and open spaces • Investment in existing stock to sustain Welsh Housing Quality Standards (WHQS) • High rise block upgrades • Sheltered accommodation remodelling • New affordable housing including land acquisition • Disabled adaptations

New Capital Allocations Proposed in 2018/19 Budget

274. In considering new pressures for investment, a medium term view has been taken with new investment proposed on the following principles:-

- new schemes proposed support key priorities and improvement objectives of the Council's Capital Ambition
- additional borrowing principally for existing assets such as highway infrastructure and to address condition of properties to be retained in

the long term. This is following an assessment of risk and review of existing allocations for annual sums

- directorates to manage priorities within existing budgets as no further requests for additional asset renewal funding from directorates are expected over the five year period in future years
- recognition that the Council's controllable budget alone cannot afford the capital financing implications of additional investment required for existing and new schools
- investment where it needs to be made by the Council and cannot be better made by others
- taking advantage of opportunities for grant match funding to secure investment in schools, transport and regeneration

275. The Council is also developing feasibility studies into a number of major projects such as those supporting economic development, transport and energy projects. It is essential that due diligence is undertaken on business cases for such projects, with sourcing of external expertise where relevant to support decision making and to understand key risks and any financial liabilities that could arise from such investment. The taking forward of those projects must also consider whether investment needs to be made by the Council and cannot be better made by others.

External Grant and Contribution Assumptions

276. Over the life of the Capital Programme the level of external grants included are based on assumptions. Any external grant approvals received during the year will be reported as part of the Council's budget monitoring process as a basis for inclusion in the budget framework.

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

277. The General Fund Programme includes significant borrowing commitments of £140.6 million for directorate schemes modelled to pay for themselves over a set period of time, either from revenue resources budgeted for in future years, revenue savings or income generation. Directorates responsible for Invest to Save schemes will need to repay amounts owed from existing revenue budgets irrespective of whether the level of savings or income initially expected materialise. This may be over a significant period of time, many years into the future, as is the case with the 21st Century Schools financial model.

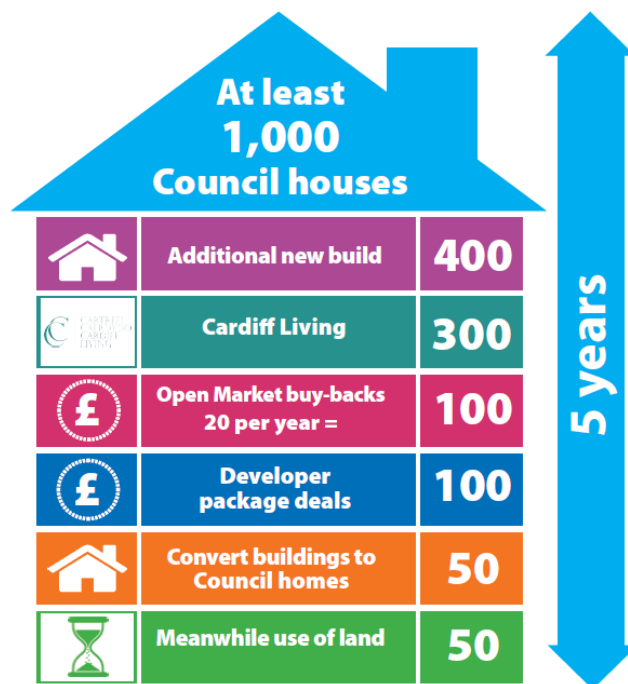
278. Accordingly it is essential that there is a robust long term view of the strategic requirement for that expenditure, affordability and risks to repayment of borrowing before commitments for additional borrowing are entered into. The review of business cases is supported by the Investment Review Board, which is chaired by the S151 Officer.

279. WG has increasingly been providing interest free loans or repayable grants using Financial Flexibility funding available to them for a range of schemes. Whilst welcome, where there is linkage to the strategic aims of Cardiff Council, these present an ongoing risk to the Council. Such

schemes increase the Council's capital expenditure and WG funding must be paid back in full.

Public Housing/Housing Revenue Account (HRA)

- 280. Investment in Public Housing includes enhancing the condition of existing housing stock, estate regeneration and development of new affordable housing.
- 281. Significant investment will deliver new council social rented homes through a combination of open market buy backs, developer packages and new builds in order to meet demand for affordable housing in the city and to help meet national targets. The programme currently includes £120 million of investment over the next five years.



- 282. As part of the agreement to exit from the housing subsidy system in 2015/16, the Council must adhere to a debt cap for the HRA and the level of investment proposed has been limited to ensure this remains the case. Opportunities to make a step change in the number of units delivered are being considered for much larger sites in the city, however, whilst affordable, such schemes cannot be considered without the agreement of WG to extend Cardiff's HRA borrowing cap.
- 283. The HRA business plan is prepared for a period of thirty years and will be submitted to WG in March 2018 following approval by Cabinet. It is subject to regular review to ensure new expenditure to be paid for by borrowing is for essential improvements or for schemes that have an element of pay back, so that there are no long term issues of affordability and sustainability in respect of borrowing.
- 284. A number of sites will be appropriated from the General Fund into the HRA for the development of new housing. These include the former school sites at Rumney, Llanrumney, and Howardian. No additional

expenditure is shown as a result of these transfers in to the HRA, as this is achieved by a transfer of debt from the General Fund to the HRA. Subject to ensuring no breach in the cap and following a viability assessment acquisition of other Council or externally owned sites suitable for housing will be considered.

Capital Resources 2018/19 to 2022/23

285. Resources proposed to be used to pay for capital expenditure are summarised in the table below and detailed in Appendix 21.

Capital Resources	2018/19	2019/20	2020/21	2021/22	2022/23	Total	%
	£000	£000	£000	£000	£000	£000	
WG General Capital Funding - Supported Borrowing	8,468	8,468	8,468	8,468	8,468	42,340	6
WG General Capital Funding - Grant	5,153	5,153	5,153	5,153	5,153	25,765	3
Major Repair Allowance Grant (HRA)	9,532	9,532	9,532	9,532	9,532	47,660	7
Additional borrowing	59,841	49,401	74,610	77,156	42,178	303,186	42
Earmarked Capital Receipts	22,350	20,443	500	500	500	44,293	6
Non earmarked Capital Receipts	4,000	3,000	13,000	13,000	7,000	40,000	6
Revenue & Reserves	10,025	7,880	6,648	6,505	6,490	37,548	5
Other External Grants and Contributions	22,395	21,646	52,497	56,680	26,704	179,922	25
Total Resources	141,764	125,523	170,408	176,994	106,025	720,714	100

286. The Council will receive £13.621 million in 2018/19 through grant and supported borrowing approval from the WG towards funding the Council's capital spending priorities. This is a £90,000 increase from 2017/18 but a reduction of circa 35% compared with 2010/11. This means that WG resources barely meet annual expenditure on annual sums, therefore the Council has chosen to increase its borrowing.

287. The Major Repairs Allowance receivable for Public Housing remains at previous levels of £9.5 million per annum.

288. Expenditure funded by unsupported additional borrowing of £303.186 million is proposed over the five year period of the programme. This is in order to meet General Fund capital expenditure and to pay for Invest to Save schemes of £213 million and £90.1 million of public housing capital expenditure.

289. Earmarked receipts of £44.293 million have been identified to offset expenditure and minimise levels of borrowing for the 21st Century Schools Band A programme and for economic regeneration schemes such as Central Square redevelopment.

290. Over the five years of the Capital Programme, £40 million of non-earmarked capital receipts have been assumed, a significant increase, and which are to be determined from a review across the Council's whole estate.

291. The actual realisation and timing of capital receipts is relatively unpredictable given the number of variable factors involved. In order to take this into account, a Capital Programme that includes assumptions on significant levels of capital receipts needs to be supported by a clear, approved strategy for the realisation and timing of such receipts. To do otherwise would be a significant risk to the Council's borrowing requirement and future revenue budget pressures.
292. The Council's approach to delivery of capital receipts is to be set out in a disposal strategy developed by Strategic Estates and considered by Cabinet during the year. Progress in delivering receipts will be reported periodically to the Asset Management Board and as part of the budget monitoring reporting process. It is clear that within this financial climate of reducing revenue resources, all necessary actions must be taken to reduce both initial capital expenditure and by accelerating a reduction in the Council's asset base within a limited timeframe.
293. Releasing capital receipts may also require investment in improving other assets or providing alternative facilities, which means an additional drain on realisable receipts. In setting the target for capital receipts, earmarking will need to be limited, with the priority being to pay for schemes in the existing capital programme and any additional receipts, used to repay debt.

Ratio of Financing Costs to Net Revenue Budget Stream

294. This indicator identifies the trend in the cost of capital financing (excluding the running costs of schemes). Financing costs include:
- interest payable on borrowing and receivable on investments
 - penalties or any benefits receivable on early repayment of debt
 - prudent revenue budget provision for repayment of capital expenditure paid for by borrowing
 - reimbursement of borrowing costs from directorates in respect of Invest to Save schemes.
295. For the General Fund, the net revenue stream is the amount to be met from non-specific WG grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers. An increasing ratio indicates that a greater proportion of the Council's budget is required for capital financing costs over the planned Capital Programme period.

Ratio of Financing Costs to Net Revenue Budget Stream						
	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
General Fund – Net Capital Financing Budget	6.00	5.85	5.76	5.79	5.81	6.06
General Fund – Gross Capital Financing Budget	7.57	7.41	7.53	7.69	7.95	8.65
HRA	30.46	32.66	31.53	33.58	33.10	32.97

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

- no new approvals of additional borrowing apart from that currently proposed over the period
- estimated interest rates
- the level of internal borrowing and timing of external borrowing decisions and capital expenditure
- the total level of the WG revenue support etc, which can fluctuate due to transfers in or out of the settlement.

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

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

- it does not take into account the fact that some of the Council's revenue budget is outside of its direct control
- it is impacted by transfers in and out of the settlement
- it includes investment income which is highly unpredictable, particularly in future years

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

300. Accordingly an additional local indicator is calculated for the General Fund to support decision making and is shown in the table below for the period up to 2022/23. These local indicators show the ratio of capital financing costs of the Council expressed as a percentage of its controllable budget, excluding treasury investment income:

Capital Financing Costs expressed as percentage of Controllable Budget								
	2011/12 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %	2022/23 Estimate %	Difference 11/12-22/23 %
Net	13.47	14.40	13.87	14.49	15.11	16.46	16.65	23.61
Gross	15.17	18.16	18.07	19.21	20.56	23.38	24.62	62.29

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

302. An increasing percentage indicates that a greater proportion of the controllable budget is required for capital financing costs, which are committed in the long term. The requirement to meet these additional costs can only come from future savings or from increases in Council Tax. This clearly limits the scope for additional borrowing in future years and reduces the Council's overall flexibility when making decisions on the allocation of its revenue resources. The percentages take into account the significant level of savings having to be found in 2018/19 and over the medium term.
303. Approval of any additional capital schemes to be funded from borrowing would negatively impact upon the indicator. As set out earlier, this report reviews the Council's financial position across the life of the MTFP and identifies both the challenges ahead and the significant nature of the actions required. Council-wide solutions across this time frame will need to be holistic and could include consideration of both revenue and capital spend. Whilst approving the Capital Programme for the period up until 2022/23, Cabinet should be aware that the later years position will need to be subject to an ongoing review of the Council's financial standing and resilience.

Planning Gain (Section 106) and Other Contributions

304. Directorates must use contributions within relevant timescales and in accordance with the terms and conditions of the agreements.
305. The following table summarises the balances currently held by the Council at 31 December 2017 on a service basis, together with a planned profile of spend over future years, as determined by directorates. Due to the level of uncertainty, future amounts potentially receivable have not been included, but could be significant in relation to large sites.

Areas of Service	Projected Balance at 31 March 2018 £000	Planned Use 2018/19 £000	Planned Use 2019/20 £000	Planned Use 2020/21 and beyond £000
Traffic & Public Transport	2,299	862	763	674
Parks & Sport	3,616	1,356	1,093	1,167
Planning	164	33	131	0
Education	654	325	329	0
Economic Development	516	236	280	0
Neighbourhood Regeneration	1,196	581	571	44
General Fund Total	8,445	3,393	3,167	1,885
Housing Total	1,484	1,484	0	0
Total	9,929	4,877	3,167	1,885

306. Some of the schemes included in the profile for 2018/19 above are:
- Traffic & Transportation – footpath and cycle improvements, notably in Cathays, Creigiau, Penylan and Trowbridge (£283,000), public transport (£451,000), highway improvements (£177,000), installation of CCTV and real time information (£79,000), telematics and transportation schemes including bus service improvements and bus boarders (£103,000) and traffic orders throughout the city (£88,000)
 - Parks – Adamsdown Open Space (£459,000), Hendre Lake footpath link (£119,000), 3G Pitch at Maindy Park (£106,000), Llanishen Park (£155,000) and the Roath Park Corridor cycle improvements (£226,000)
 - Strategic Planning – public realm improvements at Bridge Street, Charles Street, Newport Road, Mount Stuart Square, the entrance to Cathays Station and City Road District Centre regeneration scheme
 - Schools – Howardian Primary School (£141,000), Cardiff West Community High School (£76,000) and catering/kitchen improvement schemes in Lisvane (£274,000)
 - Neighbourhood Regeneration – provision of library service within the Cardiff Royal Infirmary site (£206,000), the refurbishment of community facilities in Caerau, Gabalfa, Plasnewydd and Lisvane
 - Housing – development of new affordable housing.
307. The Community Infrastructure Levy (CIL) regulations came into force in April 2010 to allow local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. CIL sits alongside the existing Section 106 (S106) process but the regulations change some of the key rules associated with S106 to prevent overlap between them.
308. A draft Charging Schedule has been consulted upon but progression onto the next stage depends on the possible devolution of CIL to the WG. Depending on the timescales, there may then be a need to re-visit the viability evidence and therefore it is unlikely that CIL will be in place in 2018. S106 will remain as the main vehicle to deliver infrastructure such as additional schools and affordable housing development.

Treasury Management

309. The Council carries out its treasury management activities in accordance with a Treasury Management Code of Practice for public services, updated by CIPFA in 2017. This requires the Council to set out the policies and objectives of its treasury management activities and adopt four Clauses of Treasury Management. These were formally adopted by the Council in February 2010. Appendix 22(a) includes a glossary of terms used in this strategy.
310. CIPFA has adopted the following as its definition of treasury management activities:

The management of the organisation's borrowing, 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.

This definition is intended to apply to all public service organisations in their use of capital and project financings, borrowings and all investments.

311. The Council's Audit Committee undertakes scrutiny of the accounting, audit and commercial issues in relation to the Council's Treasury Management Strategy and practices. Reports produced in relation to the Council's treasury management activities include a strategy at the start of the year, performance reports during the year, a mid year report and an outturn report.

CIPFA Treasury Management Code update 2017

312. CIPFA have made two main changes to the Code in 2017 and expect these to be fully implemented by April 2019, if not earlier.

- Minor changes to the treasury indicators which were initially developed in 2004
- Clarifying that the definition of 'Investments' above includes:-
 - Treasury Management investments (as historically included in this Strategy, as well as
 - investments made for policy reasons and managed outside of normal treasury management activity.

313. The latter change is primarily in response to increasing commercialisation activities undertaken by Local authorities. Examples of investments made for policy reasons and managed outside of normal treasury management activity include:-

- 'service investments' held in the course of provision and for the purposes of operational services
- 'commercial investments' which are taken mainly for financial reasons. These may be shares and loans in business structures e.g. subsidiaries; investments explicitly taken with the aim of making a financial surplus for the Council; non financial assets such as investment properties held primarily for financial benefit.

314. Where, in addition to treasury management investment activity, organisations invest in other financial assets and property primarily for financial return, the Code requires that these investments should be proportional to the level of resources available to the organisation and the organisation should ensure that robust procedures for the consideration of risk and return are applied to these decisions.

315. The Code requires that all investments have an appropriate investment management and risk management framework. This includes making it explicit in any decision making:-

- the powers under which investment is made
 - the governance process including arrangements in place to ensure appropriate due diligence to support decision making
 - the extent to which capital invested is placed at risk
 - the impact of potential losses on financial sustainability
 - the methodology and criteria for assessing performance and monitoring process
 - how knowledge and skills in managing such investments is arranged and that these are monitored, reported and highlighted explicitly in the decision making process and due diligence.
316. The most significant investments currently held by the Council and managed outside of normal treasury management activity are the Council's 100% shareholding in Cardiff Bus and the Council's Investment Properties, which include various freeholds within the City held for income generation or capital appreciation.
317. The Council will need to consider this change in the Code during 2018/19 when considering any new proposals for non treasury investments as well as any updates to existing strategies, practices and reporting such as in the Statement of Accounts.
318. It will be recommended that Council adopt the practices for Non Treasury Investments identified in a separate section of the Treasury Management Strategy below.

Treasury Management Strategy

319. The Strategy links plans for capital investment, financing and affordability of those plans as well as how cash will be safely managed to meet the Council's financial commitments and objectives.
320. The Council accepts that no treasury management activity is without risk. However the overriding objective is to minimise the risk of adverse consequences or loss, whilst at the same time not unduly constraining investment returns or unnecessarily incurring interest costs.
321. The identification, monitoring and control of risk are integral elements of treasury management activities with risks including credit and counterparty, liquidity, interest rate, refinancing, fraud and regulatory. The Council has Treasury Management Practices to address and mitigate these risks which were updated in March 2017 following a review by Internal Audit and Audit Committee.
322. Responsibility for treasury decisions ultimately remains with the Council however, the Council recognises the value in the use of treasury advisors to support the management of risk and to access specialist skills and resources. Support provided by Link Asset Services includes advice on timing of decision making, training, credit updates, economic forecasts, research, articles and advice on capital finance.

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

- the current treasury position
- economic background and prospects for interest rates
- borrowing, including: -
 - Policy
 - annual Minimum Revenue Provision (MRP) Policy Statement
 - Council borrowing requirement based on its capital expenditure plans and choice between internal and external borrowing and
 - Borrowing Strategy
- treasury management indicators and limits for 2018/19 to 2020/21
- investment policy and strategy, including security and investments approved for use
- training.

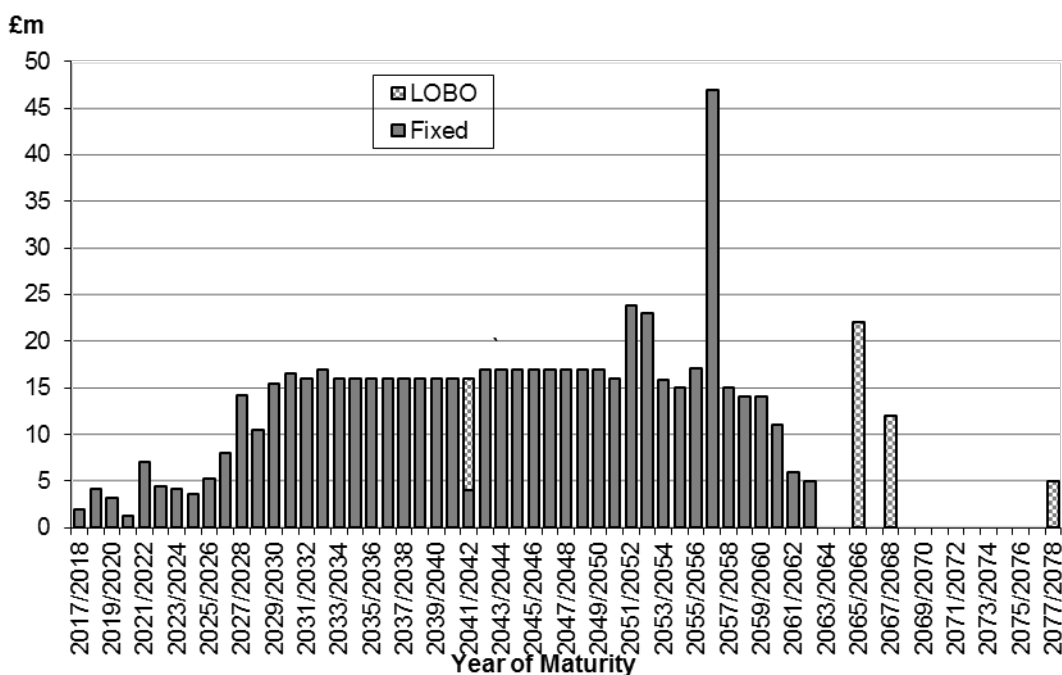
The Treasury Position

324. Borrowing and investments as at 31 December 2017 are shown in the following table. Borrowing is predominantly made up of fixed interest rate loans payable on maturity. Investments fluctuate daily and are represented by fixed term deposits, notice deposit accounts and money market funds. These balances arise due to the timing of cash flows and working capital as well as the existence of reserves, provisions and balances required for future use.

	31 December 2016		31 December 2017	
	Principal	Average	Principal	Average
	£m	Rate %	£m	Rate %
External Borrowing				
- Public Works Loan Board	620.8	4.9	613.8	4.8
- Market Loans	51.0	4.0	51.0	4.0
- Welsh government	2.6	-	4.5	-
- Other	0.9	-	5.1	-
Total Debt	675.3	4.78	674.4	4.71
Treasury Investments (net)	75.1	0.61	46.0	0.53

325. The reduction in investments reflects the strategy of internal borrowing by using temporary cash balances and is also as a result of timing of cash flows.

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



327. Loan maturities during 2018/19 are circa £4 million. Unless the Council's Lender Option Borrower Option (LOBO) loans are required to be repaid early, very little debt matures within the next 10 years. LOBO products are loans to the Council where the lender can request a change in the rate of interest payable by the Council on pre-determined dates. The Council at this point has the option to repay the loan. The Council has six such loans totalling £51 million.

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

Lender Option Borrower Option (LOBO) Loans			
Potential Next Repayment Date	Loan Value £m	Option Frequency Every	Full Term Maturity Date
01/03/2018	6	6 months	23/05/2067
21/05/2018	6	6 months	21/11/2041
21/05/2018	6	6 months	21/11/2041
21/05/2018	6	6 months	23/05/2067
21/11/2020	22	5 years	23/11/2065
15/01/2023	5	5 years	17/01/2078

329. It should be noted that £24 million of the LOBO loans are currently subject to the lender potentially requesting a change in the rate of interest payable every six months. A further £22 million and £5 million have call options in November 2020 and January 2023 respectively and every five years thereafter. The likelihood of a request for an increase in

rate is negligible, with options for early repayment not financially viable due to penalties.

Economic background and prospects for Interest Rates

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

	Actual 31/12/2017	March 2018	March 2019	March 2020	March 2021
Bank Rate	0.50%	0.50%	0.75%	1.00%	1.25%
5yr PWLB rate	1.56%	1.60%	1.80%	2.10%	2.30%
10yr PWLB rate	2.06%	2.20%	2.50%	2.70%	3.00%
25yr PWLB rate	2.65%	2.90%	3.10%	3.40%	3.60%
50yr PWLB rate	2.38%	2.60%	2.90%	3.20%	3.40%

Forecast at November 2017

331. Economic and interest rate forecasting remains difficult with so many external influences on the UK economy. Growth and consumer confidence for the UK economy was weak in 2017 due to inflation, following devaluation of sterling and reducing disposable incomes. Growth and inflation are two key factors used by the Bank of England in determining when to change interest rates.

332. One area of risk being considered by the Bank of England is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. This is why forward guidance from the Bank of England during the year continued to emphasise slow and gradual increases in Bank Rate in the coming years. The bank rate increased by 0.25% to 0.50% on 2 November 2017 removing the emergency cut in August 2016 after the EU referendum. Forward guidance indicates increases in Bank rate only twice more, by 0.25% each time to end at 1.00% by 2020. Another risk is that central banks also need to consider the timing and strength of reversing the quantitative easing which was undertaken to inject liquidity into economies after 2008. There are concerns that economic growth has been too reliant on this stimulus resulting in a search for returns on riskier financial assets. The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms and timetable for Brexit.

333. Investment returns are likely to remain low during 2018 and gently rise over the next few years. The approach of deferring external borrowing by using temporary cash balances has served well over the last few years. However, caution should be adopted to avoid incurring higher borrowing costs in the future when new borrowing is unavoidable.

334. Gilt yields and therefore PWLB rates can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period above.
335. Downside risks to PWLB rates would include:
- Bank of England raises Bank Rate quicker than anticipated causing UK economic growth and increases in inflation, to be weaker than anticipated.
 - Geopolitical risks in Asia, Europe and the Middle East, which could lead to increasing safe haven flows to the UK.
 - Re-emergence of the Eurozone sovereign debt crisis due to its high level of government debt, low rate of economic growth and vulnerable banking system.
 - Rising protectionism.
 - A sharp downturn in the global economy.
336. The potential for upside risks especially for longer term PWLB rates include:
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy.
 - UK inflation returning to sustained significantly higher levels.
 - Increases in the pace and strength of reversal of Quantitative Easing.

Borrowing

Borrowing Policy

337. Borrowing to pay for capital investment has long-term financial consequences and risks, with decisions taken many years ago impacting currently and in the future in the form of interest and provision for repayment of capital expenditure. These costs are assumed in the Council's revenue budget.
338. Loans are not generally undertaken for specific schemes or directorates; they are pooled and taken in the name of the Council and secured on all revenues of the Council.
339. The Council's Borrowing Strategy for 2018/19 and the capital financing revenue budgets included in the MTFP will consider all options to meet the long-term aims of:
- promoting revenue cost stability to aid financial planning and avoid a stop-start approach to service delivery, although it is recognised that this may have a financial impact
 - pooling borrowing and investments to ensure the whole Council shares the risks and rewards of treasury activities
 - ensuring borrowing plans are aligned to known capital expenditure spending plans and financial reserve levels and are also consistent

with the prudent provision for the repayment of any capital expenditure paid for by borrowing

- achieving a balanced maturity profile
- having regard to the effects on current and future Council Tax and Rent Payers.

340. The Council does not intend to borrow in advance of need and will not do so just to gain financially. However, this option may be considered if it is felt that borrowing in advance allows opportunities to lock into favourable long-term rates. This will be limited to no more than the expected increase in the Council's borrowing requirement over a three year period.

Prudent Repayment of Capital Expenditure – Annual Minimum Revenue Provision (MRP) Policy Statement for 2018/19

341. The Council has a statutory duty to calculate and set aside each year from its revenue budget an amount 'which it considers to be prudent'. This results in a reduction in the Council's underlying need to borrow known as the Capital Financing Requirement (CFR).

342. Legislation does not define what constitutes a 'prudent provision'. Instead WG has provided guidance and examples in order to interpret that term.

343. A statement on the Council's policy for its annual MRP is required to be submitted to full Council for approval before the start of the financial year to which the provision will relate. Decisions in respect of the allocation of MRP have short, medium and very long term impacts. Impacts of changes in policy decisions should be considered over that time horizon including compliance with legal duties under the Well-being of Future Generations (Wales) Act 2015.

344. The proposed policy is included in Appendix 23 to this paper and it remains as considered by Audit Committee in November 2016.

Council's Borrowing Requirement

345. The following table shows the level of external borrowing currently held by the Council, includes an assumption of £20m of external borrowing to be undertaken in March 2018 and highlights scheduled loan repayments. It compares this to the projected CFR based on current, known estimates and timing of the Council's capital expenditure and funding plans. The difference between the projected CFR in 2020/21 (£844 million) and the level of external borrowing after any planned repayments (£711 million) is £133 million, i.e. there is a requirement for the Council to undertake borrowing over the medium term.

Gross Debt compared to Capital Financing Requirement					
	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
External borrowing at 1 April	666	674	692	688	685
Known / New borrowing	15	25	27	tbc	tbc
Scheduled repayments	(7)	(7)	(4)	(3)	(1)
External Borrowing at 31 March	674	692	715	712	711
Capital Financing Requirement	724	756	795	804	844
Under / (Over) borrowing requirement	50	64	80	92	133
Requirement as % of CFR	6.9%	8.5%	10.0%	11.4%	15.8%

External versus Internal Borrowing

346. Whilst interest rates for borrowing are greater than interest rates the Council receives for investments (the cost of carry), it makes financial sense to use any internal cash balances held in the short-term to pay for capital expenditure and minimise costs (Internal Borrowing), rather than undertake external borrowing. However, there is a risk that the Council may have to borrow at higher rates when it does actually need to borrow in future and so this position is kept under continuous review.
347. A high level balance sheet review undertaken suggests that a maximum level of internal borrowing is circa £80 million (10% of the 2018/19 CFR), meaning that the Council would have to take additional external borrowing in 2018/19 and in future years. However, this is dependent on cash flows, the timing of use of earmarked reserves and provisions and longer term pressures in the MTFP.
348. Whilst having regard to the risks of comparison, the Council and its advisors have undertaken benchmarking of internal borrowing levels of their other Local Authority clients. For Welsh Unitary Authorities in 2016/17, internal borrowing averaged 11.3% of their Capital Financing Requirement; for English Unitary Authorities it was 20.9% and 13.5% for all Authority clients.

Borrowing Strategy

349. In the short term, using internal borrowing to meet the CFR is deemed manageable. However, based on the current forecasts of capital expenditure plans and high level analysis of the sustainability of internal borrowing from the Council's balance sheet position for future years, external borrowing will be required to be undertaken in the very short term.
350. Given the risks within the economic forecasts setting a fixed target for the quantum and timing of borrowing is not deemed appropriate. A pragmatic approach will be adopted by the S151 Officer due to changing

circumstances with the following strategy proposed to manage the Council's Capital Financing Requirement:-

- £20m external borrowing to be undertaken in March 2018
- Whilst investment rates remain lower than long term borrowing rates internal borrowing will be used to minimise short-term costs where possible.
- In order to mitigate against the risk of borrowing rates rising faster than currently anticipated, external borrowing (short medium and long term) for an element of the Council's borrowing requirement will be taken as has been done in previous years. This will aim to keep internal borrowing to approximately 10% or less of the forecast Capital Financing Requirement for 2018/19.
- Any external borrowing will consider the balance between fixed rates and variable rates to meet the long term borrowing policy aims identified in this report previously. Fixed rates would be taken if the borrowing need is high and rates are likely to increase, and conversely variable rates, if any borrowing need is temporary and rates are likely to fall.

351. If there was a significant risk of a sharp rise in long and medium-term rates than that currently forecast, then fixed rate borrowing may be undertaken whilst rates were still comparatively lower. If there was a significant risk of a sharp fall in rates, then long-medium term borrowing would be deferred, following consideration of internal borrowing capacity.

352. Current interest rates on the Council's existing debt portfolio compared to new borrowing rates and the high penalty rates charged by the PWLB for early debt repayment, results in limited options for restructuring of debt. Options have been considered but these have resulted in very short term financial gains outweighed by the risk of higher longer term costs.

Treasury Management Indicators and Limits

Indicators and Limits for 2018/19 – 2020/21

353. The Council is required to set its treasury management indicators for the years 2018/19 - 2020/21. Appendix 22(b) to this paper gives further background in respect of the Prudential Indicators.

354. The Council must set and keep under review how much it can afford to borrow from debt or other long-term liabilities for the forthcoming year and the following two financial years (the Affordable Borrowing Limit). It must have regard to the Prudential Code and locally determined indicators when setting this limit and be content that the impact upon future Council Tax payers and Council tenants is acceptable.

355. It is recommended that the Council approve the following authorised limits (Statutory limit under Section 3(1) of the Local Government Act 2003) and operational boundaries for the next three years (figures for 2017/18 are for comparison only). The undertaking of other long-term liabilities, within the overall limit, is delegated to the Section 151 Officer

based on the outcome of financial option appraisals and best value considerations.

Authorised limit for external debt	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Limit for external borrowing and other long-term liabilities	776	863	863	863

356. This limit is consistent with proposals contained within the budget for capital expenditure, financing and accounting requirements in relation to landfill obligations. The overall limit for the Council has been set at a constant level of £863 million for 2018/19 to 2020/21. It has increased from 2017/18 primarily as a result of increases in the capital programme commitments to be approved in the budget including the CCRCD and the 21st Century Schools Band B investment programme.

357. Whilst there is currently no self-imposed or nationally imposed overall cap on the level of General Fund borrowing, there is a cap for the HRA which is based on its CFR, with financial penalties from WG if breached. The table below shows the Council is forecast to be within the cap currently set, however discussions are taking place with WG to determine how the Council's cap can be increased in the medium term as part of a scheduled review in 2018/19 to allow further development of new council houses.

HRA borrowing cap	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
HRA CFR forecast at 31 March	272	295	294	303
HRA CFR Current Cap	316	316	316	316
Headroom / (Excess)	44	21	22	13

358. The HRA thirty-year business plan will need to be monitored closely in order to ensure that any risks to the breach of the Cap and any unsupported borrowing is prioritised for investment in assets, remains affordable and sustainable in the long term.

Operational boundary for external debt

359. The proposed operational boundary or projected level of external debt (excluding landfill) is set at the anticipated level of the CFR at the end of each year. This will be subject to the level and timing of borrowing decisions.

Operational boundary	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Boundary for external borrowing and other long-term liabilities	692	795	804	844

360. The Council's actual external debt represented by borrowing at 31 March 2017 was £674 million, with no significant other long-term liabilities.

Maturity structure of borrowing

361. Limits are set to guard against a large element of the Council's debt maturing and having to be refinanced in a very short space of time, when it may not be economically favourable to do so. The limits have been set to reflect the current debt portfolio, and to allow enough flexibility to enable new borrowing to be undertaken for the optimum period. The table assumes that loans run to their final maturity, however a separate column is also included to show the maturity profile should the Council repay its LOBO loans early.

Maturity structure of borrowing in 2018/19	Upper limit	Lower limit	Actual to Maturity	Actual if LOBOs Repaid Early
	%	%	%	%
Under 12 months	10	0	0.62	4.19
12 months and within 24 months	10	0	0.48	0.48
24 months and within 5 years	15	0	1.89	5.90
5 years and within 10 years	20	0	5.24	5.24
10 years and within 20 years	30	0	23.12	23.12
20 years and within 30 years	35	0	24.69	22.90
30 years and within 40 years	35	0	30.74	30.74
40 years and within 50 years	35	0	12.48	7.43
50 years and within 60 years	15	0	0.74	0.00
60 years and within 70 years	5	0	0.00	0.00

Treasury Management Investments

Policy

362. The Council has regard to the WG Guidance on Investments issued in 2004 and its subsequent amendments, as well as the CIPFA Treasury Management Code. The Council's investments include those arising from its own temporary cash balances as well as balances held from the activities of Joint Committees for which it is the accountable body.

363. The Council recognises that given the nature of investments, a trade-off between security, liquidity and yield cannot be avoided i.e. there is risk of default. The Council will aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity, however the level of risk will be contained by ensuring: -

- all investments and repayments are in sterling
- investment instruments identified for use in the financial year are listed under 'Specified' investments and 'Non-Specified' investment categories, dependant on their complexity and risk
- a list of highly credit worthy counterparties with whom to invest is created and monitored

- diversification of approach, investment product and counterparties are sought where possible to avoid concentration of risk
- any set limits are implemented with immediate effect following approval of this Treasury Management Strategy by the Council
- continual monitoring of treasury activities with the categories of investments that may be used, the credit criteria and associated limits in determining with whom to invest and timing of decisions being delegated to the S151 Officer.

364. The Markets in Financial Instruments Directive (MiFID II) was implemented from 3 January 2018. Where requested by counterparties to do so, the Council has opted up to be classed as a 'professional' client following the submission of qualitative and quantitative information on its treasury activities.

Specified Investments

365. A specified investment is defined as one:

- being for a period up to one year.
- which is in straightforward easily understood low risk products.
- not involving corporate share or loan capital.
- where the principal sum to be repaid at maturity is the same as the initial principal sum invested.

366. Specified investments may comprise up to 100% of the Council's total investments.

Instruments approved for use	Minimum Credit Criteria
Debt Management Agency Deposit Facility	Assumed Government Guarantee
Term deposits – UK government and other Local Authorities	Assumed Government Guarantee
Deposits with the Council's banking services provider	Long-term A /Short-term F1
Term deposits – banks and building societies	Long-term A /Short-term F1 or Government Equity Support
Term deposits with variable rate and variable maturities up to one year e.g. structured investment products	Long-term A /Short-term F1

Non-Specified Investments

367. These are all other investments not meeting the definition of a specified investment which could be used in order to achieve diversification and manage liquidity needs. A maximum upper level of £90 million is to be set for non-specified investments including investments for greater than one year.

Instruments approved for use	Min Credit Criteria	Max % of total investments	Max. maturity period
Term deposits with Local Authorities (with maturities in excess of 1 year)	Assumed Government Guarantee	30	2 Years
Term deposits – banks and building societies (with maturities in excess of 1 year)	Long-term AA- /Short-term F1+	30	2 Years
Deposits over one year with banks wholly or partly nationalised by a high credit rated (sovereign rating) country	Government equity support	30	2 Years
Term deposits with variable rate and variable maturities in excess of 1 year e.g. structured investment products	Long-term AA- /Short-term F1+	10	2 Years
Certificates of Deposit (In-house)	Long-term AA- /Short-term F1+	10	Maximum 2 year duration
UK Government Gilts and Gilt funds (In-house)	Assumed Government Guarantee	40	Maximum 3 year duration
Treasury Bills (In-house)	Assumed Government Guarantee	40	6 months
Collective Investment Scheme structures - Money Market Funds	AAA	100	Liquid
Other Collective Investment Schemes structures - e.g. enhanced cash funds, Government and Corporate Bond, Gilt or Liquidity Funds and floating rate notes	AAA Variable Net Asset Value	20	Weighted Average Maturity 3 years

368. The Council uses money market funds and other collective investment funds which pool together investments in a diversified portfolio of products and sectors. These may include short-term money market instruments such as bank deposits, certificates of deposit, government guaranteed bonds, corporate bonds and commercial paper. It should be noted that any such funds are triple A rated and allow instant access.

Security

369. Credit and fraud risk are managed through procedural requirements and controls. The Council uses Fitch Credit ratings as a basis for assessment of credit worthiness of institutions it will invest with. Changes in the criteria and decisions with whom to invest are delegated to the S151 Officer. Commercial organisations (counterparties) on its approved list will have at least the short-term credit rating of F1 and be authorised institutions within the meaning of the Financial Services and Markets Act 2000. The rating F1 infers “Highest Credit Quality” and indicates the strongest capacity for timely payment of financial commitments.

370. The Council’s lending list for any new direct investment in an organisation is based on the following credit criteria, with the maximum

limit for direct investment in any one group of related companies being £12 million:

Fitch Ratings (minimum)	Long-term	Short-term	Limit £m
Overnight to one year	A	F1	10
Overnight to two years	AA-	F1+	12
UK Part Nationalised Banks overnight to two years	n/a	n/a	12

371. Credit ratings are monitored regularly through use of the treasury management advisor's credit service. If a downgrade results in the counterparty or investment scheme no longer meeting the Council's criteria, its further use for new investment will be withdrawn immediately. The Council's current list of Approved Counterparties is shown in Appendix 24.
372. Where investments are held with a counterparty which falls below the Council's approved criteria for new investment, the investments will be reviewed and options to call back funds before the maturity date would be investigated. It should be noted that any early repayment is only at the discretion of the borrower and often at a penalty.
373. Whilst Fitch ratings form the basis of the Council's threshold criteria, the Council will also have regard to the following when determining with whom to invest:
- rating updates provided by treasury advisors in respect of all three credit rating agencies, as well as other market data
 - media reports as well as sovereign credit ratings with the minimum requirement being a Fitch sovereign rating of AA- for non UK based institutions
 - the informed judgement of treasury staff and treasury management advisors after consideration of wider economic factors
 - financial sector and country exposure
 - the extent to which organisations who do not meet the above criteria, are nationalised.

Liquidity

374. The Council aims to have sufficient funds to ensure it does not become a forced borrower for a significant period of time at rates in excess of what may be earned on such investments. In determining the maximum periods for which funds may be available and can be invested, short term cash flow forecasts are undertaken and a longer term balance sheet review is undertaken as part of the calculation of Prudential Code indicators.

Treasury Investment Strategy

375. The Specified and Non Specified investments above allow for a range of products to be available to manage short term investment balances held by the Council and to achieve diversification. Any funds held by the Council on behalf of joint committees will be managed within the products, criteria and limits set out above.
376. The Investment Strategy for 2018/19 will continue to adapt to changing circumstances and market sentiment, with a pragmatic approach taken. Credit criteria changes are delegated to the S151 Officer. This allows a prompt response to uncertainties, with the Council being kept informed of significant changes through the various reports it receives on treasury activities during the course of the year.

Non Treasury Investments

377. The Council recognises that investment for non-treasury management purposes in other financial assets and property, primarily for financial return, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.
378. The Council will ensure that all the organisation's investments are covered in its capital expenditure strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments if undertaking such investments.
379. It is recognised that the risk appetite for these activities may differ from that for treasury management. The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.

Treasury Management Training

380. Treasury staff directly and regularly involved in borrowing and lending activities are provided access to a wide range of training. This includes seminars and workshops organised by treasury advisors bringing together practitioners from different authorities; seminars organised by CIPFA and other national bodies; regular contact with a client relationship manager as well as their briefing notes and articles. Staff responsible for treasury activity on a day to day basis have a recognised accountancy qualification and are encouraged to undertake relevant treasury management training.
381. The Council's Audit Committee Members who are responsible for scrutiny of treasury management activities have also been provided with

training and offered one to one training opportunities in order to support their role.

Budgetary Framework

382. Under the Budget and Policy Framework Procedure Rules the Council is able to specify the extent of virement within the budget and the degree of in-year changes. The Council's Financial Procedure Rules also allow virements within directorate budgets as set out in the following table.

Virement levels	Revenue	Capital
Relevant Assistant Director in consultation with the Section 151 Officer	Up to £50,000	Up to £100,000
Relevant Director in consultation with the Section 151 Officer	£50,001 - £250,000	£100,001 - £250,000
Cabinet	Over £250,000	Over £250,000

383. It is proposed to continue the current policy whereby the Cabinet has the authority to vire amounts between directorates of up to £500,000 and, subject to the Section 151 Officer raising no objection, to use reserves and to commit expenditure in future years up to a total in the year of £1.5 million.

384. In addition to the virements shown above, the Section 151 Officer will also undertake all necessary technical adjustments to the budgets and accounts during the year and reflect any changes to the accounting structure as a result of management and organisational changes within the Council.

Reason for Recommendations

385. To enable Cabinet to recommend to Council approval of:

- the Revenue and Capital budget and to set the Council Tax for 2018/19
- the budget for the Housing Revenue Account
- the Treasury Management Strategy
- the Prudential Code for Borrowing indicators for 2018/19-2020/21
- the Capital Programme for 2018/19 and the indicative programme to 2022/23, delegating to the S151 Officer authority to bring forward or delay schemes within the programme to match resources where necessary
- The Minimum Revenue Provision Policy for 2018/19

386. To enable Cabinet to:

- approve the level of fees and charges for Council goods and services for 2018/19

- approve the level of rent and charges for 2018/19 in respect of Council Houses, garages and other service charges
- note the work undertaken to raise awareness of and ensure the financial resilience of the Council
- note the financial challenges facing the Council as set out in the Medium Term Financial Plan
- note the opportunities for savings over the medium term and that officers will continue to develop them to inform the Budget Strategy Report in July 2018.

HR Implications

387. The Final Settlement, although on first glance better than anticipated in the Budget Strategy Report, has left significant challenges in the overall budgetary position. The final proposals are based on the outcome of the consultation exercise and the priorities set out in the Corporate Plan to be approved in March 2018. The budgetary position as outlined in this report represents a necessary response to the identified budget shortfall. Appendix 10 shows that there will be a net decrease of 24.19 FTE Council posts overall made up of the deletion of 39.19 FTEs offset somewhat by the creation of 15.00 FTEs. The reduction in posts reflects those deleted through a combination of vacant posts, redeployment and voluntary redundancy.
388. Whilst the numbers of staff impacted by this budget proposal may not be as significant as in previous years, the Council retains a range of mechanisms designed to support the people implications of the Council's budget proposals. Through the continued use of such mechanisms, the Council will consistently work hard to reduce the number of compulsory redundancies wherever possible. In addition to redeployment, other mechanisms include use of flexible working policies plus access to skills support through the Cardiff Academy and Trade Union Learning Representatives (TULR). Access to skills training either through the Academy or TULRs will continue to support staff in either refreshing their existing skills or developing new skills in order to enhance their opportunities to find another role in the Council or externally.
389. The Trade Unions have been consulted throughout the budget planning process and their comments have been considered. As part of the Council's commitment to partnership working, the Trade Unions will continue to be involved in all the proposals which impact on staff.

Legal Implications (including Equality Impact Assessment where appropriate)

390. The Budget Report sets out certain duties and constraints in relation to setting a balanced budget and Council Tax. They form part of the legal implications to which the decision maker must address its mind notwithstanding that they are not repeated in this section of the Report.

Budget duties

391. The Local Government Finance Act 1992 (LGFA 1992) requires the Council to set a balanced budget, including the level of the Council Tax. This means the income from all sources must meet the proposed expenditure. Best estimates must be employed to identify all anticipated expenditure and resources.
392. The approval of the Council's budget and Council Tax, and the adoption of a final strategy for the control of the Council's borrowing or capital expenditure are matters reserved, by law, to full Council. However, the Cabinet has responsibility for preparing, revising and submitting to Council estimates of the various amounts which must be aggregated in making the calculations required in order to set the budget and the Council Tax; and may make recommendations on the borrowing and capital expenditure strategy. (Pursuant to the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007)).
393. Local authorities must decide every year how much income they are going to raise from Council Tax. This decision must be based on a budget that sets out estimates of what the Council plans to spend on services. As the Council Tax must be set at the start of the financial year and cannot be increased during the year, consideration must be given to risks and uncertainties, and allowances made in funds for contingencies and reserves.
394. The budget and the Council Tax must be set by 11th March in the preceding financial year. A failure to comply with the time limit may leave the Council open to challenge by way of judicial review.
395. When the Council is considering its budget, it must have regard to the Section 151 Officer's report on the robustness of the estimates and the adequacy of the reserves in the budget proposals (section 25 of the Local Government Act 2003). This ensures that Members make their decision on the basis of authoritative advice. Members should provide clear reasons if they disagree with the professional advice of the Section 151 Officer.
396. Members should note that, after the Council has approved its budget and Council Tax, it is possible for the Council to make substitute calculations during the year (although the basic amount of Council Tax cannot be increased), subject to certain provisos (s.37 LGFA 1992). The Local Government Act 2003 establishes a system to regulate the capital expenditure and borrowing of the Council. The heart of the prudential borrowing system is the duty imposed upon authorities to determine and keep under review how much money they can afford to borrow. The Local Authorities (Capital Financing and Accounting) (Wales) Regulations 2003 (as amended) specify the prudential code for capital finance to which local authorities in Wales must have regard in setting and reviewing their affordable borrowing limits (sections 3 and 5 of the 2003 Act).

397. The Local Government & Housing Act 1989 Part VI sets a statutory regime for housing finance. The Council has a general duty to review the rents of its houses from time to time and in fixing rents the Council must have regard, in particular, to the principle that the rents of dwellings of any class or description should bear broadly the same proportion to private sector market rents as the rents of dwellings of any other class or description. The review of the rents is a Cabinet function, and is undertaken with regard to the provisions of legislation, which governs housing finance and housing subsidy. Rents for council houses are a credit to the HRA and outgoings a debit. The Council is under a duty to prevent a debit balance on the HRA which is ring-fenced. There are restrictions in the way in which the account can be operated and the proposals in this report must comply with these accounting requirements to ensure that the rent should be set so as to ensure that the Council is able to comply with its duty to prevent a debit balance arising on the HRA.

Cardiff Capital Region City Deal ('CCRCD')

398. The body of the report contains provisions relating to the CCRCD. The CCRCD has been the subject of separate reports to Cabinet and Council, with the detailed legal advice being set out in those previous reports .

Equality Duty

399. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'. The 'Protected characteristics' are:

- Age
- Gender reassignment
- Sex
- Race – including ethnic or national origin, colour or nationality
- Disability
- Pregnancy and maternity
- Marriage and civil partnership
- Sexual orientation
- Religion or belief – including lack of belief

400. As noted in the report, consideration has been given to the requirements to carry out Equality Impact Assessments in relation to the various saving proposals and EIAs have been carried out in respect of certain of the saving proposals, so that the decision maker may understand the potential impacts of the proposals in terms of equality. This assists the decision maker to ensure that it is making proportionate and rational decisions having due regard to the public sector equality duty.

401. Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue the service remodelling to deliver savings. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.
402. It is noted that Equality Impact Assessments (which include consideration of views and information obtained through consultation) are available on the Council's website and as background papers to this report. The decision maker must consider and have due regard to the Equality Impact Assessment prior to making the decisions recommended in the report.

Employee and Trade Union Consultation

403. The report recognises that notwithstanding efforts to reduce impacts on staff resulting from the level of funding cuts imposed, there will be some staff reductions during the financial year 2018/19. Legal Services are instructed that:
- (i) engagement has been ongoing between Directors and Trade Unions to discuss budget saving implications and
 - (ii) the Council has formally consulted with Trade Unions about the 2018/19 budget proposals and the likely impact on staff, particularly where posts are at risk of redundancy. Under the general law relating to unfair dismissal all proposals to make redundancies must involve reasonable consultation with the affected employees and their trade unions. In relation to any potential redundancies it is important that all required statutory notices are served.
404. Due to the fact that the potential number of redundancies could exceed 20 posts Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 requires consultation to be undertaken with the Unions to include ways of avoiding the dismissals, of reducing numbers of employees being dismissed and or mitigating the consequences of dismissals. To this end Legal Services are instructed that consideration is being given to redeployment opportunities, VR and that consultations are ongoing. It is noted that the budget proposals also provide for the creation of posts.

Charging

405. Each proposal to make or increase charges must comply with the statutory framework (including primary and secondary legislation and any statutory guidance issued) relating to the activity in respect of which charges are being levied, including any limitations on levels of charges.

406. Where reliance is placed on the power to charge for discretionary services (Section 93 of the Local Government Act 2003), any charges must be set so that when the charges are taken as a whole no surpluses are made (i.e. the power is limited to cost recovery).
407. Where activities are being undertaken for which charges are being made with the intention of producing surplus income, it is necessary to consider whether that activity is material and would amount to “commercial trading”. For commercial trading, the Council must develop a business case and establish an arms’ length company to undertake that activity (in accordance with the general trading power under Section 95 Local Government Act 2003), or identify another statutory power for a particular trading activity.

Consultation

408. Duties to consult certain stakeholders in respect of proposals may arise from a number of different sources. Members will note that the Council has engaged in consultations as part of the budget process as set out earlier in the report under the heading “Consultation and Engagement”. In considering this matter, Members must genuinely and conscientiously consider the feedback from each consultation and have proper regard to it when making any decision in relation to the subject matter of that consultation. Members should carefully consider the results of the consultation as set out in Appendix 2.

The Well-being of Future Generations (Wales) Act 2015

409. This places a well-being duty on public sector bodies to take action to achieve seven well-being goals in accordance with the ‘sustainable development principle’. The seven well-being goals are: "a prosperous Wales", "a resilient Wales", "a healthier Wales", "a more equal Wales", "a Wales of cohesive communities", "a Wales of vibrant culture and thriving Welsh language" and "a globally responsible Wales"; and a description of each goal is given in the Act. Decision makers should consider how the proposed decision may contribute towards, or impact upon, achievement of the well-being goals. Regards must be had to the well-being goals and objectives set by the Council in its Corporate Plan, and must be satisfied that all reasonable steps have been taken to meet those objectives. In order to comply with the well-being duty, the Council must act in accordance with the ‘sustainable development principle’, which is defined as meaning that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take into account the impact of their decisions on people living their lives in Wales in the future. There are a number of factors which the Council must take into account in this regard, specifically, decision makers must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems

- Deliver an integrated approach to achieving the seven well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them.

410. In considering the above, due regard must be given to the Statutory Guidance issued by the Welsh Ministers.

Council's 21st Century Schools

411. One of the recommendations to this report requests delegated authority for the Director of Education to determine all aspects of the procurement process for those projects outlined within the Council's 21st Century Schools Band B programme. Legal advice should be sought on the procurement and proposed terms and conditions of contract.

General

412. All decisions taken by or on behalf of the Council must:

- Be within the legal powers of the Council and of the body or person exercising powers on behalf of the Council.
- Comply with any procedural requirement imposed by law.
- Be undertaken in accordance with procedural requirements imposed by the Council e.g. procedure rules.
- Be fully and properly informed.
- Be properly motivated (i.e. for an appropriate, good and relevant reason).
- Be taken having regard to the Council's fiduciary duty to its tax payers as elected members are trustees of the public interest and of its statutory purposes for which public powers are conferred on them. This general duty requires the Council to act prudently and in good faith in the interests of those to whom the duty is owed.
- Otherwise be reasonable and proper in all the circumstances

Financial Implications

413. These financial implications are written as a summary of the significant budgetary and related financial matters facing the Council although it is also important that the details throughout the report are considered and understood. These details set out the financial context and risks to the resilience of the Council in 2018/19 and into the medium term.

414. The financial outlook over the medium term remains a concern and the Medium Term Financial plan details these challenges in respect of ongoing austerity, increasing financial pressures and the difficulty of setting and realising year on year budget savings.

415. The budget for 2018/19 has been, once again, compiled against the backdrop of continued financial constraint.

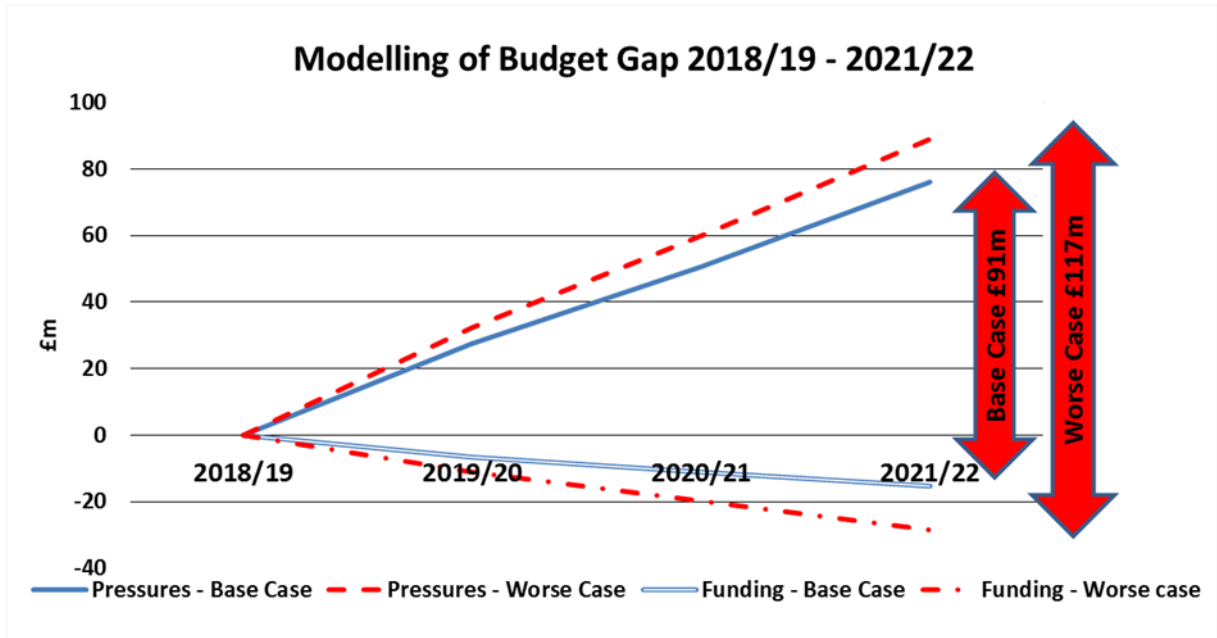
416. The details included in the Final Local Government Revenue Settlement announced in December 2017 confirmed that for 2018/19 Cardiff will receive a cash increase in its funding of £3.898 million (0.9%) when compared with 2017/18. However, the actual increase in spending power reduces to £2.426 million (0.55%) once new responsibilities and other differentiating year on year factors are taken into account. In addition, when inflation is considered then the Settlement can be seen as a real terms cut in resources. This position is compounded further when considering the impact of significant reductions to specific grants, where an equivalent compensatory transfer of funding is not made into the RSG.
417. The Cabinet in its budget strategy and subsequent budget proposal has been conscious of the impact its proposal may have on the citizens and communities of Cardiff. For 2018/19, budget consultation has been carried out in two stages. A number of budget themed questions were included in the Ask Cardiff Survey during the Summer while a more detailed budget consultation took place during November to mid December. Responses to these consultations as well as from other stakeholders have been reflected on by Cabinet and senior officers as part of their final deliberations. The Cabinet's budget proposal has, therefore, considered the issues raised having regard to the WG Settlement, the requirements of the Future Generations Act and in conjunction with the priorities in Capital Ambition as reflected in the draft Corporate Plan.
418. The budget proposals set out in this report will again result in significant operational and financial challenges as evidenced by the risk assessment and planning exercises. The progress with these challenges will be monitored through directorate plans, performance and financial monitoring reports and the Corporate Risk Register when reported to Cabinet, Scrutiny Committees, Audit Committee and the Senior Management Team.
419. Particular challenges for 2018/19 and the medium term have been identified and are set out in paragraph 62 of the report with the most significant being:
- the need to deliver significant levels of savings during a period of prolonged financial austerity, particularly given the impact delays to the delivery of proposals have on the budget monitoring position
 - the significant amount of cashable savings predicated on preventative strategies and the difficulty of tracking their impact in terms of financial monitoring
 - continuing demographic demand in terms of both increasing numbers and complexity from citizens who are vulnerable
 - the level of additional borrowing undertaken in previous years and proposed in the new Capital Programme will require an increasing level of revenue support for capital financing in future years
 - Managing the apparent trajectory of growth in Social Services and Schools as diverting resources from other services cannot be a long term solution to funding this demand

- the challenging financial position in respect of reducing WG resources and increasing financial pressures against a reducing controllable base budget together with increasing volatility and uncertainty in respect of hypothecated grants
 - the significant level of reductions to specific grants, without sufficient notice, where those reductions are in relation to services that are integral to the functions of the Council
 - the uncertain implications of BREXIT on the economy
420. In formulating their budget proposal, the Cabinet must come to a balanced judgement between the need to provide for services and the financial impact of the cost of those service needs on Council Tax payers. In coming to this judgement and as a result of the WG's financial settlements, the Council's budget now stands at £608.913 million, an increase of £11.8 million over 2017/18 after transfers and new responsibilities from WG.
421. It should be noted that although the Council received a better than assumed WG Settlement, the budget for 2018/19 contains a significant element of risk and complex savings proposals which will need to be relentlessly driven if they are all to be achieved as proposed. In summary the revenue budget proposal includes:
- savings of £14.296 million in respect of directorate and council-wide proposals
 - continued inclusion of the General Contingency of £3 million to mitigate the achievability risks associated with the level of savings to be delivered
 - continuation of the specific contingency of £950,000 to protect against additional external placement costs in Children's Services
 - reinstatement of budget savings amounting to £306,000 outstanding from 2017/18 where, following review they are deemed to be no longer achievable
 - directorate financial pressures amounting to £1.474 million
 - The use of £2.35 million from earmarked reserves to support the budget based on a review of the Council's Balance Sheet
 - Continuation of the £4 million Financial Resilience Mechanism that was introduced in 2016/17 to reduce future risk, improve resilience, manage the impact of grant reductions and allow one-off investment and development in priority areas
 - estimated net reduction of 24.19 FTE posts made up of the deletion of 39.19 FTE posts partially offset by an increase of 15 FTE posts
 - increase in the Schools Budget of £7.222 million including both demographic and 70% of non-demographic growth
 - a Council Tax increase of 5% resulting in a Band D charge of £1,154.50.
422. Within the budget proposals are a number of initiatives that require option appraisal, complex procurement arrangements or significant levels of partnership working. These elements of work will need to be completed within strict timescales in order that the budgeted level of

savings can be achieved. A number of the budget proposals require continued development of a commercial approach that will enable the Council to respond speedily to market changes and financial opportunities albeit with an appropriate risk appetite position. The Investment Review Board will continue to be the forum to test these initiatives before they progress through to the appropriate governance route. In addition, it will be important that the Council retains sufficient support and project management capacity to ensure change is delivered in accordance with the requirements of the Capital Ambition Programme.

423. The continuing financial challenges facing the Council are such that the financial resilience snapshots introduced in 2015/16 now form part of the regular awareness raising of members to the Council's overall financial position. The position in respect of risks and reserves will require careful monitoring throughout the financial year, particularly in light of the achievability of savings and the future financial interventions that may be required. In order to protect the Council's overall financial resilience it is increasingly important to consider any windfall income received in context before any use is agreed for other matters.
424. The Council's position in respect of its reserves has been assessed as part of budget preparation. The resultant judgement is that the projected level of both general and earmarked reserves up until 31 March 2019 is adequate after allowing for the planned use when considering the 2018/19 budget. The expected balance on earmarked reserves as at 31 March 2019 is £33.823 million with the Council's General Reserve currently standing at £14.255 million. However, the capacity for earmarked reserves to continue to contribute to the budget at similar levels to 2018/19 in the medium term is uncertain and the assumptions going forward need to be reset.
425. The level of School Balances requires close attention as these also impact on the Council's overall level of resilience albeit that they are not directly controlled by the Council but by School Governing Bodies. The total position as at 31 March 2017 was a net surplus of £4.243 million made up of surplus balances of £6.992 million partly off set by deficit balances of £2.749 million. The deficit balances included an amount of £1.421 million in respect of the federation between Michaelston Community College and Glyn Derw high School which will be written off during 2017/18 as these schools have now closed. Council officers will continue to support schools to ensure that spending plans are in line with their budgets and deficit budgets are avoided or reduced. As the funding for the Band B Schools Programme is implemented through further restrictions to the amount of growth awarded to schools it will be important for individual schools to examine their spending to take advantage of efficiency savings, collaborations and new ways of working wherever possible.
426. The Medium Term Financial Plan set out in paragraphs 149 to 199 uses the best available information to assess the financial gap facing the council over the next three years. It is clear that anticipated resources will not cover emerging financial pressures and the resulting funding gap will

need to be addressed through a combination of directorate budget reductions, use of reserves and increases in the rate of Council Tax. Although the council has made over £213 million savings over the past decade, the base budget has not reduced by this amount. This is because the most significant reason for the council to need to find savings is escalating demand as illustrated by the following diagram.



427. The next table demonstrates the funding gaps forecast to 2021/22 using sensitivity analysis to demonstrate a further adverse position. The table shows a base case scenario Budget Gap of £91 million over the next three years and while detailed proposals to meet the gap are yet to be determined, it is clear that the focus will need to be on:

- increased digitalisation of services and back office functions
- commercialisation of activities
- collaborative projects with others
- review of grants and subsidies
- concentration on prevention and early intervention actions.

428. For 2019/20 and 2020/21 savings options are currently in development and work will continue apace on 2019/20 so that the Budget Strategy Report in July 2018 can reflect early considered proposals.

Medium Term Financial Plan	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Base Case	34,285	27,518	29,600	91,403
Worse Case	43,489	36,368	37,562	117,419

429. Following the significant cuts that the Council has made in the recent past, either of the above scenarios reaffirms the position expressed in the 2015/16 Budget Report that radical changes are required in order for it to remain operational and resilient. The Capital Ambition Delivery Team will play a key role in understanding these challenges and supporting the Council in realigning the organisation to a lower financially sustainable base. Internal capacity may need to be enhanced through working with specialist partners to ensure success is achieved as quickly as required.
430. Notwithstanding the importance of the three year time horizon for medium term planning, councils also need to consider likely impacts beyond that timeframe. This is because the cumulative impact of decisions taken now can have a significant impact on the Council's budget in later years and it may be that current policies are considered unaffordable when viewed in hindsight over an extended time period. Partially in response to this dilemma and in order to focus councils on how disparate decisions may have an impact on long term financial viability, the CIPFA Prudential Code for Capital Finance in Local Authorities has been updated. From 2019/20 this requires Councils to approve an annual Capital Strategy which sets out the long term context within which both capital expenditure and investment decisions are made.
431. The Council has a statutory duty to ensure that the HRA achieves a balanced budget and this has been evidenced as part of this Budget Report. The average weekly increase in housing rents of £6.18 (excluding service charges) is within the WG's Target Rent Band.
432. The SOP Financial Model brings together the projected capital expenditure and funding over the life of the WG's 21st Century Schools Band A Programme and ancillary projects and this has now been expanded to include the expected WG Band B programme. The model is designed to be self-funding and the projects, which are included in the Councils Capital Programme commence once the particular scheme business case has been approved by WG albeit there is some provision for pre-approval costs to be incurred. It should be noted, however, that these extensive programmes result in significant financial exposure to the Council and this demands that close monitoring of the key risks is continued, contract management is robust and issues are escalated where necessary.
433. The inclusion of schemes in the Capital Programme have been profiled in accordance with technical advice relating to regulatory processes, timetables, expectation of grants, capital receipts and workflow priorities. In previous years the Council has experienced significant slippage of capital schemes which has prompted adverse comments from the Wales Audit Office and the Audit Committee. Consequently, capital scheme sponsors have again been reminded of the importance of robust profiling in order that capital plans are achieved as expected. In addition progress on capital projects is considered by the Asset Management Board on a regular basis. Nevertheless, with such an extensive programme there is

a residual risk that expenditure will slip between years and so any resultant impact on the Programme will be addressed through the monitoring process in 2018/19.

434. Robust control of project costs is another area where issues have been in evidence and so it is important that directors give sufficient weight to good contract management capacity when allocating resources.
435. Resources to finance the General Fund Capital Programme between 2018/19 and 2022/23 include a non-earmarked capital receipt target of £40 million. This figure is a significant increase when compared with previous non-earmarked receipt targets set by the Council and so enhanced governance arrangements will be put in place. A Disposal Strategy will be developed by the Director of Economic Development which will set out the methodology to be used to achieve at least this level of receipts over the period of the Capital Programme. Cabinet will consider the report in 2018/19. Subsequent to that regular monitoring of progress will be undertaken and reported as part of Asset Management Plan updates to Cabinet and the Asset Management Board.
436. Additional borrowing of £204.5 million is also required to resource the programme most of which is in respect of the Council's contribution to the WG Band B schools programme.

Additional Borrowing	£m
To support estimated slippage from 2017/18	9.0
Capital Programme approved in February 2017	8.5
New schemes approved in February 2018	54.9
Invest to save schemes	140.6
Total	204.5

437. Particular attention needs to be given to the medium and long term impact of additional borrowing on the Council's Revenue Budget as it is clear that continuing to increase levels of borrowing without specific income streams to support it, is not consistent with the significant levels of savings required to be found. Even where there are specific income streams to support capital financing charges, this still increases the inherent financial risk to the Council and must be kept under review. Accordingly, local affordability indicators are maintained to track the impact of decisions in the medium term although this is also impacted by the levels of RSG received. It should be noted that whilst approving the Capital Programme for the period up to 2022/23, members should be aware that the later years of the Programme will be subject to an ongoing review of the Council's financial resilience.
438. In the current extensive period of significant budget reductions and consequential loss of employee resources in many parts of the organisation, financial control continues to be of fundamental importance. It is vital that responsible officers take ownership of their budgets and that expenditure remains within approved levels. Compliance with financial rules and governance requirements is expected and this will

continue to be monitored and reported on regularly as part of the Council's performance management arrangements.

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

"In the financial implications of the 2015/16 Budget Report I referred to the materiality of the service choices ahead of the Council and that those difficult choices were facing all Councils. The 2016/17 Budget Strategy responded to this challenge through development of the reshaping of the Base Budget approach to determining targets for directorates over the medium term. It is positive that during 2016/17 and 2017/18 some significant decisions in respect of service changes have been taken and the changes implemented.

However, the financial impact of the iteration of the Medium Term Financial Plan to 2021/22 re-emphasises the point that the Council has much more to do if it is to successfully keep within its budgetary framework and maintain a healthy balance sheet for resilience purposes. It is clear that during this next medium term period sustained attention must be paid to the areas giving most concern in terms of spending volatility and that the Council's significant investment in preventative and early intervention strategies must start to deliver financial savings in addition to service benefits. It is vital that digitalisation in its widest application is relentlessly driven through the organisation and linked with partners for maximum impact which will result in simplified processes and increased levels of productivity across the Council.

Despite this agenda, a real risk remains that the Council may not be able to achieve financial savings of sufficient magnitude to meet the target savings over the medium term. I will keep this under review and report progress to members as part of the financial monitoring regime. As well as highlighting the financial challenges in the medium term which are real, the role of the Section 151 Officer is to advise members if the Cabinet risks setting an unbalanced budget. I do not consider this to be the case in 2018/19."

Cabinet Consideration

The Cabinet considered the budget proposals on 15 February 2018 and having taken account of the comments of the Corporate Director Resources in respect of the robustness of the budget and the adequacy of reserves as required under Section 25 of the Local Government Act 2003, and having considered the responses received to the Budget Consultation is recommended to:

- 1.0 the changes to fees and charges as set out in Appendix 11(a), 11(c) & 11(d) to this report be approved.
- 2.0 Authority be delegated to the appropriate Director in consultation with the relevant Cabinet Member, S151 Officer and the Cabinet Member for

Finance, Modernisation & Performance to amend or introduce new fees and charges during the year.

- 3.0 that the rents of all Housing Revenue Account dwellings (including hostels and garages) be increased having taken account of WG guidance.
- 4.0 all service charges and the management fee for leaseholders as set out in Appendix 11(b).
- 5.0 all Housing Revenue Account rent increases take effect from 2 April 2018.
- 6.0 the work undertaken to raise awareness of the financial resilience of the Council be recognised and the steps taken within the budget to improve this position be approved.
- 7.0 the financial challenges facing the Council as set out in the Medium Term Financial Plan be recognised and note the opportunities for savings over the medium term.

CABINET PROPOSAL

The Cabinet, having taken account of the comments of the Corporate Director Resources in respect of the robustness of the budget and the adequacy of reserves as required under Section 25 of the Local Government Act 2003, and having considered the responses received to the Budget Consultation recommend that Council:

- 1.0 Approve the Revenue, Capital and Housing Revenue Account budgets including all proposals and increasing the Council Tax by 5.0% as set out in this report and that the Council resolve the following terms.
- 2.0 Note that at its meeting on 14 December 2017 the Council calculated the following amounts for the year 2018/19 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-
 - a) 143,453 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax base for the year.
 - b)

Lisvane	2,350
Pentyrch	3,263
Radyr	3,709
St. Fagans	1,311
Old St. Mellons	1,543
Tongwynlais	823

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

- 2.1 Agree that the following amounts be now calculated by the County Council of the City and County of Cardiff for the year 2018/19 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- a) Aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) (including Community Council precepts totalling £366,815). £1,007,699,815
 - b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c). £401,119,579
 - c) Amount by which the aggregate at 2.1(a) above exceeds the aggregate at 2.1(b) above calculated in accordance with Section 32(4) as the budget requirement for the year. £606,580,236
 - d) Aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of Revenue Support Grant, its council tax reduction scheme, redistributed Non-Domestic Rates. £440,946,781
 - e) The amount at 2.1(c) above less the amount at 2.1(d) (net of the amount for discretionary relief of £350,000), all divided by the amount at 2.0(a) above, calculated in accordance with Section 33(1) as the basic amount of Council Tax for the year. £1,157.06
 - f) Aggregate amount of all special items referred to in Section 34(1). £366,815
 - g) Amount at 2.1(e) above less the result given by dividing the amount at 2.1(f) above by the amount at 2.0(a) above, in accordance with Section 34(2) of the Act, as the basic amount of Council Tax for the year for dwellings in those parts of the area to which no special items relate. £1,154.50
 - h) The amounts given by adding to the amount at 2.1(g) above the amounts of special items relating to dwellings in those parts of the Council's area mentioned below, divided in each case by the amount at 2.0(b) above, calculated in accordance with Section 34(3) as the basic amounts of Council Tax for the year for dwellings in those parts of the area to which special items relate.

	£
Lisvane	1,168.97
Pentyrch	1,198.32
Radyr	1,187.37
St. Fagans	1,168.23
Old St. Mellons	1,173.88
Tongwynlais	1,178.80

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

	A £	B £	C £	D £	E £	F £	G £	H £	I £
Area									
Lisvane	779.31	909.19	1,039.08	1,168.97	1,428.73	1,688.51	1,948.27	2,337.93	2,727.58
Pentyrch	798.88	932.03	1,065.18	1,198.32	1,464.61	1,730.91	1,997.20	2,396.64	2,796.08
Radyr	791.57	923.51	1,055.44	1,187.37	1,451.22	1,715.09	1,978.94	2,374.73	2,770.52
St. Fagans	778.81	908.62	1,038.42	1,168.23	1,427.83	1,687.44	1,947.04	2,336.45	2,725.86
Old St. Mellons	782.58	913.01	1,043.44	1,173.88	1,434.73	1,695.60	1,956.46	2,347.75	2,739.03
Tongwynlais	785.86	916.84	1,047.82	1,178.80	1,440.75	1,702.71	1,964.66	2,357.59	2,750.52
All other parts of the Council's Area	769.66	897.94	1,026.22	1,154.50	1,411.05	1,667.61	1,924.16	2,308.99	2,693.82

- 2.2 Note that for the year 2018/19, the Police and Crime Commissioner for South Wales has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

VALUATION BANDS

A £	B £	C £	D £	E £	F £	G £	H £	I £
155.68	181.63	207.57	233.52	285.41	337.31	389.20	467.04	544.88

- 2.3 Having calculated the aggregate in each case of the amounts at 2.1(i) and 2.2 above, the County Council of the City and County of Cardiff in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown below:-

Part of Council's Area
VALUATION BANDS

	A	B	C	D	E	F	G	H	I
Area	£	£	£	£	£	£	£	£	£
Lisvane	934.99	1,090.82	1,246.65	1,402.49	1,714.14	2,025.82	2,337.47	2,804.97	3,272.46
Pentyrch	954.56	1,113.66	1,272.75	1,431.84	1,750.02	2,068.22	2,386.40	2,863.68	3,340.96
Radyr	947.25	1,105.14	1,263.01	1,420.89	1,736.63	2,052.40	2,368.14	2,841.77	3,315.40
St. Fagans	934.49	1,090.25	1,245.99	1,401.75	1,713.24	2,024.75	2,336.24	2,803.49	3,270.74
Old St. Mellons	938.26	1,094.64	1,251.01	1,407.40	1,720.14	2,032.91	2,345.66	2,814.79	3,283.91
Tongwynlais	941.54	1,098.47	1,255.39	1,412.32	1,726.16	2,040.02	2,353.86	2,824.63	3,295.40
All other parts of the Council's Area	925.34	1,079.57	1,233.79	1,388.02	1,696.46	2,004.92	2,313.36	2,776.03	3,238.70

2.4 Authorise the Corporate Director Resources to make payments under Section 38 of the Local Government (Wales) Act 1994 from the Council Fund by equal instalments on the last working day of each month from April 2018 to March 2019 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £33,499,401.

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

2.6 Agree that the Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2018 to 31 March 2019 namely

	£
County Council of the City and County of Cardiff	113,773
Vale of Glamorgan County Borough Council	12,827

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

3.0 Approve the Prudential Indicators for 2018/19, 2019/20 & 2020/21 delegating to the Section 151 Officer the authority to effect movement between the limits for borrowing and long term liabilities within the limit for any year.

4.0 Approve the Treasury Management Strategy for 2018/19 in accordance with the Local Government Act 2013 and the Local Authority (Capital Finance & Accountancy) (Wales) Regulations 2003 and subsequent amendments.

5.0 Approve the Minimum Revenue Provision Policy for 2018/19.

- 6.0 Authorise the Section 151 Officer to raise such funds as may be required to finance capital expenditure by temporary or long term borrowing within the limits outlined in the strategy above and to bring forward or delay schemes within the Capital Programme.
- 7.0 Maintain the current Council Tax Reduction Scheme as set out in the report.
- 8.0 Delegate authority to the Director of Education & Lifelong Learning, in consultation with the Cabinet Members for Education, Employment & Skills and Finance, Modernisation & Performance, the Corporate Director Resources and Director of Governance & Legal Services, to determine all aspects of the procurement process, including, for the avoidance of doubt, development of all procurement documentation and selection and award criteria, commencement of procurement through to award of contracts, for specific 21st Century Schools Band B proposals in line with the thresholds set out in this report.

THE CABINET

15 February 2018

The following Appendices are attached:

Appendix 1	Budget and Sustainable Development Principle
Appendix 2	Consultation responses
Appendix 3	List of known Specific Grants from Welsh Government at the all Wales level.
Appendix 4	Revenue Resources Required
Appendix 5	Directorate Financial Pressures
Appendix 6	2018/19 Budget Savings (a) Overview 2018/19 Savings (b) Directorate Savings 2018/19
Appendix 7	Financial Snapshot report – Budget Report version
Appendix 8	Risk Assessment Summary of Savings Proposals
Appendix 9	Earmarked Reserves (a) General Fund (b) Housing Revenue Account
Appendix 10	Employee Implications of Budget
Appendix 11	Summary of Fees and Charges (a) General Fund (b) Housing Revenue Account (c) Outdoor Activities (d) Fees and Charges – confidential
Appendix 12	Amendments since Publication of Consultation Proposals
Appendix 13	Use of Financial Resilience Mechanism

Appendix 14	Directorate Revenue Budgets
Appendix 15	Cabinet Portfolio Revenue Budgets
Appendix 16	Medium Term Financial Plan (a) MTFP 2019/20 – 2021/22 (b) Themed Opportunities for savings 2019/20 and 2020/21
Appendix 17	Housing Revenue Account
Appendix 18	School Organisation Plan Reserve
Appendix 19	Civil Parking Enforcement Account
Appendix 20	Capital Programme Expenditure
Appendix 21	Capital Programme Resources
Appendix 22	Glossary of Terms (a) General (b) Prudential Indicators
Appendix 23	Minimum Revenue Provision Policy
Appendix 24	Approved list of Counterparties

The following Background Papers have been taken into account:

- Budget Strategy Report (July 2017)
- 2018/19 Budget Proposals – For Consultation (November 2017)
- The WG Final Financial Settlement (December 2017)
- Equality Impact Assessments of Cardiff Council's 2018/19 Budget
- Details of Fees and Charges
- Analysis of Section 106 Balances
- Treasury Management Practices (April 2017)

CARDIFF COUNCIL BUDGET 2018/19

Examples of how the Budget Invests in the Future

Appendix 1

CARDIFF WELLBING PLAN - DRAFT	2018/19 BUDGET
A CAPITAL CITY THAT WORKS FOR WALES	<ul style="list-style-type: none"> • £10.4m - Support for CCRC • £22m - Economic Development Initiatives • £0.75m - Cardiff Market Restoration • £29m – Investment in Highway Infrastructure Assets
POPULATION GROWTH IS MANAGED IN A RESILIENT WAY	<ul style="list-style-type: none"> • £9.2m - Energy sustainability and generation • £10m – To develop strategic cycle routes and encourage active travel • £6.3m – Additional support for recycling activity including a new recycling facility for the north of the city • £2.2m – To secure match-funding for coastal erosion
SAFE, CONFIDENT & EMPOWERED COMMUNITIES	<ul style="list-style-type: none"> • £1.2m – establish a multi-agency facility at CRI to support those at risk of, and victims of domestic abuse • £1.4m – City Centre Youth Hub and Butetown Pavilion • £2.1m - Road Safety Schemes • £5.2m – Community Shopping Centres & Neighbourhood Regeneration
CARDIFF IS A GREAT PLACE TO GROW UP	<ul style="list-style-type: none"> • £5.8 - Additional revenue support for Children’s Services (+11%) • £7m additional revenue support for schools • £36.7m - 21st Century Schools Programme (Band A completion) • £280.3m - 21st Century Schools Programme (Band B) • £43m investment in the existing schools estate • £1m investment in parks playground equipment • £0.2m - Revenue funding to support the Cardiff Commitment and Junior Apprenticeships
SUPPORTING PEOPLE OUT OF POVERTY	<ul style="list-style-type: none"> • £176m – Long term investment in social housing and housing estates, including at least 1,000 new Council Homes • £0.8m - revenue funding to tackle homelessness • Ongoing commitment to the Voluntary Living Wage
CARDIFF IS A GREAT PLACE TO GROW OLDER	<ul style="list-style-type: none"> • £1m – To complete works at Fairwater and Grand Avenue Day Centre to support people with dementia • £31.3m - Disabled adaptations to enable people to remain in their home (Adults and Children) • £2.6m – Additional revenue support for Adult Services (+2.4%)
MODERNISING & INTERGRATING OUT PUBLIC SERVICES	<ul style="list-style-type: none"> • £3m – Investment in modernising ICT to improve business processes • Development of a new Corporate Land and Property Management Plan • Savings that seek to optimise digital communication and service delivery

The above investment comprises 5 year capital spend included in the capital programme along with Revenue Investment for 2018/19. Revenue sums are over and above existing budgets.

Examples of the five ways of working within the Budget Process

<p>The Five Ways of Working at the Heart of the Future Generations Act</p>	
<p>LONG TERM</p>	<ul style="list-style-type: none"> • Long-term affordability of the capital programme - prudential & local indicators • Prudent debt repayment periods to avoid “mortgaging” future generations, limiting their ability to take forward their own investment priorities • Modelling a future budget outlook to understand how today’s decisions and assumptions will affect the future shape of the budget • Identifying current and future risks and their potential financial impact • Carefully evaluating the Council’s financial resilience • Highlighting that budget opportunities forgone in one year will have a cumulative effect over time • Savings that involve services removal seen as a last resort • Capital investment directed to areas that support the Council’s priorities
<p>PREVENTION</p>	<ul style="list-style-type: none"> • Exploring opportunities for early intervention and prevention in social services to reduce costs and improve outcomes – reflected in savings • Increasing the independence of individuals to live in their own homes and signposting to third sector organisations rather than institutionalised care • Carefully evaluating the use of finite resources to try and avoid deterioration of our existing assets • Revenue support to tackle homelessness and long term investment in new affordable housing
<p>COLLABORATION</p>	<ul style="list-style-type: none"> • Savings predicated upon working with others to continue to deliver services • Work with partners to develop services for the future e.g. work with Cardiff and Vale college to deliver the school in the East of Cardiff • Ongoing collaborative work re: waste treatment • Multi-Agency Safeguarding Hub – working across multiple organisations and sharing information to promote a joint approach to the safeguarding of vulnerable children and Adults • Hubs – integration with other Agencies to provide the customer with a one-stop service • CCRCDC – working with other Authorities for the benefit of the wider region
<p>INTEGRATION</p>	<ul style="list-style-type: none"> • Integrated working – proposals for joint commissioning between the UHB, Cardiff and the Vale Council to be facilitated by the establishment of pooled budget arrangements • Intermediate Care Fund with Health – promoting joint initiatives between the UHB and Council specifically in relation to discharges from hospitals • Integration of the Budget with the Council’s Priorities and Vision
<p>INVOLVEMENT</p>	<ul style="list-style-type: none"> • Two stage consultation process • Effort to engage with groups that have been traditionally less involved • Service user specific consultation on proposals where appropriate • Consideration of consultation feedback in drafting final budget proposal • Budget Scrutiny and engagement with key stakeholders – schools budget forum, Trade Unions, staff

Cardiff Council Budget Consultation 2017/18

- 2(a) Changes for Cardiff Budget Consultation
- 2(b) (i) Schools Budget Forum Letter to Cllr Weaver – 15.12.17
- 2(b) (ii) Cllr Weaver response to Schools Budget Forum – 15.02.18
- 2(c) (i) Unison TU Budget Response Letter – 07.02.18
- 2(c) (ii) Cllr Weaver response to Unison TC – 15.02.18
- 2(d) (i) Community & Adult Services Scrutiny Committee Budget letter to Cllr Weaver – 13.02.18
- 2(d) (ii) Community & Adult Services Scrutiny Committee Budget letter to Cllr Elsmore – 13.02.18
- 2(d) (iii) Community & Adult Services Scrutiny Committee Budget letter to Cllr Thorne – 13.02.18
- 2(d) (iv) Cllr Weaver response to Community & Adult Services Scrutiny Committee – 15.02.18
- 2(e) (i) Economy & Culture Scrutiny Committee Budget letter to Cllr Weaver - 13.02.18
- 2(e) (ii) Cllr Weaver response to Economy & Culture Scrutiny Committee – 15.02.18
- 2(f) (i) Children & Young People Scrutiny Committee Budget letter to Cllr Weaver – 14.02.18
- 2(f) (ii) Cllr Weaver response to Children & Young People Scrutiny Committee – 15.02.18
- 2(g) (i) Environmental Scrutiny Committee Budget letter to Cllr Weaver – 15.02.18
- 2(g) (i) Cllr Weaver response to Environmental Scrutiny Committee – 15.02.18
- 2(h) (i) Police Review & Performance Scrutiny Committee Budget letter to Leader – 15.02.18
- 2(h) (ii) Cllr Weaver response to Policy Review & Performance Scrutiny Committee – 15.02.18

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Changes for Cardiff

Consultation on Cardiff Council's 2018/19 Budget Proposals

RESULTS REPORT



Gweithio dros Gaerdydd, gweithio gyda'n gilydd
Working for Cardiff, working together



#gweithiogydangilydd
#workingtogether

Page 165





CRE V G WIR IN THESE STONES
FEL GW YDR HORIZONS
OF WRNALS A WENSING



#gweithiogydangilydd
#workingtogether



Changes for Cardiff - Consultation on the City of Cardiff Council's Budget Proposals for 2018/19

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CHANGES FOR CARDIFF 2018/19

1. EXECUTIVE SUMMARY

This Executive Summary provides an overview of the Budget Consultation exercise. It is not a detailed summary of the full report, but an articulation of some of the key findings.

The consultation ran from 2nd November 2017 until 14th December 2017.

A mixed methodology included an electronic and paper copy questionnaire promotion alongside targeted face-to-face engagement. **A total of 2,937 returns were received.**

Summary of responses:

- Three quarters (74%) of respondents agreed with ending the publication of the Council's free newspaper 'In Cardiff'.
- Seven in ten respondents (71%) indicated a willingness to make the switch to e-billing.
- Three quarters (73%) of respondents agreed with proposals to expand the Meals on Wheels service, with 22% of respondents knowing someone who could benefit from the service.
- More than half (54%) of respondents agreed with the proposed increase in prices for the Cardiff International White Water Centre (CIWW).
- Two-thirds (65.8%) of respondents supported an increase in costs for cremations and burials.
- Three-quarters (74%) of respondents supported an increase in costs for rehoming dogs.
- Amongst families using the school meal service 52% showed support for the proposal to increase costs compared to 42% that disagreed.
- Nine in ten (91%) agreed with the emphasis on early intervention and helping people stay in their own homes for longer. Similarly 88% of people agreed that the Council should be working with Health to deliver bespoke packages of care.
- 72% agreed with the aim of reducing the number of care home placements.
- Three quarters (76%) supported the move towards separate glass collections in order to reduce costs and meet recycling targets.
- More than two thirds (68%) agreed with proposals to explore the merger of the passenger transport team with a neighbouring authority.
- People were most interested in volunteer opportunities that would improve community safety and help the elderly or most vulnerable in their neighbourhoods.
- Public priorities for additional investment were:
 - Building more affordable houses and tackling homelessness
 - Investing in sustainable transport to reduce congestion and improve air quality
 - Intervening early to support vulnerable children

2. BACKGROUND

Public services are going through a period of rapid change. For the foreseeable future Councils, along with other public services, will have less money available to deliver local public services.

This comes at a time of economic uncertainty following the vote to leave the European Union, combined with a number of other pressures such as a rapidly growing population and changes in welfare reform meaning that demand for services is increasing year on year.

The Council is facing significant and ongoing financial challenges with a budget gap of **£23 million** for 2017/18 and a potential shortfall of **£73 million** over the next three years. This comes on top of £200m which has already been found over the last 10 years.

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

There is no easy way to bridge a **£23 million** budget gap.

In preparing the draft savings proposals the Council has at all times sought to protect front line services, with proposals including net investment into services like schools and social services.

In addition, the budget strategy includes assumptions in relation to a 3.7% increase in Council Tax. An increase of this amount equates to 78p per week per household in Council Tax Band D.

3. METHODOLOGY

3.1 City Wide Survey

Consultation on the budget proposals for 2018/19 took 3 forms:

- **City-wide Public consultation** on proposals which affect all citizens. (The contents of this report).
- **Service-specific consultation** with targeted service users/groups or organisations who may be impacted by any change. Examples of this can be found in relation to school transport services where any impact would be limited to specific individuals.
- **Internal Council consultation** -these elements relate to internal changes within the Council including back office efficiencies, staff changes and process improvements.

The questionnaire contained 37 questions (excluding demographic information) and covered a range of topics including:

- The proposed discontinuation of the council newspaper 'In Cardiff'.
- The introduction of E-billing for Council Tax.
- Expansion of the Meals on Wheels service.
- Increased charges for some services including: bereavement services, school meals and Cardiff International White Water Centre.

The consultation on these proposals began on **2nd November 2017** and ran until **12 noon on Thursday 14th December 2017**.

CHANGES FOR CARDIFF 2018/19

3.2 Consultation and Engagement Mechanisms

The consultation was undertaken via the following mechanisms:

- Online Survey, promoted electronically and made available on dedicated Council Web pages www.cardiff.gov.uk/budget and www.cardiff.gov.uk/haveyoursay .
- Paper survey – 2,000 copies distributed through leisure centres, libraries and hubs and available at a range of face-to-face events held at locations across the city.
- Eighteen community engagement events held at community buildings across the city. (See Appendix 1)
- A further 7 focus groups held with specific individuals who are less frequently heard e.g. mental health services users, BME groups and younger people. (See Appendix 1)
- Information about the consultation and a link to the electronic survey were made available online via the Council's dedicated budget pages www.cardiff.gov.uk/budget and www.cardiff.gov.uk/haveyoursay
- Regular promotion was carried out via social media throughout the consultation period via @cardiffcouncil and @cardiffdebate.
- Facebook 'Boosts' were carried out to increase the visibility of the promotion
- Opportunity for people to email comments directly via budget@cardiff.gov.uk
- Consultation promoted via email to members of the Cardiff Citizens' Panel and the wider Council email address list (91,391 unique email addresses)
- Communicated to approximately 6,000 staff within the City of Cardiff Council via Your News

3.3 Response

A total of **2,937 responses were received** to the consultation. This represents an increase of 17% (or c.500 responses) compared to the 2017/18 budget consultation.

The overall response includes a recurring bias towards those aged 55+ and those residing in the north of the city. Where appropriate further analysis by geography and demographic group has been undertaken to highlight any existing differences across demographic groups or geographies.

4. DIGITAL FIRST

The Council is committed to adopting a 'Digital First' agenda, providing digital, 24/7 access to services which is indistinguishable from that available to citizens in every other aspect of their lives.

Over the last three years, the Council has begun to respond to this trend, with an increasing number of interactions with citizens managed via digital platforms:

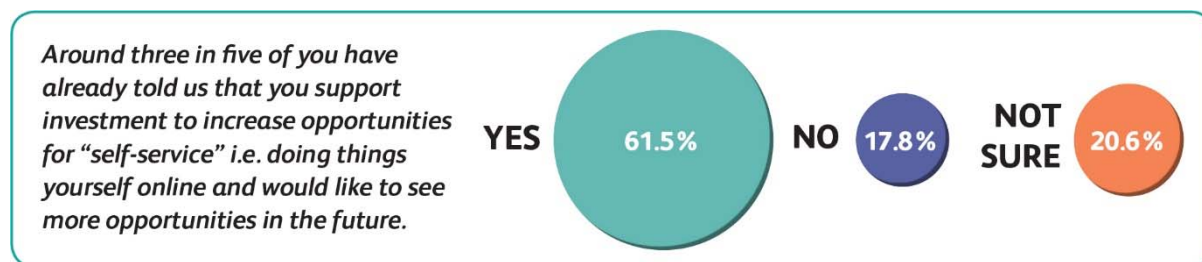
- 69.4% of Parking Permits are now applied for online;
- 75.7% of Recycling bags and Waste Caddies are requested online;
- 90% of school applications were made online (an increase of 20%)

CHANGES FOR CARDIFF 2018/19

We have also used digital technologies to transform the way services are delivered, For example:-

- By introducing mobile working and scheduling nearly 250 staff who work in housing maintenance and nearly 650 social care workers are able to spend more time with service users, with savings released in office accommodation.

What you have told us already (*Source: Ask Cardiff 2017*):



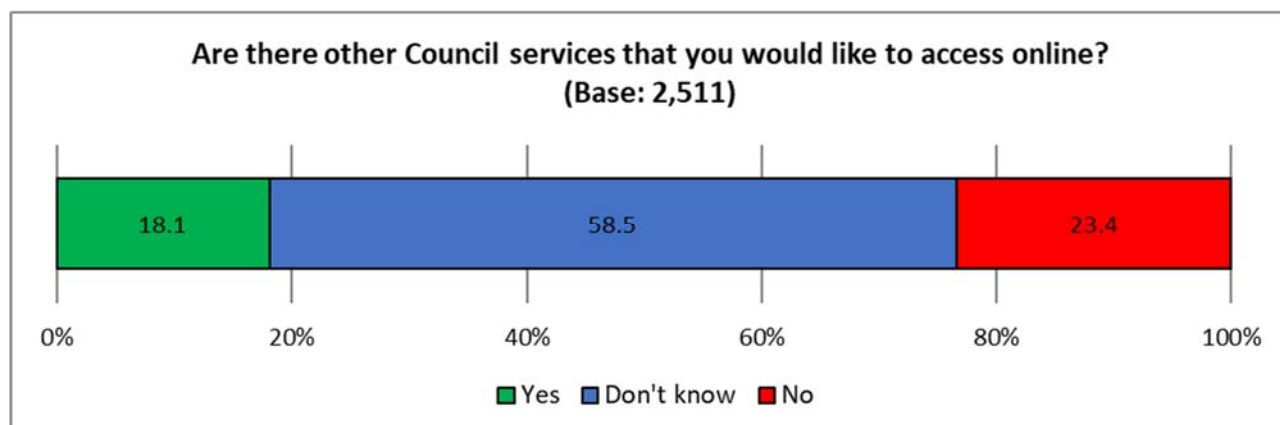
Number of people who responded: 5365

The greatest support came from men (69.6%). Older people and those with a disability were less likely to support opportunities for self service, something that we will continue to consider when introducing any additional services or changes to services.

4.1 Are there other Council services that you would like to access online?

Around one in five (18.1%) respondents would like to see other services accessible online although the high level of uncertainty expressed (58.5%) suggests people are unsure as to what these should be.

Base: 2,511	No.	%
Yes	454	18.1
No	587	23.4
Don't Know	1,470	58.5



CHANGES FOR CARDIFF 2018/19

Those respondents aged under 35 were most likely to want to see additional services available online (24.8%) whilst amongst those aged 55 and above the proportion in favour fell to 14.3%.

If you have responded 'Yes' please tell us which ones

A total of 350 suggestions were received in reaction to this proposal, which fell into four main themes:-

General support – Some respondents were keen to see any service, where reasonable, to be brought online. In many instances however, individuals were unable to be specific in relation to which they felt would be most appropriate.

Payments – Comments included an emphasis on Council Tax payments and a desire to be available online. Respondents were also supportive of wider opportunities for online payments for a range of council services including school dinners and new wheelie bins.

Requests – The collection of bulky items and additional recycling bags were amongst the request that respondents would most like to complete online.

Reporting incidents – Reporting of environmental issues such as vandalism or fly-tipping, infrastructure problems such as potholes and damaged pavements, general complaints and the reporting of repairs at council properties were all considered as appropriate to be dealt with online.

A selection of those received include:

As many as possible! When you work 9am-5pm trying to access council services are hard as many close.

Council tax bill, parking fines - most things don't need paper

More opportunities to pay for services and purchase items online.

Collection of large items - wooden furniture, fridge freezers etc.

Why not all of them? Review what requests people have made over the phone and put them online.

Waste management - reporting bins not being emptied, fly tipping, lanes and pavements being overgrown.

Reporting litter, fly tipping, illegal parking, in a tracked way, not just firing off an email.

CHANGES FOR CARDIFF 2018/19

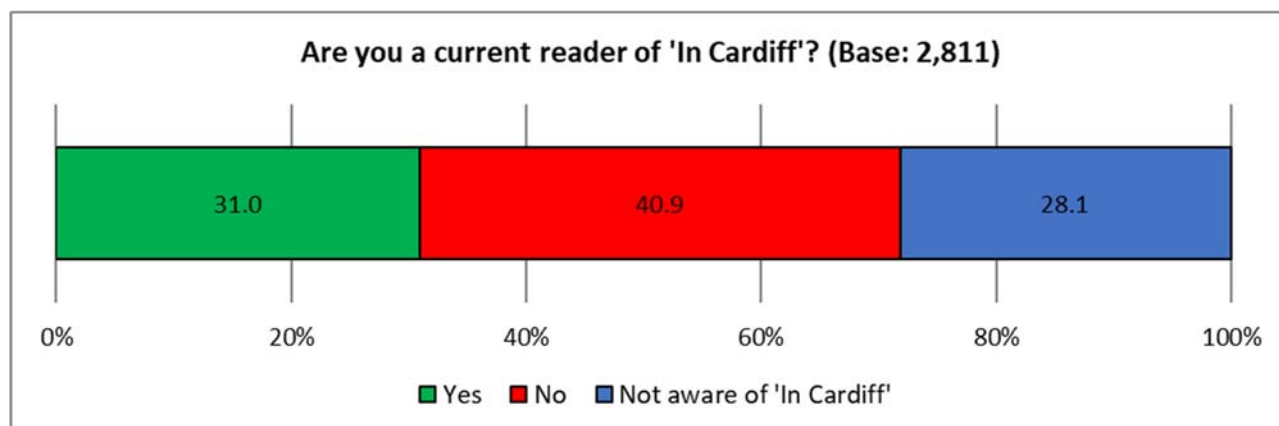
4.2 Council Newspaper

The Council’s communications strategy puts the use of digital forms of communication - especially social media - at the heart of how the Council interacts with the people it serves. We are therefore proposing that ‘In Cardiff’, the Council’s free quarterly newspaper, available to pick up in supermarkets, Hubs and other Council buildings be discontinued with a saving of £37k.

Are you a current reader of 'In Cardiff'?

Around one-third (31.0%) of respondents were current readers of ‘In Cardiff’, with a similar portion (28.1%) unaware of the publication.

Base: 2,811	No.	%
Yes	872	31.0
No	1,148	40.9
Not aware of 'In Cardiff'	791	28.1



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Use of social media:

Facebook was the most popular form of Social Media amongst respondents, with more than half (56.5%) reporting to be users.

Do you use the following?	No.	%
Facebook	1,659	56.5
Twitter	879	29.9
Instagram	517	17.6

Amongst those aged under 35 the proportion using facebook rises to three quarters (76.7%) whilst around half (52.2%) also subscribe to twitter. Similarly almost half (47.8%) of those aged under 35 use Instagram compared to just 7.5% of respondents aged 55+.

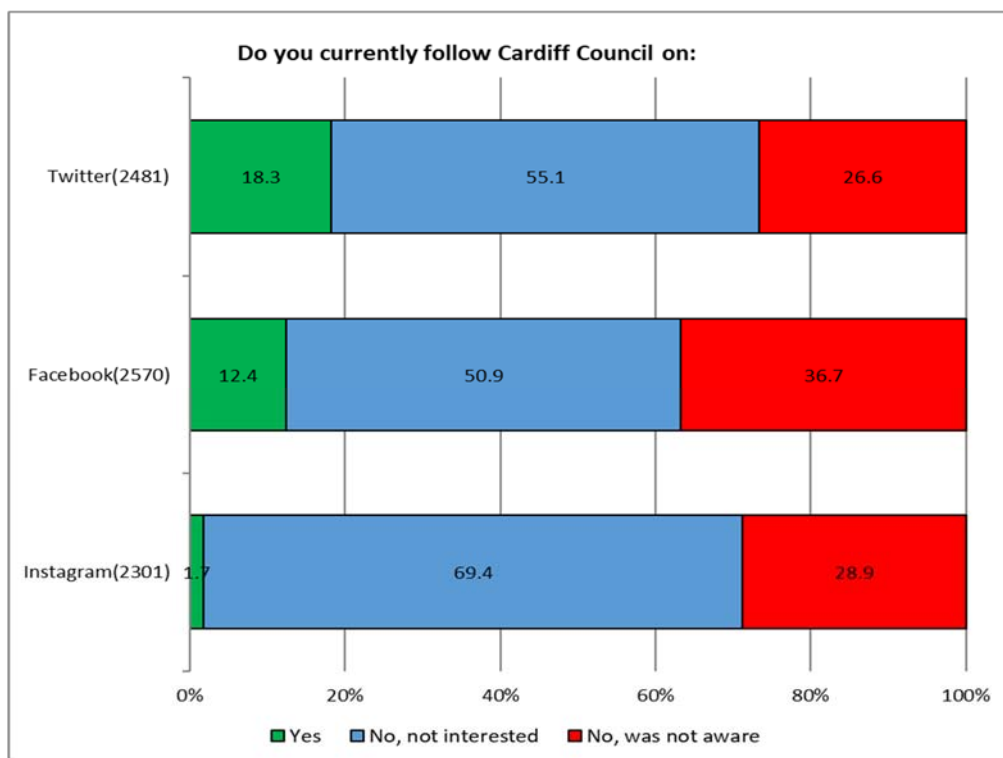
Do you use the following?	Under 35 (%) (Base: 301)	55+ (%) (Base:1207)
Facebook	76.7	47.0
Twitter	52.2	17.4
Instagram	47.8	7.5

Do you currently follow Cardiff Council on:

Twitter was the most popular social media channel to follow the council on with 18.3% reporting to do so. Amongst those aged under 35 the proportion following the council on twitter rose to 28.2%.

	Yes		No, was not aware		No, not interested	
	No.	%	No.	%	No.	%
Twitter	453	18.3	660	26.6	1,368	55.1
Facebook	319	12.4	943	36.7	1,308	50.9
Instagram	40	1.7	664	28.9	1,597	69.4

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What is your preferred means of receiving news and information from the Council?

Email was by far the most preferred means of receiving news and information from the Council with almost three quarters (72.6%) of respondents choosing this option. In comparison just one-fifth (21.2%) of respondents cited Direct Mail/Newsletter as their preferred option.

	No.	%
Base: 2,786		
Email	2,002	72.6
Council Website	908	32.6
Direct Mail/Newsletter	592	21.2
Facebook	393	14.1
Twitter	285	10.2
Public Meetings	183	6.6
Via a Councillor	172	6.2
Other	71	2.5

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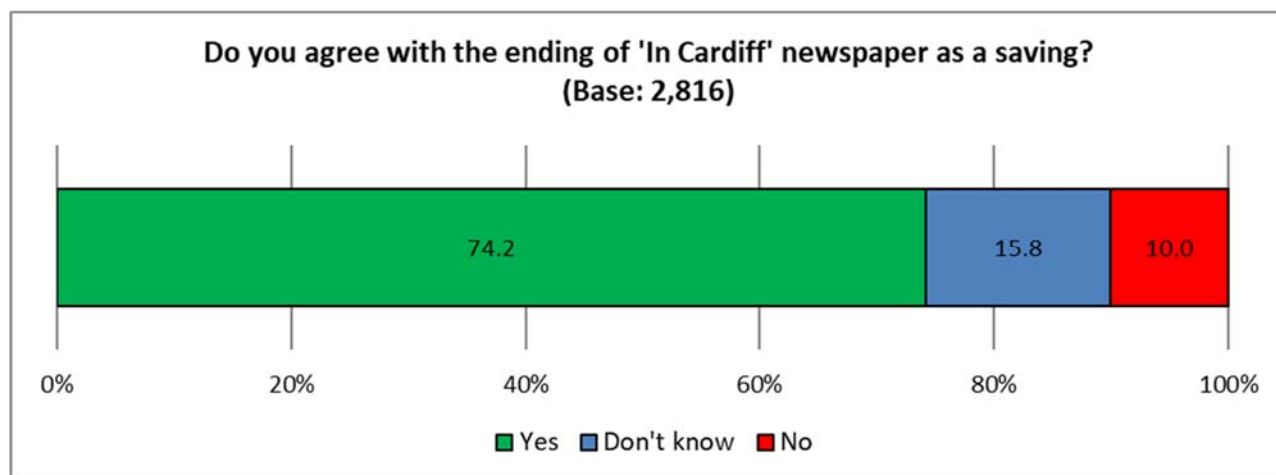
The preference for email was consistent across all demographics. Under 35's were found to be more likely than older respondents to also favour other electronic forms of communication such as the Council's website, twitter and Facebook.

Other suggestions centred on local media including press, TV and radio. The South Wales Echo was specifically named by several respondents whilst mention was also made to 'In Cardiff' as a preferred option.

Do you agree with the ending of 'In Cardiff' newspaper as a saving?

Just 10% of respondents opposed the proposal to cease the publication of 'In Cardiff'. No significant differences were found between demographic groups or geographies.

Base: 2,816	No.	%
Yes	2,089	74.2
No	282	10.0
Don't know	444	15.8



If 'No', what are your concerns:-

A total of 245 additional comments were received in reaction to this proposal. Concerns centred around the loss of a good source of information meaning that people will generally be less informed. It was also felt that the impact would be felt most by older and disadvantaged people who are less likely to access to the internet.

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A selection of those received include:

Again, complete inequality for the elderly.

I often read paper based information when eating or travelling. I feel information would be lost if all Cardiff communications were electronic.

This will worsen the digital divide.

It is sometimes the only way to find out what is going on locally.

It's the only form of communication between the council and those with no access to digital media.

I prefer a hard copy. Social media is often transient. A hard copy serves both my wife and I and we can tear things out and put them on the kitchen notice board.

In Cardiff is a great publication and is very helpful. £37K is excellent value.

There are lots of people who don't have online access. Scrapping the newspaper is isolating these people.

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4.3 E-Billing

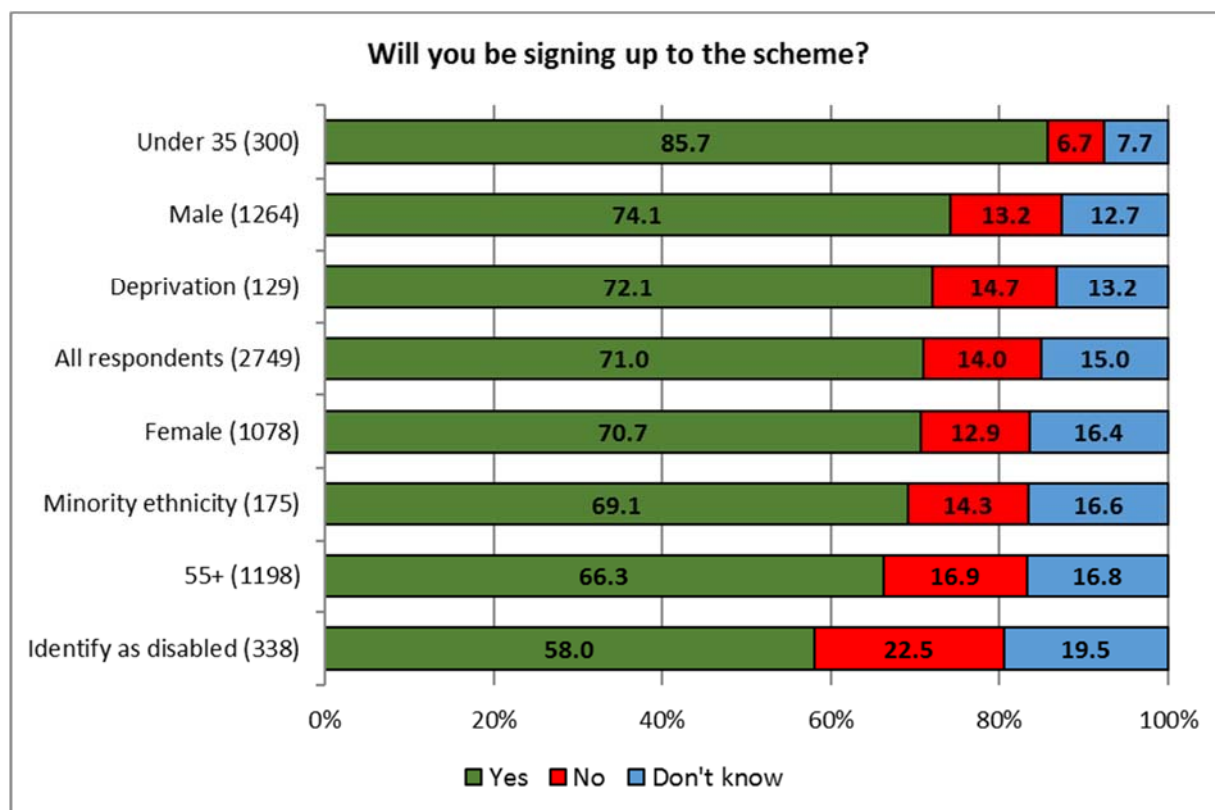
All Cardiff residents will soon be invited to make a switch to e-billing for Council Tax. Agreeing to this will enable bills, notifications and reminders to all be sent to individuals electronically. The positive effects of a move to e-billing include:

- Financial and environmental benefits with less paper used.
- Savings made on materials and postage.
- A faster and more efficient service.

Seven in ten respondents (71%) indicated a willingness to make the switch to e-billing.

Will you be signing up to the scheme?		
Base: 2,749	No.	%
Yes	1,951	71.0
No	385	14.0
Don't know	413	15.0

Respondents aged under 35 (85.7%) were most likely to sign up to e-billing whilst older people and those identifying as disabled were less willing to do so.



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Members of the 50+ Forum described the older generation as being 'distrustful' of this as a means of payment remarking:

"E-Billing – that's how you get robbed!"

"To have money or a cheque in my hand and visit a post-office – that to me feels safer."

A total of 331 additional comments were received via the survey in reaction to this proposal. The reasons provided for opposition to the proposal fell into four main themes:-

Lack of online access – Respondents fear that a change to e-billing discriminates against those with poor or no internet access.

Security concerns – As described by the 50+ Forum respondents were concerned with the how secured their personal information would be.

Prefer Paper copy – Many had a preference of a hard copy both for record keeping and convenience.

Need Proof of evidence (Hard Copy) – Very useful document for proof of address, which is frequently needed.

A selection of those received include:

My mother, 88, the taxpayer; whilst not a technophobe has not yet to get into the habit of reading emails on anything like a regular basis. A hardcopy bill is essential for the present.

The more information that goes online, the more I hear about hackers and crooks stealing it. I'd have severe concerns about my information being held centrally.

Prefer to have it in black and white and tangible, also my mother and in laws have no internet access and I do not have internet access at home.

Need the reminder and paper copies to claim certain benefits and for the self-assessment tax returns.

The council tax bill is paper proof of address - something still required for lots of reasons.

I am concerned about emails being lost/hacked/deleted, whereas a paper statement can be kept for proof. Also I like to file all my financial and household paperwork and I don't have a printer at home.

Too easy for electronic devices to be "hacked".

For older people or vulnerable people this is very difficult

It should be an option, but not forced on people.

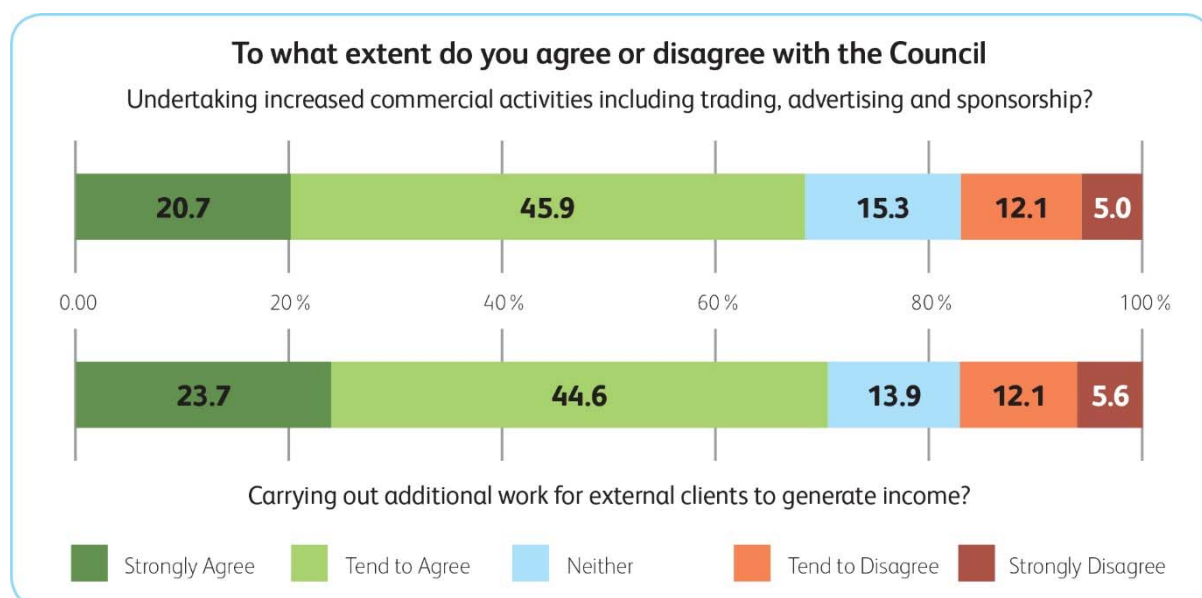
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5. INCOME GENERATION

One of the ways in which we can meet the challenges we face is to be more entrepreneurial in areas where the Council can generate income, which can then be used to reinvest into supporting our public services.

What you have already told us:

Two thirds of respondents agreed with proposals for the Council to undertake commercial activities (66.6%) and working for external clients to generate income (68.3%). (Source Ask Cardiff 2017)



Our budget proposals:

Over the course of 2018/19 we are proposing £2.9m of increased income from certain Council services. These include expanding markets in services like:-

- Commercial waste;
- Pest control;
- Building cleaning services;
- Welsh language translation and;
- Training and development.

They also include generating more income from renewable energy and street lighting, Cardiff Dogs Home, and an increased volume of planning fees.

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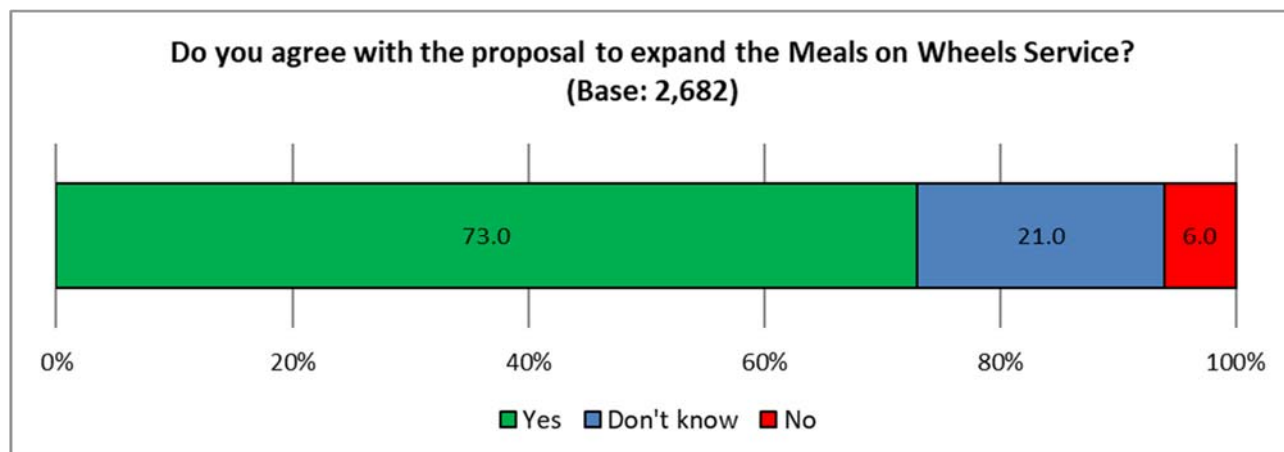
5.1 Expansion of Meals on Wheels

Currently the service operates below capacity. The council will look to increase the number of service users to bring the service up to full capacity.

Do you agree with the proposal to expand the Meals on Wheels Service?

Around three-quarters (73.0%) of respondents supported the expansion to the Meals on Wheels Service whilst just 6.0% were opposed.

Base: 2,682	No.	%
Yes	1,957	73.0
No	162	6.0
Don't know	563	21.0



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Opposition to the proposal centred on uncertainty around the viability of the service as a generator of income. Some respondents believed there to be plenty of reasonable private providers, Super Markets and Voluntary Sector groups already able to meet demand at a reduced cost.

A selection of comments received include:

Unnecessary in the age of home delivery of food and microwaves.

The only way to operate MOW effectively is with a volunteer led programme. There are other organisations that have far more experience than the local authority in providing these services.

I use Wiltshire Farm Foods for my meals and they are excellent. Well-priced, friendly, excellent food and their deliverers are keen to help elderly people. Why would the council be competing with a service that is currently run so well, why not work in partnership?

Is this the best service from a food and befriending approach. Supermarket prepared meals often work out cheaper than lunch clubs and meals on wheels.

Meals on wheels are no longer needed. Supermarkets offer their complete range of foods, and everything else too, and deliver efficiently.

My disabled daughter received this service for a while. The meals were unimaginative, lacking in apparent nutritional value and were small in portion and expensive for what was offered.

Would you or someone you know benefit from the service if it was opened to the whole population?

Around one in every ten respondents knew either a relative (11.3%) or a friend (10.7%) who would benefit by the expansion.

Base: 2,626	No.	%
Yes, myself	72	2.7
Yes, a relative	297	11.3
Yes, a friend	280	10.7
No	2,044	77.8

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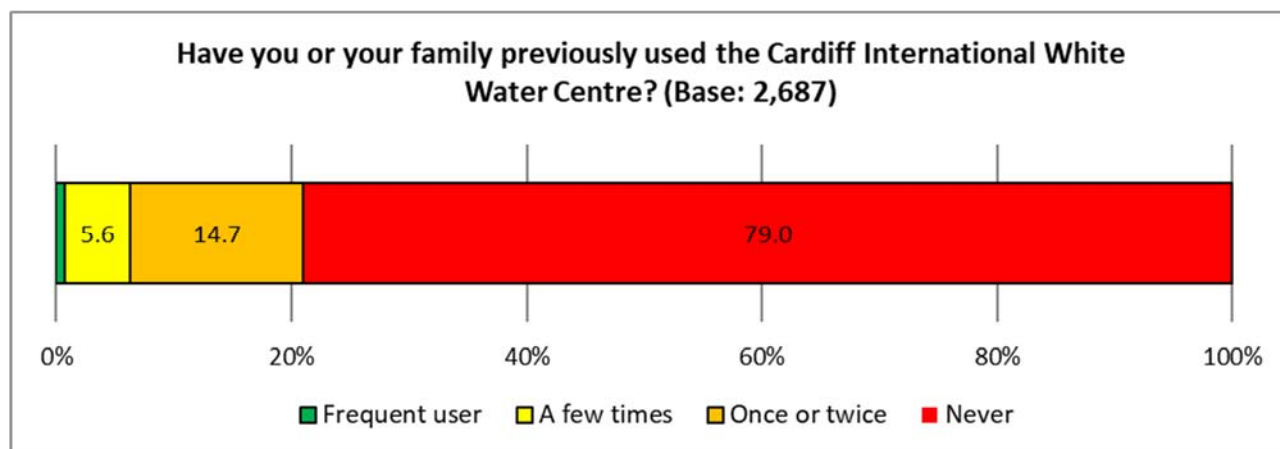
5.2 Cardiff International White Water (CIWW).

It is proposed to increase prices on certain activities at CIWW, such as Friday evening white water rafting. This was previously offered at a reduced rate to encourage additional service users, the increase now brings the session back into line with other days.

Have you or your family previously used the Cardiff International White Water Centre?

Around one in five respondents (21.0%) had previously used the White Water Centre although less than 1% described themselves as 'frequent users'.

Base: 2,687	No.	%
Frequent user	19	0.7
A few times	150	5.6
Once or twice	396	14.7
Never	2,122	79.0

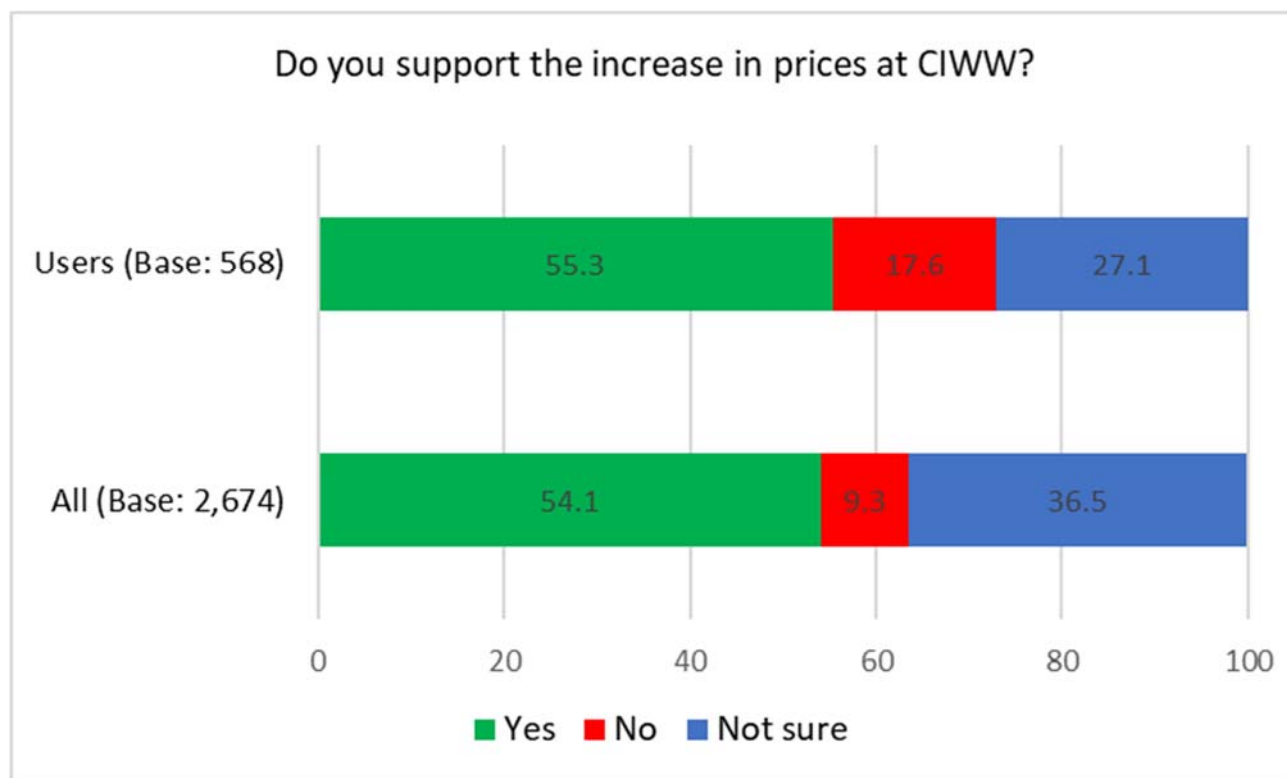


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Do you support the increase in prices at CIWW?

Less than ten percent (9.3%) of all respondents were against the increase in prices at CIWW. Amongst those that had used the centre at least once previously the proportion opposed to the increases in charges rose to 17.6% although the proportion in support remained the same.

	All Respondents % (Base: 2,674)	% households using the service (Base: 568)
Yes	54.1	55.3
No	9.3	17.6
Not sure	36.5	27.1



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A total of 200 comments were received in reaction to this proposal. The remarks focused on the financial expense of visiting the CIWW and shared concerns that the activities available are elitist.

A selection of those received include:

I think you will risk losing more customers. CIWW is already a luxury activity for many people who cannot afford such experiences.

It's pretty expensive already - a fact which has put me off visiting more regularly.

A price increase will mean that low income families will not be able to use this facility.

Sports services should not be charged at a premium. Only the wealthy are able to afford Cardiff council's sports services. Even a 1 hr use of deteriorated tennis courts is far more than a typical child's pocket money. These services have become out of reach for the many.

Removal of a reduced price service would impact those unable to pay higher prices, and therefore deprive people who are on a limited budget from experiencing this service.

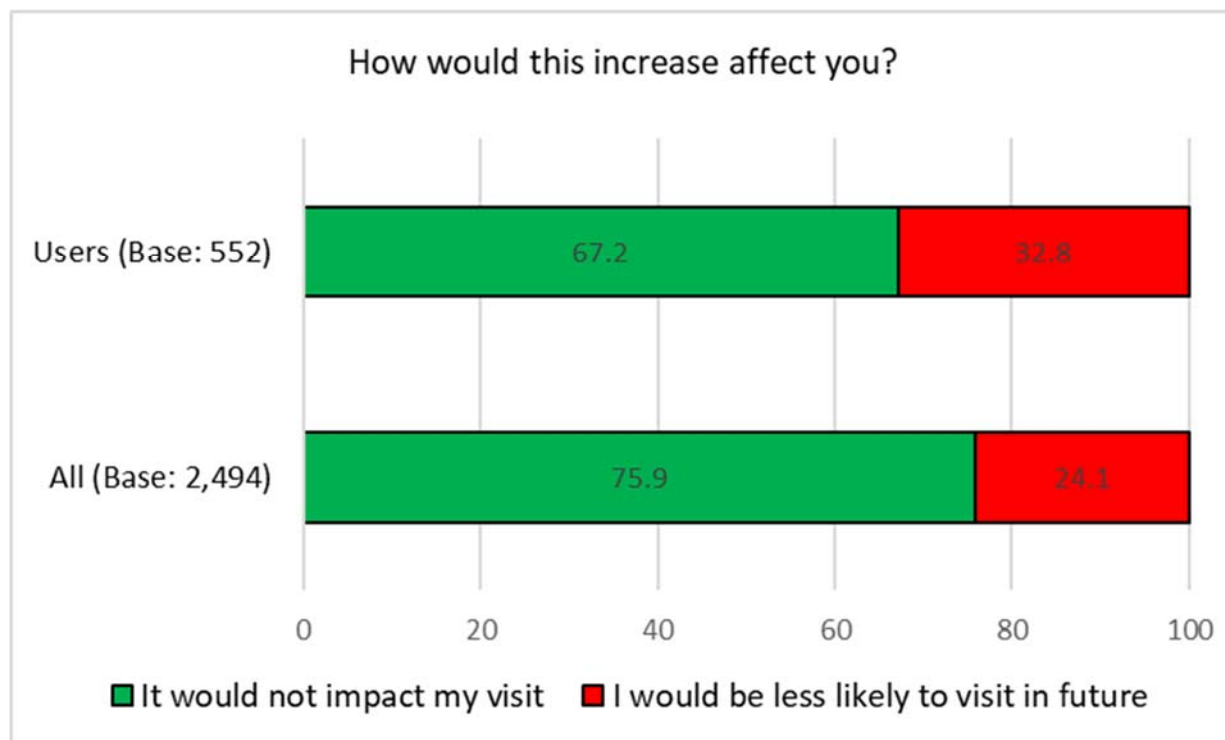
The indoor surfing is already very expensive. The comparable wave in Swansea is £6 ish, £25 is too steep.

We are just starting to use the facility and this will make us less likely to do so on a regular basis.

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How would this increase affect you?

One third (32.8%) of existing users, i.e. those that had used the facility at least once previously, indicated they would be less likely to visit in the future compared to one quarter (24.1%) of all respondents.



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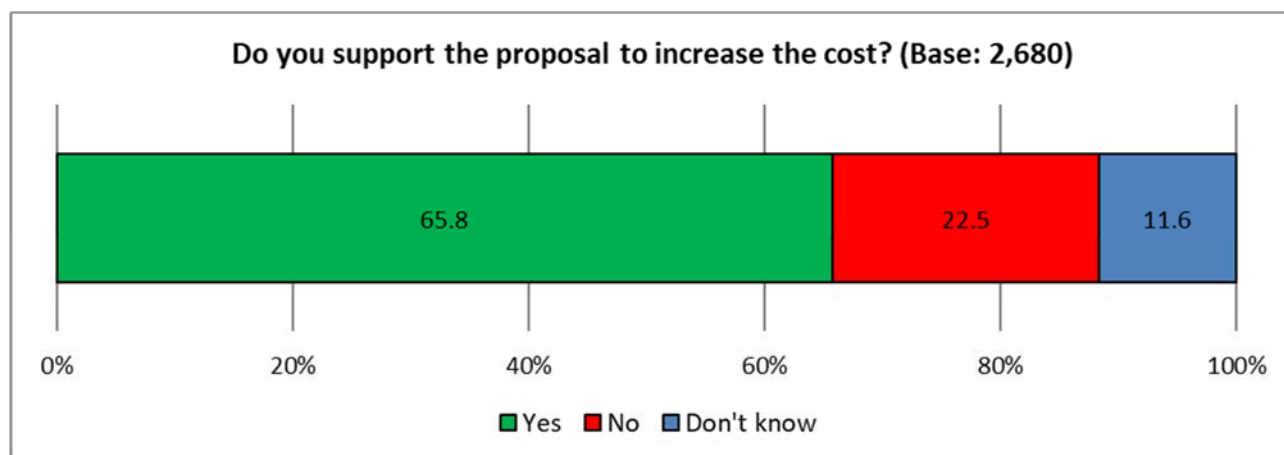
5.3 Bereavement Services

Cardiff Council’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 seven 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 £540 to £560 (an increase of 3.7%) and a burial from £630 to £650 (an increase of 3.17%).

Do you support the proposal to increase the cost?

Two thirds (65.8%) of respondents supported the increase in costs compared to one fifth (22.5%) that were against the proposal.

Base: 2,680	No.	%
Yes	1,764	65.8
No	604	22.5
Don't know	312	11.6



A total of 591 additional comments were received in reaction to this proposal, with the four most dominant themes being:-

Need for service improvement – Including increased opening hours, reduced waiting times and improved maintenance of buildings and gardens.

Service not subject to Profit – Service should be delivered at cost only basis, very expensive at the moment.

Support for those that cannot afford – Should be affordable to all, and if not help should be provided.

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Support Rise – Agreement that the proposed rise is reasonable and some calls to increase even further.

A selection of those received include:

The way that the Thornhill Gardens are maintained is very much below standard.

Should be able to pay extra for nice headstones, services, flowers, etc. as an income generator.

I don't believe this is the kind of service that should be used to generate additional revenue streams.

I believe there should be a higher differential between cremation and burial. Burials are a waste of valuable land, in my view, and should be discouraged; there is a long term cost far beyond the short term marginal cost of each event.

Those increases seem very reasonable compared to some other local authorities.

Was very happy with the service received when my Nan passed away last year. A price rise of £20 is not too much.

If the price is to be increased I feel that hardship funds should be available for families who struggle to meet this cost.

Some reduction should be available for those with very limited funds - but only via cost-effective assessment.

It's important that this service is accessible to everyone. There are sections of society for whom those costs would be unattainable, I hope that there is support in place for these people.

The crematorium building in Thornhill. (The larger chapel) is in need of refurbishment. It is out dated and smells. Not a pleasant environment to say a final goodbye to loved ones.

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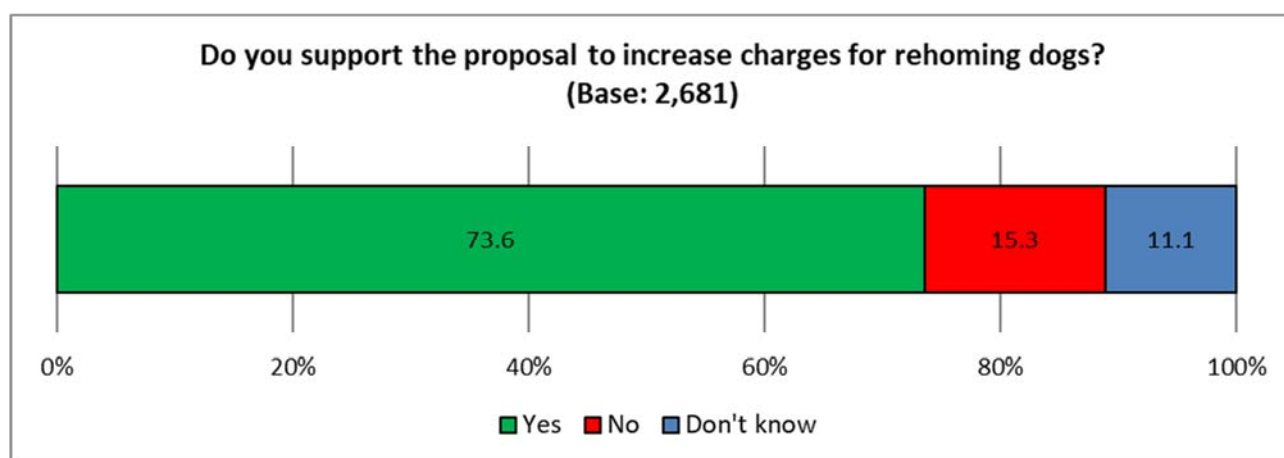
5.4 Dogs Home

Cardiff's award winning Dogs Home deals with nearly 1,000 dogs every year with the focus on the safety of dogs and the citizens of Cardiff. We successfully achieve this by taking in stray dogs, caring for them, re-uniting them with their owners or rehoming them. It is proposed that the price of rehoming a puppy be increased from £150 to £160 and that for other dogs the price is increased by £20, taking the range of prices from £100-£300 to £120-£320. In reviewing these charges, we are working towards a position whereby the Dogs Home can become self-sustainable in the future.

Do you support the proposal to increase charges for rehoming dogs?

Around three-quarters (73.6%) supported the increase to charges for rehoming dogs.

Base: 2,681	No.	%
Yes	1,973	73.6
No	411	15.3
Don't know	297	11.1



If 'No', what are your concerns:-

A total of 317 additional comments were received in reaction to this proposal. Opposition centred on concerns that any price increases may serve to deter people from rehoming animals. This was particularly felt in relation to older dogs if the cost of purchasing a puppy directly from a breeder were to become a cheaper option. Cost increases were also felt to disproportionately affect older people and those on a lower income. Whilst these people may have the means to provide and care for a pet they would be less likely to have up to £320 required to cover the initial fees.

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A selection of those received include:

People might buy off the internet at puppy farms instead of paying more for a dog that has past issues. Run a risk of rehomed dog Vs brand new puppy (which could end up in a rehoming centre afterwards).

Cardiff dog's home relies heavily on volunteers and people willing to rehome dogs that aren't always a finished product. When you price them like the backstreet breeders do on gumtree, people will just buy rather than rehome which defeats the point a little.

Barrier to those on low incomes.

Increasing the charge will act as a disincentive to taking on a stray when you can buy a dog for less.

Lots of people have very little income and should not be charged more for dog rehousing.

We've rehomed two dogs. Make it too expensive and you will get unvetted people buying from Gumtree instead.

The increase in price may put off someone rehoming a puppy - some breeders charge less than this for pedigree puppies.

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5.5 School Meal Provision

Cardiff Council's School Meals service supplies meals to every primary school and the majority of secondary schools in Cardiff. The price of a primary school meal is £2.40 and a set meal in secondary schools is £2.85. The Council is proposing to increase the cost by 10p to £2.50 and £2.95 respectively.

Does your household use the School Meals service?

Just under one in eight respondents (12.3%) were from households that used the Schools Meals Service.

Base: 2,685	No.	%
Yes	331	12.3
No	1,404	52.3
Not Applicable	950	35.4

Do you support the proposal to increase the cost of school meals?

Around half of respondents (users 51.5%) and all respondents (49.4%) were in favour of the proposed increase to schools meals. Around a quarter (27.9%) of all respondents were opposed to the proposal, this rose to 42.1% of those using the service.

Base: (All:-2,664)	All Respondents No.	All Respondents %	No. households using the service (330)	% households using the service
Yes	1,316	49.4	170	51.5
No	744	27.9	139	42.1
Not sure	604	22.7	21	6.4

If 'No', what are your concerns:-

A total of 577 additional comments were made in relation to school meals. Of these, around a fifth (20.6%) came from households currently using the School Meals Service.

The comments made centred on concerns regarding costs and the value for money of the service, particularly for low income and vulnerable families. For many the continuation of the service was described as 'vital' as for many children this is often their main meal of the day, although for some the costs were already felt to be prohibitive. Respondents were also keen to see improvements in the quality and nutritional value of the meal provided particularly should a price increase go ahead. A selection of the comments include:

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This negatively affects poorer families. I would prefer to pay more council tax to avoid this, to be honest. School meals should be free.

For some families this is the main meal of the day and will increase child poverty FSM threshold has not risen in line with inflation.

In Scandinavia all children received free school meals, I feel the benefits to health and well-being far outweigh the costs. Balanced diets, reduced obesity, fewer children off the premises, reduction in littering, anti-social behaviour and bullying and an increase social interaction.

If the quality of meals are staying the same then I don't agree with the price increase.

Seems too expensive as it is already.

The price is already such that it doesn't make financial sense. Any more and I expect usage to decline dramatically.

Pressure on people's finances to feed their children is wrong.

With so many needing food banks at present - this would be an extra burden on an already stretched pocket.

I feel that school meals are vital for all pupils in order to have the energy and capabilities to function when at school. A lot of children may not get the food they need at home and charging parents more may mean they don't get the full nutrition they need as a whole throughout the day.

At the prices already charged, the food doesn't represent good value for money. I would expect an improvement in quality if prices were increased.

6. EARLY INTERVENTION AND PREVENTION

We are committed to working with the public and third sector partners to deliver lasting solutions to complex problems. This is particularly important when it comes to issues like supporting vulnerable children and families or helping older people live independently, in their communities, for as long as possible.

Our budget proposals:

- We will work with partners to reshape our approach to supporting people into jobs, simplifying and helping people make sense of what is currently a fragmented and confusing system.
- We are also proposing new approaches to how we support communities to get involved in the delivery of services through developing community involvement plans and working with partners, like the health board, police and the third sector, at the community level.
- We are working 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.

6.1 Community Reablement Team (CRT)

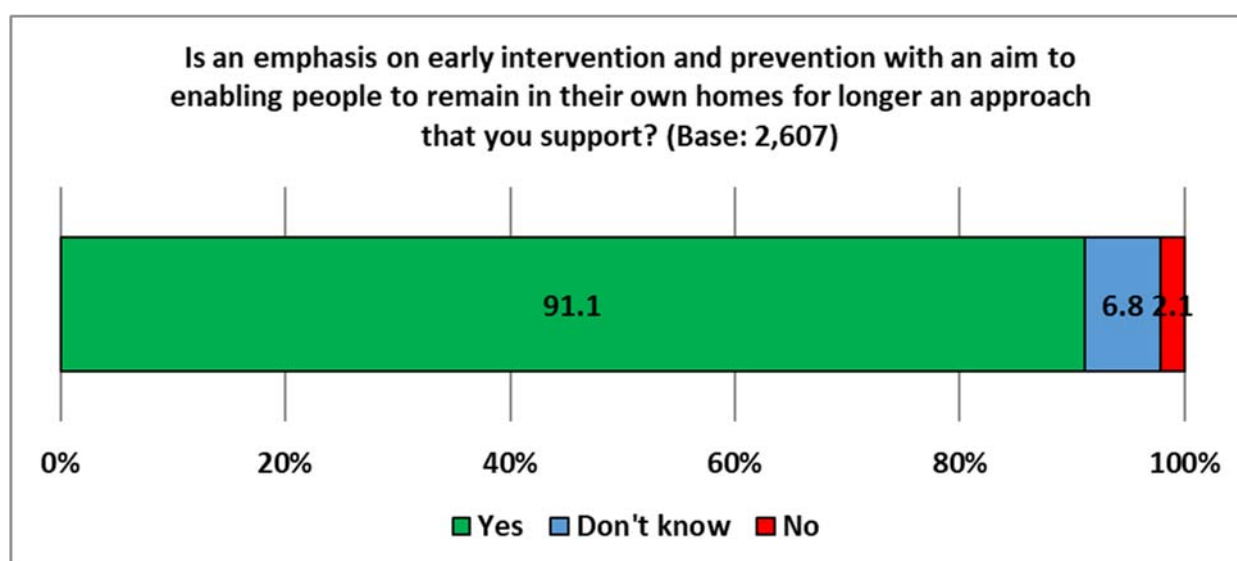
This will be done particularly through making sure that the CRT, a joint service that works with teams in the health service to offer a wide range of services to care for, and support, people, has the biggest impact it possibly can. Every CRT care package is bespoke to the needs of the individual and will typically include domiciliary (home) care and specialist therapy (provided by health colleagues). The evidence from Cardiff and across the UK is that this approach has a significant positive impact on people's health, wellbeing and independence, and they become less reliant on social care services.

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Is an emphasis on early intervention and prevention with an aim to enabling people to remain in their own homes for longer an approach that you support?

Nine in ten respondents were supportive of an emphasis being taken on early intervention and prevention.

Base: 2,607	No.	%
Yes	2,376	91.1
No	55	2.1
Don't know	176	6.8

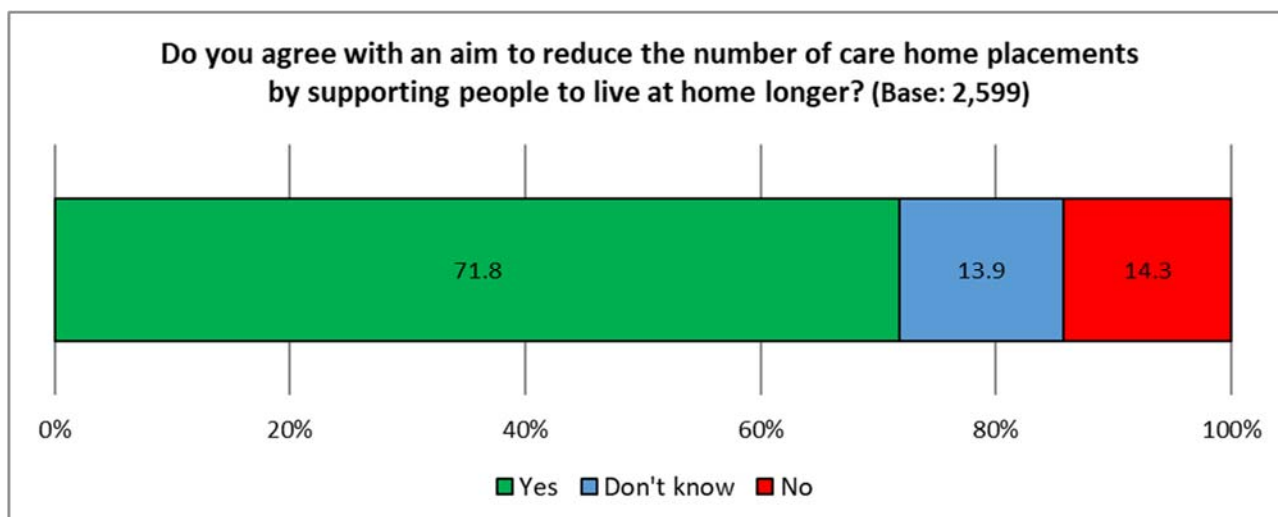


Do you agree with an aim to reduce the number of care home placements by supporting people to live at home longer?

More than seventy percent of respondents agreed that the Council should reduce the number of care home placements by supporting people to live at home longer.

Base: 2,599	No.	%
Yes	1,866	71.8
No	371	14.3
Don't know	362	13.9

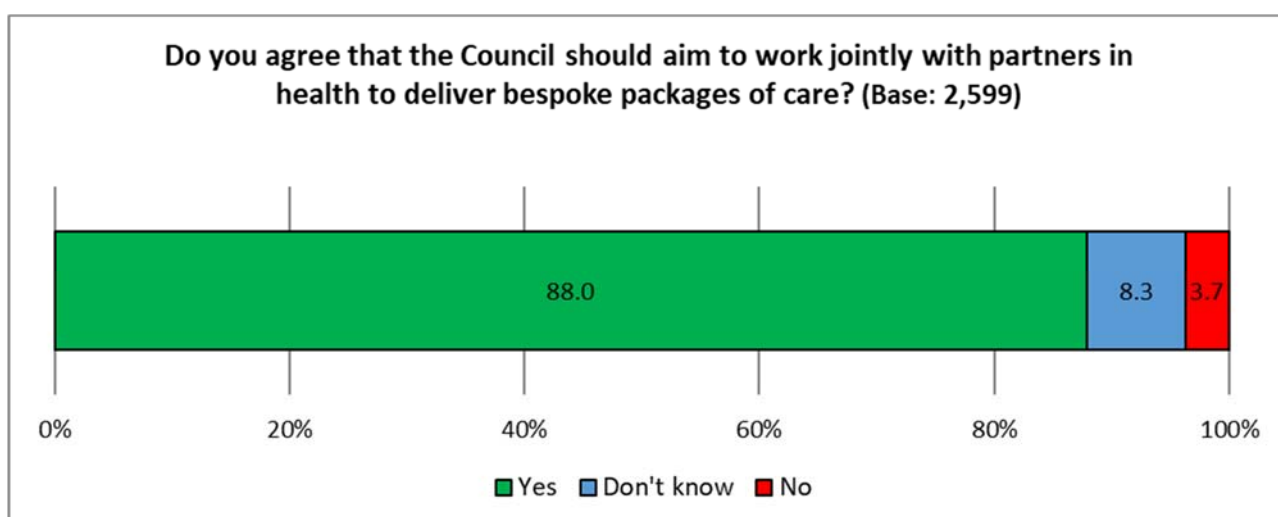
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Do you agree that the Council should aim to work jointly with partners in health to deliver bespoke packages of care?

Approximately nine in ten (88.0%) also agreed with the proposal to work jointly with partners in health to deliver bespoke packages of care.

Base: 2,599	No.	%
Yes	2,286	88.0
No	96	3.7
Don't know	217	8.3



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If 'No', what are your concerns:-

A total of 238 additional comments were received in reaction to these proposals. The main concerns expressed by respondents focused on:

- a) The quality of the care provided to people in their homes.
- b) Ensuring that sufficient care home placements are available for those that require them.

A selection of those received include:

With a growing aging population, the council needs to be prepared for an increasing demand on care home places and an increase in home support.

Loneliness is a real problem. My nan, after a stroke, stayed at home with carers, cleaners and nurses coming in and out all day. The caregivers were very busy people sometimes unable to give time to my nan. It is understandable but it means that people are actually more isolated. Care homes are good for community.

It is a good idea to keep people in their own home if they want this and they can manage physically and mentally. Many older people who struggle physically and mentally benefit from living with other people and are in dire need of "quality" in their lives, living in a box, eating from a box and watching a box is not quality living.

Home-based care is not suitable for all.

Cutting care home places is unacceptable.

Too many elderly infirm people are left at home on their own in between visits and this leaves them very vulnerable.

My concerns are that people might be forced to stay at home when this is not the best thing for them.

People still need care home places - supporting people to stay in their homes is a good thing - but reducing care home spaces (like hospital bed cuts is detrimental) as there will not be enough when people need them

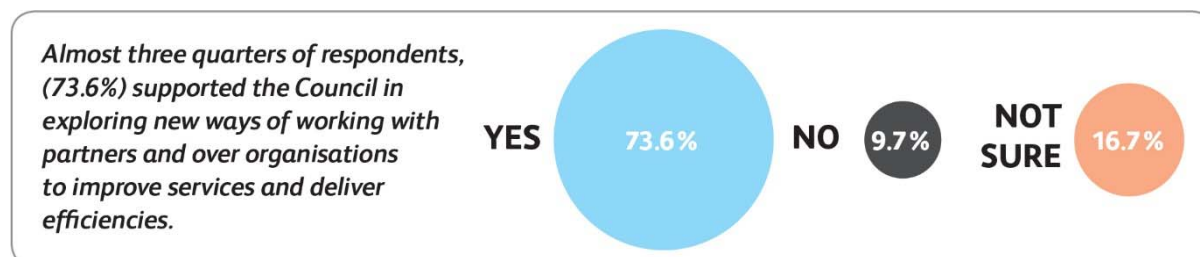
There needs to be a range of care, to support people at different stages of illness. For people with dementia, there comes a time when supporting them in their own homes, is no longer in their best interests

If the population is expanding, people should be supported to remain in their homes AND the number of care home places should be maintained (not reduced).

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7. COLLABORATION

We are committed to moving away from trying to deal with problems in isolation and working with partners to integrate frontline teams and back-office systems so that we can address the problems we know need solving.



Number of people who responded: 5357

Our draft budget includes:

Projected savings of £93K 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.

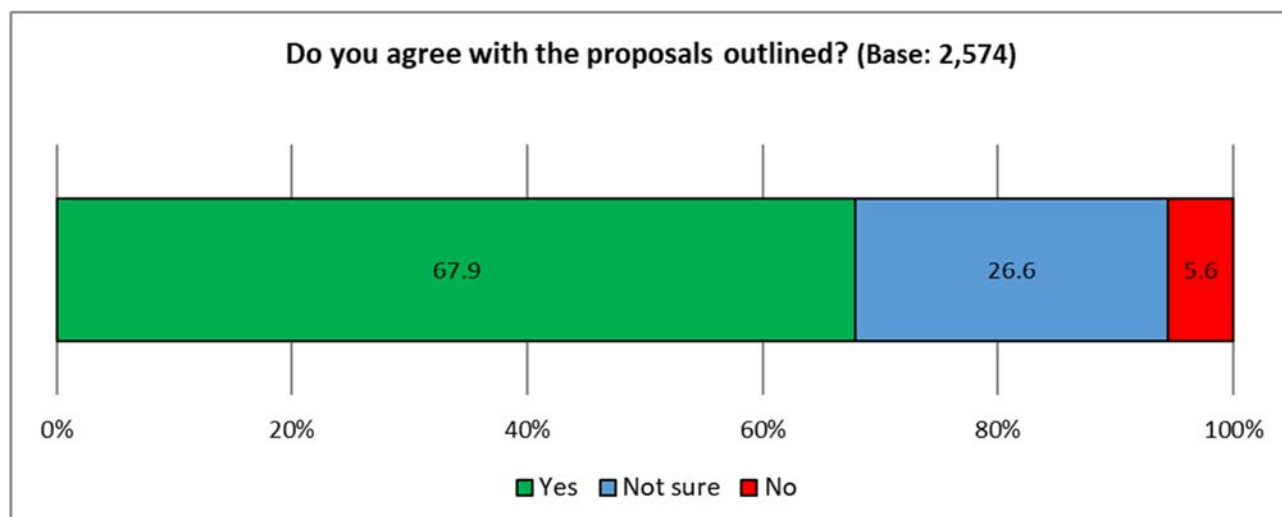
Following this we will explore the merger of our passenger transport team with a neighbouring authority.

7.1 Do you agree with the proposals outlined?

Two-thirds (67.9%) supported with the proposal for a single shared service for Environmental Health, Trading Standards and Licensing within the three Authorities.

Base: 2,574	No.	%
Yes	1,747	67.9
No	143	5.6
Not sure	684	26.6

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If 'No', what are your concerns:-

A total of 94 additional comments were received in reaction to this proposal. Concerns were expressed regarding impact on overall quality of service and potential cuts to jobs.

A selection of the comments received include:

The problems and demands of the city are not the same as those facing outlying areas and in some cases there could be conflict in resource allocation and priorities.

Agencies with such broad remit are traditionally inefficient and slow. This plan must ensure that the operational effectiveness is not compromised.

Reduction of staff and unable to contact people with local knowledge of transport system

How can we be sure that Cardiff gets its fair share of these services if they are spread across the rural areas referred to.

Merging just reduces jobs, making specialists unemployed, puts people in management that are not qualified appropriately and reduced the quality of each of the merged services. I wholeheartly do not agree with this.

Bigger is rarely better. In a larger organisation smaller but locally important things will get lost.

CHANGES FOR CARDIFF 2018/19

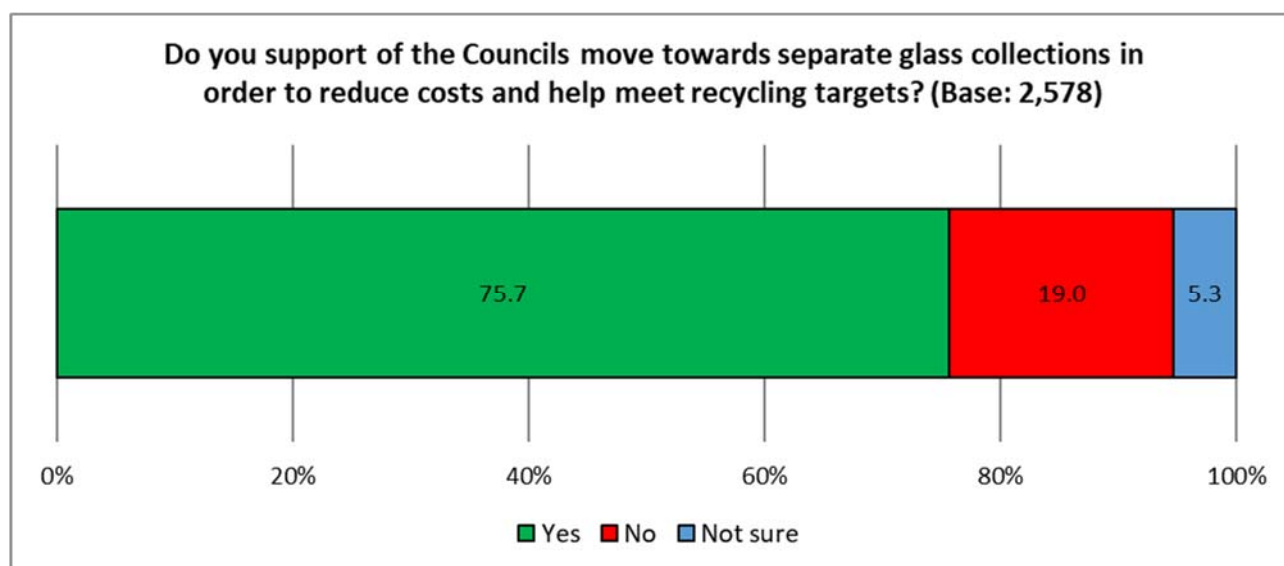
7.2 Waste Collection

As a Cardiff resident, we need you to love where you live and to help keep the City tidy. By ensuring that you and others take care of the small things, for example, putting your recycling and waste out correctly for collection. The Council would also be able to make additional income and reduce processing costs if we change our approach to recycling collection (£38k). This would require householders to separate out glass from the rest of their recyclable waste prior to collection.

Do you support the Council’s move towards separate glass collections in order to reduce costs and help meet recycling targets?

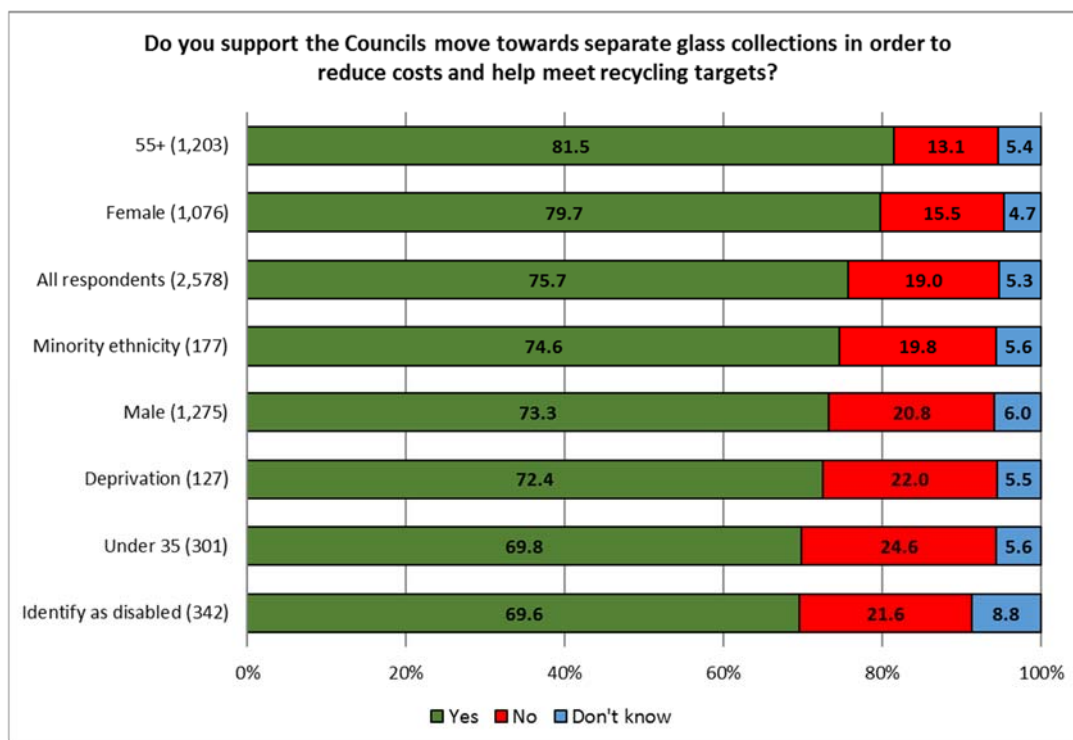
Three quarters (75.7%) of respondents supported a move towards separate glass collections.

Base: 2,578	No.	%
Yes	1,951	75.7
No	490	19.0
Not sure	137	5.3



Support towards the proposal was found to be highest amongst those aged 55+ (81.5%) and lowest amongst those identifying as disabled (69.6%), those aged under 35 (69.8%) and those living in the most deprived areas of the city (72.4%).

CHANGES FOR CARDIFF 2018/19



If 'No', what are your concerns:-

A total of 410 additional comments were received in reaction to this proposal. Dominant themes for opposition to the proposal included:

- a) That the revised system could lead to less recycling / increase fly tipping.
- b) Concerns another receptacle for recycling would present a storage issue particularly for residents of flats and the elderly.
- c) That the current simple system already works well with respondents praising current simplicity.

A selection of the comments received include:

We've already got 3 bins. They are outside the front of our house, are in the way and look untidy.

I believe the simplicity of recycling is what keeps levels up, and that complicating the process would reduce recycling levels.

The more complex you make it, the less recycling will occur.

Residents are used to the current arrangements and they are working well

People have lack of space in houses, flats, gardens.

Making things more complicated will result in more rubbish in the streets and increase fly tipping.

These ideas do not take into account the elderly and those with learning difficulties who find it difficult to understand the requirement to separate the items and also the weight of carrying these items to a collecting area.

8. A NEW DEAL WITH CITIZENS

Keeping our streets clean, hitting our sustainable transport targets and looking after our most vulnerable people cannot be achieved by the Council alone. We want you to work with us to help make your community a better place to live.

8.1 Volunteering

In response to a recent consultation, just 35% of you told us that you feel able to have your say on how Council services are run in your community. This proportion was even lower amongst those living in the cities less well-off neighbourhoods.

Responses from this survey will help us to create more opportunities for local people to be involved in their local community and have a say in the things that matter most to them.

More recently, we suggested a number of ways that you could contribute to the wellbeing of your community.

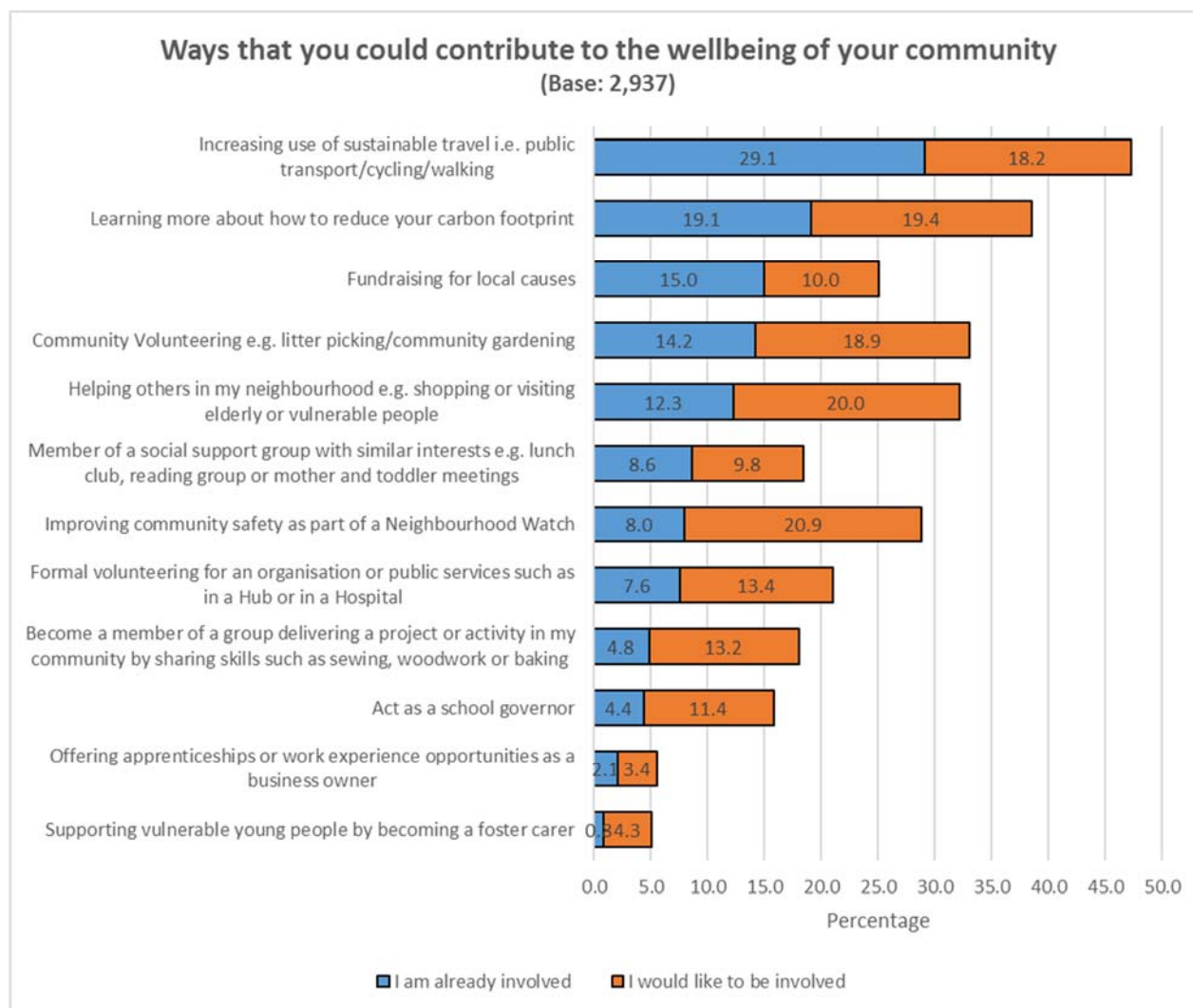
Areas where people were most likely to volunteer already were:

- Increasing use of sustainable travel i.e. making more journeys by public transport or on foot (29.1%).
- Taking measures to reduce their carbon footprint (19.1%).
- Fundraising for local causes (15.0%).

Respondents also expressed interest in future involvement with a variety of activities including:

- Improving community safety (20.9%).
- Helping others in their neighbourhood (20.0%).
- Learning how to reduce carbon footprint (19.4%).

CHANGES FOR CARDIFF 2018/19



CHANGES FOR CARDIFF 2018/19

9. YOUR PRIORITIES

The Changes for Cardiff 2018/19 document sets out the pressures that are facing the city because of population growth, poverty and the increased pressure on services. Savings have been sought wherever possible in ways that protect front-line services, but we know that the challenges we face will mean that difficult decisions about local public services will have to be taken.

At a time of austerity, where budgets are under pressure, we asked for the public's priorities from a range of options for how limited funding could be invested.

The top three priorities for respondents were:

- Building more affordable houses and tackling homelessness (48.4%).
- Investing in sustainable transport to reduce congestion and improve air quality (45.0%).
- Intervening early to support vulnerable children (37.6%).

We also asked for respondents to identify the issue ranked as the lowest priority for investment. This was Culture and leisure (39.8%).

	Rank Top (Base: 2,537) (Select Three)		Rank Lowest (Base: 2,157) (Select one)	
	No.	%	No.	%
Building more affordable houses and tackling homelessness	1,277	48.4	271	12.6
Support our children's education by investing in School Buildings	799	31.5	217	10.1
Intervening early to support vulnerable children	953	37.6	72	3.3
Investing in sustainable transport to reduce congestion and improve air quality	1,142	45.0	251	11.6
Keeping our streets and neighbourhoods clean and litter-free	729	28.7	166	7.7
Communities where people feel safe and where our most vulnerable adults are protected from exploitation and abuse	818	32.2	109	5.1
Helping older people live in the community for as long as possible	814	32.1	122	5.7
Creating more and better jobs	534	21.0	399	18.5
Culture and leisure	248	9.8	859	39.8
Improving the Condition of Roads in Cardiff	794	31.3	339	15.7

CHANGES FOR CARDIFF 2018/19

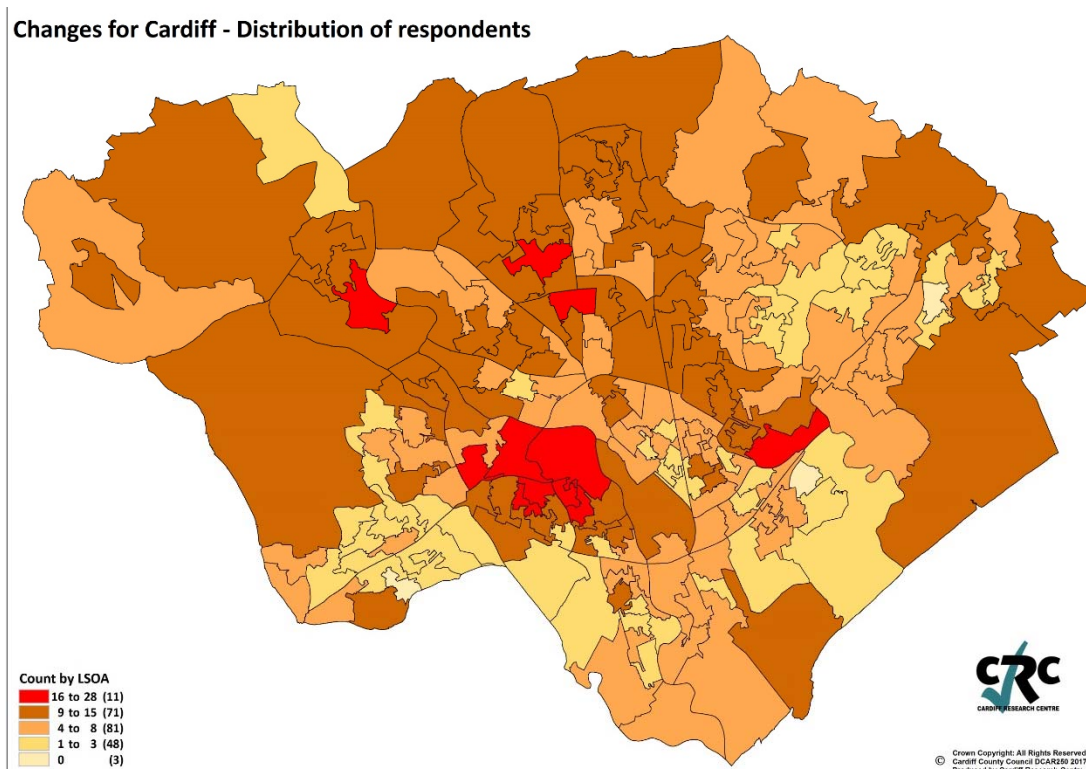


CHANGES FOR CARDIFF 2018/19

10. RESPONSE PROFILE

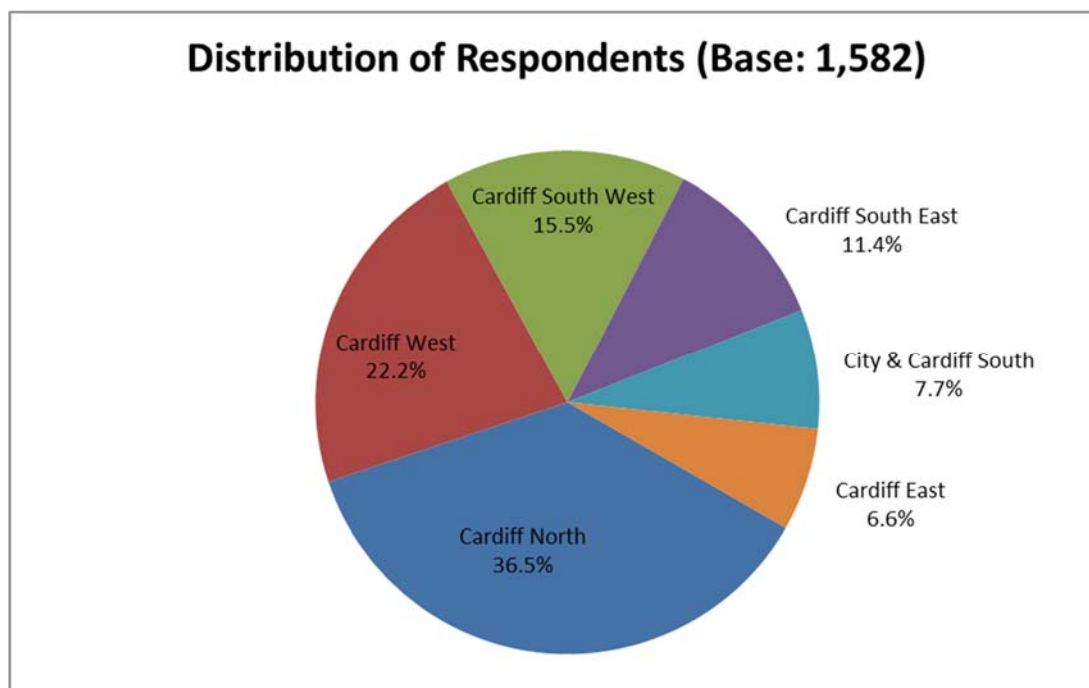
Distribution of respondents

Of the 2,937 respondents taking part in the survey, 1,582 provided their post code, allowing analysis by geography. Amongst these, respondent numbers were highest in the north and west of the city. These areas of the city also correlate with an older and more affluent demographic.



Base: 1,582	No.	%
Cardiff North	578	36.5
Cardiff West	351	22.2
Cardiff South West	246	15.5
Cardiff South East	180	11.4
City & Cardiff South	122	7.7
Cardiff East	105	6.6

CHANGES FOR CARDIFF 2018/19



Gender:

Base: 2,419	No.	%
Male	1,277	52.8
Female	1,081	44.7
Other	5	0.2
Prefer not to say	56	2.3

Age:

Base: 2,428	No.	%
16-24	23	0.9
25-34	278	11.4
35-44	429	17.7
45-54	426	17.5
55-64	563	23.2
65-74	512	21.1
75+	132	5.4
Prefer not to say	65	2.7

Base: 2,062	%	2015 MYE
35-54	35.2	30.0
55+	49.7	29.1

CHANGES FOR CARDIFF 2018/19

Do you identify as a disabled person?

Do you identify as a disabled person? (Base: 2,417)	No	%	Which apply to you (Base: 437)	No	%
Yes	344	14.2	Long-standing illness or health condition	212	48.5
No	1968	81.4	Mobility impairment	158	36.2
Prefer not to say	105	4.3	Deaf/Deafened/Hard of Hearing	91	20.8
			Mental health difficulties	65	14.9
			Prefer not to say	52	11.9
			Visual impairment	32	7.3
			Learning impairment/difficulties	15	3.4
			Wheelchair user	13	3.0
			Other (please specify below)	33	7.6

How would you describe your sexual orientation?

Base: 2,346	No.	%
Heterosexual/Straight	1,927	82.1
Gay Man	72	3.1
Bisexual	55	2.3
Gay Woman/Lesbian	26	1.1
Other	20	0.9
Prefer not to answer	246	10.5

CHANGES FOR CARDIFF 2018/19

Ethnic Group:

	No.	%
Base: 2,455		
White - Welsh/English/Scottish/Northern Irish/British	2,122	86.4
White - Any other white background	110	4.5
White - Irish	24	1.0
Asian/Asian British - Indian	24	1.0
Any other ethnic group	26	1.1
Asian/Asian British - Any other	10	0.4
Mixed/Multiple Ethnic Groups - White and Black Caribbean	8	0.3
Asian/Asian British - Chinese	6	0.2
Mixed/Multiple Ethnic Groups - White & Asian	17	0.7
Black/African/Caribbean/Black British - African	9	0.4
Mixed/Multiple Ethnic Groups - Any other	30	1.2
Asian/Asian British - Pakistani	9	0.4
Black/African/Caribbean/Black British - Caribbean	4	0.2
Arab	6	0.2
Asian/Asian British - Bangladeshi	1	0.0
White - Gypsy or Irish Traveller	2	0.1
Mixed/Multiple Ethnic Groups - White and Black African	3	0.1
Black/African/Caribbean/Black British - Any other	3	0.1
Prefer not to say	41	1.7

Appendix 1

List of engagement events

Cllr C Weaver
County Hall
Cardiff
CF10 4UW

cc. Cllr S Merry

15th December 2017

Dear Cllr Weaver

Council Budget Proposals 2018/19

I'm writing to formally respond to the Council's 2018/19 Budget Proposals on behalf of Cardiff Schools Budget Forum.

We would like to remind the Cabinet of the vision set out in Cardiff 2020 that "All children and young people in Cardiff attend a great school and develop the knowledge, skills and characteristics that lead them to become personally successful, economically productive and actively engaged citizens." In addition, Cllr Merry wrote in the Education Employment and Skills section of Capital Ambition, "We know that a great education will help everyone in Cardiff to achieve their full potential. This Administration will continue to invest in and improve our schools and to make sure that every child has the best possible start in life". These ambitions and vision will not be achieved unless the Council prioritises investing in schools in this and future budgets. The poor physical state of many schools highlighted the October Cabinet Report "Developing the Education Estate in Cardiff", the need to close the gap in attainment of pupil from low-income families and other vulnerable groups of pupils, the development and the new curriculum, and the increasing demand on ALN provision both in terms of population and complex need are just some reasons why such investment is essential.

The Forum recognises that the Council continues to face significant financial pressure if it is to sustain the current level of services, and that it must close a budget gap of £23m in 2018/19 and £73m over the medium term. We note that the budget strategy includes a cap on schools' growth excluding demographics which will contribute savings of £1.5m to this budget gap. However, we would like to remind the cabinet that this cap comes on the back of similar caps on schools' growth over the past 3 years. As a result, schools will again face difficult decisions when setting budgets which are likely to impact on staffing numbers and provision in the classroom and will inevitably affect teacher workload, staff welfare, pupil and parent satisfaction rates and pupil outcomes.

In considering the implications of the Budget Strategy we would also like to highlight the following

- A lack of clarity over how the £20m cut in the Educational Improvement Grant will filter down to individual consortia and local authorities over the next 2 years. There is real concern that the cuts may be targeted at particular elements of the grant such as the MEAG element for which Cardiff receives £4.5m. This funding is delegated to schools and used to employ staff to work directly with pupils. It is essential that schools continue to receive the funding necessary to continue this provision.
- Current indications on Post 16 funding is that it will be maintained in 18/19 but will be subject to an all Wales cut in 19/20. With pupil numbers beginning to rise in secondary schools it is

essential that Cardiff continues to offer young people excellent education at sixth form level ensuring suitable progression routes for all pupils no matter what their ability. This cannot be done without appropriately skilled staff and resources.

- The need to accelerate the asset renewal program so that the significant maintenance backlog in schools can be addressed in a timely fashion. The £25m of capital investment will result in significant capital finance costs from 18/19 onwards.
- The Forum would urge the Council to use capital receipts and secure support from business to contribute to the Band B programme and improvements to existing school sites in order to reduce the reliance on prudential borrowing.
- Forming an innovation group to develop creative solution to problems rather than continually fire-fighting. This should include the voice of students and parents.
- Reducing the reliance on out of county placements for children with ALN by increasing the ALN capacity within the city and exploring whether charitable status could open up additional sources of funding.
- Recognising that there will be significant costs to schools as they begin to prepare for the introduction of the New Curriculum. Time will be needed for planning and the professional development of staff.
- To look more creatively at the apprentice levy paid by schools and how that can be inwardly invested back into schools.

There is a real danger of underfunding causing a fall back at a time when the LA has only recently emerged from formal Estyn scrutiny and is trying to ensure all schools continue to make progress.

The Forum wishes to remind you that our children get one chance at an education. The Council must ensure that it protects the city's schools by ensuring they have sufficient funding to build on the progress made over recent years otherwise we will not achieve the ambition that "every child in Cardiff goes to a good or excellent school".

Yours sincerely,



Sarah Griffiths
Chair, Cardiff Schools Budget Forum

**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**

Cyf/My Ref:
Eich Cyf/Your Ref:

Dyddiad/Date: 15 February 2018

Sarah Griffiths
Chair, Cardiff Schools Budget Forum

Dear Sarah

Council Budget Proposals 2018/19

I would like to thank you for your letter following the meeting of the Cardiff School Budget Forum in December 2017. Having now attended a number of the forum's meetings, I am able to recognise the importance and relevance of the discussions held and value the input received from the representatives in attendance. The feedback received is of significant use to both myself and other Cabinet members and I have ensured that the views given are taken into consideration when Cabinet has been deliberating over its budget proposal for the forthcoming year. I have also considered the points raised in your letter and have addressed as many as possible in my response below.

With regard to the Cardiff 2020 Vision and Capital Ambition, I can assure you that Cabinet have taken into consideration the aims of both documents when deciding upon its budgetary priorities for both 2018/19 and the medium term. I appreciate that the forum recognises the budgetary challenges facing the Council over the coming years and this challenge, coupled with the ambitious aims for Education in Cardiff, has resulted in some difficult decisions having to be taken over the recent weeks and months.

The Cabinet has placed investment in schools as one of its key priorities for this particular budget and the continued commitment to provide as much growth as possible to schools is hopefully evidence of this. I am pleased that despite the hard choices we face in setting our budget, this year we are able to provide a cash increase of just over £7.2 million to the delegated schools budget.

Furthermore, the additional funding of £25 million allocated in the Capital Programme for the next five years, for the purpose of school asset renewal, is recognition that the school estate requires significant improvement and it is hoped that this, coupled with the ambitious Band B programme, will go some way towards improving the environments within which our pupils are educated.

The Cabinet recognises that the continuation of the 30% cap on school non-pupil number growth impacts upon individual schools and requires difficult decisions to be



Appendix 2b (ii)

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taken. However, the Cabinet encourages individual schools to work together to identify innovative solutions and share best practice in the hope that this will allow our pupils to continue to experience a high quality level of education.

Your letter also references the uncertainty that has been experienced in relation to a number of vital grant streams, particularly the MEAG and Gypsy & Traveller elements of the EIG and the Post-16 grant. Welsh Government (WG) have now afforded greater clarity around both streams and have confirmed the position in respect of 2018/19. In respect of MEAG and Gypsy & Travellers, a one-off transitional funding stream totalling £3m will be provided for 2018/19, which I am pleased to say enables a continuation of the overall amount provided to schools. Conversations with WG are continuing around the remaining shortfall of £1.1m, which is currently used to fund central services that provide additional support to individual schools. In respect of 2019/20, WG have indicated that there will be a further cut in respect of the remaining EIG elements. During 2018/19, detailed discussions with WG will be held around the future shape of the affected services, including consideration of delivery on a regional basis.

With regard to the Post-16 grant, it has been confirmed that Cardiff's allocation will reduce by £647,000, a reduction of approximately 5%. Clearly this will have a significant impact upon individual schools and I understand that discussions are ongoing between Council officers and school representatives. In addition, a further 10% reduction in the overall amount available at an all-Wales level has been confirmed for 2019/20. It is anticipated that this overall cut will result in a further reduction in allocation to Cardiff and reinforces the need for discussions around the future outlook for post-16 provision in the city.

Further to my earlier comments around the Band B programme and additional asset renewal, I can confirm that the Council is exploring every available opportunity to reduce the level of external borrowing undertaken to fund this expenditure. This includes an ambitious programme to generate capital receipts to the value of £25m for use in funding Band B. With respect to Additional Learning Needs (ALN) provision, you may be aware that Cabinet recently approved a report outlining a number of proposals for the next couple of years, many of which are currently being consulted on. Should these schemes go ahead, it will, in combination with certain Band B proposals, significantly increase the level of ALN provision within Cardiff and reduce the reliance upon more expensive out of county placements. I welcome the proposal to establish an innovation forum to discuss creative solutions to the asset challenges being experienced and understand that officers are considering ways to take this forward.

I hope that this response to your letter addresses the points you raised, however I am happy to have further discussions on any specific points, should you wish. I look forward to continuing to engage with the School Budget Forum, and value its views and contribution to the Council. I am aware of and understand the challenges facing schools, including the introduction of a new curriculum. I want to reassure you that the Cabinet is highly committed to investing in schools, whilst continuing to operate within difficult financial circumstances, and ensuring that individual schools are supported as they prepare for what will no doubt be a very challenging period.

Yours sincerely



Y Cynghorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

UNISON response to Council budget proposals 2018/19

Cardiff Council has proposed a budget with cuts that are likely to be far reaching and in many cases could cause long term damage to services, employees and the public. While we acknowledge this is a consequence of reduced funding from Central Westminster Government we call on Cardiff Council to explore all possible alternatives to cuts with these damaging outcomes for both the people of Cardiff and council employees.

We believe that compulsory redundancies are avoidable, and UNISON will always consider taking action to protect our member's jobs under these circumstances. However voluntary redundancy and deletion of unfilled posts is not without consequences.

Those that remain in their jobs will have to do the work of those that have left. Many employees are already struggling to keep up with their increased workloads before these cuts are imposed and this pressure reflects itself in chronic stress levels that result in lowering morale, productivity and increased sickness levels.

City ops

SAVINGS £1.294m JOB LOSSES (FTE) 4.8

There are no compulsory redundancies planned, but we await the effects of the on-going re-structure on existing posts.

Communities, Housing & Customer service

SAVINGS £7.09m JOB LOSSES (FTE) 3.0

Mainly focus on income generation from various support services including meals on wheels, removal of subsidiaries, changes to in-house services and better use of grants. Also includes deletion of 3 vacant posts – 2 benefit officers and 1 community care aid worker and a 3 year phased reduction in CAB funding which will now be provided externally. Lastly a removal of neighbourhood partnership funding admin costs.

UNISON supports the use of services for income generation but will oppose any cuts to services and/or terms and conditions for its members including job losses in the form of compulsory redundancies. While we appreciate the deletion of vacant posts reduces risk of redundancy any loss of post can impact on the workload of remaining staff.

Economic Development

SAVINGS £2.85m JOB LOSSES (FTE) 2.0

There are many challenges facing the service area, especially those areas of public service that are not required by legislation and/or statutory obligation.

The Directorate has suggested a number of changes, including some restructuring, the deletion of vacant posts and income generation which, if successful, may allow all existing staff (that would choose to) to continue for another year. UNISON will work with the Council towards that outcome but reserves the right to use any, and all, legitimate means to oppose changes that lead to compulsory job losses or the reduction in terms/conditions for its members.

Education (EG)

SAVINGS £1.198m JOB LOSSES (FTE) 7.0

Income generation review for additional traded services following a review of pricing across school meals, music services and Education psychology together with further marketing to other LA's.

Delegation of Pupil referral budget to secondary school and responsibility for license payment (such as copyright) to individual schools budgets. We welcome an expansion in high quality council run nursery provision to reduce spend on private nurseries

Delete 7 posts in central staffing achieved through restructure in Directorate from March 2018, some grant funded. We will continue to oppose all compulsory redundancies, but are unable to respond fully without further details of the proposed restructure.

Legal, Resources and corporate management

SAVINGS £1.346m JOB LOSSES (FTE) 15.3

UNISON have general concerns around the savings achievability, given the current vacancy provisions impact of deleted vacant posts and with internal income generation being presented as savings and the optimism in regard to generating external income from councils as hard pressed as ourselves. Also in some cases the anticipated increased activity/ income generation ability of a reduced workforce. It is to be hoped that digitalisation will achieve the savings anticipated.

UNISON have serious concerns regarding line 38 (CW1) Council Wide digitalisation The corresponding 'FTE' field says TBC, and Cabinet Portfolio field indicates 'council-wide'. We believe that the total job losses for Corporate Management should also say TBC, not 0.0!

Social Services

SAVINGS £5.040m JOB LOSSES (FTE) 0

There were £5 million savings to be made in this social services budget. UNISON welcomes that no job losses are required this time around, in contrast to recent years.

Tony Young director stated that roughly half the savings would come from prevention and early intervention, the other half from a review of external spending. As well as this there would be an increase in costs to service users in line with Welsh Government policy.

The achievability of these savings does seem to present a challenge to social services and that is indicated by their "red-amber" status on the document we were given.

**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**

**Fy Nghyf / My Ref:
Eich Cyf / Your ref:**

Dyddiad / Date: 15 February 2018

Emma Garson
Ysgrifennydd Cangen UNISON Cyngor Caerdydd /
Branch Secretary UNISON Cardiff Council

Dear Emma

UNISON response to Council budget proposals 2018/19

Thank you for your letter dated 7 February 2018 and the comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

I would like to reassure you that Cabinet shares the view that job losses in the form of compulsory redundancy should be avoided wherever possible and that we will continue to consult with you as further restructures take place.

Yours sincerely



**Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance**



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My Ref: Scrutiny/Correspondence/Cllr McGarry

13 February 2018

Councillor Chris Weaver
Cabinet Member for Finance, Modernisation and Performance
County Hall
Cardiff
CF10 4UW



Dear Chris,

**COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE – 12 FEBRUARY 2018
DRAFT BUDGET PROPOSALS 2018/19**

As Chair of the Community & Adult Services Scrutiny Committee, I wish to thank you and officers for attending Committee and providing Members with an opportunity to consider the corporate overview of the Draft Budget Proposals 2018/19 and Corporate Plan 2018 – 2020. Members of the Committee have requested that I feed back the following comments and observations to you:

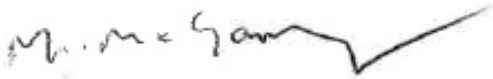
Members were pleased with the content of the presentation, given by Ian Allwood, and appreciated the work that has been done for 2018/19 to address continuing challenges in balancing finite resources with increasing demand pressures. More specifically;

- Members were satisfied that due diligence had been taken in relation to RAG ratings in the savings proposals; and support the ongoing commitment made by Directors and other Senior Officers across the authority in working together to achieve a balanced set of proposals.
- Members were content with responses from yourself and officers in relation to the amount of borrowing by the Council, and the affordability of borrowing.
- Members were happy with the balance of delivering capital programmes, and the effect that they have on the revenue budget, and appreciate and support the need to proactively undertake works (such as housing improvements, providing disabled adaptations etc) to bring stock and services to suitable standards.

In relation to the Corporate Plan, the Committee would be very grateful if you could take forward Members' thanks and appreciation to all involved in bringing together a Plan that not only addresses how the Council would deliver its services but also links with the commitments of the Capital Ambition and the wider commitments in relation to well-being objectives. Members felt that the layout of the Plan clearly set out how the Council will deliver its ambitions, with clear performance targets and measures, and linked to the budget, and thought that this should be commended.

Thank you again to you and officers for attending. I hope you find the Committee's comments useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mary McGarry', with a stylized flourish at the end.

COUNTY COUNCILLOR MARY M^CGARRY

Chairperson - Community & Adult Services Scrutiny Committee

Cc: Christine Salter, Corporate Director
Ian Allwood, Head of Finance
Allan Evans, OM Accountancy
Councillor David Walker, Chairperson Policy Review & Performance Scrutiny Committee
Nicola Newton, Principal Scrutiny Officer
Cabinet Support Office

My Ref: Scrutiny/Correspondence/Cllr McGarry

13 February 2018

Councillor Susan Elsmore
Cabinet Member Social Care, Health & Well-Being
County Hall
Cardiff
CF10 4UW



Dear Susan,

**COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE – 12 FEBRUARY 2018
DRAFT CORPORATE PLAN 2018-21 AND DRAFT BUDGET PROPOSALS 2018/19**

As Chair of the Community & Adult Services Scrutiny Committee, I wish to thank you and officers for attending Committee and providing Members with an opportunity to consider the draft Corporate Plan 2018-21 and the Draft Budget Proposals for 2018/19 relevant to your Portfolio. Members of the Committee have requested that I feed back the following comments and observations to you:

Social Services Directorate

Members of the Committee wanted to pass on their appreciation of how you and officers have worked to produce an increased budget for this critical service. Members valued the work that had been done to achieve this and commend all involved in the process. Some further specific comments are:

Service/Budget Realignment

Members support the work being undertaken to realign and refocus services in order to make them more joined up and efficient and noted that the relevant savings in the budget come as a result of these service improvements.

Partnership working

The Committee were pleased to hear that a number of close working relationships with partners and other services across the Council had already resulted in a reduction of people needing admission to hospital and that DTOC levels were the lowest they had been in 12

years. This is very encouraging. In addition, Members were also encouraged to hear that a larger number of providers were interested in working with the Council in its move towards focussing on reablement.

Preventative Services

Members were supportive that the above would result in ensuring that the Council can meet its commitments in supporting people to live independently, and pleased that a wider, tailored, offer of support to a wider range of individuals would be available as a result.

Use of Technology (Line 41)

As you will be aware, at the meeting, Members aired their concerns about the use of technology in reducing the need for commissioned care. Members were satisfied with the responses given by yourself and officers that this was going to be a complementary service to what is already being offered rather than a replacement. However, Members of the Committee would again like to stress that how the Council promotes the use of technology will be crucial in ensuring that there is sufficient take-up of the service and also mitigate any potential criticism that it is a reduction in service. The Committee would be very interested in hearing about the development of this area of work, including the results of the pilot project with people with learning disabilities. If agreeable, when setting the work programme for 2018/19, I would like to discuss this with you to ensure that we receive the information at an appropriate date.

Increase of Charges

Whilst Members accept the need to increase charges, they wanted to highlight again their concerns on how this will affect families already under financial pressure.

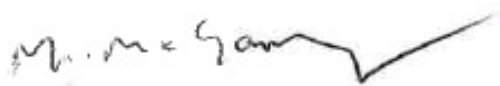
Communities, Housing & Customer Services Directorate

In relation to your commitments within this Directorate, Members were very pleased to receive details on how you are continuing to drive forward Independent Living Services, including the future of the Wheels on Meals Service, which is aiming to become self-funding during 2018/19. Members would also like to commend you on the expansion of the Joint Equipment Service, and the improved service this offers individuals and families. The Committee will look forward to receiving further progress reports during the coming year.

Members were very reassured by the work you and Councillor Thorne are doing together across both Directorates (and further) in ensuring that the Council continues to develop a more joined-up, communicative culture in delivering services.

Thank you again to you and officers for attending. I hope you find the Committee's comments useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mary McGarry', with a stylized flourish at the end.

COUNTY COUNCILLOR MARY M^cGARRY

Chairperson - Community & Adult Services Scrutiny Committee

Cc: Christine Salter, Corporate Director
Ian Allwood, Head of Finance
Allan Evans, OM Accountancy
Councillor David Walker, Chairperson Policy Review & Performance Scrutiny Committee
Nicola Newton, Principal Scrutiny Officer
Sarah McGill, Corporate Director People and Communities
Tony Young, Director of Social Services
Amanda Phillips, Assistant Director of Social Services
Leon Goddard, Operational Manager, Central Performance Team
Cabinet Support Office

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My Ref: Scrutiny/Correspondence/Cllr McGarry

13 February 2018

Councillor Lynda Thorne
Cabinet Member Communities & Housing
County Hall
Cardiff
CF10 4UW



Dear Lynda,

**COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE – 12 FEBRUARY 2018
DRAFT CORPORATE PLAN 2018-21 AND DRAFT BUDGET PROPOSALS 2018/19**

As Chair of the Community & Adult Services Scrutiny Committee, I wish to thank you and officers for attending Committee and providing Members with an opportunity to consider the draft Corporate Plan 2018-21 and the Draft Budget Proposals for 2018/19 relevant to your Portfolio. Members of the Committee have requested that I feed back the following comments and observations to you.

Communities, Housing & Customer Services Directorate

Housing Revenue Account

The Committee looks forward to receiving a Cabinet pre-decision report on this at its next meeting on the 14th March 2018. Some further comments and observations are as follows:

New Homes

The Committee commends the target of building 200 new homes during 2018/19. The Committee supports the avenues that the Council is seeking in being able to build new homes and also the initiatives in place to buy-back properties and to encourage people to down size.

The Committee would again wish to encourage the Council to provide a sufficient number of 3+ bedroomed homes in future builds so that the Council can provide much needed family homes.

The Committee would be very interested in receiving regular updates on this issue going forward and look forward to discussing this with you, when we meet to discuss the Committee's 2018/19 Work Programme later this year.

Universal Credit

Members were satisfied with your and officers' responses in relation to what the Council is doing to mitigate the transition to Universal Credit, and the effect this may have on collecting rents and dealing with arrears, and to mitigate the affect the rent increase may have (albeit a small increase). However, Members would be interested in receiving a briefing on the outcome of the transition at an appropriate date during 2018/19.

Give DIFFerently Campaign

Members were pleased to receive an update on the Give DIFFerently Campaign. Members look forward to the full launch of the Campaign in the coming months. Members were also reassured by the way the money from the campaign was being used, and would be interested, at an appropriate juncture, to receive details of what the campaign has done to improve the lives of people currently street homeless.

Butetown Pavilion/City Centre Youth Hub

Members were extremely supportive of the improvements proposed in youth provision in Butetown and the City Centre. Members were impressed with the range of services proposed for both sites and will follow developments closely with our colleagues on the Children & Young People Scrutiny Committee.

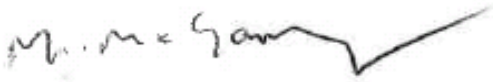
Policy & Partnerships

Thank you for the updates from yourself, Joe and Steph re the future of the Community Safety Partnership, tackling substance misuse and the future of Taxi Marshalls in relation to the Night Time Economy. Members were assured that there will not be a gap in provision in relation to Taxi Marshalls and look forward to receiving details on developments in this area with our colleagues on the Economy & Culture Scrutiny Committee.

Finally, Members were very reassured by the work you and Councillor Elsmore are doing together across Portfolios (and further) in ensuring that the Council continues to develop a more joined-up, communicative culture in delivering services.

Thank you again to you and officers for attending. I hope you find the Committee's comments useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mary McGarry', with a stylized flourish at the end.

COUNTY COUNCILLOR MARY M^CGARRY
Chairperson - Community & Adult Services Scrutiny Committee

Cc: Christine Salter, Corporate Director
Ian Allwood, Head of Finance
Allan Evans, OM Accountancy
Councillor David Walker, Chairperson Policy Review & Performance Scrutiny Committee
Nicola Newton, Principal Scrutiny Officer
Sarah McGill, Corporate Director People and Communities
Jane Thomas, Assistant Director Communities & Housing
Nick Blake, Business Support Manager, Communities Housing & Customer Services
Joe Reay, Head of Performance & Partnerships
Steph Kendrick-Doyle, Community Safety Manager
Cabinet Support Office

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Fy Nghyf / My Ref:
Eich Cyf / Your ref:
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Dyddiad / Date: 15 February 2018

Appendix 2d (iv)

Councillor McGarry
Chairperson – Community & Adult Services Scrutiny Committee
Room 282
Atlantic Wharf
County Hall
Cardiff. CF10 4UW

Dear Mary

**Community & Adult Services Scrutiny Committee – 12 February 2018
Draft Budget Proposals 2018/19**

I would like to thank you for your letter dated 13 February 2018 and for the letters to Cabinet colleagues, Councillor Thorne and Councillor Elsmore. We were grateful for the useful observations raised and can assure you that Cabinet were able to reflect on these prior to our meeting on 15 February 2018.

We note that you are keen to receive progress updates in a number of areas, in particular the pilot on using technology as a complimentary service when commissioning care, the outcomes of the transition to Universal Credit and impact that the Give DIFFerently Campaign has on the lives of people who are currently street homeless. We welcome your interest in these areas and look forward to working with you as part of your 2018/19 work programme.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yours sincerely

Y Cynghorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

c.c. Councillor Susan Elsmore
Cabinet Member Social Care, Health & Well- Being

Councillor Lynda Thorne
Cabinet Member Communities & Housing



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Ref: RDB/NH/CW/12.02.2018

13 February 2018

Councillor Chris Weaver,
Cabinet Member for Finance, Modernisation & Performance,
Room 519,
County Hall,
Atlantic Wharf,
Cardiff CF10 4UW.



Dear Councillor Weaver,

Economy & Culture Scrutiny Committee – 12 February 2018

On behalf of the Economy & Culture Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Monday 12 February 2018. As you are aware the meeting received an item titled 'Draft Budget Proposals 2018/19 & Corporate Plan 2018 – 2021'.

The item initially considered the Corporate Overview and was followed by scrutiny of the draft budget proposals and sections of the draft corporate plan relevant to the terms of reference of the Economy & Culture Scrutiny Committee. Presentations were delivered on behalf of the Economic Development Directorate and the Communities, Housing & Customer Services Directorate. Following the presentations Members had the opportunity to question the relevant Cabinet portfolio holders and supporting officers. The comments and observations made by Members following this item are set out in this letter.

Corporate Overview

- During the meeting I raised a concern about the geographic and demographic breakdown of the consultation work undertaken in advance of the budget process; this is something that has been raised at scrutiny in previous years and does not appear to have been addressed. I felt that the results were heavily skewed by responses from North Cardiff and by people who were over the age of 55. The topic was raised in the way forward where the Committee agreed that the Council needed to do more

to broaden the overall consultation reach. In order to improve the current approach it was suggested that:

- The Council should work more closely Cardiff University to improve the overall consultation methodology for the budget. Cardiff University has a wealth of experience in understanding what needs to be done to engage with the more difficult to reach groups and so it would seem sensible to access this knowledge base.
 - In order to improve consultation with younger groups it was suggested that the Council should focus some of its resources at sites that younger people visit on a regular basis, for example, a Member suggested the consultation exercise might do well to target parents while they were waiting to collect their children from outside the school gates.
 - It was suggested that Members of Cardiff's five scrutiny committees should be asked how the consultation process might be improved. Any ideas or suggestions collected should then be passed onto the Cardiff Research Centre for consideration when developing a future consultation methodology.
- Slide 10 of the Corporate Overview presentation addressed the Medium Term Outlook and created a budget gap projection for the period 2018/19 to 2021/22. It estimated that the base case budget gap for 2018/19 to 2021/22 would be £91 million while the worse case estimate for the same period was £117 million. Members were told that this gap was driven by increasing demand on services, inflationary pressures and projected funding settlements. A Member questioned the growing budget gap and asked for clarification on the various parts that had contributed to this growing deficit. To address the concerns of the Committee I would be grateful if you could provide the following details so that Members are better able to assess the anticipated simple and real term pressures facing the budget:

- The assumed financial budget settlement for each of the years 2019/20 to 2021/22;
 - The assumed financial value for the increasing service demands for each of the years 2019/20 to 2021/22;
 - The assumed financial value of the inflationary pressure for each of the years 2019/20 to 2021/22;
 - Details of any other financial costs that have been built into the assumption of the financial gap for each of the years 2019/20 to 2021/22.
- 5% of the draft budget savings proposals put forward for 2017/18 did not have detailed planning. This figure then increased to 10% for the draft budget savings proposals for 2018/19. Members understand that budget pressures are making it increasingly difficult to identify savings, however, they would like to note their concern at the reduction in detailed planning for budget proposals.

Economic Development Directorate

- Comments were made during the meeting that previous economic development schemes had failed to adequately monitor and review the impact and benefits that they had produced. Councillor Goodway specifically cited the Cardiff Bay Development Corporation as an example, suggesting that more might have been done to review what the Corporation had actually achieved and delivered for the local community. The Committee note and acknowledge the importance of putting in place proper monitoring and review processes for future economic development schemes, and stress the importance of measuring the benefits produced for local residents. I would be grateful if Councillor Goodway could clarify how this might be achieved for future economic development schemes and highlight where he believes responsibility should fall for ensuring that the work is delivered.
- The graph on page 35 of the Draft Corporate Plan 2018 to 2021 titled 'Visitor Numbers Per Annum (millions) 2005 – 2016' illustrated a very

smooth curve that increased steadily for the period 2005 to 2010. The graph then appeared to level out for the period 2010 to 2016. A Member was concerned that the graph did not capture enough detail to reflect the real story of visitor numbers in the city. He felt this type of graph should capture more points during each year and so reflect the fact that Cardiff's visitor numbers are mainly driven by major events in the city. He has asked that this point is noted.

- The Committee is pleased that the Economic Development Directorate is planning to create a business plan to protect the city's historic assets during 2018. The Members felt that scrutiny of the proposed historic assets business plan would be a worthwhile exercise and will consider it as a potential work programme item for 2018/19. During discussion of the plan it was suggested that when developing the document thought should be given to:
 - Building in the protection of historic parks and green spaces into the plan;
 - Prioritisation of the most important historic assets that we are able to maintain in the current financial climate;
 - Ensuring that there is sufficient budget to maintain the historic assets that we prioritise.

- The Committee welcome the large capital investment that has been proposed for Cardiff's parks; however, they are at the same time concerned that the parks revenue budget is shrinking. Members are of the view that if the Council invests such a large amount of capital then it will need additional staff to manage or maintain the new infrastructure. In addition to this the Draft Corporate Plan sets out an ambition to increase support from friends groups and volunteers from across the city. With this in mind the Committee would ask you to consider providing additional revenue funding to support an additional post in the strained Park Ranger Service. The post could be used to support and maintain the new capital

investment and help encourage / develop working relationships with friends groups and volunteers.

- It was explained during the meeting that the Council is currently in the process of developing a report to assess the accessibility of sports facilities in the city. The Committee think that this is a good idea and that in doing this particular consideration should be given to how easy it is to access schools sports facilities after 3:30pm – they believe that residents not being able to access these facilities after the schools close is a missed opportunity. Once this report is written I would be grateful if you could provide the Committee with a copy.
- Line 86 of the capital programme refers to 'Leisure Centres – Alternative Service Delivery - £2,100,000'. At the meeting I asked for a detailed breakdown of what the funding was for and Councillor Bradbury agreed to provide a response in writing. I would be grateful if you could provide me with a breakdown of details for this capital line.
- During the meeting there was some discussion on the impact that major developments had upon small businesses and local employment prospects. The concern was that small local businesses were being displaced without any thought as to how they would continue operating and that local residents were not benefiting from the newly created employment opportunities. Members would like some feedback on where the Council's accountability rests in terms of supporting affected local businesses and the employment prospects of local residents.

Communities, Housing & Customer Services Directorate

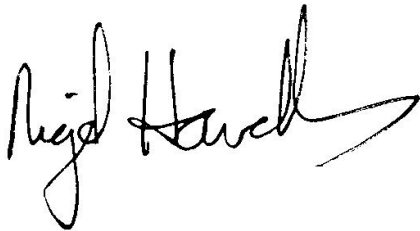
- There was some concern during the way forward that the Council is no longer able to subsidise community adult learning courses in a manner that was previously possible. Members acknowledge the existing financial restrictions and understand that the current model operates on a cost recovery basis, however, feel that it is important for the service to think a little outside the box to ensure that it is possible to continue to provide the

range of courses at the lowest possible price. With this in mind I would be grateful if you could explore a range of options including encouraging individuals to volunteer to deliver courses; increasing the use of hubs for community adult learning and the cross subsidy of new courses from existing high demand courses.

- It was noted at the meeting that Line 37 of the draft budget savings proposals referred to a 'Reduction in Libraries Book Fund - £50,000'. I would appreciate it if you could provide assurance that this reduction in funding does not take Cardiff below the Welsh Public Library Standards.

I would be grateful if you would consider the above comments and work with the relevant Cabinet portfolio holders to provide a response to the content of this letter.

Regards,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

Councillor Nigel Howells

Chairperson Economy & Culture Scrutiny Committee

Cc:

- Councillor Huw Thomas, Leader, Cardiff Council;
- Councillor Russell Goodway, Cabinet Member – Investment & Development;
- Councillor Peter Bradbury, Cabinet Member – Culture & Leisure;
- Councillor Sarah Merry, Cabinet Member – Education, Employment & Skills;
- Councillor Lynda Thorne, Cabinet Member – Housing & Communities;
- Christine Salter, Corporate Director Resources;
- Ian Allwood, Head of Finance;
- Neil Hanratty, Director of Economic Development;

- Jon Maidment, Operational Manager – Parks, Sport & Harbour Authority;
- Sarah McGill, Director of Communities, Housing & Customer Services;
- Jane Thomas, Assistant Director Housing & Communities;
- Davina Fiore, Director of Governance & Legal Services;
- Members of Cardiff's Economy & Culture Scrutiny Committee.

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CABINET SUPPORT OFFICE**



Appendix 2g

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Cyf/My Ref:
Eich Cyf/Your Ref: RDB/NH/CW/12.02.2018

Dyddiad/Date: 15 February 2018

Appendix 2e (ii)

Councillor Nigel Howells
Chairperson Economy & Culture Scrutiny Committee
Room 270
County Hall
Atlantic Wharf
Cardiff. CF10 4UW

Dear Nigel

Economy & Culture Scrutiny Committee – 12 February 2018

Thank you for your letter dated 13 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Corporate Overview

In relation to budget consultation, within the Corporate Plan for 2018 – 2021 there is an objective to review and refresh the Council's engagement process and tools including the Citizen Panel by June 2018 in order to improve the robustness of the Council's consultation exercise.

I note that you would like further information regarding the constituent elements of the Medium Term Financial Plan (MTFP) and trust that the following paragraphs will address the specific queries raised in your letter. However, if you would like to review further information in relation to the MTFP, this can be found at Appendix 16a to the 2018/19 Budget Report with commentary on pages 42-53.

The base case MTFP reflects an assumption that AEF will reduce by 1% in each of the years 2019/20 – 2021/22. This equates to £13.1 million in total. The only published indicative information on future years funding was contained in the provisional settlement and set out an average AEF reduction of 1.5% for 2019/20. The final settlement announced that the cash reduction for Welsh Local Government in 2019/20 would be better than had been announced at Provisional Settlement but there is an understanding amongst Welsh Authorities that the position has been ameliorated from a 1.5% reduction to a 1% reduction. Further reasoning behind the funding assumptions within the MTFP is set out in paragraphs 173-176 of the Budget Report which also outlines the risk in relation to specific grants transferring into the settlement with negative financial impact. In recognition of the significant impact that minor fluctuations in funding can have on the MTFP, the worse-case scenario reflects the potential for decreases of 2% per annum. The funding section of the MTFP also

reflects the fall out of earmarked reserves in the first year of the plan although this assumption will be reviewed over time.

The MTFP includes £25.9 million in relation to demand pressures across the three years. Demand figures relate mainly to Schools and Social Services and reflect both increasing client numbers as well as complexity of demand. The figure of £25.9 million also reflects increases to the capital financing budget as a result of meeting demands on the capital programme. The MTFP includes £41 million in relation to pay and price pressure across the three years. Pay figures take account of potential pay awards over the period as well as other pay-related pressures such as anticipated changes to the employers' contribution rate to the Teachers' Pension Scheme. With regard to price inflation, there is an expectation that directorates will absorb most price inflation within their existing resource base except in areas that are exceptional. Inflation is considered exceptional or "special" due to the scale of the inflationary uplift or the size of the budget to which it applies. Most exceptional price inflation occurs in relation to Adult Services and relates to the costs of commissioned care. The MTFP includes £3 million per annum for emerging financial pressures. This sum equates to approximately 0.5% of the Council's budget and is included in recognition that it is impossible to foresee all issues and that additional burdens can arise for example, through legislative change, specific grant fall out or government policy. Review of this sum takes place at each refresh point of the MTFP.

I note your concerns regarding the increase in the percentage, based on value, of proposals at general planning stage within the 2018/19 budget. As you note, it becomes increasingly difficult to identify savings annually. These often require more innovative and flexible solutions and these can take longer to develop to detailed stage. The number of proposals at general planning is comparable to last year with 15 proposals at this stage in 2017/18, compared to 14 proposals in 2018/19.

Economic Development Directorate

In terms of monitoring performance, our approach is focussed on the ability to create jobs. This is our most simple objective, but it is measurable and it is something that has a clear benefit for local residents as well as the wider city-region. From this perspective we can monitor, using National Statistics' Business Register and Employment Survey, the number of jobs as the Lower Super Output Area. In considering Central Square, the appropriate geographic area of coverage would encompass much of St Mary Street and The Hayes, but would still provide a means of independent monitoring of changes in population. The Economic Development Team can explore ways using data such as this to monitor place based interventions, albeit with the inevitable lag in availability (which typically is over a year for the Business Register and Employment Survey). Meanwhile we will continue to monitor the number of jobs created and safeguarded through Economic Development's database of clients. With regard to tourism numbers, monthly numbers are available which can be presented if required. As with jobs data, there is a lag before data is available, and monthly changes reflect seasonality as well as events taking place in the city.

I will raise with the Economic Development Directorate the consideration of the points the scrutiny committee raised regarding the business plan for the city's historic assets.

In respect of the capital investment in parks I do not anticipate there being a strain on revenue funding, as the investment will centre around the refurbishment of

infrastructure / replacement of playground equipment as opposed to the introduction of new features / facilities that would result in revenue implications.

I do note your comments concerning the pressures on the Park Ranger service and challenges faced in terms of our ambition for volunteer engagement, I am however mindful of the Council's overall budgetary position and in view of this no growth bids for new posts have been submitted. As indicated at the meeting, I do believe that we need to be more creative in the way that we support volunteer groups in parks and need to draw on a wider range of staff groups to support such activity.

In terms of access to schools sporting facilities the committee will be well aware of my views, in that it is crucial that we shift from the current model of very limited access to a model of dual use and I will be working with the relevant Cabinet Members to address this matter. With this in mind I would be more than happy to, moving forward, share proposals with the Committee.

With regard to the capital programme for Leisure Centres, the £2,100,000 relates to Phase 2 of our investment plan. At present I am not in a position to provide a detailed breakdown as the procurement process is on-going, however I can confirm that the sites that have been earmarked for investment are Fairwater Leisure Centre and Penylan Library and Community Centre. Once the schemes / costs have been finalised I will share information with the Committee.

With regard to the impact on small businesses of major developments, it is crucial that we recognise that typically major developments would support small businesses throughout the city by providing both a demand for their services as well as the indirect effects of increased employment. In the instances where small businesses may be displaced by major developments, this is relatively rare, but we would work with businesses to support them in their relocation. The same is true in employment terms. We cannot provide local job opportunities without providing job opportunities in the first place. However, through the work of our Into Work Services we are able to link job opportunities with local communities.

Communities, Housing & Customer Services

The Adult Community Learning 'Learning for Life' programme is only proposed to have modest increases in course fees with the full fee rate increasing from £5.20 per hour to £5.35 and the discounted state pension or FT Student rate from £3.82 per hour to £3.95. The budget reduction is being achieved by ensuring that courses are popular and fully attended and by making efficiencies in administration rather than by raising the costs of courses above inflation.

I acknowledge the very good points that committee have raised in relation to volunteering and especially working closer with the universities and this is something that we will explore further. The issue of social isolation and the importance of having activities in the community at low or no cost is fully accepted and you will be pleased to know that there are a significant number of such activities already available in the Hubs. I look forward to reporting back to Committee about how we can further integrate Hubs, Libraries, Into Work and Adult Community Learning to provide a comprehensive programme of activities, events and courses throughout the year.

As you may recall from scrutiny in January Cardiff Council's current performance against the Welsh Public Library Standards is good and that we met all 18 of the core entitlements in full, and then of the 7 quality indicators Cardiff Achieved 4 in full and 3

in part. Cardiff has not achieved the standard for acquisitions for some time, however this is because the target is based on spend per capita. We do however exceed the required replenishment rate, ensuring our stock is updated and relevant. We are happy that the number of books available meets the needs of our customers and this is reflected in the number of active borrowers per capita, which is ranked highest in Wales. I am confident that the reduction in the book fund reflects the historic spend in this area and will not impact on the quality of library provision that our customers receive.

The Service will be carrying out surveys with customers to ensure that books are available meet their needs and would be happy to share information about these surveys with the Committee in due course.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yours sincerely

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

Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

My Ref: Scrutiny/CYP/MJH

Date: 14 February 2018



Councillor Chris Weaver
Cabinet Member for Corporate Services and Performance
County Hall
Cardiff
CF10 4UW

Dear Chris

CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE - Corporate Plan and Draft Cabinet Budget proposals 2018/19

Thank you for attending the Children and Young People Scrutiny Committee on 13 February 2018. The Committee would also like me to thank Councillor Hinchey, Councillor Merry, Councillor Bradbury, Ian Allwood and relevant Directors and Officers for their attendance. The Committee welcomed the presentations on the Corporate Plan, Cabinet draft Budget proposals overview and the draft budget proposals for Children's Services, Education, and the Play Service.

The Committee welcomed the increases in funding for both Children's Services and Education, particularly at these difficult times.

The Committee considered the information presented and the answers provided to Members' questions, during the way forward section of the meeting. The Committee agreed to provide you and the Cabinet Members with the following comments, concerns and recommendations:

Corporate Plan and Overview

- The Members expressed some concern around the validity of the Budget Consultation as the majority of the respondents were white, over 45 and from the North of Cardiff, which does not reflect the demographics of Cardiff. The Committee therefore recommended that a more robust consultation exercise should be undertaken for next year's Budget.

Children's Services

- The Committee discussed, at some length, the level of contingency required to fund any additional looked after children during next year. The Members welcomed the Cabinet Members observation that the current budget report is not an accurate reflection of the funding required. The Committee therefore recommended that the Children's Services budget should be reviewed to better reflect the anticipated number of Looked After Children, at the end of March 2019.
- The Committee also requested details of the split between Children and Adults services of the Budget realignment £3.99M, to be provided in time for the Council meeting on 22 February 2018.
- Members also requested clarification of the anticipated savings from the "Signs of Safety" and Children's Home, and whether these savings would start to be made after 3 years or 5 years.

Education

- Members expressed some concern with the sudden loss of grants for Education, and its impact on school funds, in particular those schools which were already facing deficit balances. The Committee welcomed the assurance that both Education and Finance would be providing advice and support to these schools, Members agreed to keep a watching brief on this situation.
- Members also discussed the revenue budget impact of, what they considered a high level of borrowing, needed to implement the proposed Education Capital Programme. The Committee was assured that the Section 151 Officer had considered that the programme remains affordable.
- The Committee took the view that the savings in relation the introduction of the Travel Support Allowance (Line 73) must be reconsidered by Cabinet, as Members considered that it would have an adverse effect on the environment, infrastructure, and families themselves, particularly those in poverty.
- The Committee requested that the Directorate review the travel arrangement to Llanishen High, due to concerns expressed about the safeguarding of children and duty of care to our pupils.

Play Service

- Members welcomed the positive briefing from the Cabinet Member on the operation of the new service. Members noted and welcomed the Cabinet Members proposals to align the Play Service with the Youth Service, under Education, to provide a fully joined up service for those between 0 and 17. The Committee therefore agreed to receive a further briefing report on the operation of the Play Service and plans for its future, to a forthcoming scrutiny meeting.

I will be copying this letter to all the relevant Cabinet Members and Directors as well as the Chair of Policy Review and Performance Scrutiny Committee in advance of its meeting on Wednesday 14 February and it is possible that these points will be raised with you in greater detail at that meeting.

Corporate Plan overview

I hope that these comments will have been of assistance to you and the Cabinet in agreeing the Budget proposals on Thursday 15 February and look forward to a positive response to the points raised in the letter, from you and the other Cabinet Members, within the next month.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L. BRIDGEMAN', with a long horizontal line extending to the right.

COUNTY COUNCILLOR LEE BRIDGEMAN
Chair – Children and Young People Scrutiny Committee

Cc

Councillor Hinchey, Cabinet Member for Children and Families

Councillor Merry, Deputy Leader and Cabinet Member for Education, Employment, Skill

Councillor Bradbury, Cabinet Members for Culture and Leisure

Christine Salter, Section 151 Officer

Tony Young, Director of Social Services

Nick Batchelar, Director of Education and Lifelong learning

Chair of Policy Review and Performance Scrutiny Committee

Jon Maidment, Operational manager, Parks and Sport

Steve Gerrard, Network Operations Team Leader

Rita Rohman

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**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref:
Eich Cyf / Your ref: Scrutiny/CYP/MJH

Dyddiad / Date: 15 February 2018

**Councillor Lee Bridgeman
Chair – Children and Young People Scrutiny Committee
Room 279
County Hall
Atlantic Wharf
Cardiff. CF10 4UW**

Dear Cllr Bridgeman

**Children and Young People Scrutiny Committee – Corporate Plan and Draft
Cabinet Budget Proposals 2018/19**

Thank you for your letter dated 14 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Corporate Plan and overview

In relation to budget consultation, within the Corporate Plan for 2018 – 2021 there is an objective to review and refresh the Council's engagement process and tools including the Citizen Panel by June 2018 in order to improve the robustness of the Council's consultation exercise.

Children's Services

In order to address your comments in respect of the Children's Services budget, I believe it would be helpful to outline the Cabinet's approach to funding and meeting budget pressures in Children's Services. This includes a budget realignment to meet the full year impact of known commitments in the current financial year together with the provision of a contingency budget to meet potential but as yet unknown costs in the forthcoming financial year. This approach ensures that where the level of specific pressures that occur during a financial year result in an overspend within the service, these known pressures are then fully funded as part of the Council's Budget for the following year. This is an essential element of the Council's approach to financial resilience, ensuring that on-going financial issues in one year are not carried forward and allowed to build up in the future. This is reflected in the proposed budget for 2018/19 by a budget realignment for Children's Services of £3.990 million. This is an addition to the £1.5 million allocation already built into the Medium Term Financial Plan and Budget Strategy to reflect the impact of demographic pressures. These sums total £5.490 million and reflect the full year effect of known commitments at the time of preparing the Cabinet's budget proposal to Council.



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The other element of the Council's approach to funding and meeting budget pressures in Children's Services is to maintain a service specific contingency budget in order to reflect the potential for increased costs in relation to external placements for looked after Children during the forthcoming financial year and this is set out in paragraph 58 of the Cabinet Budget Proposals Report. The Contingency budget of £950,000 is specifically in relation to the potential financial cost of an increase in the number of placements during the year and would enable funding to be provided for up to 24 full year or 48 half year external fostering placements. A separate allocation of £450,000 has also been made to meet exceptional inflation costs in Children's Services in 2018/19 including the impact of the Children's 4 Cs Collaborative Framework. Although there have been significant budget pressures in Children's Services in recent years, this is not necessarily an indicator for the future with no direct link as such to demographic trends. Future trends in relation to looked after children are difficult to define with the need for placements often identified at short notice in relation to a particular set of circumstances and often with significant costs attached to them. This was certainly the case in the current financial year with increased placements reflecting a range of issues including specific child protection issues and family breakdowns involving multiple children. There is therefore no right or wrong figure in relation to the amount allocated to the contingency budget, it is simply a judgement of what is reasonable in the context of the Council's overall budget together with a recognition that there is a clear possibility that some level of further pressures will arise. In arriving at this judgement, regard is also taken of the preventative measures and other excellent work being undertaken within the Social Services Directorate to control costs, to return children from out of county and to reduce the number of children for whom care placements may be required in the future.

Increasing the Contingency Budget for as yet unknown costs would only increase the funding gap and would require further savings to be identified in other service budgets including within Social Services. The alternative would be to further increase Council Tax.

With regard to the £3.990 million budget realignment, this is entirely in relation to Children's Services as set out above.

The Director of Social Services has reminded the Committee that it has already received a detailed presentation on the anticipated medium and long term impacts of its early help strategy including signs of safety and has agreed to make a further presentation covering this and other matters relating to residential accommodation for children in the near future.

Education

Your comments in relation to loss of grants for Education and in respect of the Education Capital Programme are noted.

With regard to the introduction of the Travel Support Allowance, the view is that this may benefit families on low incomes by giving them more flexibility in how they use their money. There is the opportunity to review these arrangements should attendance at school become an issue.

Regarding the concerns expressed around the travel arrangements to Llanishen High, I will arrange for a separate response as this is not directly related to the budget being discussed at Cabinet today.

Play Service

The Committee's comments are noted.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yours sincerely



Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

Ref: RDB/RP/CW/14.02.2018

15 February 2018

Councillor Chris Weaver,
Cabinet Member for Finance, Modernisation & Performance,
Room 519,
County Hall,
Atlantic Wharf,
Cardiff CF10 4UW.



Dear Councillor Weaver,

Environmental Scrutiny Committee – 14 February 2018

On behalf of the Environmental Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Tuesday 14 February 2018. As you are aware the meeting received items titled 'Draft Budget Proposals 2018/19 – Corporate Overview' and 'Draft Corporate Plan 2018 to 2021 & 2018/19 Draft Budget Proposals'.

The meeting initially considered the Corporate Overview and was followed by scrutiny of the draft budget proposals and sections of the draft corporate plan relevant to the terms of reference of the Environmental Scrutiny Committee. Presentations were made by officers from the Resources Directorate, the City Operations Directorate and the Economic Development Directorate on a range of services that will be delivered from the Transport, Planning & Environment Directorate as of April 2018. Following the presentations Members had the opportunity to question the relevant Cabinet portfolio holders and supporting officers. The comments and observations made by Members following this item are set out in this letter.

Corporate Overview

- The Committee is concerned at the increasing borrowing costs associated with the Capital Programme – it was explained at the meeting that interest payments could account for 16.5% of the Council's revenue budget by 2022/23. While Members support the majority of the proposals contained in the Capital Programme they are conscious of not spending tomorrow's

money today. At the same time they acknowledge that interest rates are exceptionally low at the moment and so some of the Committee were of the view that now would appear to be a good time to borrow and invest. It is clear that the whole decision making process is a very difficult balancing act. Members concluded that it would be prudent that a review of the Capital Programme is undertaken so that essential projects can be prioritised. If a project is deemed non-essential then serious thought should be given to it remaining on the Capital Programme.

Strategic Planning & Transport Portfolio - Draft Budget Proposals 2018/19 – Corporate Overview

- During questioning, I asked if there was a monitoring programme for the implementation of 20 mph zones in Cardiff. The Director for City Operations explained that a monitoring programme did not currently exist, however, he would be happy to look into introducing one. The Committee felt that this would be a good idea as it would provide an evidence base to support future decision making for 20 mph zones. Members felt that a 20 mph monitoring scheme should focus on speed reduction and not necessarily the number of people breaking the speed limit, it was also suggested that the data could be used to identify sites that might benefit from the implementation of traffic calming measures. The Cabinet Member for Strategic Planning & Transport mentioned that he was due to receive a report from South Wales Police which would publish new speeding results for one of the newly implemented 20 mph zones, I would appreciate it if a copy of this report could be provided to the Committee.
- At the meeting there was some discussion on the capital investment of £440,000 for intelligent transport systems and the tunnel. It was explained that this was a continuation of the CCTV system upgrade in Control Room and an asset renewal of the essential tunnel & telematics infrastructure. At this point the Cabinet Member for Strategic Planning & Transport explained that the Control Room in County Hall was worth a visit and offered to arrange it for the Members of the Committee. I can confirm that

the Committee would like to take him up on the offer and I will ask the Principal Scrutiny Officer for the Committee to liaise with the Cabinet Member and service area to arrange a convenient date for the visit.

- Line 9 of the Capital Programme set out the 'Carriageway Investment' for the years 2018/19 to 2022/23 and prompted a discussion around why proposed funding fell from £3.517 million in 2018/19 to £1.95 million in 2019/20. During the discussion there was some debate around how and why funding was applied to different sections of highway asset. Despite some differences of opinion the Committee concluded during the way forward that investment should be driven by an evidence based methodology. They also concluded that as a group they would benefit from some Member training on how highway asset funding decisions are taken. With this in mind the Committee would be grateful if the Cabinet Member for Strategic Planning & Transport could liaise with the City Operations Directorate and Scrutiny Services to arrange Member training on the topic.
- It was pleasing to see that £1.4 million had been included in the Capital Programme for the delivery of the Western Transport Bus Interchange. We agreed during the way forward that the creation of a series of transport hubs for the city were essential to keep the city moving and that they would support the operation of the new integrated transport hub in the city centre. The Committee noted that the funding was allocated for 2019/20 and were informed that some positive developments had taken place in terms of delivering the new development with a housing association that would substantially reduce any risks facing the Council – the only potential stumbling block was the potential cost of remediation works that would be identified in a a feasibility report that the Director for City Operations stated would be received next week. Taking all of this into consideration the Committee supports this capital investment, but at the same time urges the Council to ensure that at least some of the satellite transport hubs are operational by the time the new integrated transport hub is completed. In addition to this the Committee would be grateful if you could provide them


with a copy of the feasibility study for remediation work at the Western Transport Interchange site once it is available.

Clean Streets, Recycling & Environment Portfolio - Draft Budget Proposals 2018/19 – Corporate Overview

- At the meeting Members commented on Line 99 of the Capital Programme that referenced £3 million in funds for the design and construction of a solar farm at Lamby Way. The Cabinet Member for Clean Streets, Recycling & Environment explained that the project was complicated and that work was still ongoing in terms of finalising arrangements. He went on to state that a paper on the Lamby Way Solar Farm would be published in the coming months and that he would be happy to bring the proposal to scrutiny. The Committee welcome this offer and look forward to receiving the report at scrutiny in the near future.
- The Committee is concerned by the reduction in recycling income due to the global decline in prices. They agree with the provision of the financial pressure bid for £523,000 that will support the growth of dry recycling processing and compensate for the reduction in income. Members understand that this presents a difficult challenge for the Council and commend the Cabinet Member for Clean Streets, Recycling & Environment and officers from Commercial & Collaboration Services for taking positive steps to mitigate and solve the problem.

I would be grateful if you would consider the above comments and work with the relevant Cabinet portfolio holders to provide a response to the content of this letter.

Regards,



Councillor Ramesh Patel

Chairperson Environmental Scrutiny Committee

Cc:

- Councillor Huw Thomas, Leader, Cardiff Council;
- Councillor Caro Wild, Cabinet Member Strategic Planning & Transport;
- Councillor Michael Michael, Cabinet Member Clean Streets, Recycling & Environment;
- Christine Salter, Corporate Director Resources;
- Ian Allwood, Head of Finance;
- Andrew Gregory, Director for City Operations;
- Tara King, Assistant Director for Commercial & Collaborative Services;
- Matt Wakelam, Operational Manager, Infrastructure & Operations;
- Davina Fiore, Director of Governance & Legal Services;
- Members of Cardiff's Environmental Scrutiny Committee.

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**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**

Fy Nghyf / My Ref:
Eich Cyf / Your ref: RDB/RP/CW/14.02.2018

Dyddiad / Date: 15 February 2018



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Councillor Patel
Chairperson – Environmental Scrutiny Committee
Room 278
Atlantic Wharf
County Hall
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Dear Ramesh

Environmental Scrutiny Committee – 14 February 2018

Thank you for your letter dated 15 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Corporate Overview

To begin, it would be helpful to bring Members attention to paragraph 437 of the Budget Report which states that whilst approving the Capital Programme for the period up to 2022/23, members should be aware that the later years of the programme will be subject to an on-going review of the Council's financial resilience

To elaborate further in relation to the committee's comments, the Capital Programme as set out in the Cabinet Budget Proposal has been thoroughly reviewed both by officers and in discussions with Cabinet members over an extensive period of time prior to finalising the budget proposals. As set out in the Budget Report, the S151 Officer is content that the Programme is affordable both in relation to 2018/19 and over the longer term. There are clearly significant financial challenges in the future though and these are set out in the Medium Term Financial Plan overview within the report. In this regard any further capital investment over this period and in the future will need to be carefully considered within the overall context of future budgets and the financial resilience of the Council. This is made clear by the S151 Officer within the report.

It was explained to the Committee that in line with the CIPFA Prudential Code for Capital Finance in Local Authorities a number of financial indicators are included within the Budget Report. This includes an additional local indicator to identify the trend in relation to the level of capital financing costs expressed as a percentage of the Council's controllable budget. This shows that by 2022/23 the net capital financing cost is estimated to be 16.65% of the controllable budget. This is an important indicator for members to note when setting the budget and whilst the S151 Officer is content

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that this can be managed within the current budget proposal it is clear that further increases in this percentage in the future will put added pressure on the Council's Revenue Account. The Prudential Code was updated in December 2017 and as part of the 2019/20 Budget full Council will receive and be asked to approve a Capital Strategy that sets out the long term context in which both capital expenditure and investment decisions are made. The Budget Strategy Report in July 2018 will consider the main requirements of the Capital Strategy and set out the timescales for approval by Council.

With regard to borrowing decisions and the current position in relation to interest rates I would remind the Committee that the Budget Report includes the Treasury Management Strategy for 2018/19 and this will be considered by and requires approval from Council. This Strategy sets out the basis on which decisions around borrowing and investment will be made in the forthcoming year. I would also remind the Committee that as previously stated by the S151 Officer, the Council can only borrow in line with this strategy and is precluded from borrowing in advance of need.

Strategic Planning & Transport Portfolio

Your comments on these points are noted. The Directorate will arrange for any further information or presentations to be provided as required. With regard to member training on how highway asset funding decisions are taken Finance staff have agreed to support the Directorate in providing this training.

Clean Streets, Recycling & Environment Portfolio

Your comments on these points are noted. The Directorate will arrange for any further information or presentations to be provided as required.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir/Yours sincerely



Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

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

Date: 15 February 2018

Councillor Huw Thomas
Leader
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



Dear Huw,

Policy Review & Performance Scrutiny Committee: 14 February 2018.

On behalf of the Policy Review and Performance Scrutiny Committee sincere thanks for attending Committee yesterday together with Councillors Weaver and Goodway to facilitate consideration of the draft Corporate Plan 2018-21 and the draft Budget Proposals 2018-19. The Committee is grateful for your time, and for the co-operation of all Directors and officers in attendance to answer Members' questions. This letter captures the observations and concerns of the Committee in a structure that reflects the Committee proceedings. Firstly, comments on the Corporate Plan, secondly on the overarching budget position, followed by comments on the budget proposals of the specific service areas that fall within the terms of reference of this Committee.

Draft Corporate Plan 2018-21

Firstly, I wish to commend your responsiveness to Members concerns and observations raised in previous correspondence from the Committee and its Performance Panel. This is unprecedented. We warmly welcome such a step forward in co-production of the Corporate Plan, and we look forward to continuing this level of constructive dialogue with the Cabinet. Our observations are generally positive, the Committee considers that the process of developing the new Administrations Capital Ambition into the Corporate Plan has been worthwhile, and looks forward to the organisations greater focus on a culture of tracking targets to deliver the Corporate Plan. There are however, a few further comments you may wish to address, as follows:

- We are seeking reassurance that you consider there is a strong connection between the objectives of the Well-being of Future Generations Act and the Corporate Plan, particularly around the health aspects of the legislation. We note the Future Generations Commissioner's reassuring response to Cardiff's Well-being Plan, and the ongoing work with partners to secure the right basket of indicators, however we concur there is a task ahead to fully embed the Well-being of Future Generations legislation across the Council. Members feel there is an opportunity to strengthen our commitment to addressing health inequalities.
- In respect of the Well-being objective *A Capital City that works for Wales*, the Performance Panel previously commented on the interdependency of the KPI's for this objective. We suggested that to increase the total number of visitors to Cardiff (by 3%) would require a larger than 2% increase in the number of staying visitors. We wish to re-iterate this point, and stress that we consider this economic development indicator could be more ambitious and aim to increase the proportion of visitors that stay overnight in the City.
- The Committee has some concerns about the reference to the Corporate Landlord Model in the Working for Public Services section of the Plan. As you are aware the Committee is currently undertaking an inquiry on this model of estate management, and evidence gathered to date indicates it requires complete buy-in from the organisation. We are therefore concerned that '*ensure all of the Council's estate is compliant by the end of 2018*' reduces the model to compliance when it is clearly so much more. We would therefore encourage you to reflect on the wording in the Steps section at page 51.
- In respect of the aspiration to deal with the asset maintenance backlog via the Corporate Landlord Model, we are reassured that asset management governance has been strengthened, care will be taken to achieve the best value for Council assets disposed of, and also not to release assets that could weaken the Council's position. We are however concerned as to whether receipts from the disposal of surplus property will be great enough to support a £40m maintenance backlog.

Overarching Budget Proposals 2018-19

- The Committee is concerned that Council Tax is increasing by 5%. This is considerably higher than the 3.7% anticipated, despite the financial settlement being better than expected. We note that the employers pay award at 2% currently on offer is the main reason given for this. However, in our letter of 20th September 2017, following scrutiny of the Budget Strategy, we highlighted concerns on this matter. Since we were assured in September that the 3.7% potential council tax rise had taken into account a pay rise of 2%, we find it difficult to accept this as justification for the council tax increase to 5%. The committee therefore asks you for further clarity on the reasons for this rise.
- Members are interested in how Cardiff compares with other Welsh Councils, and indeed English Councils, in respect of its long-term debt. We are therefore minded to revisit an earlier benchmarking exercise.
- We have some concerns around retaining control of borrowing and revenue commitments. On the matter of borrowing, we are concerned about the risk of debt impacting on the Council's overall budget. We note officers' view that the Council cannot borrow in advance of need and that interest rates are always fixed, but Members are not reassured by this. We consider the Council is not in a position to predict future interest rates, and therefore is at risk of fixing borrowing at a higher rate.
- We note your explanation in respect of the £11m cost of parking enforcement, which generates an income of £12.1m per annum. We understand this includes support for the highways budget and in fact, the actual cost of parking enforcement is £6.2m, and we can reference more detail at Appendix 19 of the full budget report to Council.
- The Committee referenced an additional £8.4m in the budget for Social Services, writing out a previous saving. There are many red risks in adult social care and notably the out of county placement of children. The savings are ambitious. We accept that the new senior management structure will

assist, and we have to accept some risks, but we are seeking reassurance that there will not be an increase in care costs to the service user.

- Members have some concerns that income generation is a repeated theme across Directorate budget savings proposals. We note the actual figures, that only £2.4m of £14.3m is from income generation, and we agree with officers that income generation lines will always be more risky, recognising that easy savings have already been offered.
- The Committee notes the proposal to reduce dependency on agency spend across the recycling and waste services team, by improving attendance at work. We have heard in a previous scrutiny the challenge of sickness absence, particularly in frontline services such as waste, and therefore question how achievable the proposal is.

Resources Proposals

- We acknowledge the Resources Directorate is losing proportionately more staff than other Directorates.
- The Committee observed a different culture in the Resources Directorate compared with some other Council services. Members heard that ICT systems should be fit for purpose, improve efficiency and streamline processes, and this did not necessarily mean they should be developed in house. We note the Directorate's appetite to push boundaries, illustrated in services such as procurement.
- In respect of the Council's Digital First aspiration, the new Chief Digital Officer will clearly take this forward. We would hope that no proposed savings would prevent digital progress. However, we do urge care to ensure that e billing does not exclude those who are not technically resourced. We are therefore reassured that Council Tax customers must opt-in to be billed electronically.

Economic Development Proposals

- The Committee notes you consider savings proposals to expand the market share for Pest Control, and to generate more income from Building Cleaning and Security Services are all achievable.
- We welcome the comprehensive review of the Council's estate and the much clearer picture of the estate it will provide, particularly in respect of Council land, noting that details will be digitalised onto a database.
- In respect of the International Pool subsidy removal, we are concerned about the impact on charges, staffing and services. We are pleased to hear the operator (Parkwood Leisure) considers no diminution of service will be necessary as a result, and that the same pricing terms have been agreed.
- Corporate Landlord – As we highlighted in our scrutiny of the Corporate Plan the Committee is focussed on the importance of the Corporate Landlord Model, and the potential it offers to put in place the controls required for successful management of the estate. We note the resourcing plan is currently under development and are reassured there will be no job losses affecting this team, and in fact, the corporate estate team will grow.
- Corporate Landlord – Members acknowledged it will take time to generate the £40m required to tackle the operational estate maintenance backlog with the release of non-operational estate, and that there will continue to be a budget allocated for maintenance. We note also your view that it will take 5-10 years to eliminate the current backlog of schools maintenance.

Governance & Legal Services Proposals

- The Committee notes the reduction of two posts from the scrutiny function and the consequence that there will be a reduction in the capacity for undertaking task group inquiries. We note that this follows the decision to retain five scrutiny committees in recognition of the importance of the function, and that the saving is risk assessed as red-amber in terms of achievability reflecting its political sensitivity. We understand there will be less opportunity for inquiry

work and that external links with universities and charitable organisations are to be encouraged where appropriate, to continue such member led research.

- In respect of Legal Services, we note that internally delivered services are more cost effective, but that there will always be occasions that the right expertise is not available in-house. We recognise that childcare legal cases are complex and are pleased to hear officers are confident the Council will attract such expertise, and that generally the retention and recruitment of solicitors has not been difficult.

May I thank you once again for the time you and your Cabinet have committed to enable scrutiny consideration of the Corporate Plan 2018-21 and Budget Proposals 2018-19 at all five Scrutiny Committees this week.

Yours sincerely,



COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Councillor Chris Weaver, Cabinet Member Finance, Modernisation and Performance
Councillor Russell Goodway, Cabinet Member Investment and Development
Paul Orders, Chief Executive
Christine Salter, Corporate Director Resources
Neil Hanratty, Director of Economic Development
Davina Fiore, Director of Governance & Legal Services
Joseph Reay, Head of Performance & Partnerships
Philip Lenz, Chief Human Resources Officer
Ian Allwood, Head of Finance
Tara King, Assistant Director, Commercial and Collaboration
Gareth Newell, Partnership and Community Engagement Manager
Dylan Owen, Head of Cabinet Office
Joanne Watkins, Cabinet Support Office
Debi Said, PA to Leader

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Dyddiad / Date: 15 February 2018

Councillor Walker
Chairperson – Policy Review and Performance Scrutiny Committee
Room 271
Atlantic Wharf
County Hall
Cardiff. CF10 4UW

Dear David

Policy Review & Performance Scrutiny Committee – 14 February 2018

Thank you for your letter dated 15 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Draft Corporate Plan 2018-21

I want to reassure the Committee that there is a strong connection between the national goals contained within the Well-being of Future Generations Act and the well-being objectives contained within both the Cardiff Well-being Plan and the Council's Corporate Plan. All of the well-being objectives have been designed to maximise the authority's contribution to the goals.

With regards to the Council's commitment to addressing health inequalities in the city through working with public service partners, each of the seven well-being objectives in the Corporate Plan contributes towards the national well-being goal of 'A healthier Wales'. For example, the Council recognises that poverty is one of the greatest contributory factors to poor health and, therefore, the 'Supporting People out of Poverty' objective in its entirety contributes towards this goal. Similarly, 'Safe, Confident and Empowered Communities' confirms that the Council will respond to the recommendations of the Parliamentary Review of Health & Social Care in Wales and includes performance measures about the number of individuals participating in parks/outdoor sport. In addition, 'Cardiff grows in a resilient way' includes both steps and performance measures around improving air quality and increasing active travel in Cardiff.

With regards to visitor numbers to Cardiff, it is important to recognise that a 3% increase in the total number of visitors to the city over the next year is an ambitious figure and, if achieved, would put Cardiff ahead of the five-year target that has been set in 'Partnership for Growth', the Welsh Government's National Tourism Strategy.



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This challenging target needs to be considered in the context of very strong competition in the tourist market from other cities.

The Cabinet wholly support and recognise that the Corporate Landlord Model is much wider than compliance and have made presentations to the PRAP Scrutiny Task and finish group to explain this. The Corporate Landlord Delivery is a five year programme and in year 1 - 2018/19 - these are the first two priorities; to review the estate and to ensure compliance. Further improvements will follow. A minor amendment to wording in the corporate plan has been agreed to clarify this and Cabinet look forward to receiving the task and finish report.

Overarching Budget Proposals 2018-19

I note the concerns of the Committee in respect to the Budget Strategy planning assumptions on pay award and the link to an increase in Council tax from previous Budget strategy assumption. I would like to remind the Committee of my letter dated 10 October 2017 where I state the following;

- *The difference between a 1% and a 2% pay award, taking into account the above position on schools' growth, is £2.8 million. The reflection of pay awards beyond 1% in the MTFP will be considered when the position on the public sector pay cap is afforded greater clarity in the UK budget on 22 November and subsequently in the final Local Government Settlement in December.*

To explain the change between the consultation and final settlement position, I refer you to Appendix 12 of the Cabinet Budget Report which details the movements post consultation.

It would be helpful to bring Members attention to paragraph 437 of the Budget Report which states that whilst approving the Capital Programme for the period up to 2022/23, members should be aware that the later years of the programme will be subject to an on-going review of the Council's financial resilience. Amongst other factors that will be considered will be the interest rate position at that time.

As set out in the Budget Report, the S151 Officer is content that the Programme is affordable both in relation to 2018/19 and over the longer term. There are clearly significant financial challenges in the future though and these are set out in the Medium Term Financial Plan overview within the report. In this regard, any further capital investment over this period and in the future will need to be carefully considered within the overall context of future budgets and the financial resilience of the Council. This is made clear by the S151 Officer within the report.

It was explained to the Committee that in line with the CIPFA Prudential Code for Capital Finance in Local Authorities a number of financial indicators are included within the Budget Report. The Prudential Code was updated in December 2017 and as part of the 2019/20 Budget full Council will receive and be asked to approve a Capital Strategy that sets out the long term context in which both capital expenditure and investment decisions are made. The Budget Strategy Report in July 2018 will consider the main requirements of the Capital Strategy and set out the timescales for approval by Council.

I acknowledge that the savings proposed by Social Services are ambitious but it is important in these challenging times that directorates look at all savings opportunities and set themselves stretching targets in terms of their achievement. The Director is clear as to how these savings can be made and these will be closely monitored as the financial year progresses. Within the Social Services proposals, the only budget saving that impacts on costs to service users is the £350,000 (savings line 40) arising from an increase in the maximum weekly charge for non-residential care which reflects a change to the levels advised by Welsh Government as part of their charging policy for these services

The budget saving proposal in relation to improved attendance in Waste Management was discussed in some detail in the Environment Scrutiny Committee. The Assistant Director was clear that although challenging, measures have been put in place that will enable this saving to be achieved.

On all other points, the Committee's comments are noted.

Directorate Proposals

I note the Committee's comments in respect of these proposals.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yn gwyir/Yours sincerely



Y Cynghorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance

Welsh Local Government Revenue Settlement 2018/19

Final

Table 9: List and estimated amounts of Grants for total Wales

Existing Grant name	2017/18	2018/19
Communities and Children		
Supporting People	123.688	123.688
Flying Start Revenue Grant	76.052	NA
Families First	38.352	NA
Communities First	19.647	0.000
Childcare Offer	10.000	25.000
Communities for Work	7.120	7.199
Cardiff Bay Legacy	5.891	5.400
Promoting Positive Engagement for Young People	4.330	4.330
Out of School Childcare	2.300	2.300
Violence against Women, Domestic Abuse & Sexual Violence Grant	1.938	1.938
St David's Day Fund	1.000	1.000
Lift	0.990	0.000
National Approach to Advocacy	0.550	0.550
Community Cohesion	0.360	0.360
Maintaining the Delivery of the Wales Adoption Register	0.172	0.172
Armed Forces Day	0.035	0.140
Remploy Employment Support Grant	0.006	0.002
Communities First Legacy	0.000	6.000
Communities Work Plus	0.000	10.050
Economy and Infrastructure		
Concessionary Fares	60.466	NA
Bus Services Support Grant	25.000	NA
Bus Revenue Support Traws Cymru	3.057	NA
Road Safety Grant	2.000	2.000
Young Persons Discounted Bus Travel Scheme	1.000	NA
Bus Revenue Support	0.546	NA
New Developments	0.500	0.000
Enterprise Zones	0.271	0.064
Ports Development Fund	0.090	0.000
Community Rail Partnership	0.065	NA
Travel Plan Co-ordinators	0.011	0.000
Education		
Education Improvement Grant	133.282	118.137
Pupil Development Grant	91.333	91.333
Pioneer Schools	7.895	7.105
Youth Support Grant	3.856	3.470
Small and Rural Schools Grant	2.500	2.500
Reducing infant class sizes grant	2.000	3.000
School Uniform Grant	0.700	0.000
Modern Foreign Languages	0.480	0.432
Senior Business Managers	0.200	0.200
Mentoring and Networking Support for Headteachers	0.150	0.140
Advisory team on Delivery of Foundation Phase for 3-4 year olds	0.041	0.000
National Numeracy Tests - Supported Marking Grant to Consortia	0.020	0.020
Environment and Rural Affairs		
Single Revenue Grant - See note below	61.790	20.793
Waste Infrastructure Procurement Programme - Gate Fee Contributions	7.507	7.867
Animal Health & welfare Framework Funding	0.200	0.200
Financial support to enable prosecution to be brought for breaches in the TB Or	0.188	0.000
Renewal of Grant for the South Wales Regional Aggregate Working Party	0.050	0.050
Waste Planning Monitoring Report - North Wales and South East Wales	0.049	0.049
Waste Planning Monitoring Report - South West Wales	0.025	0.025
Renewal of Grant for the North Wales Regional Aggregate Working Party	0.025	0.025

Finance and Local Government

Cardiff Capital City Deal	20.000	10.000
High Street Rate Relief	10.000	4.500
Child Burials	NA	0.600

Lifelong Learning and Welsh Language

Post-16 Provision in Schools	98.587	NA
Adult Community Learning	4.307	NA
Additional Learning Needs Innovation Fund	1.320	0.000
Learning in Digital Wales (Phase 2)	0.500	0.450
Promote and Facilitate the use of the Welsh language	0.314	0.314
Development of the Seren Network	0.120	0.300

Social Services and Public Health

Welsh Independent Living Grant	27.000	RSG
Substance Misuse Action Fund	22.663	22.663
Social Care Workforce Grant	19.000	RSG
Expanding Edge of Care Services	5.000	RSG
Carer's Respite Care Grant	3.000	RSG
Support for Care Leavers	1.650	RSG
Reflect Project	0.850	RSG
Secure Estates	0.412	RSG
National Framework for Fostering	0.400	RSG
Development of Adoption Support Services in Wales	0.215	0.090

All Grants	913.065	484.456
All Grants excluding NA (for like-for like comparison)	513.197	483.856

1 The information shown above details the total amount of each grant. Some grants may be split between local authorities and other bodies.

2 It is important to note that amounts for future years are indicative at this stage and are liable to change.

3 Formal notification of grant allocations is a matter for the relevant policy area.

NA = figures not available at time of publication

RSG = funding transferring to Revenue Support Grant

Single Revenue Grant - £35m of Waste Budget element transferred to Revenue Support Grant

Development of Adoption Support Services in Wales - £125,000 transferred to Revenue Support Grant

Revenue Resources Required for 2018/19		
	£000	£000
Adjusted Directorate Budget		595,674
Add: Employee costs	3,361	
Special Inflation	4,550	
Directorate expenditure and income realignments	1,194	
New Responsibilities	1,472	
Commitments	3,656	
Schools non-pupil number growth (net of cap)	<u>5,039</u>	
		19,272
Demographic pressures:		
Social Services	3,200	
Pupil numbers	2,008	
Other	<u>100</u>	
		5,308
Add New Directorate Pressures	<u>1,474</u>	
		1,474
Directorate Base Budget for 2018/19 (before savings)		<u>621,728</u>

Revenue Resources Available for 2018/19		
AEF per final settlement	(440,947)	
Council Tax - at 2017/18 level (and new Council Tax Base)	(157,729)	
Use of Earmarked Reserves	<u>(2,350)</u>	
Total Resources		(601,026)

Shortfall	20,702
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To be met from:-		
Savings	(14,296)	
5% Council Tax increase (Net of impact on CTRS)	<u>(6,406)</u>	
TOTAL		(20,702)

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Appendix 5

Financial Pressures Summary 2018/19

No.	Pressures Title	Value of Pressure 2018/19 £000	Risk Assessment	
			Residual	EIA
1	Cardiff Commitment The Cardiff Commitment sets out how the council, together with a wide range of public, private and third sector partners, will work together to ensure a positive destination for every young person in Cardiff after they finish school, either in employment or further education and training. To facilitate this the Council will require a staffing resource to manage the programme of partnership activity and deliver the processes and links required between students, employers and training/education organisations.	50	Red-Amber	Red-Amber
2	Junior Apprenticeships - Delegated Budgets The Junior Apprenticeships programme is now in its second year of delivery in Cardiff and The Vale College. Up to 90 young people are now able to access a range of bespoke apprenticeship pathways enabling them to continue their positive engagement with education and increasing the chance of them continuing within education and training Post 16. This pressure bid will bridge the funding gap between what schools are able to release from their pupil led funding elements and the actual cost per pupil for following this course of study.	175	Red-Amber	Red-Amber
TOTAL EDUCATION & LIFELONG LEARNING		225		
3	Joint Equipment Service (JES) The JES is an integrated partnership between Cardiff Council, the Vale of Glamorgan Council and the Cardiff and Vale University Health Board. The service development plan aims to support a reduction in hospital admissions, the prevention of delayed transfers of care and the reduction of interim care packages. In line with this, funding is required to support a Same / Next Working Day Delivery Service and to address an increase in demand for equipment.	76	Red-Amber	Red-Amber
TOTAL COMMUNITIES & HOUSING		76		
4	Additional Staffing support for Learning Disabilities Internal Day Care and Occupational Therapy in Adult Services Additional staff in Learning Disabilities Day Care will enable an expansion of the internal Complex Needs Day Service to provide sufficient capacity to allow the service to respond to the large number of young adults transitioning to Adult Social Services in July 2018 and beyond. An increase in occupational therapy posts within the Review Team will help minimise dependence on care services through timely assessment and/or provision of equipment.	109	Red-Amber	Amber-Green
5	Create new and additional support worker posts To enhance the work of Specialist Services and improve support to looked after children, care leavers and homeless young people.	106	Red-Amber	Red-Amber
6	Recruit more Independent Reviewing Officers (IRO's) To appoint an additional two IROs to address increasing demands on the service since the implementation of the Social Services and Well-being (Wales) Act 2014, which has resulted in increased numbers of court proceedings and caseloads.	100	Red	Red-Amber
7	Vale, Valleys and Cardiff (VVC) Regional Adoption Service An increase in the contribution to this service reflecting demand on adoption services. This was approved by the Regional Adoption Consortium Joint Committee in December 2017.	85	Red	Red
TOTAL SOCIAL SERVICES		400		
TOTAL PEOPLE & COMMUNITIES		476		

Appendix 5

No.	Pressures Title	2018/19 £000	Residual	EIA
8	School Transport Following Service Review this amount will be made available to address any issues identified within school transport to include increasing demographic growth, Additional Learning Needs transport requirements and pupil placements outside of mainstream education.	250	Red	Red-Amber
9	Recycling To support the growth of dry recycling processing and compensate for the reduction on income received due to global market decline in prices	523	Red	Amber-Green
TOTAL PLANNING, TRANSPORT & ENVIRONMENT		773		
TOTAL		1,474		

2018/19 Savings Proposals - Overview

Summary of Directorate Savings	£000
Corporate Management	251
Economic Development	2,486
Education	1,278
People & Communities - Communities & Housing	689
People & Communities - Social Services	5,160
Planning, Transport & Environment	1,838
Resources - Governance & Legal Services	442
Resources - Resources	1,526
Council-Wide	626
Total Directorate Savings	14,296

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DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio	
				X Ref	£000	Employee Costs	Other Spend	Income	2018/19 Total	Status	Residual	Achievability	EIA		
1	Corporate Management	Review of External Spend	Reduction in the amount available to support events and market the city Reducing the amount available to support events, market the city and take advantage of opportunities presenting themselves during 2018/19.	M	484	0	210	0	210	Detailed plan	Green	Green	Amber-Green	Leader's Portfolio	
2			External Audit and ex-employee pension contributions Reduction in spend on the audit of the Council as well as a reduction in contributions to pension funds in relation to ex-employees	M	484	21	10	0	31	Realised	Green	Green	Green	Leader's Portfolio	
3			Efficiency Savings in Corporate Management Review of spend on supplies and services	A	480	0	10	0	10	Detailed plan	Green	Green	Green	Leader's Portfolio	
Corporate Management Total						21	230	0	251						
4	Economic Development	Income Generation	Increase in Income - Strategic Estates Increase income from the investment portfolio and operational estate.	N	(5,503)	0	0	253	253	Detailed plan	Amber-Green	Red-Amber	Green	Investment & Development	
5			Pest Control - Expanding market share Exploring opportunities for expanding the Council's market share through exploring opportunities for working with the private sector and other public bodies.	AQ	(230)	0	0	40	40	Detailed plan	Green	Amber-Green	Green	Investment & Development	
6			Improved charging and income generation for Security Services The saving will be delivered through a combination of income growth and the implementation of efficiency measures across Council buildings.	AN	(54)	0	0	50	50	Detailed plan	Green	Red-Amber	Green	Investment & Development	
7			Income generation from Building Cleaning services To be delivered through a new marketing and service delivery plan.	AO	(155)	0	0	105	105	Detailed plan	Green	Red-Amber	Green	Investment & Development	
8			Leisure Services - Cardiff International White Water Generate additional income through an increase in prices.	AF-AJ	(2,386)	0	0	9	9	Detailed plan	Green	Green	Amber-Green	Culture & Leisure	
9		Business Processes including Digitalisation	St. David's Hall Review of Costs, Income and Service Delivery	T	317	50	40	60	150	Detailed plan	Amber-Green	Amber-Green	Green	Culture & Leisure	
10			New Theatre Review of Costs, Income and Service Delivery	U	409	50	40	60	150	Detailed plan	Amber-Green	Amber-Green	Green	Culture & Leisure	
11			Cardiff Castle Review of Costs, Income and Service Delivery	X	(3,942)	100	0	138	238	Detailed plan	Amber-Green	Amber-Green	Green	Culture & Leisure	
12			Reduced service in Tourism Deletion of two vacant posts in Tourism	Y	380	47	0	0	47	Detailed plan	Green	Green	Green	Investment & Development	
13			Building Services - Efficiency Improvements To be delivered through new operational plan to improve scheduling and efficiencies in the supply chain	AT	1,184	0	175	0	175	Detailed plan	Green	Red-Amber	Green	Investment & Development	
14			Play Services Implementation of the agreed model for Children's Play.	AK	852	37	78	0	115	Detailed plan	Green	Green	Red-Amber	Culture & Leisure	
15			Parks A package of proposals that will see reduced management costs across the Parks & Sport service, generation of additional income and a reduction in the costs of external contracts by bringing this work back in-house.	AA-AE	4,149	44	23	74	141	Detailed plan	Amber-Green	Green	Green	Culture & Leisure	
16			Efficiencies In line with the Council's digital strategy, this saving will be achieved through delivering business efficiencies through third party spend, changing processes, technology and staff resources.	A-AU	39,785	0	40	0	40	General planning	Green	Green	Green	Investment & Development / Culture & Leisure	
17			Review of External Spend	Removal of International Pool subsidy Expectation that the international pool will operate without Council subsidy under new arrangements from 2018/19	D	1,023	0	973	0	973	Detailed plan	Green	Green	Green	Investment & Development
Economic Development Total						328	1,369	789	2,486						

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs	Other Spend	Income	2018/19 Total	Status	Residual	Achievability	EIA	
18	Education & Lifelong Learning	Income Generation	Increased income within Education Traded Services This saving will be achieved through an increase of 10p in the price of a school meal from April 2018, in addition to a review of pricing across other traded services.	X	(6,903)	0	0	110	110	Detailed plan	Green	Amber-Green	Red-Amber	Education, Employment & Skills
19		Business Processes including Digitalisation	Delegation of Pupil Referral Unit (PRU) provision Full year effect of decision made in 2017/18 to delegate the responsibility for the PRU provision to a secondary school.	J	743	255	110	0	365	Realised	Green	Green	Green	Education, Employment & Skills
20			Education Directorate - Central staffing and management costs This is to be achieved through a reduction of staffing following a reorganisation/rationalisation of the staffing structures within the Education Directorate - taking into account all opportunities to offset costs through additional income or use of grants.	N	1,349	200	0	0	200	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Education, Employment & Skills
21			Delegation of responsibility for licences associated with school provision This saving would be achieved by delegating the responsibility for paying for licences, including performance and copyright licences, to schools.	A	978	0	250	0	250	Detailed plan	Green	Green	Green	Education, Employment & Skills
22		Review of External Spend	Efficiencies This saving will be achieved through a reduction in the annual costs of software packages used for schools finance and to facilitate online training of schools based staff.	N-R	3,121	0	80	0	80	General planning	Green	Amber-Green	Green	Education, Employment & Skills
23			Reduction in central commitment for Commissioned Early Years Places Reduction in spend on nursery places in external private nurseries made possible by increased numbers of available places in maintained nursery classes in primary schools.	K	336	0	200	0	200	Detailed plan	Green	Red-Amber	Green	Education, Employment & Skills
24			Reduction in annual contribution to Central South Education Consortium (CSC) & Education Improvement Grant (EIG) matchfunding A reduction to the annual contribution made towards the core budget of the CSC and a reduction in the Council's requirement to match fund the EIG in line with reductions to the overall level of grant funding provided by Welsh Government.	O	1,455	0	73	0	73	Detailed plan	Red-Amber	Red-Amber	Green	Education, Employment & Skills
Education & Lifelong Learning Total						455	713	110	1,278					
25	People & Communities - Communities & Housing	Income Generation	Disabled Facilities Grant (DFG) fee income and additional selling of services Fee income based on the assumption that capital will remain unchanged for 2018/19. It is proposed to charge for low level equipment provided through the Joint Equipment Service, and for Council services for clients who do not qualify for a DFG. This service has not been provided previously.	L	(1,812)	0	0	105	105	Detailed plan	Green	Amber-Green	Green	Social Care, Health & Well-being
26			Phased removal of Council subsidy to deliver Adult Community Learning Third and final year of the phased reduction of Council funding to support the Adult Community Learning Leisure Programme - the service will then become fully self-funding.	R	(1,370)	0	0	17	17	Detailed plan	Green	Amber-Green	Green	Education, Employment & Skills
27			New approach to Employability Services A Cabinet report in November 2017 agreed a new approach to Employability Services, including better alignment of existing grant funding and increased income from sale of training which would offset existing management costs, thereby releasing savings.	H	(491)	0	0	50	50	Detailed plan	Green	Amber-Green	Green	Housing & Communities
28			Supporting People Grant Realignment Better alignment of Supporting People Grant funding to offset the work undertaken by the Housing Officer at Adams Court.	C	(2,117)	0	0	14	14	Realised	Green	Green	Green	Housing & Communities
29			Assessment and Support Realignment Realignment of budget within Assessment and Support to reflect the additional Housing Revenue Account (HRA) work now carried out by the Systems and Support Team.	C	(2,117)	0	0	26	26	Realised	Green	Green	Green	Housing & Communities

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs	Other Spend	Income	2018/19 Total	Status	Residual	Achievability	EIA	
30	People & Communities - Communities & Housing	Income Generation	Appeals and Complaints Team service integration The Appeals & Complaints section now covers the whole of Communities & Housing. As such it is proposed to recharge services provided to the HRA.	J	(982)	0	0	103	103	Realised	Green	Green	Green	Housing & Communities
31		Business Processes including Digitalisation	Deletion of two vacant Benefit Officer posts Reflects the increased productivity with the Housing Benefit Team.	C	3,792	60	0	0	60	Realised	Green	Green	Green	Housing & Communities
32			Prevention Services - Deletion of Community Care Aid Worker Following a change in objectives in this team, it has been possible to delete a vacant post.	L	1,701	23	0	0	23	Realised	Green	Green	Green	Social Care, Health & Well-being
33			Neighbourhood Regeneration - Service Integration Realignment of budgets to reflect an increase in work undertaken within the HRA.	O	(444)	0	0	11	11	Realised	Green	Green	Green	Housing & Communities
34			New approach to building resilient communities Better align legacy grant funding to Neighbourhood Partnerships Locality Planning and Community Engagement budgets in order to release savings.	T	0	0	0	80	80	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Housing & Communities
35			Efficiencies Directorate wide efficiency savings from digital initiatives	A-T	24,375	0	71	0	71	General planning	Amber-Green	Amber-Green	Amber-Green	Housing & Communities
36			Benefits - Efficiency savings from the introduction of the new housing online form	C	37,103	9	0	0	9	Detailed plan	Amber-Green	Green	Amber-Green	Housing & Communities
37		Review of External Spend	Reduction in Libraries Book Fund Reduction in book fund budget in line with the current and previous years' spend. Spend will continue to be focused on key demographic groups such as Children, Welsh, Community Languages and Basic Skills.	P	761	0	50	0	50	Detailed plan	Green	Green	Green	Housing & Communities
38			Citizen Advice Bureau (CAB) Contract - Agreed reduction This saving reflects the second year of a three year phased reduction in the cost of the Advice Services Contract.	J	1,027	0	30	0	30	Realised	Green	Green	Green	Housing & Communities Social Care, Health & Well-being
39			Removal of the Neighbourhood Partnership Fund Saving will be achieved through the removal of the Neighbourhood Partnership City Wide fund.	T	72	0	40	0	40	Detailed plan	Green	Green	Amber-Green	Housing & Communities
Communities Total						92	191	406	689					
40	People & Communities - Social Services	Income Generation	Increase service user charges in line with Welsh Government (WG) policy In January 2017 WG expressed an intention to gradually increase the maximum weekly charge a Council could levy for non-residential care, from £60 per week in 2017 to £100 per week in 2021. As this policy is designed to ensure consistency across Welsh Local Authorities, it is proposed that the Council increases its maximum weekly charge to £80 per week in 2018/19 to mirror this policy. This will increase the level of income the Council receives in service user contributions.	O	(7,018)	0	0	350	350	Detailed plan	Amber-Green	Amber-Green	Red-Amber	Social Care, Health & Well-being
41		Business Processes including Digitalisation	Expand the use of technology when commissioning care Under this proposal, the department will explore how technology (specialist and mainstream) can be used to complement current methods of commissioning care. This consists of a number of different approaches that include: - Movement sensors to replace the need for care workers visiting service users to check they are well - Mainstream smart devices to give reminders and prompts to people, which are currently provided by care staff at a cost to the Council. This proposal is in its early stages, though the department has already begun to work with a Supported Living provider to pilot this technology and this approach.	O-V	75,393	0	120	0	120	General planning	Amber-Green	Red-Amber	Amber-Green	Social Care, Health & Well-being

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs £000	Other Spend £000	Income £000	2018/19 Total £000	Status	Residual	Achievability	EIA	
42	People & Communities - Social Services	Review of External Spend	Better use of funding for new care home placements The Council is changing the way it funds new care home placements to ensure the right type and level of care home services are available for people that need them, now and in the future. These changes seek to ensure that the Council funds care home places in a way that; reflects the type and quality of service, is equitable across all homes and service users and supports the quality and sustainability of these services.	O-V	75,393	0	450	0	450	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Social Care, Health & Well-being
43			Reduce the number of new care home placements The Council will increase the type and level of services available to help people fulfil their wish to remain living in their own home, as opposed to moving into a care home. The aim is to reduce the number of people living in a care home.	O-V	75,393	0	300	0	300	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Social Care, Health & Well-being
44			Review Continuing Health Care (CHC) funding towards the cost of care packages Review, with health partners, relative contributions towards the cost of care packages to continue to ensure compliance with CHC guidance on how an individual's (children and adult) needs are most appropriately met and funded.	A-AB	125,417	0	820	0	820	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Children & Families / Social Care, Health & Well-being
45			Reduce the number of children placed in care settings outside of Cardiff Continue the efforts to ensure appropriate support is available to minimise the number of children that move, or continue to live, in fostering or residential placements outside of Cardiff. This is combined with other preventative initiatives aimed at reducing the number of looked after children in external placements.	H	18,050	0	680	0	680	Detailed plan	Red-Amber	Red-Amber	Amber-Green	Children & Families
46			Mainstream awareness raising budgets There are two separate Children's services budgets aimed at making individuals aware of their rights and the services they can access. One of these budgets covers all groups and the Council has worked with different organisations to combine resources to raise awareness in the most effective and efficient way. This means that the second budget has not been used in recent years and is no longer required.	C	541	0	40	0	40	Detailed plan	Green	Green	Amber-Green	Children & Families
47		Prevention and Early Intervention	Maximise the impact of the Community Resource Team (CRT) to support more people to become more independent Undertake a review of the joint service (Health and Council Social Care) and deliver improvements that: 1. Makes best use of Council and health resources to provide the right level of support to the right people 2. Helps these people become more independent and less reliant on health and social care services The cost savings will result from the Council purchasing less domiciliary care provision in the future than at present, as a result of these improvements to CRT.	O	36,173	0	1,200	0	1,200	Detailed plan	Red	Red-Amber	Amber-Green	Social Care, Health & Well-being
48	Prevention and Early Intervention	Maximise the impact of social care provision to support more people to become more independent Two types of improvement will be delivered: 1. Introduce a 'reablement approach' to the way some domiciliary care services are delivered. This will involve this care being provided to people in a way that best supports them to maintain or improve their level of independence. 2. Review how and when social care reviews take place. This will seek to ensure people receive the type and level of care most appropriate to their needs, at that time.	O	36,173	0	1,200	0	1,200	Detailed plan	Red	Red-Amber	Red-Amber	Social Care, Health & Well-being	
Social Services Total					0	4,810	350	5,160						
People & Communities Total					92	5,001	756	5,849						

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio	
				X Ref	£000	Employee Costs	Other Spend	Income	2018/19 Total	Status	Residual	Achievability	EIA		
49	Planning, Transport & Environment	Income Generation	Improved Charging and Income Generation Projects Generate additional income through the introduction of new fees and charges within Highways licencing along with increases in other fees and charges. Further savings will be found by maximising opportunities for recharging for services and through digital projects such as hybrid printing.	A-AN	13,057	0	37	175	212	Detailed plan	Green	Amber-Green	Green	Strategic Planning & Transport	
50			Transportation Policy - Improved Recharging Maximising opportunities for recharging for services.	H-J	(769)	0	0	30	30	Detailed plan	Green	Green	Green	Strategic Planning & Transport	
51			Bereavement Services Generate additional income through a combination of volume and price increases.	F	(3,378)	0	0	50	50	Detailed plan	Green	Green	Amber-Green	Clean Streets, Recycling and Environment	
52			Planning Fee Income Maximising additional planning fee income from an anticipated increase in the volume of planning applications.	W-Z	(2,864)	0	0	55	55	Detailed plan	Amber-Green	Amber-Green	Green	Strategic Planning & Transport	
53			Cardiff Dogs Home Generate additional income through a combination of volume and price increases.	G	(49)	0	0	15	15	Detailed plan	Green	Green	Green	Clean Streets, Recycling and Environment	
54			Street Lighting Recharging Maximising opportunities for recharging both design and inspection to Capital and Section 278 budgets, and increasing charges for these services to external companies.	S	(242)	0	0	30	30	Detailed plan	Green	Amber-Green	Green	Strategic Planning & Transport	
55			Renewable Energy Generation Income will be derived from a number of renewable energy schemes through incentives related to energy generation (Feed In Tariffs, etc.), the sale of energy to the grid and/or other rental income.	D	(342)	0	0	20	20	Detailed plan	Green	Amber-Green	Green	Clean Streets, Recycling and Environment	
56			School Transport - Phased Increase in cost of Bus Passes Continuation of the phased increase in cost of bus passes to ensure actual costs match the provision.	V	(87)	0	0	5	5	Detailed plan	Green	Green	Amber-Green	Education, Employment & Skills	
57			Trade Waste - Expanding Markets Continuing to grow the Council's market share in Cardiff and exploring opportunities of working in partnership. This will generate additional income of £200k with an associated cost of £40k in addition to existing resources.	AD	(3,755)	0	(40)	200	160	Detailed plan	Red-Amber	Amber-Green	Green	Clean Streets, Recycling and Environment	
58			Twin stream waste/recycling collections and obtaining higher quality end products Additional income and reduced processing costs brought about by a change in the Council's approach to recycling collections.	AG	(2,957)	0	0	38	38	Detailed plan	Red-Amber	Red-Amber	Green	Clean Streets, Recycling and Environment	
59			Central Transport Services income generation Utilising capacity in the fleet maintenance facility to bring external contracts back in-house and increase external income, supported by the new fleet management system.	AM	(465)	0	0	60	60	Detailed plan	Green	Red-Amber	Green	Clean Streets, Recycling and Environment	
60			Collaboration	Regulatory Collaboration Reflects a further year's saving for Cardiff from the creation of a single shared service for Environmental Health, Trading Standards and Licensing functions of Cardiff, Bridgend and the Vale of Glamorgan Councils under a single management structure.	E	5,323	0	93	0	93	Detailed plan	Green	Green	Green	Clean Streets, Recycling and Environment
61				Collaborative working in Passenger Transport Potential for merging passenger transport team with neighbouring authority. Associated efficiencies may allow reductions in spend against contracts.	L	13,332	0	37	0	37	General planning	Red-Amber	Red-Amber	Green	Strategic Planning & Transport
62				Waste Services - Local Authority Collaborative Working Seeking new opportunities for income through partnership and cross boundary working - focussing on back office support provision and direct services.	AB	0	0	0	50	50	Detailed plan	Red-Amber	Red-Amber	Green	Clean Streets, Recycling and Environment

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs	Other Spend	Income	2018/19 Total	Status	Residual	Achievability	EIA	
63	Planning, Transport & Environment	Business Processes including Digitalisation	Digitalisation to improve decision making process - continuation City Touch - street lighting Control of lighting levels and faults across the city.	S	456	0	50	0	50	General planning	Amber-Green	Amber-Green	Green	Strategic Planning & Transport
64			Digitalisation in Waste Saving to be found through digital projects and business process efficiencies to include hybrid printing and digitalised income recovery.	AA-AL	6,103	0	25	25	50	General planning	Red-Amber	Red-Amber	Green	Clean Streets, Recycling and Environment
65			Domestic - Round Performance management Use of new technologies to improve collection efficiency and reduce vehicle costs and agency usage.	AB	7,389	203	68	0	271	Detailed plan	Red-Amber	Amber-Green	Green	Clean Streets, Recycling and Environment
66			Treatment & Disposal - Increase in productivity Improving maintenance regimes and work schedules to remove down time and loss of productive time.	AG	1,657	20	0	0	20	Detailed plan	Amber-Green	Amber-Green	Green	Clean Streets, Recycling and Environment
67			Domestic Waste Collection - Improve attendance at work Reduce dependency on agency across the recycling and waste service team.	AB	5,945	50	0	0	50	Detailed plan	Red-Amber	Amber-Green	Green	Clean Streets, Recycling and Environment
68			Reducing vehicle costs in the Corporate Fleet Reducing damage and insurance claims through better reporting, monitoring and training, supported by new fleet management system and supported driver training.	AM	5,728	0	60	0	60	General planning	Red-Amber	Red-Amber	Green	Clean Streets, Recycling and Environment
69		Review of External Spend	Contract rationalisation & improved business process efficiencies (Electrical and Structure & Tunnels) Reflects a further year's saving following implementation of new contracts and efficiencies.	Q & S	510	0	50	0	50	Detailed plan	Amber-Green	Amber-Green	Green	Strategic Planning & Transport
70			Review the delivery of maintenance work currently undertaken by external companies in areas including Housing & Parks Continuation of work to improve performance in order to enable additional work to be undertaken internally, bringing external contracts back in-house for Infrastructure & Maintenance.	T	332	0	40	0	40	Detailed plan	Green	Amber-Green	Green	Strategic Planning & Transport
71			Street Lighting Conversion to LED Full year effect of the savings generated through replacement of main route lighting with LED to reduce long term energy expenditure.	S	456	0	30	0	30	Detailed plan	Green	Green	Green	Strategic Planning & Transport
72			Energy - Change in Energy Billing and Tariff Structures This saving will be generated through changes to the current procurement arrangement, including the introduction of flexible tariffs and improved consumption reporting, that will allow greater control of both costs and usage.	D	1,762	0	130	0	130	General planning	Amber-Green	Red-Amber	Green	Clean Streets, Recycling and Environment
73			Energy Efficiencies Within Council buildings Continue to identify projects through use of the RE:Fit framework for complete building energy retrofit, as well as alternative external funding for individual projects.	D	1,762	0	30	0	30	Detailed plan	Amber-Green	Amber-Green	Green	Clean Streets, Recycling and Environment
74			Energy - Reduction in bills across the estate through improved management and behaviour change (Carbon Reduction Strategy) The approved Carbon Reduction Strategy sets out a series of actions that will manage and reduce the Council's energy consumption. Part of this strategy relates to better management of energy consumption and behaviour change amongst building managers and other staff.	D	753	0	50	0	50	General planning	Amber-Green	Amber-Green	Green	Clean Streets, Recycling and Environment
75			School Transport - Additional Learning Needs (ALN) - Review of transport for pupils within 2/3 Miles (Primary/Secondary) Review and challenge transport for statemented pupils who live within 2 miles from primary school and 3 miles from secondary. This will be done on an individual case basis, to take into account of the individual child's needs based on ALN transport policy.	V	5,787	0	27	0	27	Detailed plan	Red-Amber	Red-Amber	Red	Education, Employment & Skills

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs	Other Spend	Income	2018/19 Total	Status	Residual	Achievability	EIA	
76	Planning, Transport & Environment	Review of External Spend	School Transport - Additional Learning Needs (ALN) - Route Optimisation and Retendering of Routes/Mergers Reviewing on a case by case basis, working closely with Education and individual schools. Review and challenge current transport provision to ensure it fits the needs of pupils.	V	5,787	0	50	0	50	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Education, Employment & Skills
77			School Transport - Travel Support Allowance Replace taxi/bus provision with an advance payment to parents on a termly basis. Parents would then be responsible for pupils' transport to school.	V	5,787	0	42	0	42	Detailed plan	Amber-Green	Amber-Green	Red-Amber	Education, Employment & Skills
78			School Transport - Llanishen High School buses A continuation of the planned, phased reduction in provision of buses to Llanishen High School pupils who were previously in catchment for Llanedeyrn High School (closed). Eligible pupil numbers will continue to decrease with an associated reduction in transport costs, with the phased reduction concluding in 2020/21.	V	5,787	0	33	0	33	Detailed plan	Amber-Green	Amber-Green	Green	Education, Employment & Skills
Planning, Transport & Environment Total						273	812	753	1,838					
79	Resources - Governance & Legal Services	Income Generation	Legal Services Income - Schools SLA Legal Services are provided to schools under a service level agreement, under which income is received for work carried out. This income target reflects the level of work carried out.	B	(899)	0	0	40	40	Realised	Green	Green	Green	Leader's Portfolio
80			Legal Services Income - Cardiff Capital Region City Deal (CCRC) Cardiff Council is the accountable body for the CCRC Regional Cabinet under which ten local authorities are working together on economic regeneration in the region. Legal services are provided to the regional cabinet on an hourly rate basis and this income target reflects the agreed income.	B	(899)	0	0	55	55	Detailed plan	Green	Green	Green	Leader's Portfolio
81			Legal Services Income - Capital Receipts Reflects eligible costs in accordance with regulations that can be recovered from the disposal proceeds of assets.	B	(899)	0	0	35	35	Detailed plan	Green	Green	Green	Leader's Portfolio
82			Bilingual Cardiff Additional Income This saving will be achieved through realising the benefits of collaborative working.	J	(60)	0	0	90	90	Detailed plan	Green	Green	Green	Leader's Portfolio
83			Increase in Fees and Charges for Legal Services This represents small increases in legal fees where it is possible to charge.	B	(899)	0	0	6	6	Detailed plan	Green	Green	Green	Leader's Portfolio
84		Business Processes including Digitalisation	Reduction of Scrutiny Function This proposal would delete a vacant post and a post filled on a temporary basis. It will reduce the scrutiny support function and result in fewer task and finish groups.	D	500	53	0	0	53	Detailed plan	Green	Red-Amber	Green	Leader's Portfolio
85			Reduction in Democratic support budget A reduction in the staffing budget for committee services which reflects the current monitoring position in relation to clerking for internal meetings.	E	373	20	0	0	20	Realised	Green	Green	Green	Leader's Portfolio
86			Efficiencies in Democratic and Member Services This saving reflects a reduction in a number of smaller budgets within the directorate in line with the current monitoring position.	E&G	133	0	20	0	20	Realised	Green	Green	Green	Leader's Portfolio
87			Efficiencies Saving includes increased income from work undertaken for CCRC and neighbouring authorities, in addition to reductions in budgets for internet and translation charges	A-J	605	0	20	20	40	General planning	Amber-Green	Amber-Green	Green	Leader's Portfolio
88	Review of External Spend	Reduction in External Legal Fees Planned reduction in external legal fees due to increased capacity requiring less outsourcing of work.	B	(2)	0	83	0	83	Detailed plan	Red-Amber	Red-Amber	Green	Leader's Portfolio	
Governance & Legal Services Total						73	123	246	442					

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs £000	Other Spend £000	Income £000	2018/19 Total £000	Status	Residual	Achievability	EIA	
89	Resources - Resources	Income Generation	Income from Hosting of South East Wales Schools Capital and Public Buildings (SEWSCAP) and South East Wales Highways Frameworks Cardiff has taken on the hosting and management of these arrangements on the understanding that staff time would be offset against the income generated by the levy applied to the framework. A Cabinet report requesting permission to take over the hosting and management was approved in July 2017.	G	(557)	0	0	40	40	Detailed plan	Green	Green	Green	Finance, Modernisation and Performance
90			Atebion Solutions Additional Income Atebion Solutions is a trading company wholly owned by the Council which trades commercial and procurement services to other public sector organisations. The model that has been developed is based on reducing the fixed costs of the Strategic Procurement Team through the charging of full costed staff time to the company. Due to the success of the company to date, the annual income target for the Council will be stretched by £20k.	G	(557)	0	0	20	20	Detailed plan	Amber-Green	Green	Green	Finance, Modernisation and Performance
91			Cardiff Academy - Income Generation Ongoing plan to develop and provide cost effective training both within the council and to external public sector bodies including Health & Safety training.	K	(73)	0	0	53	53	Detailed plan	Amber-Green	Amber-Green	Green	Finance, Modernisation and Performance
92			Recovery of staff costs & income generation Maximising opportunities for recharging for Capital Ambition Delivery Team staff costs from supported projects and exploring new income opportunities with external partners/organisations.	Z & I	(27)	0	0	109	109	Detailed plan	Green	Green	Green	Finance, Modernisation and Performance
93			Expansion of Meals on Wheels A plan is already being progressed to increase service users up to full capacity, making best use of existing resources (staff and vehicles). This would allow the service to fully fund itself and remove the existing £100k subsidy.	AB	(2,261)	0	0	100	100	Detailed plan	Green	Amber-Green	Green	Social Care, Health & Well-being
94		Business Processes including Digitalisation	Exchequer and Development Service efficiencies / remodelling Building on efficiencies already delivered, further work processes will be reviewed thus allowing the cost of the team to be reduced through improved processes and optimising the use of existing resources to ensure there is no spare capacity.	A	899	95	20	25	140	Detailed plan	Amber-Green	Amber-Green	Green	Finance, Modernisation and Performance
95			Accountancy – Review of staff resource Savings will be achieved through a review of the staffing structure and an increase in the vacancy provision to reflect on-going levels of staff turnover and management of vacancies.	C	3,092	100	0	0	100	Detailed plan	Amber-Green	Amber-Green	Green	Finance, Modernisation and Performance
96			Revenues Section - Savings derived from improved processes Work will be undertaken to further improve processes without impacting the collection rate of Council Tax	E	475	50	0	20	70	Detailed plan	Amber-Green	Red-Amber	Amber-Green	Finance, Modernisation and Performance
97			Internal Audit - Review of Staff Resource Further refocusing of priorities within the Internal Audit team allowing a reduction of one post.	D	580	36	0	0	36	Detailed plan	Amber-Green	Amber-Green	Green	Finance, Modernisation and Performance
98			Information Governance Business Efficiencies Based on current workload, it is possible to reduce the team by 0.6 FTE without adverse impact on service delivery.	B	498	19	0	0	19	Detailed plan	Green	Green	Green	Finance, Modernisation and Performance
99	Human Resources Business Efficiencies Savings relate to the permanent deletion of two posts that undertake transactional duties. The posts are currently vacant and residual resources have been realigned to avoid adverse impact on service delivery.		J-P	3,862	52	0	0	52	Detailed plan	Amber-Green	Amber-Green	Green	Finance, Modernisation and Performance	
100	HR IT System Move the Council's HR IT system on to the Council's private cloud platform		J-P	411	0	11	0	11	Detailed plan	Green	Green	Green	Finance, Modernisation and Performance	

DIRECTORATE BUDGET SAVINGS PROPOSAL SUMMARY 2018/19

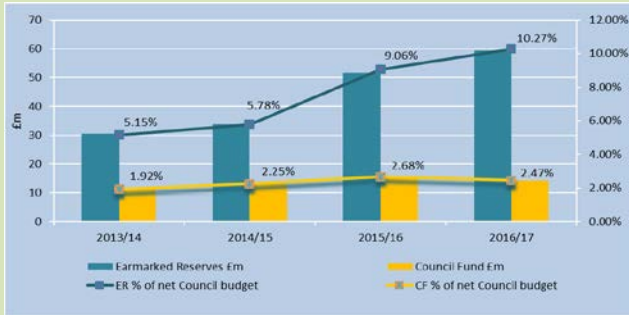
No.	Directorate	Theme	Proposal	Budget		Saving				Risk Analysis				Cabinet Portfolio
				X Ref	£000	Employee Costs £000	Other Spend £000	Income £000	2018/19 Total £000	Status	Residual	Achievability	EIA	
101	Resources - Resources	Business Processes including Digitalisation	Savings from reduction in Support Cost for HR IT systems Savings arising from planned reduction in support cost for HR IT systems. The costs associated with this were previously funded by post reductions in Human Resources as required in the original business case model.	J-P	411	0	178	0	178	Detailed plan	Green	Green	Green	Finance, Modernisation and Performance
102			ICT Staffing Budget Reduction of posts in ICT. Residual resources will be realigned to avoid adverse impact on service delivery.	Q	4,300	152	0	0	152	Detailed plan	Amber-Green	Amber-Green	Amber-Green	Finance, Modernisation and Performance
103			Cessation of "In Cardiff" Newspaper The Council's communications strategy clearly puts the use of digital forms of communication - especially social media - at the heart of how the Council interacts with the people it serves. Within this context, the saving will be delivered by discontinuing the design and publication of In Cardiff.	U	37	0	37	0	37	Detailed plan	Green	Amber-Green	Red-Amber	Leader's Portfolio
104			Consolidation of Corporate Policy Capacity The combination of two related functions within the Council's corporate centre will enable the deletion of a post that is currently vacant.	T	529	35	0	0	35	Detailed plan	Amber-Green	Green	Green	Leader's Portfolio
105			Policy & Partnerships - Reduction in Operational Costs Reduction in operational costs in line with historic reduction of service size.	V	4,526	0	25	0	25	Detailed plan	Green	Green	Green	Leader's Portfolio
106			Corporate Performance Team Staffing The deletion of a vacant senior post within the Council's Corporate Performance Team (£55k) plus other staffing efficiencies.	W	307	63	0	0	63	Detailed plan	Green	Amber-Green	Green	Finance, Modernisation and Performance
107			Efficiencies To include a Procure to Pay process review and reductions in budgets for printing & stationery and transport, in addition to a further review of staffing resources.	A-AD	14,408	35	40	5	80	General planning	Green	Green	Green	Finance, Modernisation and Performance
108			Review of External Spend	External ICT Spend Reduction in ICT spend through a further review of ICT funded licences and support contracts.	R	2,159	0	206	0	206	Detailed plan	Amber-Green	Amber-Green	Green
Resources - Resources Total					637	517	372	1,526						
Resources Total					710	640	618	1,968						
109	Council Wide Efficiencies	Business Processes including Digitalisation	Council Wide Efficiencies In line with the Council's digital strategy, this saving will be achieved through delivering business efficiencies through third party spend, changing processes, technology and staff resources. This will put the use of digital forms of communication and service delivery at the heart of how the Council operates and interacts with the people it serves.			0	606	0	606	General Planning	Red-Amber	Red-Amber	Amber-Green	Council Wide
110			Efficiencies Procure to Pay Process review which will deliver resource efficiencies across the Council			0	20	0	20	General Planning	Amber-Green	Red-Amber	Green	Council Wide
Council Wide Efficiencies Total					0	626	0	626						
Council Total					1,879	9,391	3,026	14,296						

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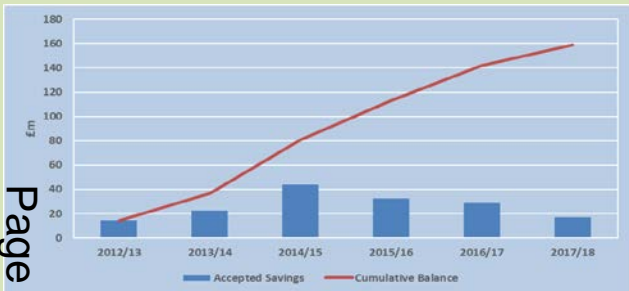
FINANCIAL SNAPSHOT REPORT - BUDGET REPORT VERSION

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts.

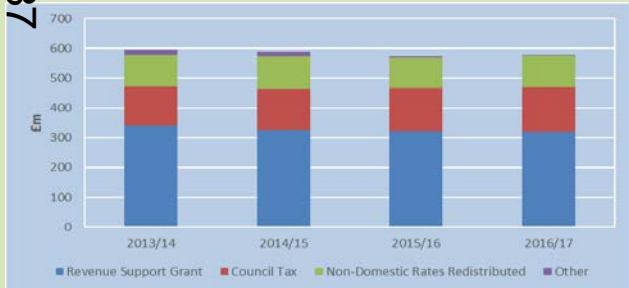
Level of Council Fund (CF) and Earmarked Reserves (ER)



Cumulative Budget Savings 2012/13 to 2017/18



Revenue Funding Split



Other Financial Indicators - Cardiff Council Single Entity Accounts

Indicator	2013/14	2014/15	2015/16	2016/17
Working Capital as a percentage of Gross Revenue Expenditure (%)	5.18%	5.13%	6.02%	7.02%
Usable Reserves as a percentage of Gross Revenue Expenditure (%)	6.43%	7.16%	10.31%	11.50%
Earmarked Reserves as a percentage of Gross Revenue Expenditure (%)	3.85%	4.28%	6.63%	8.00%
Unallocated/General Reserves to Gross Revenue Expenditure (days)	5	6	7	6
Long-term Borrowing to Long-term Assets (ratio)	0.25:1	0.24:1	0.35:1	0.35:1
Long-term Borrowing to Taxation & Aggregate External Finance	0.69:1	0.72:1	1.05:1	1.03:1
Council Tax as a % of Taxation & Non-Specific Grants (%)	23.32%	25.64%	27.68%	27.85%

The tables below show the Projected Outturn position for the 2017/18 financial year for both revenue and capital.

Revenue Month 9 Projected Position

Directorate	Net Expenditure Budget £000	Projected Outturn £000	Variance £000	Variance %
City Operations	34,793	34,681	(112)	(0.3%)
Communities, Housing & CS	43,354	43,152	(202)	(0.5%)
Corporate Management	26,108	26,058	(50)	(0.2%)
Economic Development	13,215	14,215	1,000	7.6%
Education & Lifelong Learning	249,324	250,322	998	0.4%
Governance & Legal Services	6,032	5,929	(103)	(1.7%)
Resources	19,562	19,245	(317)	(1.6%)
Social Services	153,486	157,476	3,990	2.6%
Total Directorates	545,874	551,078	5,204	0.95%
Capital Financing	33,717	34,347	630	1.9%
Discretionary Rate Relief	350	350	0	0.0%
General Contingency	3,000	0	(3,000)	(100.0%)
Summary Revenue Account etc.	4,043	2,643	(1,400)	(34.6%)
Council Tax Collection	0	(103)	(103)	0.0%
NDR Refunds on Council Properties	0	(1,331)	(1,331)	0.0%
Total	586,984	586,984	0	0.0%

Revenue Savings Achieved and Unachieved 2016/17 and 2017/18



Directorate	Unachieved Savings by Year		
	2016/17 £000	2017/18 £000	Total £000
City Operations	209	296	505
Communities, Housing & CS	300	190	490
Corporate Management	0	0	0
Economic Development	390	187	577
Education & Lifelong Learning	560	91	651
Governance & Legal Services	0	55	55
Resources	0	85	85
Social Services	542	1,255	1,797
Total	2,001	2,159	4,160

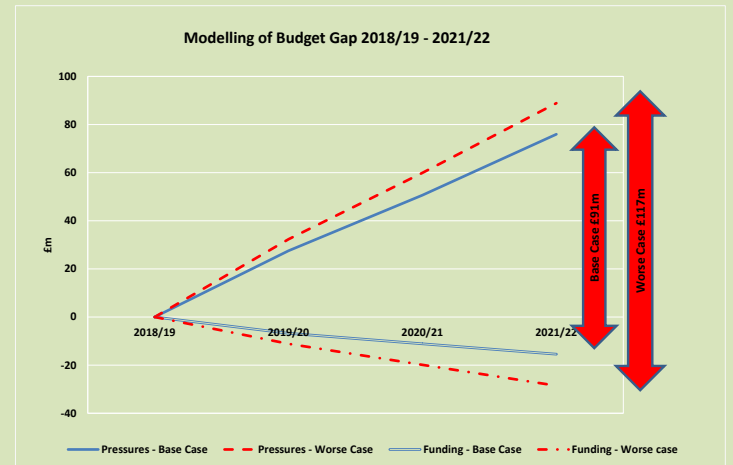
Capital Month 9 Projected Position

Directorate	Budget £000	Projected Outturn £000	Variance £000	Variance %	(Under)/Overspend £000	Slippage £000
City Operations	33,744	25,755	(7,989)	(23.7%)	(117)	(7,872)
Communities, Housing & Customer Services	13,201	10,798	(2,403)	(18.2%)	0	(2,403)
Economic Development	20,940	16,086	(4,854)	(23.2%)	505	(5,359)
Education & Lifelong Learning	57,661	50,183	(7,478)	(13.0%)	(200)	(7,278)
Resources	7,396	6,807	(589)	(8.0%)	0	(589)
Social Services	2,357	1,471	(886)	(37.6%)	0	(886)
Total	135,299	111,100	(24,199)	(17.89%)	188	(24,387)

The tables below show the Medium Term Financial Plan (MTFP), the risks and affordability indicators facing the Council.

MTFP Scenario

	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Financial Pressures	27,526	23,152	25,278	75,956
Funding	6,759	4,366	4,322	15,447
Budget Requirement Reduction	34,285	27,518	29,600	91,403
Budget Strategy Assumptions	10,168	8,206	7,489	25,863
Total Savings Required	24,117	19,312	22,111	65,541
Total Strategy	34,285	27,518	29,600	91,403



Capital Expenditure & Capital Financing Requirement (CFR)

	31 Mar 17 £000	31 Mar 18 £000	31 Mar 19 £000	31 Mar 20 £000
Capital Expenditure	Actual	Estimate	Estimate	Estimate
Council Fund (General Fund)	83,833	111,100	99,739	96,001
Housing Revenue Account	24,154	29,097	42,025	29,522
Total Capital Expenditure	107,987	140,197	141,764	125,523
Capital Financing Requirement excl. Landfill				
Council Fund CFR	449,533	484,654	500,311	510,547
Housing Revenue Account CFR	273,883	271,764	295,099	293,722
Total CFR	723,416	756,418	795,410	804,269

Affordability Indicator - Capital Financing Costs as a % of Controllable Budget

	2011/12	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Difference 11/12-22/23
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	%	%	%	%	%	%	%	%
Net	13.47	14.40	13.87	14.49	15.11	16.46	16.65	23.61
Gross	15.17	18.16	18.07	19.21	20.56	23.38	24.62	62.29

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Risk Assessment Summary of 2018/19 Savings Proposals

		Corporate Management	Economic Development	Education & Lifelong Learning	People & Communities		Planning, Transport & Environment	Resources		Total Directorate Savings
		£000	£000	£000	Communities & Housing	Social Services	£000	Governance & Legal Services	Resources	£000
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Planning Status	General	626	40	80	71	120	377	40	80	1,434
	Detailed	220	2,446	833	351	5,040	1,461	322	1,446	12,119
	Realised	31	0	365	267	0	0	80	0	743
	Total	877	2,486	1,278	689	5,160	1,838	442	1,526	14,296
Residual Risk	Red	0	0	0	0	2,400	0	0	0	2,400
	Red-Amber	606	0	73	0	2,250	743	83	0	3,755
	Amber-Green	20	932	200	160	470	510	40	864	3,196
	Green	251	1,554	1,005	529	40	585	319	662	4,945
	Total	877	2,486	1,278	689	5,160	1,838	442	1,526	14,296
Achievability Risk	Red	0	0	0	0	0	0	0	0	0
	Red-Amber	626	583	273	0	4,770	452	136	70	6,910
	Amber-Green	0	578	390	323	350	1,163	40	939	3,783
	Green	251	1,325	615	366	40	223	266	517	3,603
	Total	877	2,486	1,278	689	5,160	1,838	442	1,526	14,296
Equality Impact Assessment	Red	0	0	0	0	0	27	0	0	27
	Red-Amber	0	115	110	0	1,550	42	0	37	1,854
	Amber-Green	816	9	200	200	3,610	105	0	222	5,162
	Green	61	2,362	968	489	0	1,664	442	1,267	7,253
	Total	877	2,486	1,278	689	5,160	1,838	442	1,526	14,296

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Appendix 9(a)

EARMARKED RESERVES GENERAL FUND

	Reserve	Estimated balance at 31.03.18 £000	Estimated Movements		Estimated balance at 31.03.19 £000	Purpose
			To finance budget £000	Other Commitments £000		
1	Apprenticeships and Trainees	519	0	(519)	0	To support the Council's commitment to young people through funding for apprenticeships and trainees.
2	Bereavement Services	87	0	(50)	37	To fund a planned programme of refurbishment and improvement.
3	Building Control Fee Earning	530	0	0	530	Represents historic surpluses relating to the ringfenced building control account which will be used to smooth the effects of any future deficits.
4	Bute Park Match Funding	145	0	(25)	120	To provide match funding for grant funded initiatives in relation to Bute Park, as per Heritage Lottery Fund agreement.
5	Capital Ambition	552	0	(329)	223	To fund additional advice/support for the delivery of Capital Ambition projects. Requests for funding are presented to the Investment Review Board for approval.
6	Cardiff Academy Training	97	0	(30)	67	To support initiatives undertaken by the Academy.
7	Cardiff Capital Region City Deal	94	0	(94)	0	Towards costs of the Joint Cabinet for the Cardiff Capital Region in collaboration with Local Authorities, Welsh and UK Governments.
8	Cardiff Dogs Home Legacy	115	0	0	115	Donations left to Cardiff Dogs Home to be used for improvements to the home.
9	Cardiff Enterprise Zone	4,316	(154)	0	4,162	Budget set aside to fund expenditure on the Cardiff Enterprise Zone in future years.
10	Central Market Works	297	0	(297)	0	To fund works at Cardiff Central Market.
11	Central Transport Service	157	0	(100)	57	To fund costs relating to the CTS vehicle service in future years.
12	City Wide Management & Initiatives	180	0	(80)	100	City wide management and initiatives including supporting marketing and infrastructure in relation to the City.
13	Community Based Services Transition	198	0	(100)	98	To fund the support for potential future community asset transfers.
14	Corporate Events & Cultural Services	335	0	72	407	To support feasibility studies and costs of major events and to offset future pressures arising from fluctuations in income within Venues and Cultural Services.

Appendix 9(a)

	Reserve	Estimated balance at 31.03.18 £000	Estimated Movements		Estimated balance at 31.03.19 £000	Purpose
			To finance budget £000	Other Commitments £000		
15	Corporate Landlord Function	434	0	(434)	0	To support the corporate landlord functions across the Council in order to provide a cohesive and commercial operating model.
16	Discretionary Rate Relief	100	0	0	100	To fund changes to the NDR discretionary rate relief scheme.
17	Emergency Management, Safeguarding and Prevent	105	(20)	0	85	Preventative measures in relation to safeguarding, Prevent agenda and emergency management.
18	Employee Changes	6,388	(250)	(700)	5,438	In accordance with the projected model, this is required to meet the costs associated with voluntary redundancy and other employee costs in future years.
19	Energy Conservation	234	0	(150)	84	To fund initiatives in connection with energy conservation.
20	Energy Market Volatility	349	0	0	349	To provide funding for unexpected fluctuations in the cost of energy.
21	Fraud Detection	107	0	(66)	41	To supplement staffing and other costs associated with fraud detection.
22	Governance & Legal Services	386	0	(128)	258	To fund future Governance & Legal Services initiatives, including projects in connection with ICT upgrades and to manage fluctuations in demand for external legal services.
23	Harbour Authority Project and Contingency Fund	165	0	(118)	47	To fund expenditure for the improvement and enhancement of infrastructure, assets, activities or services in or around Cardiff Bay.
24	Homelessness	1,282	0	(127)	1,155	To be used to meet increases in homelessness pressures.
25	Houses in Multiple Occupation Licensing	25	0	(13)	12	To spread the income in line with costs for the five year length of licenses.
26	Housing Options Centre	803	0	(118)	685	To meet the capital financing costs of the Housing Options Centre.
27	Housing Support	1,028	0	(250)	778	To improve sustainability by maintaining people's independence in their own homes.
28	ICT Holding Account	863	0	(200)	663	To fund future Business Process Improvement initiatives and other future ICT initiatives.
29	Inspectorate Support	295	0	0	295	To procure necessary consultancy for inspections and regulatory environment.
30	Insurance	6,209	(450)	0	5,759	To protect the Council from future potential insurance claims.

Appendix 9(a)

	Reserve	Estimated balance at 31.03.18 £000	Estimated Movements		Estimated balance at 31.03.19 £000	Purpose
			To finance budget £000	Other Commitments £000		
31	Integrated Partnership Strategy	31	(31)	0	0	To support ongoing implementation of the Cardiff Integrated Partnership arrangements to include progression of work stream activities and facilitated support for joint working. No movement on this reserve in recent years or anticipated in the future.
32	Invest to Save	350	0	0	350	To fund revenue invest to save schemes.
33	Joint Equipment Store - Pooled Budget	195	0	(195)	0	To be utilised to offset deficits or one off expenditure items in the pooled budget, in future years.
34	Local Lend a Hand Mortgage Scheme	222	(222)	0	0	Interest receivable in case of default on Local Lend a Hand Mortgage Scheme. Scheme ended in December 2017.
35	Local Plan	99	0	0	99	To support the cost of the Local Development Plan and any potential appeals or judicial reviews.
36	Major Projects	765	0	0	765	To contribute towards the cost of Major Projects.
37	Members Development	92	0	0	92	To support webcasting of Council meetings and any additional Members' ICT software.
38	Municipal Election	247	0	96	343	To support the cost of local elections.
39	Municipal Mutual Insurance	1,258	0	0	1,258	To protect the Council from a scheme that was triggered on 13 November 2012 and will involve the claw back of a percentage of previously paid claims, as well as a percentage of future claims.
40	Non-Domestic Rates Due Diligence	60	0	0	60	To fund the costs of NDR due diligence.
41	Out of School Childcare	58	0	0	58	Surplus balances from each school operating an out of school childcare scheme. These can be drawn upon by each school to balance in year.
42	Parking & Enforcement	479	0	(256)	223	This represents surpluses on parking & enforcement schemes which, under the Road Traffic Act 1984, have to be reinvested in Road Traffic Schemes.
43	Projects, Design and Development	137	0	0	137	To cover unattributable anomalies in building design and construction.
44	Public Service Board Initiative	23	(23)	0	0	To fund work in connection with the Public Service Board. No movement on this reserve in recent years or anticipated in the future.
45	Registration Service Improvement	46	0	0	46	To fund various service improvements.

Appendix 9(a)

	Reserve	Estimated balance at 31.03.18 £000	Estimated Movements		Estimated balance at 31.03.19 £000	Purpose
			To finance budget £000	Other Commitments £000		
46	Resources	1,404	0	(425)	979	To provide funding to a number of areas within the Resources Directorate particularly where transition to new methods of operation are required.
47	Schools Catering and Kitchen Improvements	495	0	(200)	295	To be used to support the Schools Catering Service, including kitchen improvements, the implementation of a cashless transaction system and the costs associated with a temporary catering unit at Cantonian High School.
48	Schools Formula Funding	988	0	(450)	538	Contingency Fund set aside to meet unplanned and unforeseen expenditure incurred by or on behalf of the delegated schools' budgets.
49	Schools Organisation Plan	2,852	0	(1,320)	1,532	To be used to manage the cash flow implications of the School Organisational Plan financial model.
50	Scrutiny Development & Training	50	0	0	50	To fund Member development and training.
51	Scrutiny	32	0	0	32	Contingency Fund to allow for impacts as part of Scrutiny Review and specific ICT replacement costs.
52	Social Care Technology	609	0	(100)	509	Support social care IT developments.
53	Strategic Budget	2,682	(1,000)	0	1,682	To support financial resilience and the future budget requirements of the Council over the three year budget period within the Medium Term Financial Plan.
54	Strategic Estates	131	0	0	131	To be used by Strategic Estates, as a tool for managing timing and fluctuations of income from fees re disposal of properties.
55	Waste Management	808	0	0	808	To support additional waste management initiatives to achieve recycling targets and offset the impact of additional tonnage and associated waste management costs.
56	Welfare Reform	2,255	(200)	(41)	2,014	To fund costs in connection with potential future welfare reform and Council Tax Reduction Scheme.
57	Workshops Asset Maintenance	140	0	0	140	To assist in the asset maintenance requirements of the Council's managed workshops.
58	Youth and Community Education	117	0	(100)	17	To fund costs connected with the refurbishment of youth centres and potential initiatives in adult and community learning.
	TOTAL	43,020	(2,350)	(6,847)	33,823	

EARMARKED RESERVES HRA

	Reserve	Estimated balance at 31.03.18 £000	Estimated Movements 2018/19		Estimated balance at 31.03.19 £000	Purpose
			To finance budget £000	Other Commitments £000		
1	Housing Development & Acquisition	725	0	(725)	0	To fund the development of the additional build programme, other land and property acquisitions and to support the Housing Partnership Programme.
2	Housing Repairs & Building Maintenance Services	1,016	0	(339)	677	To fund costs of the Housing Repairs Account and Building Maintenance Replacement/Services.
3	Modernising ICT	138	0	(100)	38	To support costs of improving business processes.
4	Tackling Overcrowding	200	0	(67)	133	To fund costs of the Tackling overcrowding project.
5	Welfare Reform	50		(50)	0	To fund project costs and scheme development to address issues for council tenants due to benefit cap and universal credit.
	TOTAL	2,129	0	(1,281)	848	

	Reserve	Estimated balance at 31.03.18 £000	Estimated Movements 2018/19		Estimated balance at 31.03.19 £000	Purpose
			To finance budget £000	Other Commitments £000		
1	General Housing	8,874	0	0	8,874	General housing balance.
	TOTAL	8,874	0	0	8,874	

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Appendix 10

EMPLOYEE IMPLICATIONS OF BUDGET

				All figures are expressed in terms of full time equivalent posts					
Ref	Impact on posts	Savings Title	Voluntary Redundancy	Vacant	Retirement/ Flexi Retirement	Redeploy	TBC	New Post / Temporary	TOTAL FTE's
Economic Development									
1	Delete	St. David's Hall - Review of Costs, Income and Service Delivery					(1.35)		(1.35)
2	Delete	New Theatre - Review of Costs, Income and Service Delivery					(1.35)		(1.35)
3	Delete	Cardiff Castle - Review of Costs, Income and Service Delivery					(2.00)		(2.00)
4	Delete	Reduced service in Tourism		(2.00)					(2.00)
5	Delete	New model for Children's Play		(1.00)	(.25)				(1.25)
6	Delete	Reduction in management costs across the Parks & Sport service	(1.00)	(1.00)	(.65)	(1.00)		1.00	(2.65)
Economic Development Net Position			(1.00)	(4.00)	(0.90)	(1.00)	(4.70)	1.00	(10.60)
Education & Lifelong Learning									
7	Delete	Education Directorate - Central Staffing & Management					(7.00)		(7.00)
8	Create	Cardiff Commitment						1.00	1.00
Education & Lifelong Learning Net Position			0.00	0.00	0.00	0.00	(7.00)	1.00	(6.00)
People & Communities - Communities & Housing									
9	Delete	Deletion of two vacant posts within Housing Benefit		(2.00)					(2.00)
10	Delete	Deletion of vacant post within Prevention Services		(1.00)					(1.00)
11	Delete	Introduction of new Housing online form			(0.34)				(0.34)
12	Create	Joint Equipment Service						3.00	3.00
People & Communities - Communities & Housing Net Position			0.00	(3.00)	(0.34)	0.00	0.00	3.00	(0.34)
People & Communities - Social Services									
13	Create	Learning Disabilities Internal Day Care						3.00	3.00
14	Create	Enhanced Programme for Reviews						1.00	1.00
15	Create	Additional Support Worker posts - Specialist Services						4.00	4.00
16	Create	Recruit More Independent Reviewing Officers (IROs)						2.00	2.00
People & Communities - Social Services Net Position			0.00	0.00	0.00	0.00	0.00	10.00	10.00
People & Communities Net Position			0.00	(3.00)	(0.34)	0.00	0.00	13.00	9.66
Resources - Governance & Legal Services									
17	Delete	Reduction of Scrutiny Function		(1.00)					(1.00)
18	Delete	Cessation of support for internal meetings		(1.00)					(1.00)
Governance & Legal Services Net Position			0.00	(2.00)	0.00	0.00	0.00	0.00	(2.00)

Appendix 10

EMPLOYEE IMPLICATIONS OF BUDGET

All figures are expressed in terms of full time equivalent posts

Ref	Impact on posts	Savings Title	Voluntary Redundancy	Vacant	Retirement/ Flexi Retirement	Redeploy	TBC	New Post / Temporary	TOTAL FTE's
Resources - Resources									
19	Delete	Exchequer and Development Service efficiencies / remodelling	(1.00)	(2.00)					(3.00)
20	Delete	Accountancy		(1.00)					(1.00)
21	Delete	Revenues Section - Savings derived from improved processes		(1.00)			(1.00)		(2.00)
22	Delete	Refocussing priorities in respect of Audit		(0.40)			(0.60)		(1.00)
23	Delete	Efficiencies in Information Governance	(0.60)						(0.60)
24	Delete	Human Resources Business Efficiencies		(2.00)					(2.00)
25	Delete	ICT staffing reductions	(3.65)						(3.65)
26	Delete	Consolidation of Corporate Policy Capacity		(1.00)					(1.00)
27	Delete	Corporate Performance Team Staffing		(1.00)					(1.00)
Resources - Resources Net Position			(5.25)	(8.40)	0.00	0.00	(1.60)	0.00	(15.25)
Resources Net Position			(5.25)	(10.40)	0.00	0.00	(1.60)	0.00	(17.25)
Council Total			(6.25)	(17.40)	(1.24)	(1.00)	(13.30)	15.00	(24.19)

Appendix 11 (a)

CARDIFF COUNCIL: FEES AND CHARGES 2018/19

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
Economic Development						
Charges in respect to filming in the City						
1	Charges in respect to filming in the City	£25.00 - £200.00	Nil	Nil	1 April 2018	No proposed increase following restructure of charges
Workshop Rents						
2	Workshop Rents	Various	See Comment		1 April 2018	Subject to condition of lease. Rents reviewed on a commercial basis.
Land and Building Rents						
3	Land and Building Rents	Various	See Comment		1 April 2018	Subject to condition of lease
Business Development						
4	Loan Administration Fee - one off payment	£250.00	Nil	Nil	1 April 2018	No proposed increase
5	Equity Administration - one off payment	£1,000.00				
Venues						
6	Commercial Catering	Various	See Comment		1 April 2018	Menu price constantly reviewed on a commercial basis.
Norwegian Church						
7	Wedding Package based on 60 guests - 5pm - midnight	£4,000.00	£500.00	12.50%	1 April 2018	The proposed new charge is £4,500.00
8	Grieg Room hire – day hire	£250.00	£150.00	60.00%		The proposed new charge is £400.00
9	Day Delegate Rate (min no's 20)	£35.00	£5.00	14.29%		The proposed new charge is £40.00
10	Grieg Room – Evening Hire - 7pm - midnight	£500.00	£100.00	20.00%		The proposed new charge is £600.00
11	Concert hire – 7.30pm - 9.30pm	£300.00	£60.00	20.00%		The proposed new charge is £360.00
Cardiff Castle						
12	Cardiff Castle Gift Shop	Various	See Comment		1 April 2018	Determined by mark up to cover required profit margin.
13	Castle Key	£6.00	£0.50	8.33%		The proposed new charge is £6.50
14	Cardiff Castle Tours	£3.25	£0.10	3.08%		The proposed new charge is £3.35
15	Castle Banquet	£45.00	£1.50	3.33%		The proposed new charge is £46.50
16	Castle Room Hire	£625.00	Nil	Nil		No proposed increase
City Hall / Mansion House						
17	Assembly Room - Mon to Fri (6 hours)	£1,750.00	£50.00	2.86%	1 April 2018	The proposed new charge is £1,800.00
18	Assembly Room - Weekends, Evenings & Bank Holidays (6 hours)	£2,400.00	£50.00	2.08%		The proposed new charge is £2,450.00
19	Marble Hall - (6 Hours)	£1,550.00	£50.00	3.23%		The proposed new charge is £1,600.00
20	Marble Hall -Weekends, Evenings & Bank Holidays (6 hours)	£1,550.00	£50.00	3.23%		The proposed new charge is £1,600.00
21	Lower Hall - Mon - Fri (6 Hours)	£1,050.00	£50.00	4.76%		The proposed new charge is £1,100.00
22	Lower Hall - Weekends, Evenings & Bank Holidays (6 Hours)	£1,700.00	£50.00	2.94%		The proposed new charge is £1,750.00
23	Ferrier Hall - Mon - Fri (4 Hours)	£375.00	£5.00	1.33%		The proposed new charge is £380.00
24	Ferrier Hall - Weekends, Evenings & Bank Hols (4 Hours)	£575.00	£15.00	2.61%		The proposed new charge is £590.00
25	Council Chamber - Mon - Fri (4 Hours)	£295.00	£5.00	1.69%		The proposed new charge is £300.00
26	Council Chamber - Weekends, Evenings & Bank Hols (4 Hours)	£450.00	£50.00	11.11%		The proposed new charge is £500.00
27	Syndicate Rooms - Mon - Fri - Full Day	£410.00	£10.00	2.44%		The proposed new charge is £420.00
28	Syndicate Rooms - Weekends, Evenings & Bank Hols - (4 Hours)	£350.00	£10.00	2.86%		The proposed new charge is £360.00
29	All City Hall Room Hire - Discounted for Registered Charities	30%	See Comment			This is the discount available to registered charities
30	Mansion House Hire - per 4 hour session	£550.00	Nil	Nil		No proposed increase
31	Mansion House Hire - evenings 6 hour sessions	£1,050.00				
32	Mansion House Hire Charges - discount for registered charities	20%	See Comment		This is the discount available to registered charities	
Cardiff Caravan & Camping Charges						
33	Pitches (Hiker)	£15.00	Nil	Nil	1 April 2018	No proposed increase - in line with other campsites providers and reflects current onsite facilities.
34	Pitches (Single Occupancy without electric)	£22.00				
35	Pitches (Single Occupancy with electric)	£25.00				
36	Pitches (without electric)	£27.00				
37	Pitches (with electric)	£30.00				

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
38	Hiker	£15.00	£3.00	20.00%	1 April 2018	The proposed new charge is £18.00
39	Additional Child	£2.00	£2.00	100.00%		The proposed new charge is £4.00
40	Additional Adult	£6.00	£4.00	6.00%		The proposed new charge is £10.00
41	Additional Adult on Events	£6.00	£9.00	150.00%		The proposed new charge is £15.00
Cardiff Story Museum						
42	Corporate hire of Cardiff Story Museum galleries for events outside normal operating hours (4 hours)	£900.00	Nil	Nil	1 April 2018	No proposed increase
43	Corporate hire of Cardiff Story Museum Learning Suite for events within normal operating hours	£360.00				
44	Corporate hire of Cardiff Story Museum Learning Suite for events outside normal operating hours	£500.00				
45	Cardiff Story Museum - commission from exhibition sales	30% of sale price				
46	Exhibition previews outside of museum opening hours and serving alcohol.	£180.00				No proposed increase
47	Cardiff Story Museum - Use of Learning Suite and equipment for school groups, local heritage and community organisations within normal opening hours	£60.00				
48	Cardiff Story Museum - Use of Learning Suite and equipment for school groups, local heritage and community organisations outside normal opening hours	£180.00				
49	Cardiff Story Museum - Use of Learning for non local heritage / community organisations within normal opening hours.	£170.00				
50	Cardiff Story Museum - Use of Learning rooms for non local heritage / community organisations outside normal opening hours.	£260.00				
51	Welsh Baccalaureate - linked visits (1 hour session)	£25.00 Flat Fee				
52	Cardiff Story Museum - talks by Museum Professional Staff - per hour	£60.00				
53	Museum formal education / school visits	Various - see comment				
54	Children's birthday parties	Various - from £75.00				Packages are tailored according to the parent/carer's requirements and are subject to current market rates. Charges from £75.00.
55	Left luggage facility small lockers	£5.00				No proposed increase
56	Left luggage facility medium lockers	£8.00				
57	Left luggage facility large lockers	£10.00				
58	Left luggage facility overnight 24 hours	£20.00				
Events - Park & Ride/Parking						
59	Major Event Park & Ride	Pre Book £8.00 On Day £10.00	Nil	Nil	1 April 2018	No proposed increase
60	City Centre Parking	Pre Book £12.00 On Day £15.00	Nil	Nil	1 April 2018	No proposed increase
61	Mini buses & Coaches	£20.00				
62	Parking (small local events)	Various from £3.00				
63	City Centre Parking (small local events)	£10.00				
County Hall - Venue Hire						
64	1 x committee room/council chamber - 4 hrs (weekday)	£206.00	Nil	Nil	1 April 2018	No proposed increase
65	1 x committee room/council chamber - 6 hrs (weekday)	£360.00				

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
66	1 x committee room inc kitchen - weekday (6 hrs)	£625.00	Nil	Nil	1 April 2018	No proposed increase
67	2 x committee rooms inc kitchen - weekday (6 hrs)	£985.00				
68	3 x committee rooms inc kitchen - weekday (6 hrs)	£1,345.00				
69	1 x committee room inc kitchen - weekend (6 hrs)	£845.00				
70	2 x committee rooms inc kitchen - weekend (6 hrs)	£1,400.00				
71	3 x committee rooms inc kitchen - weekend (6 hrs)	£1,850.00				
72	3 x committee rooms inc kitchen + staff canteen - weekend (6 hrs)	£2,375.00				
73	Staff Canteen	£350.00				
74	Bank holiday rate	Additional £500				
75	Car Park Hire -Exclusive use x 586 spaces	£2,344.00				
76	Car Park Hire - per Space	£4.00				
77	Room Hire - Discounted for Registered Charities	10%				
Education and Lifelong Learning						
78	School Meals - per meal (Primary)	£2.40	£0.10	4.17%	1 April 2018	The proposed new charge is £2.50
79	School Meals - per meal (Secondary)	£2.85	£0.10	3.51%		The proposed new charge is £2.95
80	School Meals - per meal (Adults)	£2.85 (£3.42 inc VAT)	£0.15 (£0.18 inc VAT)	5.26%		The proposed new charge is £3.00 (£3.60 including VAT)
81	Music Service Charges- Maintained Schools - per hour	£36.50 - £38.00	£1.50 - £2.00	5.00%	1 September 2018	The proposed new charge is £38.00 - £40.00
82	Music Service Charges - Non Maintained Schools - per hour	£39.00	£2.00	5.13%		The proposed new charge is £41.00
83	Music Service Ensemble Fees	£48.50 - £59.00	£2.50 - £3.00	5.00%		The proposed new charge is £51.00 - £62.00
84	Music Service Choir Fees (Primary)	£37.50	£1.50	4.00%		The proposed new charge is £39.00
85	Music Service Choir Fees (Secondary)	£43.00	£2.00	4.65%		The proposed new charge is £45.00
86	Music Service Advanced Percussion Fees (Primary)	£43.00	£2.00	4.65%		The proposed new charge is £45.00
87	Music Service Advanced Percussion Fees (Secondary)	£49.00	£2.50	5.10%		The proposed new charge is £51.50
88	Storey Arms	Cardiff LA schools £86.00 to £307.00 Other schools £138.00 to £325.00	£4.00 - £15.00 £7.00 - £16.00	5.00%		
89	Cardiff Met Level 1: 2 day Team Building (per head)	£148.00	£7.00	4.73%		The proposed new charge is £155.00
90	Mountain Leader Award Training (6 day) adult training	£425.00	£21.00	4.94%		The proposed new charge is £446.00
91	2 day non-residential National Governing Body (NGB) award – adult training	£156.00	£8.00	5.13%		The proposed new charge is £164.00
92	1 day National Governing Body (NGB) award assessment – adult training	£180.00	£9.00	5.00%		The proposed new charge is £189.00
People & Communities - Communities						
Gypsy & Traveller Sites						
93	Gypsy Sites - Rent - per pitch - per week	£70.43 Rover Way £78.17 Shirenewton	£2.11 £2.34	3.00%	1 April 2018	The proposed new charges are: £72.54 Rover Way £80.51 Shirenewton
94	Gypsy Sites - Estate Maintenance - per pitch - per week	£5.48	Nil	Nil		No proposed increase
Disabled Facilities Services						
95	6% admin costs on Home Improvement Loans	6%	Nil	Nil	1 April 2018	No proposed increase
96	Disabled Facility Grant Income	£900.00 or 15% whichever the greater				
Telecare						
97	Community Alarm Service - Contact Only - per week	£1.94	Nil	Nil	1 April 2018	No proposed increase
98	Community Alarm Service - Contact and Mobile Response - per week	£4.56				
99	Telecare Packages - per week (Adult Services referrals)	£4.56				
100	Telecare SIM Units - monthly charge	£6.50				
101	Supply and installation of telecare monitoring unit	£125.00				

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment	
102	Installation of reconditioned telecare monitoring unit	£30.00	Nil	Nil	1 April 2018	No proposed increase	
103	Installation of reconditioned telecare monitoring unit AND pendant	£50.00					
104	Replacement Telecare pendant	£40.00					
105	Supply / installation of keysafe for mobile response customer	£50.00					
106	Supply / installation of keysafe for contact only customer	£65.00					
107	Supply / installation of keysafe for non-Telecare customer	£99.00					
Local Training Enterprise Centres							
108	St Mellons Enterprise Centre - Units 1 to 5 (each) - Annual Rent	£3,000.00	Nil	Nil	1 April 2018	No proposed increase	
109	St Mellons Enterprise Centre - Units 6-10 (combined) - Annual Rent	£13,500.00					
110	St Mellons Enterprise Centre - Nursery Unit - Annual Rent	£24,500.00	(£17,250.00)	-70.41%		The proposed new charge is £7,250 (reduced rate for Community Group)	
Libraries							
111	Non-children's book late return penalty charge	£0.20 per day (capped at £10.00)	£0.05	25.00%	1 April 2018	The proposed new charge is £0.25 per day	
112	Spoken word late return penalty charge	£0.45 per day (capped at £10.00)	Nil	Nil		1 April 2018	No proposed increase
113	Spoken word loan charge - 3 weeks	£1.70					
114	Music recording loan charge - 1 week	£0.65					
115	Music recording late return penalty charge - per week	£0.65					
116	DVD, video or DVD loan charge - per week	£2.60					
117	DVD, video or CD ROM late return penalty charge - per week	£2.60					
118	Children's DVD or video loan charge - per week	£1.50					
119	Children's DVD or video late return penalty charge - per week	£1.50					
120	PC printouts - A4	£0.25					
121	PC printouts - A3	£0.45					
122	Photocopies - A3/A4 b/w	£0.15					
123	Photocopies - A4 colour	£1.10					
124	Photocopies - A3 colour	£1.60					
125	Reservations for stock from outside Cardiff (interlibrary loans)	£10.20					
126	Replacement card - Adult	£2.00	£0.50	25.00%		The proposed new charge is £2.50	
127	Replacement card - Child	£0.60	Nil	Nil	1 April 2018	No proposed increase	
128	Central Library Fax service: UK - A4	£1.10					
129	Central Library Fax service: Europe - A4	£2.10					
130	Central Library Fax service: Worldwide - A4	£4.10					
131	Central Library Fax service: Incoming	£1.10					
132	Gallery/Exhibitions - commission from exhibition sales	20% of all sales/orders					
133	Local Studies Dept research fee - per hour	£15.20	£0.80	5.26%		The proposed new charge is £16.00	
134	Local Studies Dept scanned or digital images fee - per item	£3.10	Nil	Nil	1 April 2018	No proposed increase	
135	Local Studies Dept photocopies by staff	£0.25					
136	Local Studies Dept photocopies by staff - A4	£2.10					
137	Local Studies Dept photocopies by staff - A3	£3.10					
138	Local Studies Dept reproduction - individual/not for profit	£10.10	£0.90	8.91%		The proposed new charge is £11.00	
139	Local Studies Dept reproduction – commercial organisation	£25.30	£0.70	2.77%		The proposed new charge is £26.00	
140	Local Studies Dept document filming	£20.30	Nil	Nil	1 April 2018	No proposed increase	
141	Central Library - Meeting Room 4 Hire (per hour)	£50.50					

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment			
142	Central Library - Meeting Room 4 Hire (1/2 day)	£202.00	Nil	Nil	1 April 2018	No proposed increase			
143	Central Library - Meeting Room 4 Hire (full day)	£404.00							
144	Central Library - Meeting Room 4 Hire (per hour) - for charities/community groups	£20.60							
145	Central Library - Creative Suite Hire (per hour)	£60.60							
146	Central Library - Creative Suite Hire (1/2 day)	£252.50							
147	Central Library - Creative Suite Hire (full day)	£505.00							
148	Central Library - Creative Suite Hire (per hour) - for charities/community groups	£20.60							
149	Central Library - ICT Suite Hire (1/2 day)	£202.00							
150	Central Library - ICT Suite Hire (full day)	£404.00							
151	Central Library - ICT Suite Hire (per hour) - for charities/community groups	£20.60							
Adult Community Learning									
152	Category A (Full Fee) - hourly course fee	£5.20	£0.15	2.88%	1 September 2018	The proposed new charge is £5.35			
153	Category B (State Pension or FT Student)	£3.82	£0.13	3.40%		The proposed new charge is £3.95			
154	Disability Inclusion in Community Education (DICE) courses - (Learning for Life Programme) - hourly charge	£4.00	Nil	Nil	1 April 2018	No proposed increase			
155	Llanover Hall Theatre hire per hour - commercial rate	£20.00							
156	Llanover Hall Theatre hire per hour - weekend rate	£25.00							
157	Llanover Hall Theatre hire per hour - charity/community rate	£16.67							
158	Llanover Hall Theatre hire per hour - rehearsal / research	£15.00							
159	Llanover Hall Green Room hire per hour	£12.00							
160	Llanover Hall Pottery Room hire per hour (without materials/firing)	£15.00							
161	Llanover Hall Pottery Room hire per hour (with materials/firing)	£20.00							
162	Llanover Hall Meeting Room hire per hour	£12.00					£0.50	4.17%	The proposed new charge is £12.50
163	Llanover Hall Multi Arts Room hire per hour	£12.00					£0.50	4.17%	The proposed new charge is £12.50
164	Llanover Hall Life Drawing Room hire per hour	£15.00	Nil	Nil		No proposed increase			
165	Llanover Hall Computer Room hire per hour	£10.00							
166	Llanover Hall Fashion Room hire per hour	£10.00							
167	Llanover Hall Photography Room hire per hour	£10.00							
168	Llanover Hall Arts/Craft classes - per term	£50.00					£1.50	3.00%	The proposed new charge is £51.50
169	Llanover Hall Pottery classes (includes materials & firing) - per term	£70.00	£2.00	2.86%	1 September 2018	The proposed new charge is £72.00			
170	Llanover Hall Youth Drama (3 hour class)	£70.00	£2.00	2.86%		The proposed new charge is £72.00			
People & Communities - Social Services									
171	Maximum Charge for Non-Residential Care Services - per week	£70	£10	14.29%	1 April 2018	Proposed amendment to maximum charge set by the WG to £80.00 per week. Actual charge subject to means testing.			
Planning, Transport & Environment									
Bereavement & Registration Services									
172	Cremation	£540.00	£20.00	3.70%	1 April 2018	The proposed new charge is £560.00			
173	Burial	£630.00	£30.00	4.76%		The proposed new charge is £660.00			
174	Grave purchase	£690.00	£30.00	4.35%		The proposed new charge is £720.00			
175	Cremated Remains Burial	£240.00	£15.00	6.25%		The proposed new charge is £255.00			
176	Cremated Remains Purchase	£290.00	£15.00	5.17%		The proposed new charge is £305.00			
177	Registration Ceremony - Small Marriage Room	£125.00	£10.00	8.00%		The proposed new charge is £135.00			
178	Registration Ceremony - St David's Room - Weekdays	£225.00	£12.50	5.56%		The proposed new charge is £237.50			
179	Registration Ceremony - St David's Room - Weekends	£275.00	£15.00	5.45%		The proposed new charge is £290.00			

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
180	Registration Ceremony - Approved Premises - Weekdays	£375.00	£15.00	4.00%	1 April 2018	The proposed new charge is £390.00
181	Registration Ceremony - Approved Premises - Weekends	£475.00	£15.00	3.16%		The proposed new charge is £490.00
182	Registration Ceremony - Approved Premises - Bank Holidays	£495.00	£5.00	1.01%		The proposed new charge is £500.00
183	Webcast of Ceremony	£75.00	Nil	Nil		No proposed increase.
184	DVD of Ceremony	£75.00				
185	Webcast and DVD of Ceremony	£100.00				
186	Audio recording of ceremony	£55.00				
187	Registry Office Ceremony	£46.00				
188	Notice Fee	£35.00				
189	Citizenship ceremonies	£80.00				
190	Private Citizenship ceremonies	See Comment				
191	Certificate	£10.00	Nil	Nil		No proposed increase.
192	Registrars Certificate	£4.00				
193	Copy Certificates Standard service	£7.00				
194	Copy Certificates - Priority Service (within 24hours)	£17.00				
195	Copy Certificates - Priority Service (within 1 hour)	£27.00				
196	Memorial Income	Various	Various	3.10%	Various fees to be reviewed individually dependent on supplier costs.	
Nationality Checking Services						
197	Per Applicant	£90.00	Nil	Nil	1 April 2018	No proposed increase.
198	Nationality Document Return Service - per applicant	£0.00	See Comment			New fee for 2018/19. The proposed fee is £70.00
199	Passport Checking Service	£15.00	£5.00	33.33%		The proposed new charge is £20.00
Dogs Home						
200	Dogs Home - Puppies Rehoming	£150.00	£10.00	6.67%	1 April 2018	The proposed new charge is £160.00
201	Dogs Home - Other Dogs Rehoming	£100.00 - £300.00	£20.00	6.67% - 20.00%		The proposed new charge ranges from £120.00 - £320.00
Parks						
202	Allotments (Per Annum) - Full Price	Cat A £11.60 per perch Cat B £11.26 per perch Cat C £10.82 per perch Chalet £110.16 Brick cubicle £25.50	Cat A £0.48 per perch Cat B £0.46 per perch Cat C £0.44 per perch Chalet £4.44 Brick cubicle £0.86	3.30% - 4.15%	1 April 2018	The proposed new charges are: Cat A £12.08 per perch Cat B £11.72 per perch Cat C £11.26 per perch Chalet £114.60 Brick cubicle £26.36
203	Allotments (Per Annum) - Concession	Cat A £5.80 per perch Cat B £5.63 per perch Cat C £5.41 per perch Chalet £55.08	Cat A £0.24 per perch Cat B £0.23 per perch Cat C £0.22 per perch Chalet £2.22	3.30% - 4.15%		The proposed new charges are: Cat A £6.04 per perch Cat B £5.86 per perch Cat C £5.63 per perch Chalet £57.30
Planning						
204	Planning Fees (Statutory)	Various	Nil	Nil	1 April 2018	No proposed increase.
205	Building Control Charges (Statutory)	Various				
206	Building Control Charges	Various based on size of scheme				
207	Tree Preservation Orders - search and copy of information	£15.00 - Extract £30.00 - Full Copy				

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
Pre Application Advice						
208	Pre Application Advice - Statutory Charges <ul style="list-style-type: none"> • Householder • Minor Development - (1-9 dwellings; floor space including change of use less than 999m²) • Major Development - (1—24 dwellings, floor space including change of use 1,000 to 1,999m²) • Large Major Development (More than 24 dwellings, floor space including change of use more than 1,999m²) 	£25.00 £250.00 £600.00 £1,000.00				These are statutory charges. No proposed increase.
209	Pre Application Advice Category 'A' Strategic Development <ul style="list-style-type: none"> • 25 or more residential units (including conversion) • 2,000m² or more of commercial floor space • change of use of buildings or land over 2000m² • mixed use development of a site of 1ha and over • development requiring an Environmental Impact Assessment 	£2,500 plus VAT with additional hourly rate of £100 plus VAT (Initial meeting - no charge)				
210	Pre Application Advice Category 'B' Major Development <ul style="list-style-type: none"> • 10-24 residential dwellings (including conversion) • 1000m² – 1999m² of commercial floor space • change of use of buildings or land between 1000m² – 1999m² • development of a site of 0.5ha – 0.99ha • mixed use developments with a combined floor space of 1000m² – 1999m² 	£1,250 plus VAT with additional hourly rate of £100 plus VAT (Initial meeting - no charge)	Nil	Nil	1 April 2018	
211	Pre application Advice CATEGORY 'C' – Minor Development <ul style="list-style-type: none"> • 1-9 residential dwellings (including conversion) • 100m² – 999m² of commercial floor space • change of use of buildings or land between 100m²-999m² • mixed use developments with a combined floor space of less than 0.5ha • telecommunications equipment and masts not being confirmation of permitted development • advertisement applications • agricultural developments Pre application advice - development 	£250 plus VAT with additional hourly rate of £100 plus VAT				
212	Pre Application Advice CATEGORY 'D' – Domestic / Miscellaneous Development and Exemptions	£50 plus VAT without additional hourly rate				
Transportation						
213	Section 38 (Creation of New Public Highways)	This charge is based on 2 elements, a fixed 7% fee applied to a rate of £850.00 per linear metre				No proposed increase. These are statutory fees.
214	Section 278 Agreement	7% engineering fee based on total cost of highway works connected with the development	Nil	Nil	1 April 2018	

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
215	Road and Street Works Act (RASWA)	Various based on size of scheme	Nil	Nil	1 April 2018	No proposed increase. These are statutory fees.
216	3D Scanner (To provide 3D images of structures, highways, areas to monitor possible deterioration)	£800				No proposed increase
217	Road Safety Audits (RSA)	Desktop Check/Advice - £150.00 Essential £250.00 Minor Works £480.00 County Works £720.00 Full £1080.00	£15 £20 £20 £30 £40	3.70% - 10.00%		The proposed new charges are: Desktop Check/Advice £165.00 Essential £270.00 Minor Works £500.00 County Works £750.00 Full £1120.00
218	Signage Application/Feasibility Study Design and Signals	See Comment		New fee for 2018/19 includes concept design, feasibility study, site visit, utility search & quote for detailed design & construction. The proposed fee is £250.00		
219	Equality Impact assessments & access audits	See Comment		New fee for 2018/19. The proposed fee is £500.00		
220	Sign Design and Signals	Various based on size of scheme	See Comment			The proposed new charges vary, based on size of scheme.
221	Abandoned Vehicle - administrative Fee	See Comment		New fee for 2018/19. Admin fee to remove the abandoned vehicle charged to the last known registered keeper. The proposed fee is £58.00		
222	Abandoned Vehicle - Fixed Penalty Notice	See Comment		New fee for 2018/19. If vehicle is not claimed or admin fee not paid for removal, a FPN will be issued under Section 2A of Refuse Disposal Amenity Act 1978. The proposed fee is £200.00		
223	Accident Information Partial = a plan of where the collisions occur Full = all background information on collisions in requested area	Various - based on request/ complexity. Standard charge based on: Up to 40 collisions Partial £236.00 Full £352.00 Between 40-80 collisions Partial £472.00 Full £704.00 >80 collisions ad hoc	£24.00 £35.00 £48.00 £70.00	10.00%		The proposed new charges vary - based on request/ complexity. The standard charge is based on the following: Up to 40 collisions Partial £260.00 Full £387.00 Between 40-80 collisions Partial £520.00 Full £774.00 >80 collisions - ad hoc
224	Traffic Regulation Orders	Emergency notices £430.00 Traffic Regulation Orders with Advert £1890.00	£20 £60	4.6% 3.1%		The proposed new charges are: Emergency notices £450.00 Traffic Regulation Orders with Advert £1950.00
225	Traffic Data	Various - based on request - no. of working hrs	See Comment		The proposed new charges vary - based on number of working hours required to fulfil request.	
226	CCTV requests in connection with Data Protection Act	£10.00 CD/DVD	Nil	Nil	No proposed increase	
227	Traffic Signal - Switch Offs	£340.00 per switch off/on plus a £55.00 admin charge per invoice	£12.00 per switch off/on £2 admin charge	3.50%	The proposed new charge is £352.00 per switch off/on plus a £57.00 admin charge per invoice	
228	Land / Property Searches	£90.00	Nil	Nil	No proposed increase	

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
229	Licence for Digital Advertising sites on the Highway per Advertising Panel	£1,200.00	Nil	Nil	1 April 2018	No proposed increase
230	Fixed Penalty Notices for Highways/Environment Offences	£100.00				
231	Trade/Shop Front Displays on the Highway	See Comment				New fee for 2018/19. The proposed fee is £200.00
232	H Bar Markings	£150.00	Nil	Nil		No proposed increase
233	Skip Licence - Standard Charge	£30.00 (7 days) £67.00 (28 days)	£5 (7 days) £3 (28 days)	16% 4.4%		The proposed new charges are: 7 days £35.00 28 days £70.00
234	Section 171 Opening Up Notice	£221.00	£14.00	6.33%		The proposed new charge is £235.00
235	Section 50 - Installation of Equipment, In ,On or Above the Public Highway	£430.00	£15.00	3.49%		The proposed new charge is £445.00
236	Road Space Booking	£25.00	Nil	Nil		No proposed increase
237	Containers Sited on the Public Highway	Initial 28 days: Residential £100.00 Commercial £250.00 Renewals £100.00				
238	Cherry Picker/Mobile Elevating Work Platform (MEWP)	£171.00	£9.00	5.26%		The proposed new charge is £180.00
239	Mobile Cranes	£380.00	£20.00	5.26%		The proposed new charge is £400.00
240	Tower Crane Oversail	£380.00	£20.00	5.26%		The proposed new charge is £400.00
241	Permits for Hoardings on the Public Highway	Initial 28 days: Residential permit per street £100.00 Commercial permit per street £300.00 Renewal (28 days): Residential £100.00 Commercial £250.00	Nil	Nil		No proposed increase
242	Scaffold Licences - Residential	Initial 28 days £100.00 Renewal £100.00				
243	Scaffold Licences - Commercial	Initial 28 days: Small £150.00 Medium £222.00 Large £500.00 Renewal per week: Small £50.00 Medium £88.00 Large £88.00				
244	Vehicle Crossovers	£171.00	£4 plus various fees	2.34% plus various	The proposed new charge is £175.00 Licence plus various fees for new crossovers. Any additions to this fee will be for extenuating circumstances, for example, relocation of utilities.	
245	Advertising Frame Permits - New Applications	£171.00	£9.00	5.26%	The proposed new charge is £180.00	
246	Advertising Frame Permits - Renewals	£125.00	£5.00	4.00%	The proposed new charge is £130.00	

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No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
247	Tables & Chairs on the Public Highway	1-2 Tables up to 8 chairs £200.00 3-4 Tables up to 16 chairs £500.00 5-10 Tables up 40 chairs £900.00 11+ Tables £900.00 plus £35.00 for every chair over 40	Nil	Nil	1 April 2018	No proposed increase
248	Smoking Enclosures	See Comment				New fee for 2018/19. The proposed fees are: Up to 12 square metres £220.00 Over 12 square metres £360.00
249	Charges for Temporary Signs	£70.00	Nil	Nil		No proposed increase
250	Additional Inspections	£55.00				
251	Road and Street Works Act (RASWA) Supervisory Charge	£47.50				
252	Road and Street Works Act (RASWA) - All Inspections	£47.50				
253	Fixed Penalty Notice for New Roads & Street Works Act	£80.00				
254	Section 74 Notice - Charges for Overstays	£100-1000				
255	School Transport Bus Passes	£350.00				£25.00
256	Replacement of School Bus Passes	£10.00	Nil	Nil		No proposed increase. Price can only reflect admin costs
257	Replacement Bus Passes Concessionary Travel (per pass)	£5.00				
258	Disclosure Barring Service (DBS) check for School Transport)	£44.00				
259	Shopper Park & Ride (Excluding Cardiff East)	£4.00 - 1 person in car £5.00 - 2 or more	Nil	Nil		No proposed increase
260	Hiring Out Vehicles to School Transport	Based on cost of vehicle plus 10% - administration fees				
Parking						
261	Parking Penalty Charge Notices	£35.00	Nil	Nil	1 April 2018	Fees set by Welsh Government. This charge becomes £70.00 after 14 days.
262	Moving Traffic Offences	£35.00				
263	Replacement Blue Badges	£10.00				
264	On Street Parking	Various				
265	Car Parks					
266	Resident Parking Permits	£7.50 1st permit & visitor only, £30.00 2nd permit & visitor	See Comment		1 April 2018	Work is currently being undertaken to look at how the charges for residents permits are structured & what the appropriate level of charges would be, in line with the Council's Parking Strategy. Any changes would be put to Cabinet to approve.
Charges for Street Numbering of Properties						
267	Developments	Up to 5 plots £250.00 6-10 plots £300.00 more than 10 plots £350.00 plus £25.00 per plot (from Unit 1)	£10 £10 £12	3.40% - 4.00%	1 April 2018	The proposed new charges are: Up to 5 plots £260.00 6-10 plots £310.00 more than 10 plots £362.00 plus £25.00 per plot (from Unit 1)
268	Flat complexes	£100.00	£5.00	5.00%		The proposed new charge is £105.00

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
269	Changes to street/building names and numbers (after original notification)	£600.00 plus £15.00 per unit after notification £600.00 at residents' request	£20.00 plus £1.00 per unit after notification £20.00	3.30% - 6.60%	1 April 2018	The proposed new charges are: £620.00 plus £16.00 per unit after notification £620.00 at residents' request
270	Changes to street/building names and numbers	£250.00 creation of new road name, £200.00 change of house name	£10.00	4.00% - 5.00%		The proposed new charges are: £260.00 creation of new road name £210.00 changes to existing properties
271	Searches/Address Confirmation	£50.00	£2.50	5.00%		The proposed new charge is £52.50
Harbour - Car Parking						
272	Car parking fees - Havannah Street	£1.50 for 1 hour £3.00 for 2 hours £4.00 for 3 hours £5.50 for 4 hours £6.50 for 5 hours £7.50 for 6 hours £8.50 for 7 hours £15.00 8-24 hours	£0.40 £0.10 (£0.30) (£0.90) (£1.00) (£0.30) (£0.70) New pricing structure over 8 hours - see comment	26.67% 3.33% (7.50%) (16.36%) (15.38%) (4.00%) (8.24%) See Comment	1 April 2018	The proposed new charges are: £1.90 for 1 hour £3.10 for 2 hours £3.70 for 3 hours £4.60 for 4 hours £5.50 for 5 hours £7.20 for 6 hours £7.80 for 7 hours £8.40 for 8 hours £9.00 for 9 hours £9.60 for 10 hours £12.00 for 11 hours £20.00 for 11 to 24 hours
273	Barrage Car Park	£1.50 for 1 hour £2.50 for 2 hours £3.50 for 3 hours £4.50 for 4 hours £5.50 for 5 hours £6.50 for 6 hours £7.50 for 7 hours £8.50 for 8 hours	£0.50 £0.50 £0.50 £0.50 £1.00 £1.50 £2.00 £2.50	33.33% 20.00% 14.29% 11.11% 18.18% 23.08% 26.67% 29.41%		The proposed new charges are: £2.00 for 1 hour £3.00 for 2 hours £4.00 for 3 hours £5.00 for 4 hours £6.50 for 5 hours £8.00 for 6 hours £9.50 for 7 hours £11.00 for 8 hours
Harbour - Navigation & Mooring						
274	Navigation Fee - per metre	£23.57	£0.83	3.52%	1 April 2018	The proposed new charge is £24.40. Yacht clubs and marinas are entitled to 60% discount under the Barrage Act.
275	Permission to Moor - per metre	£16.06	£0.56	3.49%		The proposed new charge is £16.62. Yacht clubs and marinas are entitled to 60% discount under the Barrage Act.
276	Provision of Mooring	£91.80	£3.25	3.54%		The proposed new charge is £95.05. Yacht clubs and marinas are entitled to 60% discount under the Barrage Act.
277	Commercial operator's licence	£170.00 plus £0.10 per passenger carried	£6.00	3.50%		The proposed new charge is £176.00 plus £0.10 per passenger carried.
278	Launching permits for sailing craft, motor craft or multi person rowing craft (Section 15(1)(a))	£11.50	£1.00	8.70%		The proposed new charge is £12.50
279	Launching permits for single person rowing craft and windsurfers	£5.00	Nil	Nil		No proposed increase
280	Use of Harbour Authority landing stages.	£390.15	£13.50	3.46%		The proposed new charge is £403.65
281	Short stay moorings - Inner Harbour- per hour	£1.00	Nil	Nil		No proposed increase
Cardiff Port Health Authority						
282	Port Health - Sanitation Inspection (Up to 1,000 tonnes)	£85.00	£5.00	5.88%	1 April 2018	Fee set by Association of Port Health Authorities (APHA). The new charge is £90.00

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
283	Port Health - Sanitation Inspection (1,001 - 3000 tonnes)	£120.00	£5.00	4.17%	1 April 2018	Fee set by APHA. The new charge is £125.00
284	Port Health - Sanitation Inspection (3,001 - 10,000 tonnes)	£180.00	£10.00	5.56%		Fee set by APHA. The new charge is £190.00
285	Port Health - Sanitation Inspection (10,001 - 20,000 tonnes)	£235.00	£10.00	4.26%		Fee set by APHA. The new charge is £245.00
286	Port Health - Sanitation Inspection (20,001 - 30,000 tonnes)	£305.00	£15.00	4.92%		Fee set by APHA. The new charge is £320.00
287	Port Health - Sanitation Inspection (Over 30,000 tonnes)	£360.00	£15.00	4.17%		Fee set by APHA. The new charge is £375.00
288	Port Health - Vessels with 50 - 1000 persons	£360.00	£15.00	4.17%		Fee set by APHA. The new charge is £375.00
289	Port Health - Vessels with over 1000 persons	£615.00	£25.00	4.07%		Fee set by APHA. The new charge is £640.00
290	Port Health - Extensions	£55.00	£5.00	9.09%		Fee set by APHA. The new charge is £60.00
Waste - Enforcement						
291	Abandoned Trolley Recovery Fee	£75.00	Nil	Nil	1 April 2018	No proposed increase. These fees are covered by the Clean Neighbourhoods & Environment Act 2005.
292	Waste Fixed Penalty Notices - Section 46 Notice	£100.00				
293	Waste Fixed Penalty Notices - Section 47 Notice	£100.00				
294	Waste Fixed Penalty Notices - Waste transfer note request	£300.00				
295	Waste Fixed Penalty Notices - WTNR & WCR	£300.00				
296	Waste Fixed Penalty Notices - Litter & Commercial DOC	£80.00				
297	Waste Fixed Penalty Notices - Litter Domestic DOC	£80.00				
298	Pay as You Throw - Domestic	Various				
299	Pay as You Throw - Commercial	Various				
300	Fixed Penalty Notices - Dog Fouling	£80.00				
301	Fixed Penalty Notices - Litter from a Vehicle	£80.00				
302	Fixed Penalty Notices - Litter General	£80.00				
303	Fixed Penalty Notices - Litter Smoking from a Car	£80.00				
304	Fixed Penalty Notices - Litter smoking related	£80.00				
305	Highways Fixed Penalty Notices - Skips breach of Licence	£100.00				
306	Highways Fixed Penalty Notices - Skips no Licence	£100.00				
307	Highways Fixed Penalty Notices - A boards	£100.00				
308	Highways Fixed Penalty Notices - Street Café's	£100.00				
309	Highways Fixed Penalty Notices - Fly Posting	£100.00				
310	Highways Fixed Penalty Notices - Free Distribution of Literature	£100.00				
311	Highways Fixed Penalty Notices - Scaffolding	£100.00				
Waste						
312	Trade recycling centre - General Waste	£130.00 per tonne	£5.00 per tonne	3.85%	1 April 2018	The proposed new charge is £135.00 per tonne
313	Trade recycling centre - Mixed Recycling	£85.00 per tonne	Nil	Nil		No proposed increase
314	Trade recycling centre - Hardcore and Rubble	£30.00 per tonne	£5.00 per tonne	16.67%		The proposed new charge is £35.00 per tonne
315	Trade recycling centre - Wood	£85.00 per tonne	Nil	Nil		No proposed increase
316	Trade recycling centre - Garden Waste	£85.00 per tonne				
317	Trade recycling centre - Plasterboard	£91.00 per tonne	£9.00 per tonne	10.00%		The proposed new charge is £100.00 per tonne
318	Trade recycling centre - Cardboard	£0	See Comment			New charge for 2018/19. The proposed new charge is £10.00 per tonne
319	Trade recycling centre - Scrap Metal	£0				
320	Bulky Collections	£12.50 for every 2 items	Nil	Nil		No proposed increase
321	Replacement reusable garden sacks	£2.00				
322	Replacement/new wheeled bin or equivalent striped bag provision	£25.00				
Resources - Governance & Legal Services						
Property Fees						
323	Search Fees	£116.40	Nil	Nil	1 April 2018	No proposed increase
324	Sale of Land	1% of sale price - Minimum £557.75	£17.25	3.09%		The proposed new minimum charge is £575.00

Appendix 11 (a)

No.	Income Source	Current Charge	Proposed Price Change	Change	Effective Date	Comment
Commercial Property Fees						
325	Registration Fee on Notice of Assignment/Underletting/Charge	£92.00	£8.00	8.70%	1 April 2018	The proposed new charge is £100.00
326	Consent for Assignment / Underletting / Change of Use/Alterations	£442.75	£7.25	1.64%		The proposed new charge is £450.00
327	Grant of Shop Lease	£575.00	£25.00	4.35%		The proposed new charge is £600.00
328	Workshops Lease	£264.50	£5.50	2.08%		The proposed new charge is £270.00
329	Grant of Industrial Lease	£948.75	£51.25	5.40%		The proposed new charge is £1,000.00
330	Market Tenancies	£327.75	£7.25	2.21%		The proposed new charge is £335.00
331	Lease Renewals	£327.75	£7.25	2.21%		The proposed new charge is £335.00
332	Variations/Surrenders	£379.50	£0.50	0.13%		The proposed new charge is £380.00
Planning Fees						
333	Standard S106	£1,443.25	£56.75	3.93%	1 April 2018	The proposed new charge is £1,500.00
334	Complex S106 agreements - e.g. phased development etc. based on actual time	See Comment				The proposed charge varies based on officer time spent on agreement
335	Unilateral obligations for S106	£931.50	£18.50	1.99%		The proposed new charge is £950.00
336	Unilateral obligations for S106 in relation to Appeals	£931.50	£18.50	1.99%		The proposed new charge is £950.00
337	Deed of variation for S106	£638.25	£11.75	1.84%		The proposed new charge is £650.00
338	Consent to disposals under S106 restriction	£69.00	£11.00	15.94%		The proposed new charge is £80.00
Residential Property Fees						
339	Easements	£437.00	£13.00	2.97%	1 April 2018	The proposed new charge is £450.00
340	Wayleaves Licences and misc agreements	£264.50	£35.50	13.42%		The proposed new charge is £300.00
341	Registration Fee on Notice of Assignment/Underletting/Charge	£92.00	Nil	Nil		No proposed increase
342	Deed of Postponement	£97.75	£2.25	2.30%		The proposed new charge is £100.00
343	Sales of small pieces of land to adjacent owners	See Comment				New charge for 2018/19. The proposed new charge is £300.00
344	Release of covenants	See Comment				New charge for 2018/19. The proposed new charge is £350.00
345	Transfers (Subject to Mortgage)	£235.75	£15.00	6.36%		The proposed new charge is £250.75
346	Vacating Receipts	£69.00	£1.00	1.45%		The proposed new charge is £70.00
347	Sales of Freehold Reversions	£546.25	£13.75	2.52%		The proposed new charge is £560.00
348	Deeds of Variation (Right to Buy leases)	£178.25	£6.75	3.79%		The proposed new charge is £185.00
349	Nursing Home charge fees	£63.25	£11.75	18.58%		The proposed new charge is £75.00
350	Shared Equity Scheme resales and redemptions	£385.25	£4.75	1.23%	The proposed new charge is £390.00	
Highway Agreements						
351	Highway licences (S177,115,142)	See Comment			1 April 2018	The proposed charge varies based on officer time spent on agreement. Minimum charge of £550.00 applies.
352	Section 38/278 Highway Agreements	1.5% of Bond sum	Nil	Nil		No proposed increase
353	Miscellaneous - Deed of Variation , Deed of dedication or highway documentation	See Comment				The proposed charge varies based on officer time spent on agreement. Minimum charge of £550.00 applies.
Resources - Resources						
Meals on Wheels						
354	Meals on Wheels - Hot meal only	£3.90	Nil	Nil	1 April 2018	No proposed increase
355	Meals on Wheels - Hot meal with dessert	£4.50				
Externally Set						
356	Rent Smart Wales	Various - see comment			1 April 2018	These fees are set and approved by Welsh Government
357	Shared Regulatory Service					These fees are set either by the Shared Regulatory Service Joint Committee or by statute/other regulation.

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Appendix 11 (b)

CARDIFF COUNCIL: HRA FEES AND CHARGES 2018/19

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
1	Pre-assignment enquiries	£100.80	Nil	Nil	2 April 2018	No proposed increase
2	Landlord consents for leaseholders	£155.00				
3	Postponement of Right to Buy charge	£100.80				
4	Administration charge for major works	12% and capped at £250.00				
5	Leaseholders Sub-Letting Charge	£30.00				
6	Leaseholder Management Fee	£163.08				
7	Council Dwellings Rent, including sheltered dwellings	Various	4.5% plus £2.00	4.5% plus £2.00		As per Welsh Government guidance
8	All Property Cleaning Charge	£0.37	Nil	Nil		No proposed increase
9	Retirement Complex - Community Alarm Full Cover	£4.56				
10	Retirement Complex - Cleaning	£8.56				
11	Retirement Complex - Service Charges	Various	See Comment			In line with costs at each complex
12	Retirement Complex - Communal Maintenance	£5.57	£0.17	3.05%		The proposed new charge is £5.74
13	Retirement Complex - Scheme Management	£4.74	£0.14	2.95%		The proposed new charge is £4.88
14	Grounds & Pest Control	£0.97	Nil	Nil		No proposed increase
15	Flats Service Charge - Communal Maintenance	£1.06				
16	Flats Service Charge - Reduced Cleaning Charge	£2.35				
17	Discretionary Repairs	£1.48				
18	Sheltered Service Charges - Personal Heating	Various	See Comment		In line with costs at each complex, and revised charge ratio between property sizes.	
19	Water Charges Sheltered Complex	Various	See Comment		In line with costs for each complex. Overall change is decrease of 5.36%	
20	Adult Services Furniture Renewal	£66.94	£3.01	4.50%	The proposed new charge is £69.95	
21	Carport	£4.23	Nil	Nil	No proposed increase	
22	Garages - Attached	Various				
23	Garage rents - Tenants	£6.00	£0.18	3.00%	The proposed new charge is £6.18	
24	Garage rents - Private Let	£10.00	£0.30	3.00%	The proposed new charge is £10.30	
25	Garage rents with water - Tenants	£6.25	£0.19	3.04%	The proposed new charge is £6.44	
26	Garage rents with water - Private Let	£10.25	£0.31	3.02%	The proposed new charge is £10.56	
27	Garage Rent at sheltered complex (Electricity)	£8.46	£0.25	2.96%	The proposed new charge is £8.71	
28	Hardstandings	£2.25	Nil	Nil	No proposed increase	
29	Concierge Service Butetown/Arc	£1.00				
30	Concierge Service Litchfield Court	£13.87	£1.39	10.02%	The proposed new charge is £15.26	
31	Flats Service Charge - Cleaning Rota scheme	£4.03	Nil	Nil	No proposed increase	
32	Flats Service Charge - Cleaning Cleaner on site	£4.53				
33	Flats Service Charge - Cleaning Reduced communal area	£1.01				
34	Flats Service Charge - Lighting	£0.80	£0.06	7.50%	The proposed new charge is £0.86	
35	Flats Service Charge - Door Entry	£0.40	£0.04	10.00%	The proposed new charge is £0.44	
36	Beech House heating	£6.01	Nil	Nil	No proposed increase	
37	Sycamore House heating	£6.56				
38	Hostel service Charges	Various	See Comment		In line with costs	
39	TV Licence - Hostels	£0.44 / £0.53	Nil	Nil	No proposed increase	
40	Drainage Service - Tai Penlan	£5.79				
41	Hostel Rent	Various	4.5% plus £2.00	4.5% plus £2.00	4.5% plus £2.00 as per Welsh Government guidance. Litchfield Court rent levels to increase to Hostel rent level on re-let as support provided.	
42	Tresillian Hostel Communal Heating & Lighting	6.37	£0.21	3.30%	The proposed new charge is £6.58	

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CARDIFF COUNCIL: OUTDOOR ACTIVITIES FEES AND CHARGES 2018/19

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
Sailing Centre						
1	Windsurfing - 2 day - Adult	£175.00	£10.00	5.71%	1 April 2018	The proposed new charge is £185.00
2	Windsurfing - 2 day -Youth	£125.00	£5.00	4.00%		The proposed new charge is £130.00
3	Multi Activity - 2 day -Youth	£125.00	£5.00	4.00%		The proposed new charge is £130.00
4	Supervised Sailing & Windsurfing (3 hour session)	£22.00	£1.00	4.55%		The proposed new charge is £23.00
5	Supervised Sailing & Windsurfing - 5 x 3hr Sessions	£105.00	£5.00	4.76%		The proposed new charge is £110.00
6	Supervised Sailing & Windsurfing - 10 x 3hr Sessions	£200.00	£10.00	5.00%		The proposed new charge is £210.00
7	Youth Sailing Courses - 2 day	£125.00	£5.00	4.00%		The proposed new charge is £130.00
8	Youth Sailing Courses - 3 day	£170.00	£10.00	5.88%		The proposed new charge is £180.00
9	Youth Sailing Courses - 6 week	£190.00	£10.00	5.26%		The proposed new charge is £200.00
10	Youth Sailing Courses - 10 week	£305.00	£15.00	4.92%		The proposed new charge is £320.00
11	Youth Sailing Courses - After Schools club	£125.00	£5.00	4.00%		The proposed new charge is £130.00
12	Youth Sailing Taster 1/2 day	£30.00	£2.00	6.67%		The proposed new charge is £32.00
13	Scout Sailing Taster 1/2 day	£17.00	£1.00	5.88%		The proposed new charge is £18.00
14	Sailing Schools Group	£9.50 per pupil per session primary £10.00 per pupil per session secondary	£1.00 - £1.50	10% - 15.8%	1 April 2018	The proposed new charge is £11.00 per pupil
15	Adult Level 1: 2 day	£180.00	£5.00	2.78%	1 April 2018	The proposed new charge is £185.00
16	Adult Level 2: 2 day	£175.00	£10.00	5.71%		The proposed new charge is £185.00
17	Adult Advanced: 2 day	£165.00	£10.00	6.06%		The proposed new charge is £175.00
18	Adult Level 1: 6 week	£265.00	£10.00	3.77%		The proposed new charge is £275.00
19	Adult Level 2: 6 week	£260.00	£15.00	5.77%		The proposed new charge is £275.00
20	Adult Advanced: 6 week	£260.00	£15.00	5.77%		The proposed new charge is £275.00
21	Adult Sailing Taster 1/2 day	£45.00	£2.00	4.44%		The proposed new charge is £47.00
22	Corporate Sailing Taster 1/2 day	£90.00	£2.50	2.78%		The proposed new charge is £92.50
23	Corporate Sailing Taster Full day	£180.00	£5.00	2.78%		The proposed new charge is £185.00
24	Sailing/Windsurfing	£120.00 half day £240.00 full day	£5.00 half day £10.00 full day	4.17%		
Sailing Centre (Powerboat & Shore based)						
25	Powerboat Level 1	£120.00	£5.00	4.17%	1 April 2018	The proposed new charge is £125.00
26	Powerboat Level 2	£230.00	£10.00	4.35%		The proposed new charge is £240.00
27	Powerboat Safety Boat	£230.00	£10.00	4.35%		The proposed new charge is £240.00
28	Powerboat Intermediate	£260.00	£10.00	3.85%		The proposed new charge is £270.00
29	Powerboat Advanced	£280.00	£10.00	3.57%		The proposed new charge is £290.00
30	Private Tuition - Powerboat	£175.00	£75.00	42.86%		The proposed new charge is £250.00
31	Royal Yachting Association (RYA) First Aid	£95.00	Nil	Nil		No proposed increase
32	Royal Yachting Association (RYA) VHF/DSC	£95.00	Nil	Nil		
Activity Adventure Programme Cardiff Bay Water Activity Centre						
33	Multi Activity half day (8 - 16 people)	£20.00	£1.00	5.00%	1 April 2018	The proposed new charge is £21.00
34	Multi Activity full day (8 - 16 people)	£32.50	£1.50	4.62%		The proposed new charge is £34.00
35	Archery session (1.5 hours)	£24.00	£1.00	4.17%		The proposed new charge is £25.00
36	Archery course (4 x 1.5 hours)	£70.00	£5.00	7.14%		The proposed new charge is £75.00

Appendix 11 (c)

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
Fishing						
37	Fishing Licences - Day	£4.00 Junior £5.00 Concession £8.00 Adult	£0.50 Junior £Nil Concessions £0.50 Adults	Nil - 12.5%	1 April 2018	The proposed new charges are: £4.50 Junior £5.00 Concession £8.50 Adult
38	Fishing Licences - Annual	£23.00 Junior £32.00 Concession £47.00 Adult	£1.00 Junior £1.00 Concession £2.00 Adult	3.13% - 4.35%		The proposed new charges are: £24.00 Junior £33.00 Concession £49.00 Adult
39	Fishing Tuition - 2.5 hours	£20.00 Junior £25.00 Adult	£5.00	20.00% - 25.00%		The proposed new charges are: £25.00 Junior £30.00 Adult
40	Fishing Tuition - 4 x 2.5 hrs	£65.00	£5.00	7.69%		The proposed new charge is £70.00
Slipway Fees and Charges						
41	Single occupancy launch	£6.00	Nil	Nil	1 April 2018	No proposed increase
42	Multi occupancy launch	£12.00	£1.00	8.33%		The proposed new charge is £13.00
43	Sail boat launch	£13.00	£1.00	7.69%		The proposed new charge is £14.00
44	Motor boat launch	£13.00	£1.00	7.69%		The proposed new charge is £14.00
45	Boat Launch - Season Tickets per metre	£25.00	£1.00	4.00%		The proposed new charge is £26.00
Rowing						
46	Level 1 Blades Junior (3 x 2.5 hours)	£70.00	£5.00	7.14%	1 April 2018	The proposed new charge is £75.00
47	Level 1 Blades Adult (3 x 2.5 hours)	£80.00	£5.00	6.25%		The proposed new charge is £85.00
48	Level 2 Blades Junior (3 x 2 hours)	£65.00	£5.00	7.69%		The proposed new charge is £70.00
49	Level 2 Blades Adult (3 x 2 hours)	£75.00	£5.00	6.67%		The proposed new charge is £80.00
50	Private Tuition (1.5 hours)	£30.00	£5.00	16.67%		The proposed new charge is £35.00
51	Recreational Rowing - per hour	£5.50	£0.50	9.09%		The proposed new charge is £6.00
52	Ergo Room Junior - per hour	£2.50	Nil	Nil		No proposed increase
53	Ergo Room Adult - per hour	£4.00	Nil	Nil		No proposed increase
Cardiff International White Water						
54	White Water Rafting Peak	£55.00	Nil	Nil	1 April 2018	No proposed increase
55	White Water Rafting Off Peak	£50.00				
56	Friday Evening White Water Rafting	£38.00	£7.00	18.42%		The proposed new charge is £45.00
57	Sat & Sunday White Water Course Park & Play	£12.50	Nil	Nil		No proposed increase
58	Retained Water Pool Park & Play	£6.00				
59	Student Raft Guide Training	£100.00	See Comment			Course replaced by new Raft Guide Course below
60	Standard Raft Guide Training	£200.00				
61	Stadium Raft Guide Award Training	See Comment				Course replaces Raft Guide courses above. The proposed new charge is £70.00
62	Adult/Kids 6 week Retained Water Pool course	£85.00	£5.00	5.88%	The proposed new charge is £90.00	
63	Adult/Kids 6 week White Water Course course	£110.00	Nil	Nil	No proposed increase	
64	1 Day Paddle course	£80.00	£5.00	6.25%	The proposed new charge is £85.00	
65	Adult 1 year membership	£300.00	£20.00	6.67%	The proposed new charge is £320.00	
66	Adult 6 month P&P membership	£190.00	Nil	Nil	No proposed increase	
67	Multi Activity half day non school	£25.00				
68	Hydro speed Peak	£55.00				
69	Hydro speed off peak	£50.00				
70	Hot Dog peak	£55.00				
71	Hot Dog Off Peak	£50.00				
72	Paddle Party (Now a 90 minute session)	£17.00	£-4.50	-26.47%	The proposed new charge is £12.50	
73	Youth Annual Membership	£165.00	£5.00	3.03%	The proposed new charge is £170.00	

Appendix 11 (c)

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
74	School 2 Hour Session (6 Week Block)	£5.00	Nil	Nil	1 April 2018	No proposed increase
75	Stand Up Paddleboard (SUP) Ladies Only	£60.00	£20.00	33.33%		The proposed new charge is £80.00
76	Stand Up Paddleboard (SUP) Taster	£20.00	£5.00	25.00%		The proposed new charge is £25.00
77	Paddle School	£150.00	Nil	Nil		No proposed increase
78	Surf School	£90.00	£30.00	33.33%		The proposed new charge is £120.00
79	1-2-1 Coaching (White Water & Flat Water)	£35.00	Nil	Nil		No proposed increase
80	Multi Activity Week	£150.00	£40.00	26.67%		The proposed new charge is £190.00
81	Air Trail	£10.00	Nil	Nil		No proposed increase
Parks Outdoor						
82	Roath Park	£0.60 Duck or Fish food £1.00 both £0.50 Postcards (£2.50 Pack of 6)	Nil	Nil	1 April 2018	No proposed increase
83	Roath Park Conservatory	£1.50 - £24.00 school/group/ family tickets	£0.50 - £2.00	8% - 33%		The proposed new charges range from £2.00 - £26.00 depending on type and size of group
84	Roath Park Conservatory - School/Group Booking Fees	£2.00	£2.00	100.00%		The proposed new charge is £4.00
85	Bowls - maintenance of greens - annual charge	£6,300.00	£233.10	3.70%		The proposed new charge is £6,533.10.
86	Pavilions	£36.75 Half Day £55.00 Full Day	£1.35 - £2.00	3.70%		The proposed new charges are: £38.10 Half Day £57.00 Full Day
87	Football Pitch & Changing Facilities	£55.00	Nil	Nil		No proposed increase
88	Football Pitch only	£44.00				
89	Rugby Pitch & Changing Facilities	£75.00				
90	Rugby pitch only	£60.00				
91	Cricket Pitch & Changing Facilities	£66.00				
92	Cricket - Pitch only	£55.00				
93	Baseball Pitch & Changing Facilities	£66.00				
94	Baseball - Pitch only	£55.00				
95	Training area & changing facilities	£30.00				
96	3G Pitch - Gold/Silver Accredited - per hour	£66.00				
97	3G pitch - Bronze/Standard Accredited - per hour	£66.00				
98	3G pitch - Non Accredited - per hour	£66.00				
99	3G pitch - Off Peak - per hour	£40.00				
Channel View						
100	All Weather pitch outside 3G Peak times	£66.00	Nil	Nil	1 April 2018	No proposed increase
101	All Weather pitch outside 3G Off Peak	£40.00				
102	3G Outside Off peak and weekends	£30.00				
103	3G Outside Peak	£35.00				
104	3G Inside Off peak and weekends	£40.00				
105	3G Inside Peak times	£45.00				
106	Upper Activity area (per hour)	£26.00	£1.00	3.85%	The proposed new charge is £27.00	
107	Committee Room / Creche (per hour) Off Peak	£12.50	£0.50	4.00%	The proposed new charge is £13.00	
108	Committee Room / Creche (per hour) Peak	£23.50	£0.50	2.13%	The proposed new charge is £24.00	
109	Meeting Room 3 (per hour) Peak	£22.00	£0.50	2.27%	The proposed new charge is £22.50	
110	Childrens party	£99.00	Nil	Nil	No proposed increase	
111	Adult Activities 1hr	£5.40	£0.20	3.70%	The proposed new charge is £5.60	
112	Spin / TRX / Kettlebells	£6.20	£0.20	3.23%	The proposed new charge is £6.40	
113	School Holiday	£3.50	£0.10	2.86%	The proposed new charge is £3.60	
114	Junior Activities	£3.50	£0.10	2.86%	The proposed new charge is £3.60	

Appendix 11 (c)

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
115	Soft Play	£3.00	Nil	Nil	1 April 2018	No proposed increase
116	50 + (access to gym, specific classes at off peak times)	£3.50	£0.10	2.86%		The proposed new charge is £3.60
Cardiff Riding School						
117	Spectator	£0.50	Nil	Nil	1 April 2018	No proposed increase
118	Competition Entry - Pony Club/Riding Club members	£12.50				
119	Competition Entry - non members	£15.00				
120	Work Livery 6 hrs per week (Horse worked)	£110.00				
121	Work Livery 9 hrs per week (Horse worked)	£89.00				
122	Work Livery 12 hrs per week (Horse Worked)	£60.00				
123	1 night livery	£27.50				
124	Certificate	£3.50				
125	Child Disability 1hr pony lesson	£18.00				
126	Stable Management 1 hr Private	£40.00				
127	Stable Management 1 hr group	£11.00				
128	Stable Management 1 hr long term (yr fee)	£42.00				
129	Uni 1 hr group lesson	£22.50				
130	Course 1 hr group lesson	£22.50				
131	1/2 hr Private up to 2 persons	£30.00				
132	1/2 hr Private up to 3 persons	£22.00				
133	1 hour Private up to 2 persons	£42.00				
134	1 hour Private up to 3 persons	£40.00				
135	Hire of Hats	£2.50				
136	1/2 hr group weekday lesson	£14.00				
137	1/2 hr group weekend lesson	£15.50				
138	1 hr group weekday lesson	£22.50				
139	1 hr group weekend lesson	£23.50				
140	Pony Club Day (extended lesson)	£44.00				
141	Pony Club Stable Management (1hr)	£11.00				
142	Pony Club 1/2 hr group	£14.00				
143	Pony Club 1 hr group	£22.50				
144	Stable Management 1.5 hours	£16.50				
145	Riding Club 1.5 hours	£16.50				
146	Riding Club 1hr Ride+ 1 SM	£35.00				
147	Riding Club Day	£44.00				
148	Assisted Livery	£80.00				
149	Full Livery Care Only	£155.00				
150	Loan of Pony (2 x 1/2hr sessions plus SM per week)	£22.50				
151	Manure (per bag)	£1.00				
152	Christmas Show Entry	£7.50				
153	Adult Gloves	£7.00				
154	Child Gloves	£4.00				
155	Plain Whip	£8.00				
156	Schooling Whip	£13.00				
157	Holiday Club	£6.00				
158	Pony Ride (Sat/Sun)	£7.00				
159	Party	£230.00				
160	DIY Livery (per week)	£66.00				
161	Snr Pony Club	£31.00				
162	Pony Club 1hr Ride+ 1 Stable Management	£35.50				

Appendix 11 (c)

No.	Income Source	Current Charge £	Proposed Price Change £	% Change	Effective Date	Comment
Canton Community Hall						
163	Parents & Tots	£3.00	Nil	Nil	1 April 2018	No proposed increase
164	Parents & Tots (MaxActive)	£1.50				
165	Parents & Tots (Extra Child)	£2.00				
166	Little Tiddlers/Ti a Fi	£3.00				
167	Photocopying	£0.20				
168	Circuits	£5.40				
169	Boxercise	£5.40				
170	Pilates	£5.40				
171	Adult Archery	£5.60				
172	Adult Max Active Fitness	£2.70				
173	Jnr Archery	£3.50				
174	Jnr Football	£2.50				
175	Jnr Streetgames	£1.50				
176	Jnr Pool Club	£2.00				
177	Jnr Holiday Activities	£2.70				
178	Friday Parties	£125.00				
179	Weekend Parties	£150.00				
180	Badminton Court Booking	£12.10				
181	Table Tennis	£4.70				
182	Whole main Hall	£39.00				
183	Function Room	£13.00	£0.50	3.85%		The proposed new charge is £13.50
184	Committee Room	£12.50	£0.50	4.00%		The proposed new charge is £13.00
185	Multi Use Games Area (Off peak)	£25.00	Nil	Nil		No proposed increase
186	Multi Use Games Area (Peak)	£42.00				
187	Active Card Membership	£20.00				

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

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Summary of Post Consultation Changes

	£000	
Funding		
Approval of Council Tax Base in December 2017	(463)	Additional income through the number of properties in the city
Net impact of Final Settlement	(2,426)	After taking account of new responsibilities
Updated Council Tax Rate for 2018/19	(1,719)	To reflect a 5% council tax increase in 2018/19
Total non-hypothecated funding	(4,608)	
Pressures		
Children's Services Realignment	990	To reflect the month 9 monitoring position
Employee's Pay	3,109	To reflect employers pay offer for NJC staff & updated assumptions for teachers
Additional Financial Pressures	310	Final pressures total £1.474 million compared to £1.164 million at consultation
Downwards Realignments	(1,887)	Reflecting month 9 monitoring information in relation to CTRS and insurance.
2017/18 Savings Write Outs	306	Due diligence - to reflect savings not considered achievable in 2018/19
Notification of amounts payable to other bodies	239	Including South Wales Fire Services, HM Coroner and the SRS.
Updated pricing information	600	In relation to Residential Nursing Costs
Updated forecasts of demand	216	In relation to Additional Learning Needs
Capital Financing	658	To reflect the in year monitoring position
Other Technical Adjustments	67	
Total	4,608	
Savings		
Council Wide Efficiencies Including business efficiencies, review of third party spend, changing processes, technology and staff resources.	0	Of the £1.2m proposed at consultation: £600,000 has been allocated to directorates to allow specific savings to be proposed £606,000 has been retained corporately to be met through modernisation measures including end-to-end process review and digital efficiencies.
Net Overall Impact	0	

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Appendix 13

Financial Resilience Mechanism - one-off use for 2018/19		£000	
Visible Street Scene	Localised highway asset improvement works	720	Repairing defective carriage and footways to improve the condition of the network.
	Essential road marking, signs & street furniture refurbishment programme	250	The replacement or renewal of unsafe, defective or missing traffic signs and road markings throughout the city, to support the safe movement of traffic.
	City Centre Public Realm improvements	150	To maintain the city centre through the use of high quality paving materials and street furniture, ensuring a safe and presentable condition.
	Additional Deep Clean	277	Funding to provide a deep clean to the Southern Arc and outer wards.
	Neighbourhood Services - Continued funding of City Centre Afternoon Waste Enforcement Team	150	To enable city centre/city wide waste enforcement teams to work afternoon and weekends to enable delivery of a high quality Total Street Scene service to the residents of Cardiff.
	Recycling	200	To promote the free recycling collection service, to enhance public information in respect of recycling options and locations and to explore a recycling and reuse centre in the north of the city.
	Asset review and renewal programme for bins	150	Funding for replacement of 25% of public litter bins.
	Total	1,897	
Property Condition	Statutory Obligations - Inspection Work	200	Continuing the current programme of condition and mechanical electrical surveys across the Council's estate which will provide an accurate and up to date account of outstanding and priority works.
	Total	200	
Transitional Arrangements	Transitional Grant Relief	1,100	Provision of transitional funding to mitigate any specific grant issues during 2018/19.
	Old Library	80	Transitional funding to address rental income shortfalls at the Old Library.
	Total	1,180	

Appendix 13

Financial Resilience Mechanism - one-off use for 2018/19		£000	
City Centre Enforcement	Taxi Enforcement	40	To continue to provide an Enforcement Officer to ensure taxi drivers are complying with the terms of their licence.
	Total	40	
Other	Kerbside Recycling - One Off	165	To support the implementation of separate glass recycling collections and changes to domestic collections in order to reduce the risk of failing statutory recycling targets.
	Expansion of Meals on Wheels - Weekend and Bank Holidays	58	Funding to support the expansion of Meals on Wheels to cover weekend and Bank Holidays due to demand for the service.
	Corporate Initiatives	60	To support events, market the city and to respond to opportunities presenting themselves during 2018/19, potentially at short notice.
	Residential and Nursing Home Care	400	To provide funding for exceptional cost increases during the year.
	Total	683	
Grand Total		4,000	

Directorate Revenue Budgets

	2017/18 Adjusted Base*	Inflation & Commitments	Financial Pressures	Savings	Total 2018/19
	£000	£000	£000	£000	£000
Corporate Management	26,451	(429)	0	(877)	25,145
Economic Development	7,693	736	0	(2,486)	5,943
Education	249,980	7,498	225	(1,278)	256,425
People and Communities:					
- Communities & Housing	42,331	1,113	76	(689)	42,831
- Social Services	157,688	13,165	400	(5,160)	166,093
Planning, Transport & Environment	42,967	1,166	523	(1,838)	42,818
Resources:					
- Governance & Legal Services	6,004	103	0	(442)	5,665
- Resources	20,524	928	0	(1,526)	19,926
Capital Financing	33,717	1,519	0	0	35,236
Summary Revenue Account	8,319	262	250	0	8,831
Total Budget	595,674	26,061	1,474	(14,296)	608,913

*The adjusted base reflects the proposed use of the FRM in 2018/19

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Appendix 15

Cabinet Member Portfolio Revenue Budgets

	2017/18 Adjusted Base*	Inflation & Commitments	Financial Pressures	Savings	Total 2018/19
	£000	£000	£000	£000	£000
Children & Families	49,280	6,643	291	(1,330)	54,884
Clean Streets, Recycling & Environment	29,145	1,052	523	(1,157)	29,563
Culture & Leisure	9,902	336	0	(803)	9,435
Education, Employment & Skills	255,598	7,503	225	(1,289)	262,037
Finance, Modernisation & Performance	18,467	851	0	(1,319)	17,999
Housing & Communities	40,267	1,084	0	(569)	40,782
Investment & Development	(2,208)	400	0	(1,683)	(3,491)
Leader's Portfolio	34,257	(293)	0	(1,401)	32,563
Social Care, Health & Wellbeing	111,148	6,602	185	(4,258)	113,677
Strategic Planning & Transport	7,782	102		(487)	7,397
Capital Financing	33,717	1,519	0	0	35,236
Summary Revenue Account	8,319	262	250	0	8,831
Total Budget	595,674	26,061	1,474	(14,296)	608,913

*The adjusted base reflects the proposed use of the FRM in 2018/19

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MEDIUM TERM FINANCIAL PLAN	2019/20 £000	2020/21 £000	2021/22 £000
Adjusted Base Budget Brought Forward	608,913	602,154	597,788
Employee Costs (non Schools)			
Pay Inflation	4,000	3,179	3,205
Other - Living Wage, Actuarial Review, Auto Enrolment	52	52	52
Total Pay Inflation	4,052	3,231	3,257
Price Inflation (non Schools)	3,146	3,167	3,469
Schools Growth			
Employee Costs	8,249	5,996	5,238
Price Inflation	62	65	67
Pupil Numbers	2,482	2,236	2,258
Special School Places & Complex Needs Enhancement	1,830	1,705	1,705
Other	120	0	0
Contribution to Band B and Asset Renewal	(1,090)	(1,090)	(1,090)
Total Schools Growth	11,653	8,912	8,178
Capital Financing	1,176	1,416	2,696
Commitments and Realignment			
Commitments	999	449	1,101
Realignments	0	(561)	0
Total Commitments	999	(112)	1,101
Demographic Growth (non Schools)			
Social Services - Adults	1,900	1,938	1,977
Social Services - Children's	1,500	1,500	1,500
Other	100	100	100
Total Demographic Growth	3,500	3,538	3,577
Financial Pressures	3,000	3,000	3,000
Resources Required	636,439	625,306	623,066
Resources Available:-			
Aggregate External Finance	(436,538)	(432,172)	(427,850)
Council Tax at 2018/19 level	(165,616)	(165,616)	(165,616)
Total Resources Available	(602,154)	(597,788)	(593,466)
BUDGET REDUCTION REQUIREMENT	34,285	27,518	29,600

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THEMED OPPORTUNITIES FOR SAVINGS IN 2019/20 AND 2020/21

Theme	2019/20				2020/21			
	Communities & Wellbeing	Place	Corporate	Total	Communities & Wellbeing	Place	Corporate	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Income Generation	780	1,327	106	2,213	572	1,041	149	1,762
Collaboration	331	3,245	0	3,576	286	292	0	578
Business Processes inc Digitalisation	4,615	2,632	3,379	10,626	3,238	4,184	2,895	10,317
Review of External Spend	4,430	1,105	580	6,115	3,865	896	521	5,282
Prevention and Early Intervention	1,587	0	0	1,587	1,373	0	0	1,373
Total	11,743	8,309	4,065	24,117	9,334	6,413	3,565	19,312

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APPENDIX 17

2017/18 £000	HOUSING REVENUE ACCOUNT	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
13,501	Employees	15,502	15,967	16,446	16,939
16,800	Premises - Council House Repairs	17,600	18,227	18,864	19,557
1,126	Premises - Other Repairs and Maintenance	1,064	1,096	1,129	1,163
2,571	Premises - Other Premises Costs	2,643	2,722	2,804	2,888
116	Transport	148	152	157	162
2,875	Supplies & Services	3,193	3,289	3,388	3,490
6,524	Support Services	6,461	6,675	6,891	7,105
29,730	Capital Financing	31,584	33,027	32,490	33,416
436	Contribution to Reserves/HRA Balances	0	0	1,400	1,900
73,679	Gross Expenditure	78,195	81,155	83,569	86,620
(71,307)	Rents	(75,768)	(78,707)	(81,101)	(84,135)
(50)	Interest - On Balances	(40)	(40)	(40)	(40)
(498)	Fees & Charges	(482)	(490)	(496)	(500)
(1,824)	Other Income	(1,905)	(1,918)	(1,932)	(1,945)
(73,679)	Total Income	(78,195)	(81,155)	(83,569)	(86,620)
0	NET EXPENDITURE	0	0	0	0

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2017/18 £000	School Organisation Plan Reserve	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
6,415	Estimated Opening Balance	2,860	1,583	1,765	2,418
7,697	<u>Contributions to Reserve:</u>				
0	Revenue Release Savings	7,697	7,697	7,697	7,697
	Band B Contributions	45	888	1,731	2,573
7,697	Total Contribution to Reserve	7,742	8,585	9,428	10,270
(6,490)	<u>Drawdowns from Reserve:</u>				
(4,762)	Organisational Restructuring	(3,083)	(2,105)	(1,725)	(1,725)
0	Capital Financing - Band A & General SOP *	(5,891)	(5,881)	(5,358)	(5,259)
	Capital Financing - Band B *	(45)	(417)	(1,692)	(4,159)
(11,252)	Total Drawdown from Reserve	(9,019)	(8,403)	(8,775)	(11,143)
2,860	Estimated Closing Balance	1,583	1,765	2,418	1,545
(3,555)	<i>Movement on Reserve</i>	(1,277)	182	653	(873)

* These amounts will continue to be required beyond the profile shown in this appendix, until borrowing costs in respect of 21st Century Schools schemes have been fully repaid.

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Civil Parking Enforcement Account

2017/18 £000		2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
(351)	Parking Account Opening Balance	(479)	(223)	(285)	(476)
	Income				
(4,535)	On-Street Car Parking Fees	(4,784)	(4,911)	(5,039)	(5,128)
(1,096)	Off Street Car Parks	(1,237)	(1,320)	(1,403)	(1,461)
(325)	Residents Parking Permits	(325)	(325)	(325)	(325)
(1,980)	Penalty Charge Notices	(2,000)	(2,050)	(2,060)	(2,070)
(4,040)	Moving Traffic Offences	(3,840)	(3,589)	(3,210)	(2,905)
(6)	Other Income	0	0	0	0
(11,982)	Total Income	(12,186)	(12,195)	(12,037)	(11,889)
	Expenditure				
869	Operational costs, parking and permits	820	866	779	781
5,283	Enforcement service including Traffic Regulation Orders	5,530	5,540	5,507	5,556
6,152	Total Expenditure	6,350	6,406	6,286	6,337
(5,830)	CPE Annual (Surplus) / Deficit	(5,836)	(5,789)	(5,751)	(5,552)
5,025	Budgeted Eligible Expenditure*	5,025	5,025	5,025	5,025
(805)	Revised CPE Annual (Surpus) / Deficit	(811)	(764)	(726)	(527)
	Commitments				
335	Bus Corridor improvements	335	335	168	0
7	DFS maintenance / signs	7	7	7	7
50	Highways/Transport improvements	50	50	50	50
200	20 mph zones	240	0	0	0
35	Bay Edge Walkway Improvements	0	0	0	0
0	Transport LDP Monitoring	60	60	60	60
0	Active Travel Post	60	60	60	60
0	Car Free-Day	40	40	40	40
50	British Cycling Core Cities Cycling Partnership	50	50	50	50
0	Bike Hire	50	50	50	50
0	Residential Parking expansion	175	50	50	50
677		1,067	702	535	367
(479)	Estimated Closing Balance	(223)	(285)	(476)	(636)

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Appendix 20

Capital Programme 2018/19 - 2022/23

General Fund Capital Programme

			<u>2018/19</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Indicative</u> <u>2021/22</u> <u>£000</u>	<u>Indicative</u> <u>2022/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Annual Sums Expenditure								
1	Disabled Adaptations Grants (see also Public Housing)	To provide adaptations and internal modifications to allow the recipient to live independently within their own home.	4,600	3,800	3,800	3,800	3,800	19,800
2	Owner Occupier Costs - Housing Regeneration	A coordinated approach to improving the city's oldest and worst condition housing stock including energy efficiency. Also to fund owner occupier costs of improvements to housing and boundary walls.	677	140	140	140	140	1,237
3	Alleygating	To prevent anti-social behaviour with other benefits such as reduced street cleansing and highway maintenance costs.	65	50	50	50	50	265
4	Neighbourhood Renewal Schemes (NRS)	Local regeneration schemes based on ward member priorities. Completion of final scheme in the programme at Hendre Park.	91	0	0	0	0	91
5	Community Shopping Centre Regeneration	To implement improvements to shop fronts at Clare Road / Penarth Road.	480	0	0	0	0	480
6	Schools Property Asset Renewal	To address the condition of the schools property stock within the Council in accordance with directorate Asset Management Plans and priority works arising from surveys such as fire risk assessments.	1,378	2,302	2,302	2,302	2,815	11,099
7	Schools Suitability and Sufficiency	To cater for increasing accessibility issues in schools, to address rising pupil numbers and works required in schools that are not part of the 21st Century Schools programme.	964	1,040	1,040	1,040	1,040	5,124
8	Highway Carriageway Reconstruction	Programme to address structural failure, beyond routine repairs.	1,304	300	300	300	0	2,204
9	Carriageway Investment	Road resurfacing - Priorities based on annual engineering inspections.	3,517	1,950	1,950	1,950	1,350	10,717
10	Footway Investment	Footway resurfacing including implementation of dropped kerbs - Priorities based on annual engineering inspections.	535	535	535	535	470	2,610
11	Footway Improvements around Highway Trees	To address the condition of tree roots and tree pits on footways.	125	125	125	125	125	625
12	Street Lighting Renewals	To replace and install new street lighting columns including renewal of electrical cabling.	270	270	270	270	270	1,350
13	Highway Structures including Bridges	The strengthening or replacement of sub standard bridges, culverts and other highways structures following principal inspection reports.	1,580	750	750	750	750	4,580
14	Bus Corridor Improvements	Bus corridor improvements with a focus on securing match funding.	170	110	110	110	335	835
15	Road Safety Schemes	Local network improvements including junction and pedestrian safety improvements, with a focus on securing match funding.	335	335	335	335	335	1,675
16	Telematics / Butetown Tunnel	Transportation infrastructure improvements including CCTV systems.	440	135	135	135	135	980
17	Transport Grant Match Funding	Match funding for Council bids to Welsh Government for transport schemes.	375	375	375	375	375	1,875
18	Strategic Cycle Network Development	Implementation and match funding of the cycling strategy as prioritised in the integrated network map. Installation of cycle parking and network improvements to improve network permeability.	1,200	800	800	800	400	4,000

Appendix 20

			<u>2018/19</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Indicative</u> <u>2021/22</u> <u>£000</u>	<u>Indicative</u> <u>2022/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>
19	Parks Infrastructure	To improve existing parks infrastructure e.g. allotments, hard surfaces, sports fields, parks utilities and outdoor leisure facilities.	140	140	140	140	140	700
20	Play Equipment	Replacement of existing play equipment in parks.	160	90	90	90	90	520
21	Non Schools Property Asset Renewal	To address the condition of the non-schools property stock within the Council in accordance with Directorate Asset Management Plans and priority works.	1,355	1,355	1,355	1,355	1,355	6,775
22	Materials Recycling Facility	To establish a planned regime for upgrades to minimise downtime at the Materials Recycling Facility.	45	45	45	45	45	225
23	ICT Refresh	To replace failing / non compliant hardware.	459	400	400	400	400	2,059
24	Contingency	To address unforeseen pressures in the Capital Programme that arise in year that cannot be managed within existing resources.	200	200	200	200	200	1,000
TOTAL ANNUAL SUMS			20,465	15,247	15,247	15,247	14,620	80,826

Ongoing Schemes / Amendments to Ongoing Schemes								
25	St Mellons Hub	Completion of Phase 2 of the expansion. Excludes Public Housing contribution.	504	0	0	0	0	504
26	Day Centre Opportunities Strategy	Upgrade and convert existing Grand Avenue and Fairwater Day Centres into specialist facilities for dementia and other high need clients.	1,050	0	0	0	0	1,050
27	Maelfa Centre	Enabling works for the regeneration of Maelfa Centre.	250	0	0	0	0	250
28	Domestic Abuse Multi Agency Hub	Development of a facility for victims of violence, domestic abuse and sexual violence.	1,150	0	0	0	0	1,150
29	Whitchurch High School DDA & Suitability Works	DDA adaptation works to the school to allow for progression of pupils and to determine longer term Council wide approach to ensuring a permanent solution to accessibility for disabled pupils and condition of facilities.	1,300	0	0	0	0	1,300
30	21st Century Schools - Band A	This represents the remaining 21st century schools Band A expenditure to be funded by capital receipts. Revenue release savings from schools (Invest to Save) and grants towards expenditure are shown elsewhere in the programme.	13,750	5,046	0	0	0	18,796
31	Schools Safeguarding: Secure Lobbies and Fencing upgrade	To manage safeguarding within existing schools asset renewal budgets. Work to manage visitors, including; perimeter fencing, keypad access control, CCTV, security personnel and 'air lock' systems.	100	100	0	0	0	200
32	Schools Kitchen Upgrades	To upgrade kitchen facilities. Work required includes; emergency lighting, ventilation, removal of asbestos, reconfiguration of walls and installation of new electronics.	200	200	0	0	0	400
33	Bereavement Strategy	Improvement of facilities at Thornhill Crematorium and other bereavement infrastructure funded by earmarked reserve.	325	285	170	145	130	1,055
34	Western Transport Bus Interchange	To create a public transport interchange in the west of the City as part of the redevelopment of the former household waste recycling centre.	0	1,400	0	0	0	1,400
35	Bus Corridor Improvements	Bus corridor improvements to be approved in line with an agreed governance process from Parking Enforcement income.	335	335	168	0	0	838
36	Bute East Dock Crane	To address health and safety issues, subject to detailed consideration of options and cost estimates.	25	0	0	0	0	25
37	Roath Park District Area	Utilise earmarked capital receipt towards structural works to the Dam and schemes to improve financial sustainability of the park and outbuildings.	200	693	0	0	0	893
38	Flood Risk Prevention	Completion of works to prevent water flows from parks and open spaces onto adjacent land causing flooding.	68	0	0	0	0	68

Appendix 20

			2018/19 Including Slippage £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Indicative 2022/23 £000	Total £000
39	Parc Cefn Onn	Provide a range of access improvements for users that want to be able to take advantage of this Grade 2 listed historic park.	111	0	0	0	0	111
40	Refurbishment of Sports Facilities	Complete current programme of upgrade to facilities.	80	0	0	0	0	80
41	Replacement of Athletics Track - Cardiff International Stadium	Replacement of the track, following transfer of operation to Cardiff and Vale College	250	250	0	0	0	500
42	Central Square - Public Realm	Public realm improvements as part of Central Square regeneration.	2,953	0	0	0	0	2,953
43	Economic Development Initiatives	A range of economic development schemes aiming to bring growth and new jobs to the City and region as well as other benefits to citizens, business and visitors. This will include the delivery of a Transport Interchange at Central Square (subject to finalisation of Metro Delivery Partnership), Dumballs Road regeneration and other commitments outlined in Cardiff Capital Ambition.	1,600	13,223	0	0	0	14,823
44	International Sports Village	To create temporary car park to meet parking obligations to the International Pool whilst releasing other areas of land for development. Any scheme is subject to there being no additional cost to Council in excess of resources available from capital receipts and external contributions.	1,243	0	0	0	0	1,243
45	Community Asset Transfer	To pump prime essential capital improvement works to buildings which local community groups are looking to take over from the Council. Maximum individual award of £25k.	50	50	0	0	0	100
46	Central Market Roof	Refurbishment of the market roof in order to prevent water ingress.	300	0	0	0	0	300
47	St David's Hall	Funding towards priority one works.	306	0	0	0	0	306
48	Modernising ICT to Improve Business Processes	Investment in corporate technology projects allowing the Council to make business process improvements and so improve service delivery.	800	800	900	625	0	3,125
49	Learning Disabilities Internal Day Care	Short term condition and access improvements at Tremorfa for people with complex behavioural needs.	225	0	0	0	0	225
50	Children's Services Accommodation Strategy	Capital receipt from disposal of 150 Thornhill Road. Funds ring-fenced for schemes which provide direct benefit to children.	100	131	0	0	0	231
TOTAL ONGOING SCHEMES			27,275	22,513	1,238	770	130	51,926

New Capital Schemes/Annual Sums (Excluding Invest to Save)

51	Neighbourhood Renewal Schemes	A further programme of local regeneration schemes based on ward Member priorities.	0	310	310	550	300	1,470
52	Travellers Site Expansion	Match funding in order to increase the number of pitches - Subject to successful grant award	450	0	0	0	0	450
53	Targeted Regeneration Investment Programme	Match funding towards a WG three year programme for the region - Subject to successful grant award	100	600	600	0	0	1,300
54	Butetown Pavilion	Create a new hub in order to offer an increased range of services.	596	0	0	0	0	596
55	City Centre Youth Hub	Improve existing facilities in the City Centre to create a multi agency youth hub.	220	577	0	0	0	797
56	Schools Additional Property Asset Renewal	Schools Property - Health & Safety, Additional Learning Needs (ALN)	4,000	6,500	6,500	6,000	2,000	25,000
57	21st Century Schools - Band B	Part of the Council's £139m match funding towards WG Grant of which £25m is assumed to be from the proceeds of asset sales, with the balance being additional invest to save borrowing.	0	0	10,000	10,000	5,000	25,000

Appendix 20

		<u>2018/19</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2019/20</u> <u>£000</u>	<u>Indicative</u> <u>2020/21</u> <u>£000</u>	<u>Indicative</u> <u>2021/22</u> <u>£000</u>	<u>Indicative</u> <u>2022/23</u> <u>£000</u>	<u>Total</u> <u>£000</u>	
58	Highway Carriageway Reconstruction	Additional Asset Renewal allocation - Structural failure, beyond routine repairs.	100	100	100	100	100	500
59	Carriageway Resurfacing Investment	Additional Asset Renewal allocation - Carriageways, A48 vehicle safety fence replacement, strategic and distributor route preventative carriageway resurfacing.	300	300	500	800	100	2,000
60	Footway Resurfacing Investment	Additional Asset Renewal allocation for area based improvements	250	500	500	600	200	2,050
61	Street Lighting Columns and Electrical Signs	Additional Asset Renewal allocation - including upgrade of Eastern Avenue electrical cabling and ducting.	150	200	300	200	230	1,080
62	Structures, Telematics, and Drainage	Additional Asset Renewal allocation - Towards Roath Park dam, Llandaff Weir, Highways Drainage schemes and other structures.	50	600	450	350	150	1,600
63	Non Schools Property Asset Renewal	Additional Asset Renewal allocation - To be prioritised following review of property condition surveys and in accordance with Property Asset Management Plan.	500	1,000	1,000	1,000	500	4,000
64	Play Equipment	Additional Asset Renewal allocation - Subject to review and updating of Asset Management Plan.	0	200	200	100	0	500
65	Materials Recycling Facility and Household Waste Recycling Sites	Additional Asset Renewal allocation - Fire suppressant system and other safety improvements at waste management facilities, skip renewal and retaining wall replacement.	700	300	200	100	100	1,400
66	City Centre and Key Links Transport Improvements Design	Funding required to design transport schemes in the east side of the City Centre, Adamsdown and Cardiff Bay to improve connectivity. Subject to successful grant award.	300	0	0	0	0	300
67	Llanrumney Public Transport / Cycling Link via Cardiff East Park & Ride	To design a public transport and cycling link - Subject to successful grant award.	50	50	0	0	0	100
68	Cycling Infrastructure (Priority Cycle Routes) - Active Travel	Additional funding to provide connected routes creating a network for cyclists to safely use and facilitate a significant mode shift from private car to cycling resulting in reduced congestion, improved road safety.	500	1,500	2,500	1,500	0	6,000
69	Coastal Erosion / Flood risk	A scheme to manage flood and erosion risk at the estuary of the river Rumney, including protection of landfill material, key road infrastructure and the Rover Way Travellers Site - Subject to successful grant award.	125	125	1,220	750	0	2,220
70	Cardiff Riding School	Improve the condition of the outdoor riding surface - Subject to successful grant award.	10	0	0	0	0	10
71	New Northern Household Recycling and Service Centre	To explore options and any required land acquisition for a new Household Waste Recycling Centre to meet predicted growth in the north of the city and deliver new Reuse Centre facilities in partnership with the third sector.	200	1,400	1,725	0	0	3,325
72	Recycling collection containers (Glass)	Provide a separate glass collection to residents, so reducing processing and treatment costs; securing high quality end markets and protecting the risk of failing to meet the statutory recycling targets.	300	0	0	0	0	300
73	CCRCD	Council commitment of £28.4m over a number of years towards the £120m Investment Fund - Profile based on January 2018 Model to Regional Cabinet where £5.73m is to be paid in 2017/18.	4,196	1,198	1,198	1,887	1,887	10,366
74	Cardiff Indoor Market Restoration	Invest in the fabric of the building to improve appearance, tackle known structural issues and enhance its commercial attractiveness - Subject to successful grant award.	50	50	100	250	0	450
75	Learning Disabilities Internal Day Care Tremorfa	To review long term options for this site providing services to vulnerable adults - Subject to successful grant award.	100	0	0	0	0	100
TOTAL NEW SCHEMES / ADDITIONAL ANNUAL SUMS			13,247	15,510	27,403	24,187	10,567	90,914

Appendix 20

			2018/19 Including Slippage £000	Indicative 2019/20 £000	Indicative 2020/21 £000	Indicative 2021/22 £000	Indicative 2022/23 £000	Total £000
New Invest to Save Bids								
92	21st Century Schools - Band B	Strategic investment programme for priority schools including land acquisition, funded by additional borrowing.	2,969	14,040	34,323	41,380	19,704	112,416
93	Moving Traffic Offences Scheme/Controlled Parking Enforcement	Enforcement of yellow box junctions, new bus lanes and banned turns throughout the city.	395	0	0	0	0	395
94	Loan to Cardiff City Transport Services Limited	Subject to due diligence and Cabinet approval, a debenture loan for investment in vehicles	2,000	0	0	0	0	2,000
95	New Cemetery Cardiff North	Increase burial provision in the North of the City subject to land acquisition or suitable sites in Council ownership.	65	2,935	0	0	0	3,000
96	Parks Events Infrastructure for Pontcanna Fields	Introduce event specific infrastructure to Pontcanna and Llandaff fields to attract major events to the City and to compliment the Parks offer in Coopers Field.	150	100	0	0	0	250
97	Energy - Salix	Installation of a range of energy efficiency measures (mainly LED lighting replacements) in a range of Council schools and other buildings.	500	500	500	500	500	2,500
98	Energy - REFIT Buildings	To develop options under the Refit framework with suppliers to recommend a range of energy efficiency measures on a whole building perspective. The contractor guarantees energy savings from the work that it is undertaking over a given period, allowing initial investment to be repaid.	500	500	500	500	500	2,500
99	Lamby Way Solar farm	Working with WG and Local Partnerships to deliver a solar farm facility on the former landfill site at Lamby Way.	195	3,810	0	0	0	4,005
TOTAL INVEST TO SAVE			18,292	22,385	35,823	42,880	21,204	140,584

TOTAL GENERAL FUND	99,739	96,001	131,208	134,464	71,225	532,637
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Public Housing Capital Programme (HRA)

100	Regeneration and Area Improvement Strategies	Environmental works including defensible space, demolition, conversion and road/footpath realignment; energy efficiency schemes; improvements to flats, garages, gullies and open spaces.	2,400	2,000	2,000	2,000	900	9,300
101	External and Internal Improvements to Buildings	Improvements include central heating, fencing, roofing, high rise cladding, door entry systems, kitchens and bathrooms, CCTV and improvements to sheltered housing.	15,000	7,600	8,650	7,950	8,100	47,300
102	New Build Council Housing / Acquisition	Develop or acquire new housing and land in order to increase the level of affordable housing.	21,975	17,622	26,250	30,280	23,500	119,627
103	Hub Developments	Public housing contribution to complete hub scheme at St Mellons.	350	0	0	0	0	350
104	Disabled Facilities Service	Adaptations and associated improvements to the homes of disabled persons.	2,300	2,300	2,300	2,300	2,300	11,500
TOTAL PUBLIC HOUSING			42,025	29,522	39,200	42,530	34,800	188,077

TOTAL CAPITAL PROGRAMME EXPENDITURE	141,764	125,523	170,408	176,994	106,025	720,714
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Capital Resources 2018/19 - 2022/23

	<u>2018/19</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Total</u>
	<u>£000</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>£000</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
General Fund						
WG Unhypothecated Supported Borrowing	(8,468)	(8,468)	(8,468)	(8,468)	(8,468)	(42,340)
WG General Capital Grant	(5,153)	(5,153)	(5,153)	(5,153)	(5,153)	(25,765)
Additional Borrowing to cover estimated slippage from 2017/18	(9,028)	0	0	0	0	(9,028)
Additional Borrowing to balance existing Capital Programme	(2,491)	(2,866)	(1,316)	(1,041)	(789)	(8,503)
Additional Borrowing for New Capital Schemes	(10,247)	(13,510)	(15,403)	(12,187)	(3,567)	(54,914)
Additional Borrowing - Invest to Save Schemes to be repaid from revenue savings/income or directorate budgets	(18,292)	(22,385)	(35,823)	(42,880)	(21,204)	(140,584)
21st Century Schools Band A - Earmarked Capital Receipts	(13,750)	(5,046)	0	0	0	(18,796)
Central Square - Earmarked Capital Receipts and Contributions	(2,953)	(13,223)	0	0	0	(16,176)
Other Earmarked Capital Receipts	(3,647)	(1,174)	0	0	0	(4,821)
Non Earmarked Capital Receipts	(4,000)	(3,000)	(13,000)	(13,000)	(7,000)	(40,000)
Direct Revenue Financing	(210)	(210)	(210)	(210)	(210)	(1,050)
Parking and Enforcement - Earmarked Reserve	(335)	(335)	(168)	0	0	(838)
Other Earmarked Reserves	(705)	(285)	(170)	(145)	(130)	(1,435)
External funding estimates and contributions	(20,460)	(20,346)	(51,497)	(51,380)	(24,704)	(168,387)
Total General Fund	(99,739)	(96,001)	(131,208)	(134,464)	(71,225)	(532,637)
Public Housing Resources (HRA)						
Major Repairs Allowance WG Grant	(9,532)	(9,532)	(9,532)	(9,532)	(9,532)	(47,660)
Additional Borrowing	(19,783)	(10,640)	(22,068)	(21,048)	(16,618)	(90,157)
Direct Revenue Financing / Reserves	(8,775)	(7,050)	(6,100)	(6,150)	(6,150)	(34,225)
External funding estimates and contributions	(1,935)	(1,300)	(1,000)	(5,300)	(2,000)	(11,535)
Capital Receipts - Dwelling and land sales	(2,000)	(1,000)	(500)	(500)	(500)	(4,500)
Total Public Housing	(42,025)	(29,522)	(39,200)	(42,530)	(34,800)	(188,077)
Total Capital Programme Resources Required	(141,764)	(125,523)	(170,408)	(176,994)	(106,025)	(720,714)

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Glossary of Terms

Bank Rate

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

Bonds

A long-term debt security issued by a company, a financial institution, a local authority, national government or its affiliated agencies. It represents an undertaking to repay the holder the fixed amount of the principal on the maturity date plus a specified rate of interest payable either on a regular basis during the bond's life (coupon) or at maturity.

Borrowing

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

Capital Expenditure

Capital expenditure pays for improvements to existing and new assets used in the delivery of Council services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 as amended. Statute relies on the accounting measurement of cost in International Accounting Standard (IAS) 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

Capital Financing Requirement (CFR)

An authority's underlying need to borrow for a capital purpose. It measures capital expenditure incurred but not yet financed by the receipt of grants, contributions and charges to the revenue account.

Capital Market

A market for securities (debt or equity), where companies and governments can raise long-term funds (periods greater than one year). The raising of short-term funds takes place on other markets (e.g. the money market).

Capital Programme

The Capital Programme sets out the Council's capital expenditure plans for the forthcoming financial year as well as for the medium term. It is approved annually at Council and identifies the estimated cost of those schemes, their projected phasing over financial years as well as the method of funding such expenditure.

Certificates of Deposits (CDs)

A certificate issued for deposits made at a deposit-taking institution (generally a bank). The bank agrees to pay a fixed interest rate for the specified period of time, and repays the principal at maturity. CDs can be purchased directly from the banking institution or through a securities broker. An active interbank secondary market exists to buy and sell CDs.

Chartered Institute of Public Finance & Accountancy (CIPFA)

CIPFA is the professional body for people in public finance. As a specialised public services body, they provide information, guidance, and determine accounting standards and reporting standards to be followed by Local Government.

Collective Investment Scheme Structures

Schemes whereby monies from a number of investors are pooled and invested as one portfolio in accordance with pre-determined objectives.

Corporate Bonds

Bonds that are issued by a company or other non-government issuers. They represent a form of corporate debt finance and are an alternative means of raising new capital other than equity finance or bank lending.

Counterparty

One of the parties involved in a financial transaction with whom the Council may place investments.

Counterparty / Credit Risk

Risk that a counterparty fails to meet its contractual obligations to the Council to repay sums invested.

Credit Criteria

The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

Credit Default Swaps

A financial transaction which the buyer transfers the credit risk related to a debt security to the seller, who receives a series of fees for assuming this risk. The levels of fees reflect the perceived level of risk.

Credit Rating

A credit rating assesses the credit worthiness of an individual, corporation, or even a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. Ratings usually consist of a long-term, short term, viability and support indicators. The Fitch credit rating of F1 used by the Council is designated as "Highest Credit quality" and indicates the strongest capacity for timely payment of financial commitments.

Debt Management Account Deposit Facility (DMADF)

The Debt Management Office provides this service as part of its cash management operations and of a wider series of measures designed to improve local and central government's investment framework and cash management. The key objective of the DMADF is to provide users with a flexible and secure facility to supplement their existing range of investment options while saving interest costs for central government.

Debt Restructuring

Debt restructuring is a process that allows an organisation to reduce, renegotiate and undertake replacement debt.

Diversification of Investments

The process of creating a portfolio of different types of financial instruments with regard to type, price, risk issuer, location, maturity, etc. in order to reduce the overall risk of the portfolio as a whole.

Duration (Maturity)

The length of time between the issue of a security and the date on which it becomes payable.

External Borrowing

Money borrowed from outside of the Council.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Typical financial liabilities are borrowing and financial guarantees. Typical financial assets include bank deposits, amounts owed by customers, loans receivable and investments.

Fitch Credit Ratings

A commercial organisation providing an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The opinion is usually provided in the form of a credit rating.

Fixed Rate

An interest rate that does not change over the life of a loan or other form of credit.

Floating Rate Notes

A money market security paying a floating or variable interest rate, which may incorporate a minimum or floor.

Four Clauses of Treasury Management

In compliance with the First Clause, this Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.

- Suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

In compliance with the Second Clause, this Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMP's.

In compliance with the Third Clause, this Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director Resources in accordance with existing delegations, who will act in accordance with the organisation's policy statement, TMP's and CIPFA's Standard of Professional Practice on Treasury Management.

In compliance with the Fourth Clause, this Council requires the scrutiny of the accounting, audit and commercial issues of its Treasury Management Strategy and Practices to be undertaken by the Council's Audit Committee due to the technical nature of the documents.

Fraud / Error Risk

Risk of losses being incurred as a result of fraud, error or corruption in treasury management and failure to institute adequate systems, procedures and other arrangements to prevent irregularities.

Housing Revenue Account (HRA)

The HRA is an account of expenditure and income that every local authority housing department must keep in accordance with the Local Government & Housing Act 1989. The account is kept separate or ring fenced from other Council activities. Income is primarily generated by the rents and service charges paid by tenants, while expenditure is on the management and maintenance of the housing stock, and capital financing charges on the HRA's outstanding loan debt.

Interest Rate Risk

Risk that fluctuations in interest rates could impose extra costs against which the Council has failed to protect itself adequately.

Internal Borrowing

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

Investments

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

Lender Option Borrower Option Loans (LOBOs)

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

Liquidity

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

Market Loans

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

Medium Term Financial Plan

Plan outlining the financial strategies and actions that are envisaged by the Council in the medium term regarding the budget.

Markets in Financial Instruments Directive (MiFID)

EU legislation that regulates firms who provide financial instrument services. MiFID was applied in the UK from November 2007, but was revised with changes taking effect from **3 January 2018 (MiFID II)**.

The aim is to ensure financial institutions undertake more extensive checks on their client's suitability for investment products. Organisations undertaking investments will be either classified as 'retail' or 'professional'.

MiFID II requires all Local Authorities to be initially treated as "retail clients" unless they "opt up" to a "professional client". The assumption being that retail clients require a greater level of due diligence and support for investment decision making. Financial institutions will owe a greater duty of care to retail clients, however, they will have no greater financial protection than professional clients.

Minimum Revenue Provision (MRP)

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

Money Market

The market for short-term securities or investments, such as certificates of deposit, commercial paper or treasury bills, with maturities of up to one year.

Money Market Funds

An investment fund which pools the investments of numerous depositors, spreading those investments over a number of different financial instruments and counterparties. Funds with a constant Net Asset Value (NAV) are those where any sum invested is likely to be the same on maturity. Funds with a variable Net Asset Value (NAV) are those where the sum on maturity could be higher or lower due to movements in the value of the underlying investments.

Net Asset Value (NAV)

The market value of an investment fund's portfolio of securities as measured by the price at which an investor will sell a fund's shares or units.

Pooling

The process whereby investments or loans are held corporately rather than for specific projects or parts of the Council, with recharges to those areas for their share of the relevant income and expenditure using an agreed methodology, where such a recharge is required to be made.

Prudential Code for Capital Finance

The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Public Works Loans Board (PWLB)

The Public Works Loans Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Refinancing Risk

Risk that maturing borrowing or other financing of capital projects cannot be renewed on terms that reflect existing assumptions and that the Council will suffer extra costs as a result.

Regulatory Risk

Risk that actions by the Council or by any person outside of it are in breach of legal powers or regulatory requirements resulting in losses to the Council, or the imposition of extra costs.

Security

Protecting investments from the risk of significant loss, either from a fall in value or from default of a counterparty.

Sovereign Credit Ratings

The credit rating of a country. It indicates the risk level of the investing environment of a country, taking into account political risk and other factors.

Sterling

The monetary unit of the United Kingdom (the British pound).

Term Deposits

A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

Treasury Management

The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Treasury Bills

Debt securities issued by a government with a short-term maturity of up to 6 months.

UK Government Gilts

Fixed-interest debt securities issued or secured by the British Government. Gilts are always denominated in sterling though the Government occasionally also issues instruments in other currencies in the Eurobond market or elsewhere.

Variable Rate

An interest rate that changes in line with market rates.

Yield

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

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Prudential Indicators

The Prudential Code

The current system of capital finance is CIPFA's Prudential Code.

It is a professional Code of practice to support the decisions local authorities have to make to plan for capital investment. Originally introduced in 2004, its latest update was in 2017. Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part I of the Local Government Act 2003 i.e. compliance with the Code is a statutory requirement.

Objectives of the Code

The key objectives of the Code are:-

- To ensure that capital expenditure plans are affordable, prudent and sustainable
- That Treasury Management decisions are taken in accordance with good professional practice
- That local strategic planning, asset management planning and proper option appraisal are supported
- To provide a clear and transparent framework to ensure accountability

Required Prudential Indicators

The indicators required are shown below, with further explanation as to their meaning:

1(a). External Debt - Operational Boundary

The most likely, prudent view of the level of gross external indebtedness. External debt includes both borrowing and long term liabilities (e.g. finance leases). It encompasses all borrowing, whether for capital or revenue purposes.

1(b). External Debt - The Authorised Limit

The upper limit on the level of gross external indebtedness, which must not be breached without Council approval. It is the worst-case scenario. It reflects the level of borrowing which, while not desired, could be afforded but may not be sustainable. Any breach must be reported to the executive decision making body, indicating the reason for the breach and the corrective action undertaken or required to be taken.

1(c). External Debt - Actual External Debt

The indicator for actual external debt will not be directly comparable to the operational boundary and authorised limit, since the actual external debt will reflect the actual position at one point in time.

2. Capital Financing Requirement (CFR)

The Capital Financing requirement (CFR) replaced the 'Credit Ceiling' measure of the 1989, Local Government and Housing Act. It measures an authority's underlying need to borrow or use other long-term liabilities, to pay for capital expenditure.

3. Capital Expenditure

The level of capital expenditure incurred and likely to be incurred in future years. This is to be based on an accruals basis and on the definition of capital expenditure.

4. Gross External Borrowing and the Capital Financing Requirement

The level of external borrowing is required to be compared to the Capital Financing Requirement which represents the underlying need to borrow. Requires that borrowing in the medium term can only be for capital purposes.

5. Maturity Structure of Borrowing

Local Authority debt portfolios consist of a number of loans with differing maturities. Setting limits assists in ensuring any new borrowing in particular when combined with existing borrowing does not result in large concentrations of borrowing maturing in a short period of time.

6. Principal sums invested for greater than one year

This indicator measures the exposure of a local authority to investing for periods of greater than one year.

Locally determined Prudential Indicators

7. Ratio of Financing Costs to Net Revenue Budget Stream

This indicator is a measure of affordability of historic and future capital investment plans. It identifies the trend in the cost of capital financing which include:

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

For the General Fund, the net revenue stream is the amount to be met from non-specific WG grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers.

8. Capital financing costs expressed as a ratio Controllable Budget

Addresses limitations in the ratio above which:

- does not take into account the fact that some of the Council's revenue budget is non-controllable, delegated or protected
- is impacted by transfers in and out of the settlement
- includes investment income which is highly unpredictable, particularly in future years
- does not reflect gross capital financing costs for schemes where additional borrowing is undertaken to be repaid from within Directorate budgets e.g. invest to save or invest to earn schemes.

Accordingly an additional indicator is developed for the General Fund showing the ratio of capital financing costs of the Council expressed as a percentage of its controllable budget, excluding investment income:

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Annual Minimum Revenue Provision (MRP) Policy Statement for 2018/19

It is proposed that the Council's MRP Policy is as follows, with any change in the level, timing and method of provision in year delegated to the Section 151 Officer. The Policy was considered by the Council's Audit Committee at its meeting in November 2017.

The broad aim of the 'prudent provision' is to ensure that debt arising from Capital expenditure is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits to service delivery (useful life) or in the case of borrowing supported by the WG, reasonably in line with the period implicit in the determination of any grant.

- Council Fund historic expenditure prior to 1 April 2004 as well as subsequent supported borrowing approved by the WG is to be provided for at 4.0% on a reducing balance basis in 2018/19. This is consistent with the support provided by WG as part of the Revenue Support Grant for Supported borrowing. This approach will continue unless WG change the approach to providing support as part of the RSG formula or any revision to MRP Guidance either in Wales or in England, albeit regular reviews of the position will continue.
- HRA supported borrowing, which was part of the previous housing subsidy system is to be provided for at 2% on a straight line basis. MRP on the significant £187 million settlement buyout payment is to be on 2% straight line basis as a minimum but with voluntary repayments to create headroom against the HRA debt cap for future development and reduce long term costs of servicing debt.
- Additional borrowing for a general increase in investment either in the Council Fund or HRA to balance the Capital Programme in a year is to be provided for on a straight line basis over the estimated average life of the assets created.
- Any additional expenditure linked to specific schemes e.g. Invest to Save, 21st Century Schools etc. is to be provided for on a straight line basis, or over the estimated useful life of assets being created or a shorter period as determined by the Section 151 Officer or suggested periods determined by WG as is the case with Local Government Borrowing Initiative.
- Revenue Provision in excess of the above requirements can be made subject to affordability and following advice of the Section 151 officer.
- Subject to agreement of the S151 Officer, MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases, loan repayments) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.
- The MRP charged against liabilities under finance leases, or contracts that have the characteristics of finance leases, shall be equal to the principal element of the lease repayment, calculated on an annual basis.

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Approved list of Counterparties proposed as part of TM Strategy who are authorised to accept sterling deposits in the UK

	£	Duration
Australia AAA		
Australia and New Zealand Banking Group	12m	2 years
Commonwealth Bank of Australia	12m	2 years
National Australia Bank	12m	2 years
Canada AAA		
Canadian Imperial Bank of Commerce	12m	2 years
Toronto Dominion Bank	12m	2 years
France AA		
Credit Industriel et Commercial	10m	1 year
Societe Generale	10m	1 year
Germany AAA		
DZ Bank (Deutsche Zentral-Genossenschaftsbank)	12m	2 years
Netherlands AAA		
Cooperatieve Rabobank U.A.	12m	2 years
Singapore AAA		
DBS Bank	12m	2 years
Oversea Chinese Banking Corporation	12m	2 years
United Overseas Bank	12m	2 years
Sweden AAA		
Skandinaviska Enskilda Banken	12m	2 years
Svenska Handelsbanken	12m	2 years
Switzerland AAA		
UBS AG	12m	2 years
U.K AA		
Barclays Bank	10m	1 Year
Close Brothers	10m	1 Year
Goldman Sachs International Bank	10m	1 Year
HSBC Bank plc	12m	2 years
Santander UK plc	10m	1 Year
Standard Chartered Bank	10m	1 Year
Bank of Scotland	10m	1 Year
Lloyds Bank	10m	1 Year
Royal Bank of Scotland	12m	2 Years
Coventry BS	10m	1 Year
Nationwide BS	10m	1 Year

UK Local Authority	12m	2 Years
Debt Management Agency Deposit Facility	n/a	6 Months

Money Market Funds

BlackRock ICS Sterling Fund	12m	Liquid
Deutsche Managed Sterling Fund	12m	Liquid
Fidelity GBP ICF	12m	Liquid
Goldman Sachs Sterling Reserves Fund	12m	Liquid
Insight Sterling Liquidity Fund	12m	Liquid
LGIM Sterling Liquidity Fund	12m	Liquid
Northern trust sterling Government Liquidity Fund	12m	Liquid
Royal Bank of Scotland Global Treasury Fund	12m	Liquid
SLI Sterling Liquidity	12m	Liquid