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## AGENDA

Pwyllgor	PWYLLGOR CRAFFU ADOLYGU POLISI A CHRAFFU PERFFORMIAD
Dyddiad ac amser y cyfarfod	DYDD MERCHER, 17 TACHWEDD 2021, 4.30 PM
Lleoliad	CYFARFOD O BELL - TEAMS
Aelodaeth	Cynghorydd Walker (Cadeirydd) Y Cynghorwyr Ahmed, Berman, Bowen-Thomson, Cowan, Henshaw, Lister, Mackie a/ac Williams

Tua  
Amser.

### 1 Ymddiheuriadau am Absenoldeb

Derbyn ymddiheuriadau am absenoldeb.

### 2 Datgan Buddiannau

I'w gwneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.

### 3 Cofnodion *(Tudalennau 5 - 8)*

Cymeradwyo cofnodion y cyfarfod a gynhaliwyd ar 11 Hydref 2021 fel cofnod cywir.

### 4 Llywodraethu a Gwasanaethau Cyfreithiol *(Tudalennau 9 - 76)* 4.30 pm

Heriau Gwasanaeth a Chyllidebol

***Nid yw Atodiad 6 i'w gyhoeddi gan ei fod yn cynnwys gwybodaeth eithriedig o'r disgrifiad ym mharagraff 12 o Ran 4 o Atodlen 12A o Ddeddf Llywodraeth Leol 1972.***

### 5 Monitro Cyllideb Mis 6 2021/22 *(Tudalennau 77 - 144)* 5.15 pm

Craffu cyn penderfynu ar yr adroddiad i'r Cabinet.

- |    |  |         |
|----|--|---------|
| 6  | <b>Strategaeth Eiddo Corfforaethol 2021-26</b> ( <i>Tudalennau 145 - 160</i> ) | 6.00 pm |
|    | Craffu ar Ddatblygu Polisi yn yr adroddiad i'r Cabinet                         |         |
| 7  | <b>Busnes y Pwyllgor</b> ( <i>Tudalennau 161 - 168</i> )                       | 6.45 pm |
| 8  | <b>Eitemau Brys (os oes rhai)</b>  |         |
| 9  | <b>Y Ffordd Ymlaen</b>   | 6.50 pm |
| 10 | <b>Dyddiad y cyfarfod nesaf – 14 Rhagfyr 2021, 4.30pm</b>                      |         |

**Davina Fiore**

**Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol**

Dyddiad: Dydd Iau, 11 Tachwedd 2021

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

## **GWE-DARLLEDU**

Caiff y cyfarfod hwn ei ffilmio i'w ddarlledu'n fyw a/neu yn olynol trwy wefan y Cyngor. Caiff yr holl gyfarfod ei ffilmio, heblaw am eitemau eithriedig neu gyfrinachol, a bydd y ffilm ar gael ar y wefan am 12 mis. Cedwir copi o'r recordiad yn unol â pholisi cadw data'r Cyngor.

Gall aelodau'r cyhoedd hefyd ffilmio neu recordio'r cyfarfod hwn

Ar ddechrau'r cyfarfod, bydd y Cadeirydd yn cadarnhau a gaiff y cyfarfod cyfan neu ran ohono ei ffilmio. Fel rheol, ni chaiff ardaloedd y cyhoedd eu ffilmio. Fodd bynnag, wrth fynd i'r ystafell gyfarfod a defnyddio'r ardal gyhoeddus, mae aelodau'r cyhoedd yn cydsynio i gael eu ffilmio ac y defnyddir y lluniau a recordiadau sain hynny o bosibl at ddibenion gwe-ddarlledu a/neu hyfforddi.

Os oes gennych gwestiynau ynghylch gwe-ddarlledu cyfarfodydd, cysylltwch â'r Gwasanaethau Pwyllgorau ac Aelodau ar 02920 872020 neu e-bost [Gwasanethau Democraidd](#)

Mae'r dudalen hon yn wag yn fwriadol

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

11 OCTOBER 2021

Present: Councillor Walker(Chairperson)  
Councillors Ahmed, Berman, Bowen-Thomson, Cowan,  
Henshaw, Lister, Mackie and Williams

29 : APOLOGIES FOR ABSENCE

None received.

30 : DECLARATIONS OF INTEREST

Cllr Mackie declared a personal interest as she has a family member who is the Head of Integrated Care and Cllr Mackie is also a trustee of Cathays Community Centre which is running the Prevent Programme.

31 : MINUTES

The minutes of the meeting held on 21 September 2021 were agreed as a correct record.

32 : CARDIFF PUBLIC SERVICES BOARD

The Chairperson welcomed the following witnesses to the meeting:

External witnesses:

- Alun Michael, Police & Crime Commissioner
- Charles Janczewski, Vice Chair of Cardiff PSB & Chair of Cardiff and Vale University Health Board
- Abigail Harries, Executive Director of Strategic Planning Cardiff and Vale University Health Board
- Fiona Kinghorn, Executive Director of Public Health, Cardiff and Vale University Health Board

And from Cardiff Council:

- Councillor Huw Thomas, Chair of Cardiff PSB & Leader of Cardiff Council
- Paul Orders, Chief Executive of Cardiff Council.
- Gareth Newell, Head of Performance & Partnerships, Cardiff Council

The Chairperson advised Members of the context for this scrutiny, that it is Committee's statutory responsibility to undertake strategic overview scrutiny of the PSB's performance. Publication of the Board's Annual Report provides a good opportunity for that. The Well-being of Future Generations Act and the Council's Constitution confers on committee the power to make recommendations to the PSB in respect of its functions or governance arrangements and copy its recommendations to Welsh Ministers and the Future Generations Commissioner. The extremely challenging circumstances since March 2020, and the PSB's central role in finding city-wide solutions during the pandemic, made it rather difficult for

Committee to scrutinise partnership work last year, and Committee look forward to hearing from partners and looking ahead to the post pandemic task ahead.

The Chairperson invited all witnesses to address Committee and make opening remarks, after which Members were provided with a presentation from Officers and invited to make comments, observations and ask questions of the witnesses.

Members noted the key priorities of the PSB as being Climate Emergency, Tackling Inequalities, Young People and Prevention.

Members were concerned about the Youth re-offending figures and were advised that these were partly down to the time lag in implementing steps to address the issue, this has now been done so figures should improve. Members were advised that there is more work to be done looking at the type/nature of crimes, targeting the most vulnerable young people and joining up services to take a more holistic approach.

Members were impressed by the work of the PSB throughout the pandemic and asked how this momentum and energy could continue going forward, post Covid. Members were advised that lessons had been learnt and more importance was placed on teamwork rather than committee work; the strength of the relationships would be integral in tackling long term challenges such as Climate change.

Members discussed measuring progress and were told that a trend analysis report was due in November and Members were welcome to look at this in a future scrutiny meeting.

A discussion took place around Safer Neighbourhoods and how statistics could be improved. Members were advised of a number of measures such as new Police projects on Domestic Abuse, tackling perception versus fact whilst still acknowledging that the perception of crime is an issue, improving the public realm, Cardiff being a family and age friendly City, more Police visible on the streets and the importance of the Community Safety Partnership work. Members were also advised that Cardiff compares well with other Core Cities on this.

Members asked about sharing assets and were advised that discussions had taken place between partners estates officers to look at what could be done such as the CRI facility and shared touch down points going forward.

Members asked how the PSB could maintain its strategic view, beyond 2021 and Covid. Members were advised that the PSB would use its leadership in tackling the big issues, focus on prevention, use the trust and ambition that has developed in the context of the discussions and addressing issues going forward.

In relation to Domestic Abuse/Violence, Members noted that this was not a stand-alone issue and that there were a number of interconnected issues that lead to this. Members noted the importance of partnership approaches in this area.

Members stated that Health Inequalities in Cardiff had been identified some time ago and asked about measuring progress in this area. Members were advised that the PSB has been carrying out work in this area but there was always more to be done; it was important to maintain momentum and a focus going forward would be to identify a small number of issues in the City and tackle these in partnership.

In relation to the limitation of the PSB, Members considered there may be scope to increase the diversity of the partners in the PSB.

RESOLVED: The Committee AGREED that the Chairperson writes to the Chair of the PSB on behalf of the Committee to convey their comments and observations.

### 33 : RECOVERY AND RENEWAL PROGRAMME

The Chairperson welcomed Cllr Chris Weaver, Cabinet Member, Finance, Modernisation & Performance; Chris Lee, Corporate Director, Resource; Gareth Newell, Head of Performance & Partnerships and Donna Jones, Assistant Director, County Estates, to the meeting.

The Chairperson reminded Members that Committee has responsibility for scrutiny of the Council's arrangements for organisational improvement. In May Committee heard that the Cabinet would put in place the *Renewal and Recovery Programme* to address the need for change and it would address encompass many action areas, such as hybrid working, digital improvement, improved community working, service recovery, and a greener recovery, supported by robust financial & performance management and a programme of staff engagement. Work has commenced on this, and Committee had the opportunity to consider progress. This is a key programme for the Council and one the Committee can expect to monitor regularly.

The Chairperson invited the Cabinet Member to make a statement, after which Members were provided with a presentation from Officers and asked to make any comments, observations or ask any questions;

Members noted that this was a considerable change in culture and process and that it was very important that people understand about individual's roles and deliverables. Members considered that a lot of work was needed on the managers part and a change in leadership style was required. Officers agreed that it was a challenge, but it was an opportunity to increase productivity through a change in culture. Officers had been reassured by the last 18 months and would start a project in November/December to look at the change in management approach.

Members sought assurances that managers who may struggle with the change to hybrid working would get support. Officers assured Members that they would, it was important to identify those who are struggling and to identify what they require in terms of support. Managers will also be supported to deliver services and to agree with staff the ways in which they want to work. Managers would be encouraged to ask for support and it was important they feel comfortable doing so. There would be ongoing engagement with managers and staff and feedback would be sought on the support put in place.

Members discussed measuring productivity and Officers explained that the majority of people in the survey considered their productivity had increased which was encouraging; measuring productivity going forward would be down to good performance management procedures.

Members referred to the survey results on increased flexibility and asked what officers read into this. Officers explained that the results were high level at the moment with little detail below them but generally employees found that flexibility enabled them to carry out caring responsibilities, being able to order their lives and structure their day accordingly. They found that a better work life balance made them

more productive, and they saved time in their day not having to commute. There was also some work to be done on core office hours going forward.

Members noted that ICT have requested an analysis of the detail in the survey results on ICT equipment and issues; they want to understand any barriers in relation to software or hardware etc.

RESOLVED: The Committee AGREED that the Chairperson writes to the Cabinet Members on behalf of the Committee to convey their comments and observations.

#### 34 : COMMITTEE BUSINESS

Members were updated on correspondence since the last meeting.

Members were reminded that last month Committee scrutinised the Scoping Reports for the Cardiff Replacement Local Development Plan, as did all other scrutiny committees. The outcome agreed by Scrutiny Chairs was that the Environment Scrutiny Committee would lead the task group and membership would be open to representation from all Scrutiny Committees, to ensure the full spectrum of issues covered by the five Terms of Reference are reflected in scrutiny of the Replacement LDP. This Task group will look at the Strategic Options stage. The Chairperson invited expressions of interest from Members of the Committee in being a part of the Task Group and asked that any interest be conveyed to the Principal Scrutiny Officer.

The Chairperson explained that Committee's Performance Panel has a growing remit in light of the new arrangements to address the Local Government (Elections) Wales Act and welcomed volunteers to participate. The Chairperson invited expressions of interest from Members of the Committee in being a part of the Performance Panel and asked that any interest be conveyed to the Principal Scrutiny Officer.

#### 35 : URGENT ITEMS (IF ANY)

None received.

#### 36 : DATE OF NEXT MEETING- 17 NOVEMBER 2021

The meeting terminated at 7.05 pm



**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**17 November 2021**

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**Governance & Legal Services – *service & budget challenges***

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**IMPORTANT - Appendix 6 to Appendix A is not for publication as it contains exempt information of the description in paragraph 12 of Part 4 of Schedule 12A of the Local Government Act 1972.**

**Reason for the Report**

1. To provide Members with briefing papers to support in depth scrutiny of the service and budget challenges faced by the Governance and Legal Services Directorate.

**Structure of the Papers**

2. To facilitate the scrutiny the Chair has requested an officer briefing paper, as such attached to this report are the following papers:

**Appendix A: Legal and Democratic Services Budgets**

*Attached to Appendix A are 6 appendices as follows:*

**Appendix 1:** External legal spend 2018/19 – 2021/22

**Appendix 2:** Analysis of case demand and chargeable hours by team

**Appendix 3:** External legal spend by team

**Appendix 4:** GLS budget analysis 2018/19 – 2021/22

**Appendix 5:** Role of Democratic Services Committee

**Appendix 6:** Case Studies - **Exempt from publication**

**Scope of the Scrutiny**

4. Members will have an opportunity to examine and gain a better understanding of the service demands and budget challenges faced by the Governance and Legal Services

Directorate over the previous 4 years. The Director of Governance and Legal Services will provide a presentation following which there will be an opportunity to ask questions, identify any risks to the Council and how the Cabinet are mitigating against budgetary and service delivery risks.

- 5. Members are reminded that Appendix 6 to Appendix A is not for publication as it contains exempt information of the description in paragraph 12 of Part 4 of Schedule 12A of the Local Government Act 1972.** Cases are presented to illustrate the complexity of the legal services provided and should Members wish to refer to the cases it will be necessary for the meeting to go into closed session.

### **Background & Context**

6. The Committee has within its Terms of Reference scrutiny and oversight of the Governance and Legal Services function of the Council. This extends to monitoring the Directorate's budget and performance over time, and highlighting any concerns, observations or recommendations to the appropriate Cabinet Member in respect of opportunities for improvement in service delivery and budgetary control.
7. This report to the Committee follows two recent scrutinies following which Members have highlighted concerns relating to the Governance and Legal Service.
8. Firstly, at its 9 June 2021 meeting, during scrutiny of the Budget Outturn 2020/21 the Committee requested detailed assurance that Governance and Legal Services were looking closely at the substantial increase in demand for its services and the high unanticipated costs and pressures placed on its budget. Members expressed concern at the size of the overspend in Governance and Legal Services and were keen to establish what the implications would be for the current budget year. Officers advised there had already been an in-year re-alignment and an increase in the budget for 2021/22.
9. Secondly, following scrutiny of the Budget at Month 4 on 21 September 2021 when Members noted the overspend for the directorate stood at £201,000 and highlighted their concerns regarding pressures on other services within the directorate.

Recognising the pressures faced by the directorate, together with the pressure it can exert on smaller section budgets within the directorate, the Committee agreed to schedule further exploration of this issue into its work programme. In response the Cabinet Member Finance, Performance & Modernisation indicated ‘the legal services team had not been able to contain within budget the support provided for increasingly complex legal cases involving the most vulnerable children at the outturn. Additional funding was added to the Legal Services budget for 2021/22 but if demand exceeded the budgeted level, then there would potentially be a need to access the contingency budget once again in the current year.

## Issues

10. Attached at **Appendix A** is a briefing note prepared at the request of the Chair of the Policy Review and Performance Scrutiny Committee. It addresses the challenges and pressures in relation to the Legal and Democratic Services budgets. Specifically, the total budget for the Governance & Legal Services directorate; an explanation of the reasons for current spending pressures; how this impacts on other services’ budgets within the Directorate; and gives an indication of the budgetary request for next year’s budget round (2022/23) to cover the directorate as a whole.

11. To address the request the briefing note is structured as follows:

Point	Information
2	Current Budget Position (M6 2020/21)
3	Legal Services Projected Overspend
4	Members Services and Democratic Services Budget
5	Analysis of GLS Budget 2018/19 to Present
6	Budget Challenges and Pressures 6.1 Legal Services 6.2 Democratic Services
7	Budget 2022/23

12. In summary, the Legal Services budget for 2021/22 is £4.657 million, and the Democratic Services budget is £841,000. The budgets for Committee & Members

Services and Scrutiny were merged in 2019 to form the Democratic Services budget. The overall Governance and Legal Services budget includes the Monitoring Officer, Electoral Services and Members Services.

13. Members are reminded that it is the role of the Democratic Services Committee to keep under review the adequacy of provision of staff, accommodation and other resources made available to discharge the democratic services functions of the Authority, specifically Members' Services, Committee Services and Scrutiny Services.

**Appendix 5 to Appendix A** provides more detail of this role.

14. At month 6 2021/22 Legal Services are projecting an overspend of £176,000 comprised of external legal fees, law library, the case management system, subscriptions and printing. As part of the 2021/22 budget process, this budget was increased by £300k to £898k to reflect the financial pressures in this area.

## **Way Forward**

15. The scrutiny will be supported by the Leader, Councillor Huw Thomas. Members will receive a presentation summarising the service and budget challenges from the Director of Governance and Legal Services, Davina Fiore. Also in attendance to support this item will be Gary Jones, Head of Democratic Services, Sheila Davies, Operational Manager Community and Leanne Weston, Solicitor. Ian Allwood, Head of Finance will also support the scrutiny. The witness panel will take questions from Members.

## **Legal Implications**

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within

the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATION**

The Committee is recommended to:

- a. Note the service and budget challenges faced by the Governance and Legal Services Directorate as outlined in the briefing;
- b. Consider whether it wishes to convey any comments, observations or concerns to the Cabinet Member with responsibility for this service.

**Davina Fiore**

**Director of Governance & Legal Services**

**11 November 2021**

Mae'r dudalen hon yn wag yn fwriadol

**Briefing Note - Legal and Democratic Services Budgets****1. Background**

- 1.1 The directorate consists of Democratic Services which has 21.5 FTE staff and Legal Services which has 65.01 FTE staff.
- 1.2 The Glamorgan Archives (a shared service funded by six Local Authorities) are a member of the Directorate Management Team and regularly report to the Director, they have 15 FTE staff. They are governed by the Glamorgan Archives Joint Committee which meets four times a year and is currently serviced by Cardiff Democratic Services. Their budget is separate and so not covered in this report.
- 1.3 Democratic Services includes the Committee and Members Services and Scrutiny teams, supporting the decision-making processes of the Council and Members carrying out their committee and ward work. It is the Role of the Democratic Services Committee to ensure the Democratic Services functions of the Council are adequately resourced (see **Appendix 5**). The Democratic Services function also includes Electoral Services which carry out the annual electoral registration canvass, publish the electoral register and deliver elections. The Electoral Services budget is the responsibility of the Returning Officer and as a Council function, like planning applications and licensing, is not subject to scrutiny.
- 1.4 Legal Services has 3 teams Community, Litigation and Property & Procurement, each managed by an Operational Manager. The Community and Property and Procurement teams are further sub-divided with an additional Operational Manager to reflect the two legal specialisms and manage the work demands of the teams. The work done by the Legal Services is either statutory work, for example advising on and dealing with children's and adult safeguarding, land charges, education admission appeals, planning matters, licensing matters, defending employment tribunal actions or discretionary work relating to corporate priorities which the Council has discretion over, such as enforcement work, debt

recovery, prosecutions, road traffic orders, procurement, or regeneration.

- 1.5 In addition, the Director fulfils the statutory Monitoring Officer role for Cardiff Council and the City Deal Joint Committee and is the Deputy Returning Officer for elections, (the Chief Executive is the Returning Officer). The Principal Solicitor Litigation is the Council's Deputy Monitoring Officer. The Monitoring Officer role is responsible for ensuring the Council acts lawfully, and for dealing with ethical and corporate governance matters, such as breaches of the Councillor Code of Conduct and reviewing the constitution. The Director is also the Senior Responsible Officer for ensuring the Council complies with the Regulation of Investigatory Powers Act.
- 1.6 The Policy Review and Performance Scrutiny Committee (PRAP) has requested a briefing on the challenges and pressures in relation to the legal and democratic services budgets. In particular
- The Governance & Legal Services directorate budget in total,
  - An explanation of the reasons for current spending pressures,
  - How this impacts on other services' budgets, and
  - What you will need to request for next year's budget round to cover the directorate as a whole.

The Chair considers that Members have expressed concern about the impact of legal services budget challenges on scrutiny and members services budgets and on quality of services.

- 1.7 The PRAP Letter dated 10<sup>th</sup> June addressed to Cllr Weaver states:
- Governance & Legal Services – Members expressed surprise at the size of the overspend in Governance and Legal Services and were keen to establish what the implications are for the current budget year. Officers advised there had already been an in-year re-alignment and an increase in the budget for 2021/22. Children's services is very much needs based reflecting an increase in complex child cases. It was stated that a precise forecast of the implications for 2021/22 may be difficult. We note that the Finance team has worked with Legal Services to ensure the service is doing what it can to operate within budget. This service area has expanded in previous years in an attempt to grow its own expertise. We note that there have been recruitment challenges during the year. The Committee requests detailed assurance that this service is looking closely at this substantial increase in demand for its services and the high



unanticipated costs and pressures placed on its budget and that of the Council as a whole. It also expects that the trend in increasing work demand from Children Services and other departments is factored into all future spending projections.

## 2. Current Budget Position

- 2.1 For 2021/22 the directorate budget for legal and democratic services is £4,657,000, with income of £1,172,000. The legal services budget is £2,644,000 and the Democratic Services budget is £841,000. The budget monitoring position for month 6 is below.

GLS	Net Budget	Outturn	Variance	Change
	£000	£000	£000	£000
Monitoring Officer	223	220	(3)	0
Legal Services	2,644	2,819	176	(56)
Democratic Services	841	829	(12)	2
Electoral Services	464	464	0	0
Members Services	1,838	1,835	(3)	2
<b>Total</b>	<b>6,010</b>	<b>6,167</b>	<b>157</b>	<b>(52)</b>

- 2.2 The budgets for legal services and democratic services are managed separately and are brought together for the purposes of budget monitoring. There is no pressure on democratic services to spend less than its budget allocation to lessen the impact of the legal services overspend on external legal fees. The budget position is monitored monthly by the Directorate Management Team with assistance and advice from a budget accountant.

## 3. Legal Services Projected Overspend

- 3.1 At month 6 the projected spend on external legal fees is nearly £935,000 a projected overspend of £37,000. Table 1 in **Appendix 1** shows that over half of the budget has been spent in the first six months and if this continued it would mean a significant overspend. This is a risk that will continue to be monitored closely.

- 3.2 There are also projected overspends on the Law Library, the Case Management System, Subscriptions and printing. Along with External Legal Fees these contribute to the £176k overspend projection for Legal Services. They are all integral to running a Legal department and cannot realistically be reduced. These overspends have been overshadowed by the external legal fees over the last few years.
- 3.3 The Legal Services external legal fees overspend in 2020-21 was £285k against a budget of £598k. As part of the 2021/22 Budget process, the budget was increased by £300k to £898k to reflect the financial pressures in this area.
- 3.4 The nature of the work of the Community team on children's and adults safeguarding cases means there has continued to be a need to outsource some legal work. In the past some cases have had to be placed with an external firm of solicitors, but that is now rare with casework being carried out primarily inhouse. It is the advocacy work which is outsourced with counsel being instructed to represent the Council at hearings, which are increasingly lengthy and complex.
- 3.5 **Appendix 1** shows a table and graph of the accumulation of external legal spend since 2018/19. This is for all spend on external legal fees maintained by our Accountant. This will include everything that is coded to the 4 codes they use to monitor/analyses spend. The graph shows the monthly spend over three complete years and from this it can be seen the unpredictable nature of the expenditure.
- 3.6 The external legal fees budget was also intended to cover the need for other legal work to be outsourced, but it is largely spent on children's services cases. Where the work of other directorates requires external legal advice, either because the in-house team do not have the capacity or skills to provide it, the client department is asked to meet the costs and, in some cases, it is included in the capital spend of a project. Recent examples include specialist legal advice on the arena project, advice in relation to Cardiff Bus, and specialist advice on the clean air requirements.
- 3.7 In **Appendix 2** there are a series of graphs that show how spend on external cases is monitored within Legal Services. The information is obtained from the Case Management System which is used to record all information that fee earners (solicitors and senior legal officers) work on. Within this system time spent on any individual matter is also recorded.

- 3.8 What can be seen is that in all teams the number of cases being opened per year is increasing as are the number of chargeable hours done by each team as a whole. The data for 20/21 is affected by COVID although all teams continued to work during this period the pandemic did have an impact on the way we worked.
- 3.9 One of the most significant things that the graphs show is the increased number of chargeable hours particularly in the Community Team. While there has been an increase in the number of fee earners in this team which would account for some of the rise the number of cases hasn't risen at a similar rate. This is an illustration of the increase in the complexity of the cases.
- 3.10 An Excel spreadsheet is also maintained within Legal Services to record external legal spend monitoring the need to use external resources and tying this back to the case management system. **Appendix 3** contains a table and graph detailing the spend on external legal spend by each of the legal teams.
- 3.11 The information in **Appendix 3** shows that the majority of the external expenditure is on cases relating to the Community Team and in particular Children's Services. Some further analysis is kept of these cases so a better understanding can be had of the reasons for a case needing to incur these costs. **Appendix 3** also shows an explanation of where the money is being spent.
- 3.12 Over time the amount of money being spent is decreasing to external solicitors but there is an increase in the amount being spent on Counsel. At present only 3 cases are outsourced to external solicitors to run on behalf of Local Authority from the time the cases were issued until their conclusion. Such casework is currently outsourced under the National Procurement Services Framework. Fees under this arrangement are prescribed. A competitive tendering process is currently being planned to outsource child and adult protection work when necessary. It's anticipated that this process will take between 3 to 6 months.

#### 4. Members Services and Democratic Services Budget

- 4.1 The Members Services Budget is £1,837,950 and supports Member Remuneration, webcasting, Modern.gov and the primary support costs for Elected Members i.e., member correspondence.

<b>Member Services Budget 2021-2022</b>	
<b>Expenditure</b>	1,837,950
<b>Less Internal Income &amp;Recharges</b>	0
<b>Income</b>	0
<b>Net Expenditure</b>	<b>1,837,950</b>

- 4.2 The Democratic Services Budget is formed from what was previously the Committee & Member Services and Scrutiny Budgets. This budget covers the staffing costs and support for committee and scrutiny. These budgets were merged in 2019 to minimise the management arrangements for the budget. There are several cost codes linked to these budgets which can be used to fully identify budget expenditure.

<b>Democratic Services Budget 2021 - 22</b>		<b>Notes</b>
<b>Employee</b>	785,840	
<b>Premises</b>	61,400	
<b>Transport</b>	1,600	
<b>Supplies &amp; Services</b>	32,110	
<b>Internal Income</b>	0	
<b>External Income</b>	-28,000	Scrutiny of the HRA
<b>Contribution from Reserves</b>	0	Provisionally planned for £5k to be allocated to replenish the reserves
<b>Total</b>	<b>852,950</b>	

## 5. Analysis of GLS Budget 2018/19 to Present

- 5.1 An historic challenge for legal has been ensuring that the work of the team was not unnecessarily inflated by demands of the directorates. To help address this problem, in 2018/19 some directorates were asked to review the increased level of work they were requiring from legal services and if they were unable to reduce the level of work then they would agree to pay more for legal services from their existing budgets. Whilst there was a simple relationship between the contribution and specific posts the reality was that the costs represented a collective charge from legal in order to ensure business requirements were met on time. There was also a review of work done in respect to capital receipts to ensure the time spent was commensurate to the income received.
- 5.2 Whilst there have been annual increases for pressures such as pay awards the specific increases over the least four years have either related to External Legal Fees or Members allowances as determined by the Independent Remuneration Panel.
- 5.3 Since then, the total budget has increased by 12% and the detail in respect to individual increases and savings achieved are detailed in **Appendix 4**. Table 4 and Table 5 show a Breakdown of these percentages down to each division of the directorate.

## 6. Budget Challenges and Pressures

There are the following Directorate budget pressures and challenges:

### 6.1 Legal Services

#### (i) **Increase in the number of children and adults safeguarding cases referred to us and an increase in the complexity of those cases**

This is a statutory service. Children's Services' workload has increased, and cases being referred to legal require more legal input due to pressures being faced by Children's Services. Whilst court hearings continued throughout the pandemic, albeit remotely, any cases which required face to face assessments e.g., parenting assessments to take place had to be adjourned during lockdown, which gave a backlog of cases to deal with alongside the new referrals.

All cases have strict timescales imposed by the court which provide the framework and timescales within which evidence is to be obtained and filed. Failure to comply is a breach of the court order and applications then need to be made to the Court (on a form known as a C2) for an extension of time in which to file evidence or for hearing dates to be changed. This will often result in an additional Court hearing which generates more work for legal services. Appendix 5 contains a summary of four anonymised complex cases. The costs external legal fees incurred in each case are also included.

### **(ii) Costs/Shortage of Counsel**

Counsel need to be instructed to carry out specialist advocacy in relation to the longer more complex children's cases, particularly those in the High Court. In reality there is limited opportunity to negotiate the costs of counsel down as there is a shortage of counsel working in this specialism, so it is really difficult to find anyone to instruct attend hearings on occasion.

### **(iii) Recruitment of Social Workers**

It is well known what challenges and difficulties Children Services face (nationally and locally) in respect of increase in the demand of work, increase in the complexities of cases and lack of experienced social workers available. While the Council has many very good social workers, problems recruiting social workers and in particular experienced social workers, leads to reliance on agency social workers which increases the workload for legal services as lawyers are often the point of continuity on a case. There is a recognition by Children Services that these issues have a direct impact upon work Legal Services provides. The challenges and difficulties faced by Children Services increase the work of the Legal Services department, which includes: -

- a. Having to liaise more urgently and more frequently with the client department for the purposes of obtaining instructions to present the case before the Court.
- b. Increased supervision of social workers particularly those who lack experience in court proceedings or require it due to the complexities of a case.
- c. Redrafting documents to improve standard of written work presented to the Court

- d. Liaising more frequently with the client department to obtain the necessary paperwork to support cases
- e. Holding urgent and unexpected meetings with clients to address the deficits identified as a result of the challenges and difficulties faced by the client department
- f. Liaising urgently with the client department in respect of social worker allocation particularly where a case has been issued before the Court.
- g. Drafting a Court application, which is a Court requirement, as a result of late evidence, as result of the challenges and difficulties of the client department
- h. Liaising with potential experts to undertake assessments, as children services commissioning team is not able to do so and cause delays thereby impacting upon existing court timetables

Children Services and Legal Services continue to have ongoing discussions regarding these challenges including regular meetings with the respective OM lead officers. A Court Improvement plan is underway which seeks to implement a number of strategies with a clear plan to address the challenges and difficulties faced. In the meantime, increased demand and complexity within a backdrop of decreasing availability of experienced social workers will continue to have an impact on legal services and therefore resources and budget. **Appendix 6** contains details of four anonymised complex cases. The external legal fees incurred in each case are also included.

**(iv) Changes to Ethical Standards Framework**

The Welsh Government has recently carried out and published the results of its review of the ethical standards framework. It is recommending that legislative changes be made so that in future all complaints in relation to alleged breaches of the member Code of Conduct be dealt with initially by the Monitoring Officer of the relevant Council. At the moment the Monitoring Officer only deals with low level member on member complaints. If this recommendation is implemented, then the implications including resource will need to be considered carefully.

**(v) Mandatory Transfer of part of Local Land Charges Function to the Land Registry leading to a loss of income**

Legislation requires part of local land charges function to transfer to the Land Registry. The target date is April 2022. The full effect of this is unknown, but the current proposal is the LLC1 Part of the search is to be

carried out by the Land Registry and a fee will be payable to the Land Registry, which will mean legal services will no longer receive that income, so will lose an estimated £15,084 each year. However, the CON29 part of the search remains with the authority and is chargeable so there will still be some income and a need for staff to process those. The effect on staff work may be negligible since the land registry will not be responsible for the data registered on the land charges register and therefore the Council will still need to coordinate sending the registration of new land charges such as planning or highway agreements to the Land Registry and deal with any resulting requests from solicitors or their clients for copies of agreements, clarification of what is meant and whether obligations under those agreements have been met. However, the impact on total land charges income will continue to be monitored very carefully post the mandatory transfer in order to promptly react to any deviations from the assumptions the service has made.

### 6.2 **Democratic Services**

#### **(i) Digitalisation of Democratic Services**

The need to digitise democratic services and support improvements in democracy has been a key priority for the Service and applications were made to the Welsh Government Digital Democracy Fund which supported applications for those purposes:

- Zoom software for Democratic Services to facilitate dual language meetings. (£5,000)
- Hybrid Meeting Equipment upgrade to improve and enhance the accessibility for future Council meetings. (£35,000)
- Cyber Security E-Learning Modules for 3 years (£3,000)
- Democratic Awareness Communications videos to inform the residents of Cardiff of the role of the Council, its Councillors and their Election process. (£35,000)

Cardiff Council was awarded £35,000 for its hybrid meeting equipment upgrade and £5,000 for the procurement of Zoom software. The Cyber Security E-Learning bid was accepted by the Welsh Government who determined that this module would be funded and provided to all Local Authorities in Wales based on Cardiff Council's recommendation. The Head of ICT has been liaising with the Welsh Government to progress the provision of this E-Learning Module. The Democratic Awareness



Communications videos bid was accepted and £50,000 was offered by the Welsh Government for Cardiff and Carmarthenshire Council to work in partnership with the WLGA to provide a series of awareness videos which would be available on an all-Wales basis.

**(ii) Procurement of Conferencing System to allow Hybrid Meetings to Take Place in accordance with legislation**

This procurement is currently ongoing, and the costs are being met from the Capital Programme as agreed in the 2021/22 Capital Budget.

**(iii) IT kit issued to members becoming outdated/obsolete**

In partnership with IT, we have estimated that there will be a need for approximately £170k in order to meet the costs of new IT equipment and mobile telephones during 2022/23. Whilst some will be found from an earmarked Reserve, the source of the remaining funding will be determined as part of the 2022/23 Budget to be approved in March 2022. To reflect the rapid improvements and changes in mobile telephone and IT equipment, we have also indicated a need for additional funding of £20k in 2025/26.

**(iv) Increase in number of elected members**

The recent boundary review, has resulted in the number of elected members increasing from 75 to 79 which will put pressure on budgets relating to elected members such as members allowances, IT supplies, training etc.

➤ Remuneration

The Independent Remuneration Panel for Wales (IRPW) has identified an increase in the level of remuneration for all Elected Members in the 2022-23 financial year. The increase is likely to be in the region of £226,000 and will be considered as part of the 2022/23 budget process. Previous increases have been provided for in full as part of the budget for that particular financial year.

The draft IRPW report identifies the potential for Assistants to the Executive to be appointed on a case-by-case basis. The financial implications including the funding source would need to be considered at the same time of the decision.

➤ Supporting additional Councillors

Some additional funding relating to the increase in the number of members may be needed to offset costs of Member correspondence, postages, centralised printing & Stationary. This will be considered by the Democratic Services Committee on 29<sup>th</sup> November 2021

- Elected Member personal safety and security  
The Authority has procured the services of “Peoplesafe” to provide an app which enables mobile telephones to act as a lone working device and a funding source has been identified from outside of the service budget.

### **7. Budget 2022/23**

- 7.1 I note the request from the Committee to state what we will need to request for next year’s budget round to cover the directorate as a whole. As part of the 2022/23 Budget Strategy, the budgetary position of the current year will continue to inform the Budget setting process in order to ensure that sustainable budgets for each directorate are set. I have provided the Finance team with the additional requirements in respect to member’s allowances and refresh of IT equipment and mobile telephony. All directorates have been asked to consider where efficiencies can be made from their budgets, however, I have been unable to identify any efficiency savings. In terms of legal services Client departments are needing more not less support from legal services, and legal services are doing more with less. It is worth noting that the risks to the Council of not obtaining accurate and timely legal advice are potentially significant and are reflected in our risk register. I have suggested consideration is given to moving legal services to a trading account basis, so legal services would have no budget but would recharge it’s time to client departments.

I am unable to identify savings without agreement being reached on which areas/types of work we will stop doing. This is very difficult if not impossible to achieve, because the work of the directorate is either statutory relating to safeguarding or local authority decision making requirements or meeting statutory duties such as dealing with education admission appeals, formal decision-making meetings such as Planning Committee and Licensing Committee or related to political priorities such as redevelopment and the provision of social housing.

Section 5 of the Local Government and Housing Act 1989 provides it is the duty of the Council to provide the Monitoring Officer with such resources as in her opinion are sufficient to allow the duties of the post to be performed. It would not be possible to make other savings in the Directorate and still perform the duties of the Monitoring Officer post effectively.

- 7.2 Legal Services is a demand led service, and much of its work is statutory. It is primarily the statutory children safeguarding work which leads to overspends in the external fees budget. The cost of one complex individual case can be in excess of £150k and it is almost impossible to forecast the likely number of cases for next year, so it is very difficult to project how much is necessary. Based on the expenditure in 21/22, the projection could be that an additional £100-200k for external legal fees may be needed, and £7k to cover the costs of the law library and case management system.

**DAVINA FIORE**

**DIRECTOR OF GOVERNANCE AND LEGAL SERVICES**

**8<sup>TH</sup> NOVEMBER 2021**

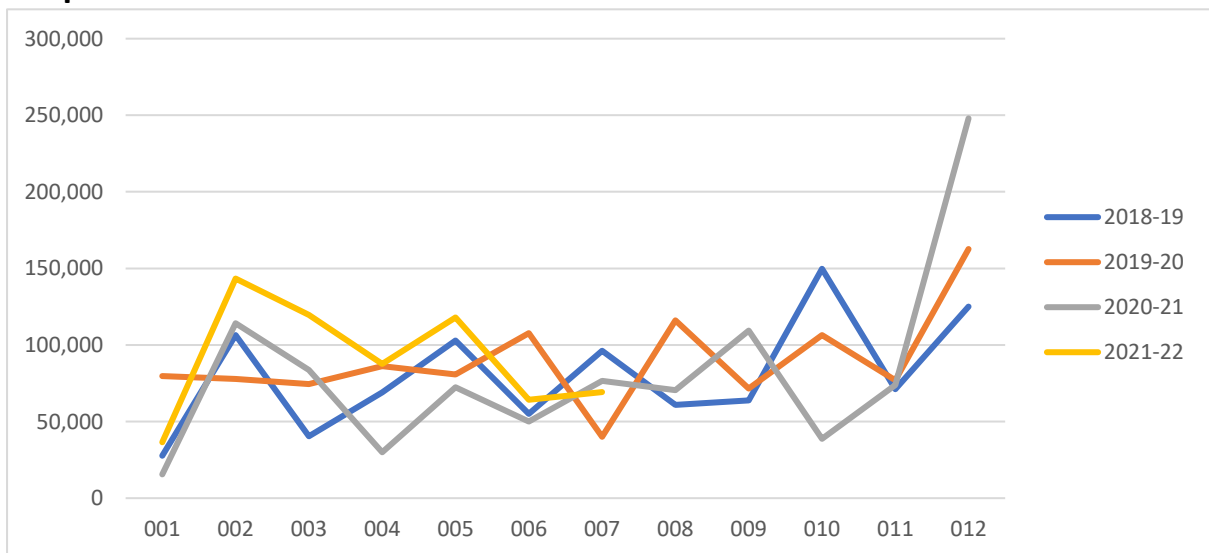
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## Appendix 1

**Table 1**

<b>Accumulated External Legal Spend</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
April	27,719	79,636	15,540	36,505
May	134,181	157,519	129,829	179,875
June	174,696	232,102	213,522	299,531
July	243,696	318,282	243,397	387,281
August	346,570	398,948	315,848	505,265
September	401,641	506,747	365,796	569,491
October	497,769	546,825	442,448	
November	558,589	662,827	513,065	
December	622,457	734,488	622,474	
January	772,204	840,978	661,282	
February	843,302	917,919	735,174	
March	968,421	1,080,580	983,120	

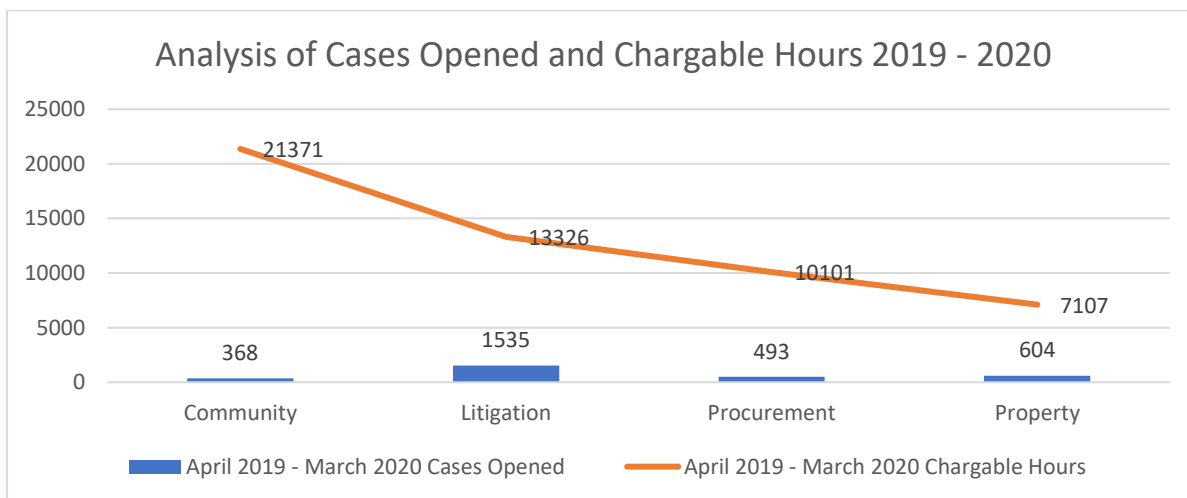
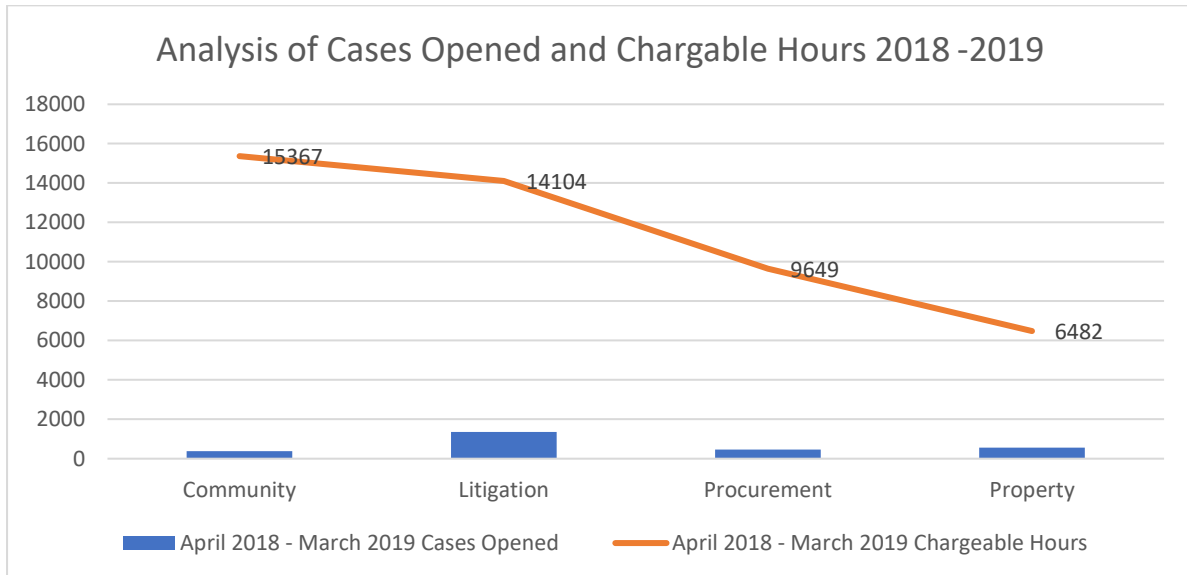
**Graph 1**

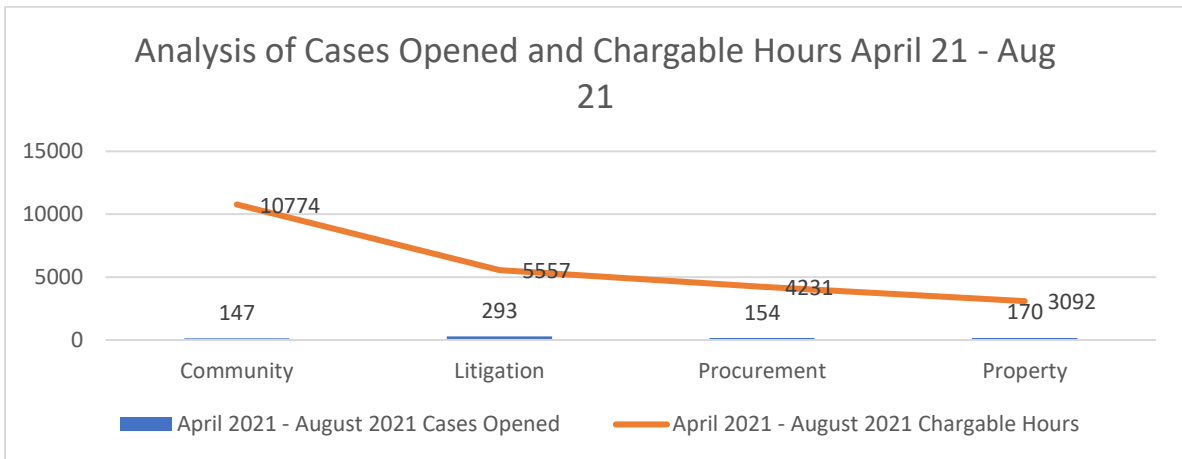
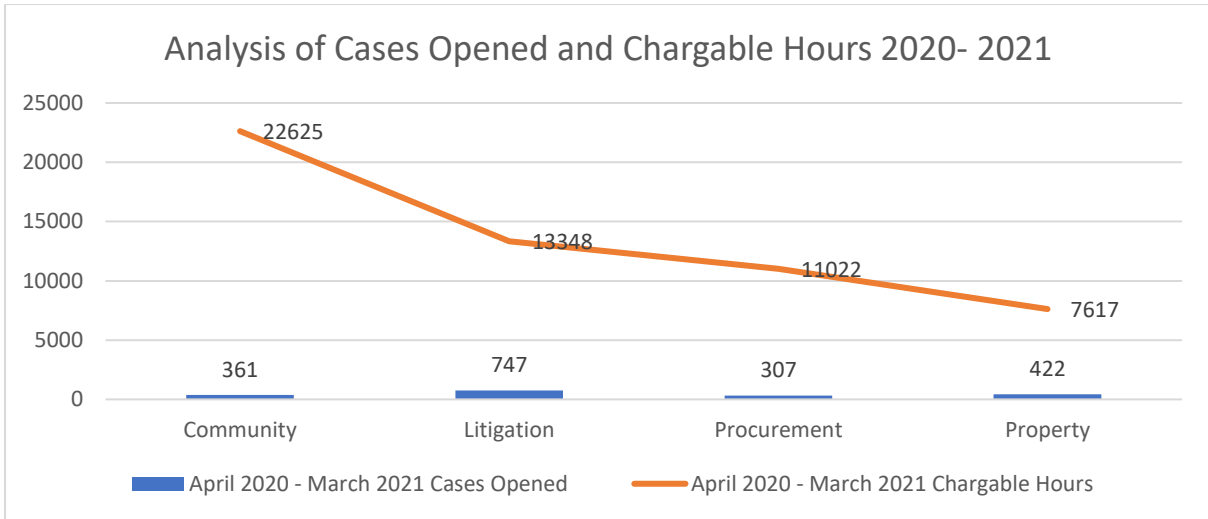


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## Appendix 2

### Analysis of accumulated cases opened by team and accumulated chargeable hours of each team.



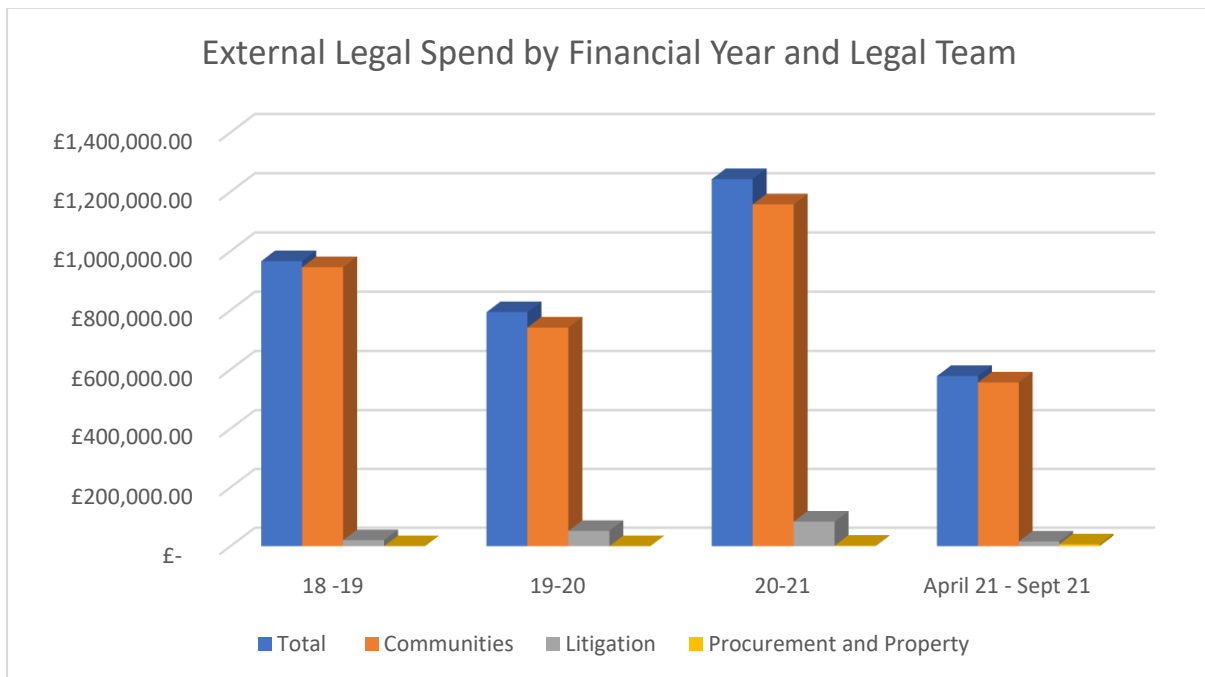




## Appendix 3

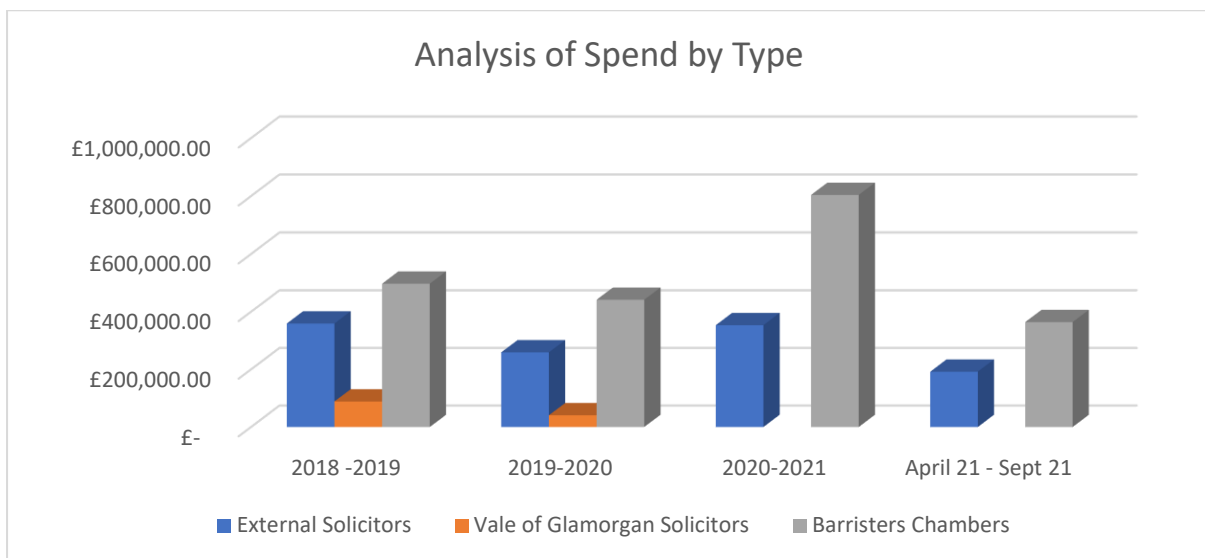
### External Legal Spend 2018 – September 21 by Team

	2018 -2019	2019-2020	2020-2021	April 21 - Sept 21
<b>Communities</b>	£ 945,376.90	£ 741,774.03	£ 1,157,496.42	£ 556,224.67
<b>Litigation</b>	£ 20,410	£ 51,866.75	£ 83,606.68	£ 15,788.75
<b>Procurement and Property</b>	£ -	£ -	£ 1,500.00	£ 6,098.00
<b>Total</b>	<b>£ 965,786.90</b>	<b>£ 793,640.78</b>	<b>£ 1,242,603.10</b>	<b>£ 578,111.42</b>



## Explanation of where the Community Team external legal fees money is spent

	2018 -2019	2019-2020	2020-2021	April 21 - Sept 21
<b>External Solicitors</b>	£ 359,128.30	£ 259,299.60	£ 353,550.61	£192,076.00
<b>Vale of Glamorgan Solicitors</b>	£88,695.42	£40,822.57		
<b>Barristers Chambers</b>	£ 497,553.18	£ 441,651.86	£ 803,945.81	£364,148.67
<b>Total</b>	<b>£ 945,376.90</b>	<b>£ 741,774.03</b>	<b>£1,242,603.10</b>	<b>£578,111.42</b>



## Appendix 4

### Budget analysis 2018/19 to 2021/22

Table 4

GLS	2018-19	2019-20	2020-21	2021-22
Base Budget	5626	5369	5504	5707
Legal Services - Increase in demand for Children's Safeguarding Work	0	351	0	300
Pay Inflation	89	100	88	14
Employers Superannuation Contributions	0	0	-92	0
Members Pay Award	0	50	30	30
Legal Services	0	0	150	0
Members Budgets	0	0	25	0
<b>Increases in funding</b>	<b>89</b>	<b>501</b>	<b>201</b>	<b>344</b>
Legal - Schools SLAs	-40			
Legal - City Deal	-55			
Legal - Capital Receipts	-35			
Legal - Fees & Charges	-6			
Legal - External Fees	-83			
Reduction in Scrutiny Function (deletion of vacant posts)	-53			
Reduction in Democratic Services Function (ceasing support of internal meetings)	-20			
Efficiencies	-20			
Efficiencies	-35			
Review of Legal Services Staffing Resource (Restructure of Legal Services - Deletion of prosecution lawyer post; regrading of management posts)		-119		
Increase in legal services from client departments income		-211		
Cease printing meeting agenda and reports for Councillors and Senior Officers			-13	

Removal of Webcasting Equipment from County Hall Council Chamber			-6	
Reduction in annual contribution to election reserve		-20		
Reduction in Training and Development budget for Members			-3	
Cease use of document exchange service				-2
Increase income				-1
Corporate Savings				-38
<b>Total Savings</b>	<b>-347</b>	<b>-372</b>	<b>0</b>	<b>-41</b>
<b>Net Growth (Reduction)</b>	<b>-258</b>	<b>129</b>	<b>201</b>	<b>303</b>
<b>Cash Limit</b>	<b>5368</b>	<b>5498</b>	<b>5705</b>	<b>6010</b>
Year on year change		2%	4%	5%
Change since 2018-19				12%

**Table 5**

<b>GLS</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>% Change since 18/19</b>
<b>Legal Services</b>	2130	2179	2322	2644	24%
<b>Democratic Services</b>	811	848	853	841	4%
<b>Members</b>	1725	1766	1820	1838	7%
<b>Elections</b>	490	488	486	464	-5%
<b>Head of GLS</b>	214	219	223	224	5%
<b>GLS Total</b>	<b>5370</b>	<b>5500</b>	<b>5704</b>	<b>6011</b>	<b>12%</b>

## **Appendix 5**

### **Role of Democratic Services Committee**

The Local Government (Wales) Measure 2011 provides that a local authority must designate one of its officers to discharge the democratic services functions and provide that officer with such staff, accommodation and other resources as are, in its opinion, sufficient to allow his or her functions to be discharged.

The Local Government (Wales) Measure 2011 also requires local authorities to appoint a Democratic Services Committee to oversee the Democratic Services functions of the Council, ensure that the work is adequately resourced and report to the full Council accordingly. The Democratic Services functions include Members' Services, Committee Services and Scrutiny Services, but not Cabinet Support Services or Electoral Services.

The terms of reference of Cardiff Council's Democratic Services Committee are:

- a) To carry out the local authority's function of designating the Head of Democratic Services.
- b) To keep under review the adequacy of provision of staff, accommodation and other resources made available to discharge the democratic services functions of the Authority.
- c) To make reports, at least annually, to the full Council in relation to these matters.

It is therefore a function of the Democratic Services Committee to review the resources made available to discharge democratic services functions.

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o Ddeddf Llywodraeth Leol 1972.

Mynediad Cyfyngedig i'r Ddogfen

Mae'r dudalen hon yn wag yn fwriadol





Tudalen 65



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## PRAP requested briefing to cover:

- Directorate Budget and Legal Services Projected Overspend
- Legal and Democratic Services current spending pressures
- Budget 2022/3



# Legal & Dem Services Budget Monitoring Month 6

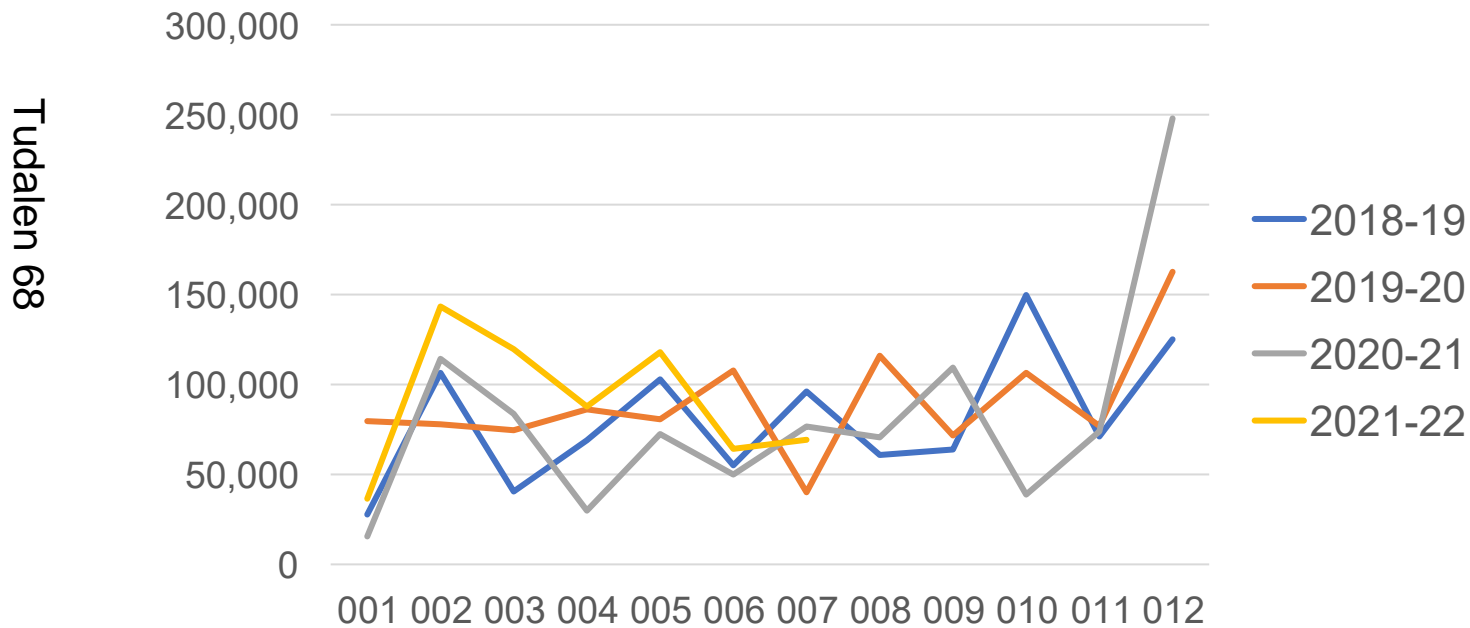
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GLS	Net Budget	Outturn	Variance		Change
	£000	£000	£000		£000
<b>Monitoring Officer</b>	223	220	(3)		0
<b>Legal Services</b>	2,644	2,819	176		(56)
<b>Democratic Services</b>	841	829	(12)		2
<b>Electoral Services</b>	464	464	0		0
<b>Members Services</b>	1,838	1,835	(3)		2
<b>Total</b>	<b>6,010</b>	<b>6,167</b>	<b>157</b>		<b>(52)</b>



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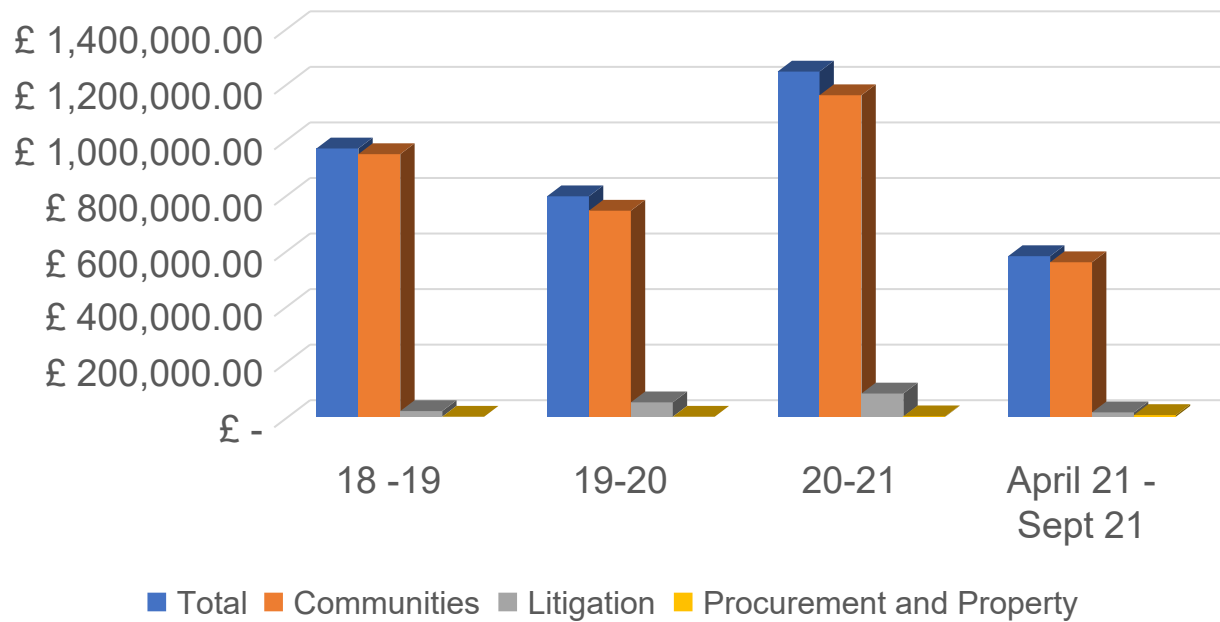
## Accumulated External Legal Spend



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# External legal Spend by Financial Year & Legal Team

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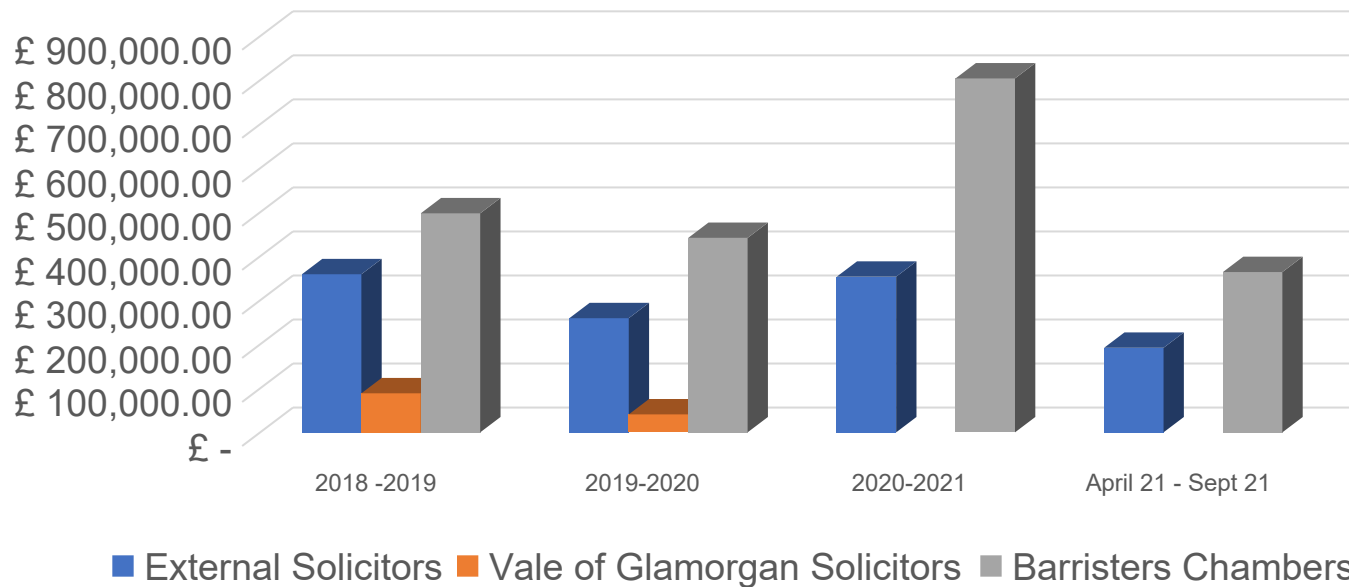


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# Analysis of Spend by Type

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# Budget Challenges & Pressures: Legal Services

- Demand led service
- Increase in number/complexity of safeguarding cases  
(see Confidential appendix 6)
- Costs/shortage of specialist counsel
- Recruitment of permanent experienced social workers
- Proposed changes to ethical standards framework (if implemented by WG)
- Loss of income due to mandatory transfer of part of local land charges function to land registry

Tudalen 71



# Budget Challenges & Pressures: Democratic Services

- Digitalisation – successful grant applications from WG Digital Democracy Fund
- Procurement of Conferencing System for Hybrid/multilocational meetings (capital programme)
- Replacement of outdated IT kit for cllrs post local elections
- Increase in number of elected cllrs from 75 to 79 post elections
- Additional costs for cllrs safety and security





## Budget 2022/3 - Context

- Risks of not receiving accurate & timely legal advice and having properly made decisions accurately recorded
- Council have legal duty to provide MO with resources she needs to do the job
  - “ such resources as in her opinion are sufficient”
- Democratic Services Committee statutory role to review the resources made available to discharge democratic services functions and report to Council.





**Thank you for listening.**

**Any comments or questions?**

Tudalen 74

Davina Fiore, Director of Legal & Governance and Monitoring Officer  
November 2021

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# Heading here

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Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**17 November 2021**

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**Budget Monitoring – Month 6 2021/22**

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**Reason for the Scrutiny**

1. To update Members on the Council's financial monitoring position at Month 6 of 2021/22, in preparation for pre-decision scrutiny of the report to be considered by Cabinet at its meeting on 18 November 2021.

**Background**

2. The Policy Review and Performance Scrutiny Committee's Terms of Reference includes responsibility for monitoring the overall Council budget, both Revenue and Capital budgets, as well as responsibility for monitoring specific service areas. Those services include the budgets for Corporate Management, Economic Development (*County Property & Estates, Facilities and Operational Management*), People & Communities (*Performance & Partnerships*), Governance & Legal Services (*Legal Services, Members Services, Democratic Services and Scrutiny*), and Resources (*Finance, Digital Services, Customer Services, Human Resources, Commissioning & Procurement*) budgets.

**Structure of the Papers**

2. To facilitate the scrutiny the following appendices are attached to this report:

**Appendix A** – Cabinet report – Budget Monitoring – Month 6 2021/22,

Attached to this report are the following appendices

Appendix 1 – Revenue Monitoring M6 Position

Appendix 2 – Directorate Commentaries

Appendix 3 – Directorate Budget Savings M6 Position

Appendix 4 – Capital Programme M6 Summary

## Appendix 5 – Capital Schemes M6 Update

3. The report to Cabinet acknowledges that the financial and economic impact of the pandemic will remain with local authorities for the foreseeable future. It therefore continues the format of setting out the pressures arising from the ongoing Covid-19 pandemic separately from those relating to operational service delivery. The financial impact of the crisis is outlined, in terms of additional expenditure and reduced income generation and the Welsh Government (WG) funding response to these. The unfunded impacts of Covid-19 are also set out in the overall revenue position.

### Impact of Covid-19 Pandemic

4. **Points 3-10** of the report to Cabinet detail the financial impacts resulting from the pandemic, up to end of September 2021. Specifically, Members can read about:
  - Welsh Government Covid-19 funding support (*points 3-4*)
  - Council claims for expenditure and results of these claims (*points 5-7*)
  - Council claims for loss of income (*points 8- 9*)
  - Estimate of further Covid related costs the Council will need to meet from existing resources. (*Point 10*)
5. These show that the Council submitted expenditure claims to WG totalling **£13,781 million**, up to the end of September 2021, of which **£9,092 million** has been reimbursed, **£2,507 million** is held and **£17,000** was disallowed.
6. With regard to the Council claim for loss of income, a table at **point 9** provides an overview of the status of the Q1 income claim, alongside the claims for Q2 including details of the most significant income losses experienced. However a table at **point 10** highlights the risk that not all additional expenditure and income loss will be fully reimbursed by the WG Hardship Fund arrangements. If there is no further reimbursement the financial impact on the Council is an additional **£7 million**.

## Revenue budget

7. The 2021/22-month 6 budget monitoring report attached at **Appendix A** states that, at this point, a net overspend of **£0.397 million** on the revenue account is projected for the end of the 2021/22 financial year. This is an improved position since the month 4 (£1.442 million) report. The overspend is comprised of Directorate projected budget overspends of **£3,147million** and a projected Capital Financing overspend of **£250,000**, partially offset by the **£3 million** general contingency budget.
8. The service areas predicting the most significant overspends are Children's Services (£1,414 million compared with £1.215 million at month 4), Education & Lifelong Learning (£1,045 million compared with £595,00 at month 4) and Economic Development (£827,000 compared with £1.863 million at month 4). Planning Transport & Environment (£289,000) and Governance & Legal Services (£157,000) report smaller overspends.
9. For a quick review of Directorate positions at month 6 Members are directed to the table at **point 13** of the report to Cabinet that lists all positions, note that underspends are reported in brackets. Further details are provided in the Directorate commentaries in **Appendix 2**.
10. The main financial pressures the Council faces at month 6 are:
  - Children's Services - the additional cost and number of residential and internal fostering placements.
  - Children's Services - the additional expenditure in relation to agency staffing.
  - Education - pressures in relation to Out of County Placements, both in terms of cost of individual placements and the overall number of pupils requiring specialist provision.
  - Education - underlying pressures evident within School Transport due to the number of pupils with additional learning needs requiring transport.

- Economic Development - the level of uncertainty facing the income generating services and reflects the level of risk if WG are not able to support fully the impact on services

### **Savings Delivery**

11. An overall shortfall of **£663,000** is currently anticipated against the **£5.554 million** directorate savings target; more details are provided in **Appendix 3** of the report to Cabinet.

### **Capital Financing**

12. The Capital General Fund financing outturn is forecast to be **£181.981 million** of the **£201.229 million** programme. This budget supports the Council's Capital Programme and treasury management activities, including external interest payable, prudent provision for the repayment of any debt in line with Council policy, as well as interest earned on temporary investments. Expenditure at the end of Month 6 was **£51.894 million** which represents 29% of the projected outturn, halfway through the financial year

13. On a positive note, a balanced position is being reported in relation to Council Tax Collection. Performance to date suggests that collection rates are at a level at least comparable to 2020/21.

### **Contingency Budgets**

14. **Point 19** sets out that the Directorate positions reported at month 6 include a number of transfers from contingency budgets, as follows:

- £3.360 million transferred from the Council Tax Reduction Scheme (CTRS) contingency budget.
- £500,000 transferred from the £2.175 million Children's Services contingency budget to meet the additional costs arising from external



placements. Note that it is anticipated that this contingency will be required in full by the end of the year as additional placements occur.

## Capital

15. Members will find detail of the Council's Capital Programme in **Appendices 4 and 5** of the papers. The Council's Capital Programme is currently **£244.353 million** for 2021/22 including an indicative programme to 2025/26.
16. The projected outturn for the year is currently **£181.981 million** against a total programme of **£201.229 million** with a variance of £19.248 million, which is predominantly slippage. Expenditure at Month 6 was £51.894 million which represents **29% of the projected outturn** halfway through the financial year.
17. **Points 25-29** of the report present a picture of progress on **Capital Schemes**, stressing that the Council's capital investment programme is influenced by both external and internal factors. Directorates are again reminded of the need to allocate sufficient capacity and resource to ensuring projects progress in the timescales intended and to identify slippage at an early stage. The key challenge listed appears to be inflation and supply chain challenges with increases in tender prices likely impacting on costs of works, which in turn is likely to impact on managing within estimated budgets. This may require re-prioritisation of schemes to be undertaken including changes in specification where this allows the same outcomes to be met.
18. **Points 30-33** remind members that in February 2018 the Council set a target of **£40 million** for non-earmarked General Fund Capital receipts. As at March 2021 **£7.861 million** had been received. The report then forecasts income towards the target during 2021/22 is £6 million. Receipts to date total £388,000, with the Annual Property Plan for 2021/22 set to update Members on the forecast of receipts during this financial year and for future years.
19. At **points 34-43** Members will find details of the **Housing Revenue Account** position. This **£86.740 million** budget covers *estate regeneration schemes* - £3.150 million (community safety, defensible space, and waste storage and

courtyard improvements to blocks of flats); *planned investment* - £19.250 million in the refurbishment of Council dwellings; *disabled adaptations* - £3.350 million and expenditure on *the development of new housing* - £41.450 million and other development projects.

20. Cabinet considered in July 2020 a **future service model for Homelessness** and set out a range of schemes to offer long-term and sustainable housing options for homeless families and single people. Two sites were identified to deliver new-build temporary accommodation, Hayes Place which completed in February 2021 and the Gasworks site, Grangetown which will provide 50 flats as temporary accommodation for homeless families. Specialist supported accommodation for homelessness was proposed at Adams Court. To support the costs of these three projects, the Council submitted a number of grant bids to Welsh Government and over £12 million pounds of funding was approved. Current risks to the programme are a shortage of materials and labour, recognised nationally as a source of concern for the development industry. As a result, the implementation of some schemes could be delayed until early 2022 and therefore the new build programme is projected to have slippage of £19.540 million.

## **Way Forward**

21. Councillor Chris Weaver, Cabinet Member, Finance, Modernisation and Performance, Christopher Lee, Corporate Director Resources, and Ian Allwood, Head of Finance, will be in attendance to present the report and answer Members' questions.

## **Legal Implications**

22. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf the Council

must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

23. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

### **RECOMMENDATION**

The Committee is recommended to:

- i. note the month 6 2021/22 budget monitoring report.
- ii. consider whether it wishes to make any comments to the Cabinet; and
- iii. consider whether it wishes to use information contained in the report to inform future scrutiny.

### **DAVINA FIORE**

Director, Governance & Legal Services

**11 November 2021**

Mae'r dudalen hon yn wag yn fwriadol

**BY SUBMITTING THIS REPORT TO THE CABINET OFFICE, I, (CHRISTOPHER LEE) (CORPORATE DIRECTOR RESOURCES) AM CONFIRMING THAT THE RELEVANT CABINET MEMBER(S) ARE BRIEFED ON THIS REPORT**

**DRAFT NO STATUS**

**CARDIFF COUNCIL  
CYNGOR CAERDYDD**

**CABINET MEETING: 18 NOVEMBER 2021**

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**BUDGET MONITORING - MONTH 6 REPORT 2021/22**

**FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR  
CHRIS WEAVER)**

**AGENDA ITEM: X**

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**Reason for this Report**

1. To provide the Cabinet with details of the financial monitoring position for the authority as projected at the end of September 2021 (Month 6, adjusted for any significant movements since that date, compared with the budget approved by Council on 4<sup>th</sup> March 2021. This report includes an assessment of the ongoing financial impact arising from the response to the COVID-19 crisis and the level of financial support provided by Welsh government.

**Background**

2. The last eighteen months have been dominated by the issues faced in response to the Covid-19 pandemic and the uncertainty that still remains with regards to the future operation of Council services. This monitoring report will continue to set out the pressures arising from responding to the crisis separately from those relating to operational service delivery. As such, the first part of the report addresses the financial impact of the crisis, both in terms of additional expenditure and reduced income generation, as well as the Welsh Government (WG) funding response to this. The report then provides details of the overall revenue position, including any unfunded impacts of COVID-19 and any emerging operational issues that have arisen for reasons other than the pandemic. An outline of the actions taken by the Council in response to the emerging financial position is then provided, followed by an update on the position in relation to the Capital Programme.

## Issues

### COVID-19 Financial Impact

3. The ongoing COVID-19 pandemic continues to have a significant financial impact on the Council. This is being evidenced through both additional expenditure pressures and reduced income generation across services. These additional expenditure pressures have varied in nature, but have included both the need to change the way services are delivered and also the requirement to react to additional and different demand pressures being faced. In relation to income, losses have been experienced in a number of directorates and as the year progresses there will be a need to track how those services are delivering against the income levels budgeted for in year.
4. In response to these financial pressures, the Welsh Government (WG) has continued to support COVID-19 impacts this year and has committed to continue funding arrangements across Wales for 2021/22 in areas where the pandemic continues to demand additional expenditure or result in lost income. This funding commitment is intended to cover the remainder of this financial year but with an understanding that some services will be presumed to require less financial support as the crisis eases allowing some services to return to pre-pandemic levels of service. In order to access funding, local authorities have been required to submit monthly expenditure claims and quarterly income claims.
5. This financial year to date, the Council has submitted expenditure claims to WG totalling £13.781 million, with the table below providing an overview of claims made to September.

<b>Expenditure claimed by Month</b>	<b>April £000</b>	<b>May £000</b>	<b>June £000</b>	<b>July £000</b>	<b>August £000</b>	<b>Sept. £000</b>	<b>Total £000</b>
<b>Adult Services</b>	1,092	1,239	1,162	1,201	984	850	6,528
<b>Childrens Services</b>	116	149	187	200	243	250	1,145
<b>Infection Control</b>	49	75	38	50	23	112	347
<b>FSM</b>	407	58	56	570	1,422	3	2,516
<b>Homelessness</b>	28	58	98	86	24	118	412
<b>SIPS</b>	103	42	47	228	248	389	1,057
<b>Delegated Schools</b>	125	194	266	118	130	320	1,153
<b>Other</b>	157	140	94	63	47	122	623
<b>Total</b>	<b>2,077</b>	<b>1,955</b>	<b>1,948</b>	<b>2,516</b>	<b>3,121</b>	<b>2,164</b>	<b>13,781</b>

6. The table below provides an overview of the status of claims to September 2021, showing the amounts reimbursed by WG.

**Expense Claims between April – Sept. by Category**

<b>Expense Claims</b>	<b>Claimed - £'000</b>	<b>Reimbursed - £'000</b>	<b>Held - £'000</b>	<b>Disallowed - £'000</b>
<b>Adult Services</b>	<b>6,528</b>	<b>5,601</b>	<b>927</b>	<b>0</b>
<b>Childrens Services</b>	<b>1,145</b>	<b>1,145</b>	<b>0</b>	<b>0</b>
<b>Infection Control</b>	<b>347</b>	<b>328</b>	<b>19</b>	<b>0</b>
<b>FSM</b>	<b>2,516</b>	<b>58</b>	<b>2,458</b>	<b>0</b>
<b>Homelessness</b>	<b>412</b>	<b>302</b>	<b>110</b>	<b>0</b>
<b>SIPS</b>	<b>1,057</b>	<b>864</b>	<b>193</b>	<b>0</b>
<b>Delegated Schools</b>	<b>1,153</b>	<b>1153</b>	<b>0</b>	<b>0</b>
<b>Other Spend</b>	<b>623</b>	<b>606</b>	<b>0</b>	<b>17</b>
<b>Total</b>	<b>13,781</b>	<b>10,057</b>	<b>3,707</b>	<b>17</b>

7. Adult Services continues to be a significant recipient of Hardship Support with the majority of Covid-19 related expenditure within this service taking the form of financial support to Providers. WG have recently issued guidance which sets out revised arrangements for Provider support until the end of this financial year. The monitoring position assumes that ongoing support will reflect these arrangements and will be fully reimbursed. As previously reported last year, there are delays in approval on free school meals provision but there are no concerns that the payments will not be agreed. As in previous months, it should be noted that some items have been retrospectively withdrawn from the Council's claim, because alternative funding sources have become available.
8. In addition to the expenditure claims submitted between April and September, the Council has submitted two claims for lost income, net of any expenditure savings made, covering the first half of this financial year. The Q2 Claim was submitted on the 22 October 2021 and no response has yet been received from WG. Both claims contained information on any income that may have been delayed in its receipt, but not permanently lost.
9. The table below provides an overview of the status of the Q1 income claim, alongside the claims for Q2 including details of the most significant income losses experienced. As reported in the M4 Report, the majority of the Q1 claim was agreed. Those areas that are identified as held relate to income that will be considered later in the year when the amount of income collected in areas such as planning and licensing will be clearer in terms of lost versus delayed income. The difference between the Claimed and Reimbursed is primarily the Q2 claim and it is anticipated that it will be agreed on the same basis as Q1 with the results being reported later in the year.

	<b>Claimed £000</b>	<b>Reimbursed £000</b>	<b>Held £000</b>
Parking	(1,144)	(964)	0
Planning	(204)	0	(204)
Property	(664)	(523)	0
Schools Income	(253)	(130)	0
Schools Catering	(1,280)	(136)	0
Sport & Leisure *	(2,215)	(619)	0
Venues	(2,871)	(1,868)	0
Other	(1,305)	(565)	0
<b>Total</b>	<b>(9,936)</b>	<b>(4,805)</b>	<b>(204)</b>

10. Any additional expenditure or income losses that the WG has decided not to fund will need to be met from existing Council resources and the relevant amounts are reflected within the projected directorate outturn positions that are outlined later in the report. A combination of WG signalling a revision of Hardship support from October and the uncertainty of the economic and pandemic conditions for the remaining months of the year highlights a level of financial risk that not all additional expenditure and income loss will be fully reimbursed by the WG Hardship Fund arrangements. Because of this, the projected directorate positions included within the report do not incorporate the full potential pandemic related pressures that may occur during the last few months of the year. Instead, because of the range of potential scenarios that could occur, the table below has been prepared to provide an indication of the financial impact that may result:

	<b>Estimate  (£000)</b>	<b>25% Council Cont (£000)</b>	<b>50% Council Cont. (£000)</b>	<b>75% Council Cont. (£000)</b>	<b>100% Council Cont. (£000)</b>
Projected Cost (August – March)	2,000	1,500	1,000	500	2,000
Projected Income Loss (Q2-Q4)	5,000	1,250	2,500	3,750	5,000
<b>Total</b>	<b>7,000</b>	<b>2,750</b>	<b>3,500</b>	<b>4,250</b>	<b>7,000</b>

### Revenue Position

11. The overall revenue position reported in the paragraphs that follow comprises projected variances that have arisen irrespective of the pandemic, combined with COVID 19-related items of additional expenditure or lost income that WG have indicated will not be funded through the COVID-19 Hardship Fund. In addition, these variances include shortfalls against 2021/22 budget savings proposals and any in-year savings or efficiencies that have been identified during the year.
12. The overall monitoring position, as at Month 6, reflects a total projected net annual Council overspend of £0.397 million. This position is detailed in



Appendix 1 and includes a total directorate net overspend of £3.147 million and a projected overspend of £250,000 in relation to Capital Financing, partially offset by the £3 million general contingency budget.

13. The table below provides a summary of the overall position and outlines the component parts of each directorate's total variance.

<b>Directorate</b>	<b>Directorate Position</b>
	<b>(£000)</b>
Corporate Management	0
Economic Development:	
Economic Development	827
Recycling & Neighbourhood	0
Education & Lifelong Learning	1,045
People & Communities:	
Housing, & Communities	(277)
Performance & Partnerships	(7)
Adult Services	(87)
Children's Services	1,414
Planning, Transport & Environment	289
Resources:	
Governance & Legal Services	157
Resources	(214)
<b>Total Directorate Position</b>	<b>3,147</b>
Capital Financing	250
General Contingency	(3,000)
Summary Revenue Account	0
<b>Total Council Position</b>	<b>397</b>

14. From the table above, it is, however, clear that there continue to be particular pressures evident in Children's Services, Economic Development and Education & Lifelong Learning with smaller but not insignificant overspends within Planning Transport & Environment and Governance & Legal Services.
15. The specific overspends and underspends within each directorate's position are outlined in more detail within Appendix 2. However, the main pressures relate to the additional cost and number of residential and internal fostering placements within Children's Services, as well as additional expenditure in relation to agency staffing within that directorate. In addition, Education is experiencing pressures in relation to both Out of County Placements, both in terms of cost of individual placements and the overall number of pupils requiring specialist provision. In addition, there are underlying pressures evident within School Transport due to the number of pupils with additional learning needs requiring transport. Economic Development highlight the level of uncertainty facing the income generating services and reflects the level of risk if WG are not able to support fully the impact on services
16. As well as these specific pressures, there are pressures in most directorates arising from not being able to fully deliver the savings proposals agreed as part of the 2021/22 budget. As outlined in Appendix 3, there is an overall projected

shortfall of £663,000 (12%) against the target of £5.554 million. For those 2020/21 savings proposals, the position is that 62% of the savings have been achieved against the £2.147 million carried forward with the remaining proposals being predominantly income related and therefore have an element of uncertainty in the current year.

17. The Capital Financing outturn is forecast to be £250,000 in excess of budget which is an improvement on the position reported in Month 4. This budget supports the Council's Capital Programme and treasury management activities, including external interest payable, prudent provision for the repayment of any debt in line with Council policy, as well as interest earned on temporary investments. The position against the budget is impacted by a number of variables which may change during the course of the year such as interest rates, the level of investment balances, share of interest chargeable to the Housing Revenue Account (HRA), the need for and timing of external borrowing, as well as performance in achieving capital expenditure projections. Whilst there are delays in some capital projects resulting a lower borrowing requirement during the year, factors combining in determining the current projection include HRA picking up a lower share of overall external interest costs, lower levels of interest recoverable from directorates in relation to invest to save schemes expected to be completed during 2021/22 and a higher provision for prudent repayment of historic capital expenditure than assumed for 2021/22
18. A balanced position is being reported in relation to Council Tax Collection. Performance to date suggests that collection rates are at a level at least comparable to 2020/21 with the potential for a surplus up to £200,000. The position projected at this time remains balanced
19. As part of the reported directorate positions, contributions from contingency budgets have been incorporated where appropriate. These include a transfer from the Council Tax Reduction Scheme (CTRS) contingency, of £3.360 million, to meet both the impact of the Council Tax increase together with the increasing demand from residents for financial support, largely as a direct consequence of the pandemic and financial hardship that people have been experiencing. In addition, the Children's Services position currently presumes a £500,000 contribution from the £2.175 million contingency held for meeting the additional costs arising from external placements. It is anticipated that this contingency will be required in full by the end of the year as additional placements occur.
20. In addition to the general fund directorate positions are the positions of ring-fenced and grant funded accounts, which are outlined in more detail as part of Appendix 2. In summary, the position on the Housing Revenue Account (HRA) is projecting a balanced position but that any capital financing cost savings will be used to improve the ability to deal with future budget pressures including capital works postponed to future years and provide more flexibility for any unavoidable commitments in the new financial year. The Civil Parking Enforcement position reflects an in-year surplus of £2.321 million compared to the budgeted surplus of £3.741million. The restrictions remained in April and May and since then activity has increased. It is anticipated that reliance on some level of WG Hardship Grant will be required throughout the year but at a lower level than previous months. The Harbour Authority is projecting a balanced position

## **Response to the Emerging Financial Position**

21. As outlined earlier in this report, the financial and economic impact of the pandemic will remain with local authorities for the foreseeable future. There is a need to ensure that demand pressures are picked up early as well as where demand for services does not return to anticipated levels particularly with respect to income generating services. This combined with the changing nature of support from WG and the ceasing of the Job Retention Scheme highlights the continuing need to ensure that budgets are tightly managed.

## **Capital**

22. The Council in February 2021 approved a new Capital Programme of £244.353 million for 2021/22 and an indicative programme to 2025/26. The budget for the General Fund and Public Housing has since been adjusted to £287.969 million to include actual slippage reported at outturn, incorporation of new grant approvals and confirmation of actual grant awards.
23. The sections below indicate a forecast position for 2021/22 for the General Fund and Public Housing.

### General Fund

24. The projected outturn for the year is currently £181.981 million against a total programme of £201.229 million with a variance of £19.248 million, which is predominantly slippage. Expenditure at the end of Month 6 was £51.894 million which represents 29% of the projected outturn, halfway through the financial year, however there are a number of large expenditure items which are subject to progress during the latter part of the year.

### Capital Schemes Update

25. Delivery of capital projects is complex, may span a number of years and is influenced by a number of external and internal factors such as weather, statutory and non-statutory approval processes. Directorates continue to be reminded of the need to set achievable profiles of expenditure and to identify slippage at an early stage.
26. The impact of Covid-19 on the programme has been dependent on the nature of the works being undertaken. Inflation and supply chain challenges represent a significant delivery challenge to projects. The drivers of these pressures remain unclear; however, the impact of Brexit, ongoing pandemic management and a UK-wide pipeline of construction-led recovery projects are all considered potential drivers of cost inflation, shortage of materials such as steel, timber and cement and difficulties recruiting for key roles.
27. Though fixed prices and framework agreements afford some protection to the inflationary pressure in the short term, this cannot be sustained beyond the contract period and increases in tender prices are likely as risk is built into contract process. These issues will impact on costs of works which is likely to impact on managing within estimated budgets. This may require re-prioritisation

of schemes to be undertaken including changes in specification where this allows the same outcomes to be met.

28. Utilising grants bid for and awarded in approved timescales is a risk to be managed by directorates in the remainder of the year. Consideration of switching of Council resources and early discussion with grant funding bodies should be undertaken to ensure that approved grants can be utilised in full.
29. Further detail on progress against significant capital schemes included in the programme is included in Appendices 4 and 5 to this report.

### Capital Receipts

30. The Capital Programme approved by Council in February 2018 set a target for non-earmarked General Fund Capital receipts of £40 million, with a subsequent increase of £1 million to this target in 2019/20, after making a deduction for eligible revenue costs of disposal. Up to 31 March 2021, a total of £7.861 million has been received against the overall receipts target.
31. The forecast of income towards the target whether by external disposal or approved land appropriations to the Housing Revenue Account (HRA) during 2021/22 was £6 million. Receipts to date total £388,000, with the Annual Property Plan for 2021/22 to update on the forecast of receipts during this financial year and for future years in order to determine the affordability of the Capital Programme to be considered as part of future budget strategy.
32. In addition to the above, land appropriations to the Housing Revenue Account will take place for the development of affordable housing, with the main site being the former Michaelston school site, which was originally anticipated to be appropriated in 2019/20. Where sites are to be appropriated to the HRA, this needs to be within the approved budget framework for the HRA and based on an agreed independent valuation and housing viability assessment.
33. The Capital investment programme also includes a number of major development projects which assume that capital receipts are earmarked to pay towards expenditure incurred on those projects. Examples include the development strategy at the International Sports Village, Arena contribution and commitments agreed as part of proposals in respect to Llanrumney Development. Expenditure incurred in advance of realisation of receipts represents a risk of both abortive costs and to the level of borrowing and should be incurred as part of an approved business case and cabinet approval.

### Public Housing (Housing Revenue Account)

34. Directorate Programme 2021/22 £86.740 million. Initial variance of £25.470 million identified.
35. The estate regeneration budget of £3.150 million tackles issues of community safety, defensible space, waste storage and courtyard improvements to blocks of flats. Full expenditure is projected for the year with major schemes including the Roundwood Estate, Arnold Avenue/Bronte Crescent, Pennsylvania Avenue

and Trowbridge Green (£1.250 million). This also includes the Column Road refurbishment (£500,000) as well as improvements to garages (£1.250 million).

36. In respect to planned investment on Council dwellings, there is a total budget for the year of £19.250 million. Total expenditure in year is projected to be £14.170 million and this will ensure that the Major Repairs Allowance grant allocation for 2021/22 of £9.557 million is utilised in full. Areas of expenditure forecast during the year include replacement boilers (£1 million), door and window replacements (£1.438 million) and roof works to both houses and flats (£2.479 million). Slippage of £5.080 million is currently anticipated for building improvements and this is primarily in relation to flat and house roofs, works to BISF houses and front door upgrades to flats. The delays in relation to Covid-19 and restricted access into houses has meant slippage on planned kitchen and bathroom works. Furthermore, new legislation released in December 2020 regarding cladding testing, changes in scope, duration and market conditions for a scheme at Lydstep high-rise has meant that the major work scheme has been delayed by circa six months. This has resulted in a later than expected start date on site and a reduction in anticipated spend this financial year. Whilst contractors are on site undertaking smaller schemes such as fire doors and sprinkler installations, expenditure of only £917,000 is projected against an in-year budget estimate of £5.750 million.
37. The budget for disabled adaptations for public housing is £3.350 million but expenditure during the year is forecast to be £2.500 million. During 2020/21, Covid-19 caused delays as access was not permitted into homes for work to be carried out. Work is now continuing to catch up with demand but the expected underspend during the year is largely due to reduced staff capacity and materials.
38. Expenditure on the development of new housing over a number of sites during the year is estimated to cost £41.450 million in total. This includes the completion of the phase one Cardiff Living sites and the commencement on Cardiff Living phase two and three sites. Two schemes remain in progress for Phase 1 of Cardiff Living; Llandudno Road which is due to complete in October 2021 and the PassivHaus scheme at Highfields which is expected to complete in the autumn of 2022. Public consultation will begin towards the end of this summer on the Caldicot Road/Narberth Road site through Cardiff Living which will deliver in the region of 75 mixed tenure homes for local people. The early stage master-planning is well underway on the proposed older person/wellbeing village on the former Michaelston College site which will deliver in the region of 250 new homes and a wide range of public buildings providing a range of facilities for the local community with a focus on older people and health and well-being. Public consultation on the proposals for Michaelston will take place in November 2021. Work is well underway for the low-carbon scheme on the Former Rumney High school site and on the former Howardian school site in Penylan, with all private houses released for sale on Howardian phase 1 having sold off-plan.
39. Progress on other development projects outside of Cardiff Living include the conclusion of the tender exercise and award of JCT contracts for the St. Mellon's and Maelfa older person community living buildings which will deliver over 100 older person flats and a range of communal facilities, both of which will

commence on-site before the end of the year. The tender process to appoint a developer for 16 new two, three and four bed homes on the former Local Training Enterprise Centre building in St. Mellons has now been completed and the contract has been awarded. Planning applications have now also been submitted for the Channel View masterplan and phase one, the new older person community living building at Bute Street and Riverside/Canton Community Centre as well as the proposed development of Waungron Road, Llandaff, all of which are due to go to planning committee in November. Work on site commenced in August for the development of 28 one and two bed flats on the former Paddle Steamer pub site in Butetown and the scheme to deliver 16 new council homes at Caldicot Road in Caerau was completed and handed over in September.

40. Cabinet in June 2020 considered the impact of Covid-19 on the Council's housing delivery programme and agreed approval in principle of a specific request from Wates Residential to the immediate purchase of a number of additional properties currently in development as part of the Phase 1 Cardiff Living programme. Furthermore, Cabinet considered in July 2020 a future service model for Homelessness and set out a range of schemes to offer long-term and sustainable housing options for homeless families and single people. The purpose of this work is to replace the leased hotels that were taken on during the Covid-19 crisis with longer-term solutions for temporary accommodation. Two sites were identified to deliver such new-build temporary accommodation, one of which is Hayes Place which completed in February 2021 and provides 19 new modular homes using the Beattie Passive 'Haus4studio' pods. There is also a meanwhile use on part of the Gasworks site, Grangetown which will provide 50 flats as temporary accommodation for homeless families. This is well underway with all the modular units being delivered and craned onto site by the middle of August 2021 and the scheme is projected to handover by December 2021. The Council has also recently purchased the YHA Hostel in Butetown for £6.400 million in order to continue the provision of further accommodation to tackle homelessness within the city.
41. Further to this, specialist supported accommodation for homelessness was proposed at Adams Court to create an integrated facility of approximately 103 self-contained units with intensive support and an additional 49 flats for longer term more settled accommodation.
42. To support the costs of the above three projects, the Council submitted a number of grant bids to Welsh Government covering Covid-19 related homelessness recovery plans and over £12 million pounds of funding was approved, subject to detailed terms and conditions. Much of this was spent in 2020/21 but the balance of £3.957 million will be utilised this year. This is made up of £3.857 million for Adams Court and £100,000 for the Huggard site.
43. The Development team are aware of current risks to the programme caused by the Covid-19 pandemic and Brexit. A shortage of materials and labour supply is being recognised nationally and is a source of concern for the development industry. As a result, the implementation of some schemes could be delayed until early 2022 and therefore the new build programme is projected to have slippage of £19.540 million.

## Reasons for Recommendations

44. To consider the report and the actions therein that form part of the financial monitoring process for 2021/22.

## Legal Implications

45. The report is submitted for information as part of the Authority's financial monitoring process. The Council's constitution provides that it is a Council responsibility to set the budget and policy framework and to approve any changes thereto or departures there from. It is a Cabinet responsibility to receive financial forecasts including the medium term financial strategy and the monitoring of financial information and indicators.

## HR Implications

46. There are no HR implications arising from this report.

## Property Implications

47. The report is submitted for information as part of the Authority's financial monitoring process. The Strategic Estates Department continues to work with the Finance Department to monitor the ongoing impact of COVID-19 on the Council's estate-related revenue and capital budget. There are no further specific property implications to report.

## Financial Implications

48. In summary, this report outlines a projected Council overspend of **£0.397 million** at Month 6 of the 2021/22 financial year. This overspend reflects a net directorate overspend of **£3.147 million**, coupled with a Capital Financing overspend of £200,000. These overspends are partly offset by the general contingency of £3 million. In the event that an overspend of this level exists at the end of the financial year, it would be offset against the Council Fund Balance. However, between Month 6 and the financial year end, every effort will be made to reduce the overspend to a balanced position. It is important to note that within the overall position are cautious assumptions particularly in respect to income (75%) Financial Hardship support provided by Welsh Government.
49. Whilst, to date, the Council has been able to recover the majority of COVID-19 expenditure and income losses from Welsh Government, the position is anticipated to 'taper down' from October 2021. Whilst it is recognised that there is increased level of clarity of support to the end of the financial year, there will be increased financial stringent challenge from WG in respect to the losses being as a result of the pandemic. This level of risk is evidenced by the scenarios presented in the report, which outline the fact that, based on current estimates, the Council could be exposed to £4 million additional expenditure and income impacts. Because of this risk and to ensure that the Council is in a robust position to face the challenges of 22/23 and the medium term, it is important that directorates continue to focus on their financial positions and ensure that tight financial control is in place over the remainder of this financial year. This will require a continual review of Council-wide issues and regular

monitoring of the Council's balance sheet, including the debtors' position and earmarked reserve levels.

50. In relation to the 2021/22 Capital Programme, a variance of £19.248 million is currently projected against the General Fund element, predominantly in relation to slippage against schemes. In terms of the Public Housing element of the programme, slippage totalling £25.470 million is currently forecast. Historically, this report has highlighted the issue of slippage and the economic impact of rising material process and contractor availability is contributing to potentially higher rates of slippage than have been experienced before. The increase in material prices could potentially reduce the amount of work being undertaken in asset renewal budgets in individual years in order to ensure capital budgets remain viable over the five year programme. There are large expenditure items planned for the last quarter of the year and it is critical that directorates ensure that the necessary progress is made against schemes, to ensure that slippage is minimised as much as possible. Due diligence needs to be maintained to ensure that the delay of schemes that rely on external funding does not result in the lost opportunity of accessing those funds due to tight terms and conditions dictating any timelines that must be met.
51. For capital expenditure, effective contract management will be required, with a particular focus on the prevailing economic climate causing delays or increased costs. Should such issues continue to emerge during the remaining months of the year it will be necessary for these to be escalated as a matter of priority so that the overall impact on the programme can be assessed and any required actions taken. Such risks also need to be monitored in relation to the generation of capital receipts which underpin the overall affordability of the programme.

## RECOMMENDATIONS

52. The Cabinet is recommended to:
1. Note the projected revenue financial outturn based on the projected position at Month 6 of the financial year.
  2. Note the capital spend and projected position at Month 6 of the financial year.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>CHRISTOPHER LEE</b> Corporate Director Resources
	<b>DATE:</b> 18 November 2021

The following Appendices are attached:

- Appendix 1 – Revenue Position
- Appendix 2 – Directorate Commentaries
- Appendix 3 – 2021/22 Budget Savings Position
- Appendix 4 – Capital Programme
- Appendix 5 – Capital Schemes Update



**REVENUE MONITORING POSITION 2021/2022**

Directorate	CASH LIMIT BUDGETS			PROJECTED OUTTURN			VARIANCES		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Management	27,057	(101)	26,956	27,892	(936)	26,956	835	(835)	0
Economic Development	50,213	(42,257)	7,956	49,421	(40,638)	8,783	0	0	827
- Recycling & Neighbourhood Services	41,396	(11,623)	29,773	44,267	(14,494)	29,773	2,871	(2,871)	0
Education & Lifelong Learning	353,276	(58,444)	294,832	356,235	(60,358)	295,877	2,959	(1,914)	1,045
People & Communities									
- Communities & Housing	265,085	(216,545)	48,540	265,363	(217,100)	48,263	278	(555)	(277)
- Performance & Partnerships	8,738	(5,790)	2,948	8,803	(5,862)	2,941	65	(72)	(7)
- Social Services - Children's Services	79,101	(8,823)	70,278	84,083	(12,391)	71,692	4,982	(3,568)	1,414
- Social Services - Adult Services	144,587	(24,245)	120,342	146,029	(25,774)	120,255	1,442	(1,529)	(87)
Planning, Transport & Environment	54,100	(48,172)	5,928	55,733	(49,516)	6,217	1,633	(1,344)	289
Resources									
- Governance & Legal Services	7,190	(1,180)	6,010	8,424	(2,257)	6,167	1,234	(1,077)	157
- Resources	29,880	(14,963)	14,917	29,982	(15,279)	14,703	102	(316)	(214)
Capital Financing etc.	37,889	(5,453)	32,436	37,779	(5,093)	32,686	(110)	360	250
General Contingency	3,000	0	3,000	0	0	0	(3,000)	0	(3,000)
Summary Revenue Account	17,936	0	17,936	17,936	0	17,936	0	0	0
Discretionary Rate Relief	400	0	400	400	0	400	0	0	0
<b>Sub-Total</b>	<b>1,119,848</b>	<b>(437,596)</b>	<b>682,252</b>	<b>1,132,347</b>	<b>(449,698)</b>	<b>682,649</b>	<b>13,291</b>	<b>(13,721)</b>	<b>397</b>
Council Tax Collection	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,119,848</b>	<b>(437,596)</b>	<b>682,252</b>	<b>1,132,347</b>	<b>(449,698)</b>	<b>682,649</b>	<b>13,291</b>	<b>(13,721)</b>	<b>397</b>

Mae'r dudalen hon yn wag yn fwriadol

**Appendix 2 – Directorate Commentaries**

**Corporate Management    Balanced**

1. The overall position for Corporate Management is balanced and the 2021/22 savings target of £63,000, in relation to past service pension contributions, is currently projected to be achieved in full.

**Economic Development    +£827,000**

2. The reported Month 6 position for the Economic Development directorate is a potential overspend of £827,000. This position has incorporated assumptions in relation to income loss reimbursements for October through to March across the divisions. Although the level and detail of potential reimbursement is still to be clarified, indications are that there will be a continuation of the claims process to financial year end. Accordingly, forecasts are prudently based on a 75% recovery of forecast losses for this period. Any change in the level of recovery will impact on the position both adversely or positively as will related assumptions for service take up and customer demand.
3. The biggest overspend at £387,000 is within Culture, Venues and Events and includes anticipated deficits in respect of the New Theatre and St David's Hall of £154,000 and further projected income losses of £316,000 anticipated for quarters three and four in respect of Cardiff Castle, Catering, Functions and the Caravan Park. These overspends are partially offset by savings on staff across the divisions in areas such as Cardiff Museum and Culture, Venues and Events Management.
4. The Sport, Leisure and Development function is reporting a potential overspend of £343,000 which includes income losses of £73,000 anticipated for quarters three and four in respect of Cardiff White Water, Cardiff Riding School and the Outdoor Sport division. In addition, unfunded supplier relief payments of circa £271,000 are currently forecast for the last six months of the year.
5. A £24,000 underspend for Service Management and Support relates to savings on supplies and services and an unbudgeted recharge for staff support to the Cardiff Harbour Authority. In addition, the Parks division is reporting a potential £51,000 surplus made up of staff vacancies, pending new appointments in respect of apprentices, park rangers and land management officers. These savings are offset by increased vehicle charges of £80,000 from CTS for additional vehicles that are now classed as above the original core fleet.
6. Facilities Management is reporting a potential under spend of £48,000 due to reduced expenditure on repairs and utilities. These are partly offset by a deficit within Pest Control.
7. Health & Safety are reporting a potential overspend £35,000 due to unachieved vacancy provision and income budgets.

8. The Project Design and Development service is currently projecting a trading deficit of £250,000. This is in line with a detailed review of existing schemes and projects to financial year end and an analysis of projects on hold and at risk. The position is still subject to review and change. In addition, a £82,000 overspend is forecast for the Major Projects division. This is a combination of net expenditure above budget in respect to various projects. Potential supplier relief payments previously reported here are now included within the Leisure division.
9. Property Services are reporting a revised underspend of £89,000 and comprises of staff savings and rental income above target including one off ad hoc filming income. This is partly offset against overspends in relation to disposals and shortfalls against related income targets for the Old Library.
10. Shared Regulatory Services are indicating a balanced position but will be subject to the demands on the respective services during the year.
11. The 2021-22 savings target for Economic Development is £916,000. Savings of £776,000 have been identified as achievable, leaving a balance of £140,000 considered unachievable by financial year end. This potential shortfall relates to savings in respect to St David's Hall and cost reductions across all expenditure headings – £120,000

#### **Education & Lifelong Learning +£1.045,000**

12. The Month 6 position for the Education & Lifelong Learning directorate reflects an overspend of £1,045,000. The main pressures within the position include: Achievement, £498,000 overspent due to income targets yet to be achieved in Client Services and an overspend on Youth Services due to employee costs no longer covered by grant funding. Education Other than At School, £219,000 overspent due to the cost of tutors not being fully recouped. Traded Services, £408,000 due to loss of income due to Covid-19 which is due to a level of uncertainty in respect to take up of paid school meals and the assumption that only 75% of the income loss will be successfully recovered from Hardship Fund. Schools Transport £200,000 as a result of additional routes and ALN transport costs. Partially offsetting this overspend are savings within Out of County Placements due to a balance of additional funding and the managing of placements and an underspend in Non-delegated Schools in relation to budget held for redundancies unlikely to be utilised this financial year.
13. A balanced position is being projected for the Music Service due to covid loss of income funding, alongside additional Welsh Government grant received for this year only. Similarly, the catering department is also projecting a balanced position, including used of the loss of income funding and furlough income.
14. The 2021-22 savings target for Education is £288,000. Savings of £226,000 have been identified as achievable, leaving a balance of £60,000 considered unachievable by financial year-end. This potential shortfall relates to a saving proposal on business support changes with other mitigations being explored.

## **Housing & Communities (£277,000)**

15. The Housing & Communities directorate is reporting an overall underspend of £277,000 at Month 6. This comprises overspends totalling £121,000 across Business Support (+£60,000), Housing Strategy (+£23,000), Hubs (+£23,000) and Neighbourhood Regeneration (+£15,000), offset by underspends totalling £398,000 across all other areas of the service.
16. The £60,000 Business Support overspend relates to an unachieved savings target and an income shortfall whilst the £23,000 Housing Strategy and Service Development overspend is due to ongoing delays in a planned restructure, with a partial offset from vacancy savings. In Hubs & Communities the £23,000 projected overspend reflects an income shortfall in Hubs in relation to room hire, partially offset by employee savings within the division and £15,000 Neighbourhood Regeneration overspend is linked to legislative changes.
17. In Advice and Benefits, a £97,000 underspend is projected overall after assuming a £645,000 draw down from earmarked reserves. Within Advice and Benefits, a balanced outturn is anticipated in relation to the Housing Benefit (HB) Systems and Subsidy budgets. Many factors can change the level of Housing Benefit payments and subsidies receivable by the financial year-end. Any surplus or deficit will be managed through the Welfare Reform earmarked reserve set aside for this purpose.
18. In Homelessness and Hostels, a £141,000 underspend is due to the ongoing recruitment to vacant posts at the Housing Options Centre partly offset by security costs at Shirenewton. With continued Welsh Government support, new Hostel units are now operational and it is expected that all associated costs will be fully recovered.
19. Within Independent Living Service, an underspend of £141,000 relates to employee savings across its divisions. The shortfall in Disabled Facility grant fee income of £110,000 to 30<sup>th</sup> of September, is assumed to be recovered in full from the Welsh Government. The £7,000 underspend in relation to Housing Projects is a result of employee savings within the Rehousing Solutions Division.
20. Early Help underspend of £12,000 is due to in year vacancies. The division incorporates the Family Gateway service funded by a combination of base budget and grant income. Parenting, Flying Start and Childcare are also within this division and are all currently projecting balanced positions.

## **Performance & Partnerships (£7,000)**

21. Performance & Partnerships is reporting an underspend of £7,000. There are pressures within the service in respect to resources required to assist in Cohesion & Engagement. These pressures are currently being found from within that budget and the holding of vacant posts in other areas such as Performance.

22. The two budget savings proposals in this directorate for 2021/22 totalling £142,000, are projected to be fully achieved.

### **Recycling & Neighbourhood Services   Balanced**

23. The Month 6 position shows a balanced position, after assumed use of the contingency provision for fluctuations in volumes and material type. It also reflects the recovery of lost income and additional expenditure from the Local Government Hardship Fund. This is an improvement of £150,000 compared to the position reported at Month 4 caused by a planned cessation of the additional collection crews and increased income from the sale of recycling material. The service is also projected to achieve the full £350,000 budget savings. The position highlights significant pressures within Collections and Waste Disposal with further overspends in Environmental Enforcement but, there is a substantial underspend in Recycling Treatment and savings in Street Cleansing, Management & Support and Waste Strategy.
24. The Collections overspend is £817,000 and reflects the decision to employ an additional five crews to address operational staff resource issues, the uptake of the extra annual leave carried forward from the previous year and higher than budgeted sickness rates. Waste Disposal costs are forecast to exceed the budget by £191,000 reflecting an increase in the volume of residual waste and a shortfall in landfill gas income. The overspend in Environmental Enforcement is £132,000 caused by a short-term extension to temporary staff contracts and a reduction of financial penalty notice income.
25. The underspend of £1.093 million in Recycling Treatment reflects an increase in the price received from the sale of recyclable material following operational improvements made at the HWRC's and market prices. The market is very open to price volatility and this projection is based on existing income levels and likely scenarios for the remaining six months. There is also an additional underspend of £35,000 in Street Cleansing, reflecting reduced operational costs and £12,000 in Management and Support and £1,000 in Waste Strategy due to a delay in filling vacant posts.
26. The month 6 position assumes a £314,000 use of the corporate contingency for tonnage fluctuations towards increased recycling processing costs undertaken by a third-party contractor. It does not rely on any drawdown from the Waste Reserve. It also assumes the FRM allocation of £571,000 will be fully committed.

### **Adult Services   -£87,000**

27. Adult Services is projected to underspend by £87,000 at Month 6. This is a £132,000 improvement on the Month 4 position. The £87,000 comprises a £370,000 overspend on commissioned care, which is offset by a £457,000 underspend on Internal Services.
28. The position in commissioned care assumes that the number of delivered domiciliary care hours will increase during the remainder of the year, reflecting usual trends and high numbers of people presenting for assessment. The

position reflects the expectation that some additional hours will be accommodated through grant-funded block contract arrangements. This will be kept under review as those arrangements are finalised.

29. The position on commissioned care varies by division of service. Overspends are projected in relation to Learning Disabilities (+£408,000), Physical Disabilities (+£331,000) and Substance Misuse (+£7,000). These are offset to a degree by underspends in relation to Older People (-£27,000) and Mental Health (-£349,000).
30. Overspends in Learning and Physical Disabilities mainly relate to an increase in placements (both residential and supported living) at the very end of the 2020/21 financial year and in early 2021/22. A small number of additional placements can have a large financial impact, particularly in relation to Learning Disability packages of care. The Learning Disabilities position has improved by £177,000 since Month 4, due to additional contributions from Health towards the cost of care packages, together with an update in the estimated cost of packages transitioning from Children's Services.
31. There is a small projected underspend of £27,000 on Older People's commissioned care. The position reflects an increase in residential and nursing placement numbers during the remainder of the year. This is related to the fact that a number of self-funded placements are due for financial assessment incoming months with likelihood that financial responsibility will fall to the Local Authority. Whilst general turnover in placements may assist in accommodating some of these costs, there is likely to be a net financial impact. Estimates in this regard will be kept under review as the year progresses and assessments are completed.
32. The £349,000 underspend in Mental Health commissioned care reflects the non-recurrence of costs incurred during 2020/21, together with the full-year impact of 2020/21 savings. The projected underspend has increased by £91,000 since Month 4, which is partly attributable to a small reduction in residential placements.
33. The £457,000 net underspend on internal services is a combination of overspends totalling £273,000 in internal supported living and learning disabilities day care, offset by underspends totalling £730,000 in assessment & care management, older people's day care and reablement. Areas of underspend reflect a combination of grant funding, vacant posts and the fact that older people's day care was not fully operational for part of the year. Overspends relate to the delayed achievement of savings in the current year together with staffing costs, including non-achieved vacancy provision.
34. The directorate is currently projected to achieve £394,000 of the £667,000 savings proposed in 2021/22. The main saving that is not anticipated to be fully achieved in 2021/22 relates to the Internal Support Living Service, where £160,000 of the £300,000 saving is anticipated to be unachieved, partly due to the delay in closure of one of the schemes. Other areas of under-achievement relate to use of technology (£94,000).

## **Children's Services +£1,414,000**

35. Children's Services is currently projecting an overspend of £1,414,000. An overspend of £373,000 is anticipated in relation to redaction services and assessments undertaken due to capacity issues within the localities teams. Additional pressure on CHAD budgets as a result of increased placements has contributed to the overspend position (£560,000) in relation to domiciliary care. Projected agency expenditure above base budget includes £443,000 in Intake and Assessment and £344,000 in Child Protection and Safeguarding.
36. Falconwood Assessment Centre is reporting a small underspend of £135,000 for the year due to delayed opening and Covid hardship grants in relation to placements total £543,000 to the end of month six.
37. The number of external residential placements has fluctuated during the year stabilising in month six with a total of 93 places, a net increase of seven in the year. External fostering costs are projected to be overspent by £439,000, demonstrating the work undertaken to move away from costly residential contracts, alongside the ongoing difficulties of recruiting in house foster carers. The corporate contingency fund of £2.175 million will be utilised to manage any increase in residential placements during the remainder of the year.
38. Savings targets in relation to additional Step Down provision (£319,000) and Young Persons Gateway places (£410,000) have been assumed in the budget position. Two units have opened creating an additional eight step down places for the Gateway, with cost avoidance savings in the region of £976,000. With two further units (eight beds) are planned to open before year end.

## **Planning, Transport & Environment +£289,000**

39. The Month 6 position for Planning, Transport & Environment forecasts an overspend of £289,000, an improvement of £82,000 compared to the position reported at Month 4. The Energy Management overspend comes to £371,000 and is primarily due to shortfalls in renewable income sources. Essential repairs at the Radyr Weir Hydro Plant have reduced the optimum capacity for some periods of the year resulting in a shortfall of £93,000. Contractual delays to the Private Wire connection at the Lamby Way Solar Farm should be resolved this year but will result in an overspend of £200,000. In addition, there is a further shortfall against other renewable income targets.
40. The Bereavement, Registration & Dogs Home are projected to be at anticipated budget levels.
41. Planning & Building Control are anticipating a balanced position, although this is dependent upon future trends remaining upwards over the next few months. Highways Infrastructure is anticipating a pressure on tunnel maintenance of £100,000 but can be largely funded using commuted sums. A specific grant allocated for highway maintenance has provided an opportunity to reprofile spend, releasing a saving of £82,000. Transport Policy is projecting a balanced



position reflecting reduced income from Street Works offset by increased recharges for temporary road closures. Civil Parking Enforcement is forecasting a reduction of income which will reduce the contribution to the Parking Reserve and impact on future initiatives.

42. In terms of 2021/22 budget savings proposals, an overall shortfall of £35,000, against a total target of £932,000 is projected. This relates to a delay in progressing a voluntary severance and an income shortfall from the Solar Farm.
43. Unachieved savings of £205,000 are brought forward from 2020/21 and it is forecast that £35,000 will remain unachieved. This also relates to the Solar Farm.

## **Resources**

### **Governance & Legal Services +£157,000**

44. At Month 6, the projected position for Governance and Legal Services is a £157,000 overspend. This comprises a £176,000 overspend in relation to Legal Services, offset by underspends in other areas. These include Democratic Services where a £12,000 underspend is anticipated due to a vacant post.
45. The Legal Services position is a combination of a number of factors. There are pressures on external legal fees (largely attributable to Children's Services cases), and other areas of overspend include postage, printing, telephony and IT hardware (£55,000), as well as costs associated with the law library and case management system (£72,000.).

### **Resources (£214,000)**

46. Overall, the Resources directorate is projecting a £214,000 underspend. The underlying underspend primarily relates to vacant posts throughout the directorate. There are overspend pressures within Finance, Telephony and Commissioning & Procurement but 24/7 Services is the area where an overspend is very likely due to the under achieving of income. Both Central Transport Services and Information Technology remain within an overall balanced position. Work on all other areas of resources will continue in order to identify mitigating actions to address any financial pressures arising throughout this financial year.

## **Cardiff Harbour Authority**

47. For the current year, the Council worked with the Welsh Government to identify achievable efficiencies, service reductions and savings against the approved Fixed Costs budget to the same level as 2020/21 of £4.961 million. The Asset Renewal funding requirement for non-critical assets in 2021/22 is £460,000 with no requirement identified within the ten-year asset management programme to replace any critical assets. This gives an overall budget for the Cardiff Harbour Authority (CHA) of £5.421 million, which is an increase of 3.8% on the total for the 2020/21 financial year.

48. The forecast at the end of quarter two indicates a funding requirement of £5.546 million, representing an overspend of £125,000.

Heading	Budget	Projected	Variance
	£'000	Out-turn £'000	£'000
Expenditure	5,991	5,717	(274)
Income	(1,030)	(756)	274
<b>Fixed Costs</b>	<b>4,961</b>	<b>4,961</b>	<b>0</b>
Asset Renewal	460	585	125
<b>TOTAL</b>	<b>5,421</b>	<b>5,546</b>	<b>125</b>

49. Income shortfalls against target are forecast in all areas, including car parking, the water activity centre and harbour dues. The shortfall in income is anticipated to be mitigated by a number of managed underspends across a range of areas, including Facilities Management and Overheads. Increased costs on Groundwater Control and Waste Management are offset by underspends on other Environmental areas. Since quarter 1 report forecasting reduced levels of car parking income, although this is matched by increased volume and costs of repairs on barrage maintenance. This forecast will be updated as more information becomes available over the coming months.
50. The Asset Renewal budget is currently indicating a £125,000 overspend. The asset register informs the budget setting process and identifies the level of capital funding required for each financial year. The register contains the best estimates possible, however recent developments in contractor shortage leading to less tender returns has resulted in less competition and higher tender prices. Tender returns received in Q2 for the materials handler and the installation of boardwalk decking in the public realm has delivered increased costs of £28,000 for the materials handler and £97,000 for boardwalk decking, as a result of a single tender received for each asset. Delaying the process by repeating the tender process to the open market poses several risks including timescales, not being able to guarantee quality of contractor, safety, reputation, availability.
51. Upon agreement with Welsh Government, the first £25,000 will be funded from the Project & Contingency Fund thus maintaining the £100,000 balance in the fund as stated in Clause 16.16 (g) of the Deed of Variation of 18 March 2021. On this basis, an additional claim for the sum of £100,000 to cover the additional costs to the asset renewal programme 2021/22 will be submitted.
52. The CHA maintains a Project and Contingency Fund, which is used to support projects and provides a contingency for situations where 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 2021 was £125,000 and this is line with the amendments to the Deed of Variation as agreed in March 2021.

### Civil Parking Enforcement

53. Civil Parking Enforcement (CPE) manages parking, parking enforcement and moving traffic offences throughout the city. The income from these activities is used to support the operational costs with the surplus being transferred to the Parking and Enforcement Reserve.

	Budget £000	Projected Outturn £000	Variance £000	M4>M6 Change £000
<b>Income</b>				
On street car parking fees	3,957	3,161	795	(85)
Off street car parking fees	922	699	223	(91)
Resident's parking permits	412	414	(2)	(6)
Penalty charge notices	1,422	1,800	(378)	(70)
Moving Traffic Offences (MTO's)	3,539	3,286	253	(36)
Other Income	46	39	7	(2)
<b>Total Income</b>	<b>10,298</b>	<b>9,400</b>	<b>898</b>	<b>(290)</b>
<b>Expenditure</b>				
Operational costs, parking & permits	611	667	56	20
Enforcement service including TRO	5,946	6,110	164	(33)
<b>Total Expenditure</b>	<b>6,557</b>	<b>6,777</b>	<b>220</b>	<b>(13)</b>
<b>Annual Surplus / (Deficit)</b>	<b>3,741</b>	<b>2,623</b>	<b>1,118</b>	<b>(303)</b>
Hardship Fund Reimbursement	0	1,084	1,084	205
<b>Revised Annual Surplus / (Deficit)</b>	<b>3,741</b>	<b>3,707</b>	<b>34</b>	<b>98</b>

54. The pandemic has had a profound impact on all parking income streams with significant reductions in the use of on street and off-street parking and subsequent penalty charges notices. In addition, lower traffic volumes, particularly in the city centre, has meant lower penalties from MTO's.
55. The budget was reset using various assumptions and scenarios. The table below provides a summary of the budget and projected outturn position.
56. The current projection indicates an annual surplus of £2.623 million, a reduction of £1.118 million against the budget and an improvement of £303,000 compared to month 4 reflecting an increase in vehicle usage, resulting in an increase in on and off-street parking fees and penalty charge notices.
57. The restrictions that were still in place during April and May have contributed to lower car parking fees and MTO's of £898,000. The increased costs of £220,000 include additional vehicles needed to maintain social distancing, digitalisation of the traffic regulation order process and reduced recharging opportunities
58. Claims from the Local Government Hardship Fund for lost income are forecast to total £1.084 million. This will produce a revised annual surplus of £3.707 million.
59. The surplus is transferred to the Parking and Enforcement Reserve and available to support highway, transport and environmental improvements.
60. The table below illustrates the future position in the reserve:

<b>Parking &amp; Enforcement Reserve</b>	<b>£000</b>
<b>Balance 1<sup>st</sup> April 2021</b>	<b>4,536</b>
Contribution from CPE	3,707
<b>Total Available</b>	<b>8,243</b>
Contribution to support revenue budget	(5,935)
Project support and initiatives	(581)
<b>Balance 31<sup>st</sup> March 2022</b>	<b>1,727</b>

61. The brought forward balance in the reserve is £4.536 million. The CPE position indicates a surplus of £3.707 million. The contribution to the revenue budget to fund infrastructure maintenance and improvements is £5.935 million. A further £581,000 will support various initiatives such as Active Travel and LDP transport monitoring.

### **Housing Revenue Account - Balanced**

62. The Housing Revenue Account (HRA) is projecting an overall balanced position.

63. The major variance is an anticipated £1.7 million underspend on capital financing costs due to delays to the programme. Other variances include vacancy and other employee savings across the functions and estimated at £1.5 million. Difficulties are being experienced in the recruitment to vacant posts with limited applications, compounded by unavoidable recruitment delays as a result of the ongoing restrictions due the pandemic.
64. The Housing Repairs Account is currently forecasting a balanced position. Overspends on responsive repairs are estimated at £281,000 but are offset by vacancy savings within management and administration and void repairs savings.
65. Based on week 13 statistics, standard rent and service charge income are estimated at £117,000 above target. This includes an underspend in relation to bad debt provision based on assumed year end arrears and write off levels.
66. Insurance forecasts are largely based on 2020/21 outturn and are currently forecasting an overspend of £157,000. Actual costs will depend on the number and value of claims which will not be clear until later in the financial year.
67. The balance of the variance is due to underspends on general premises costs offset by overspends on transport, supplies and services and support costs.
68. Any underspends on capital financing costs and other savings are anticipated to transfer to HRA General Balances or to earmarked reserves and provisions or to reduce borrowing in year. This will be subject to review and agreement with the Corporate Director for People and Communities. This will improve the ability to deal with future budget pressures including capital works postponed to future years and provide more flexibility for any unavoidable commitments in the new financial year.

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	E18	<b>Cardiff Castle</b> Reduce the cost of delivering Cardiff Castle.	30			30		30	0	This saving is anticipated to be achieved in full and will be assessed as year progresses
	E19	<b>Introduction of flexible/agile opening hours at Cardiff Castle based on business demand and market forces</b> Reduction of hours of agency staff.	20			20		20	0	It is anticipated that these savings will be achieved in full.
	E20	<b>Shared Regulatory Service Business Plan</b> Reduction in Base Budget contribution.		79		79	79	79	0	This saving relates to a contribution to SRS that has reduced and has been achieved in full.
	E21	<b>Building Maintenance</b> Better Control of expenditure resulting in targeted savings.		30		30	15	30	0	It is anticipated that these savings will be achieved in full.
	E22	<b>Review of staffing resources in Facilities Management</b> Deletion of one post.	25			25	25	25	0	This saving has been achieved in full.
	E23	<b>Economic Development function</b> Fund equivalent of one post from earmarked reserves for one year.			39	39		39	0	It is anticipated that these savings will be achieved in full.
	E24	<b>Parks, Sport and Leisure Efficiencies</b> Budget reduced to match spending.	10		8	18	9	18	0	This saving relates to various reduced budget headings across Parks Sport & Leisure and is forecasted to be achieved in full.
	E25	<b>Increase Income from Property Estate</b>			15	15	7.5	15	0	It is anticipated that this saving will be achieved though increased rental income from lease re-gears and new lettings
<b>Economic Development - Efficiency Total</b>			<b>243</b>	<b>487</b>	<b>186</b>	<b>916</b>	<b>440</b>	<b>776</b>	<b>140</b>	
Education	E16	<b>Review of staffing resources in Business Support</b> Deletion of two vacant posts.	60			60	0	0	60	Current work ongoing to identify budget shortfall as a result of restructure and unachievable historic income income targets. Additional redundancy costs likely.
	E17	<b>Reduction in meeting costs</b> Reduction in the costs associated with external meetings by using online forums.		5		5	5	5	0	Spend to date indicates achievement in full
	E18	<b>Reduction in contribution to Central South Consortium</b> Further reduction to annual contribution towards Central South Consortium.		13		13	13	13	0	Achieved in full. Bill received for new lower amount.
	E19	<b>Directorate Vacancy Management Target</b> Continue weekly management of vacancies via the Education Management Team meetings with an annual target of achieving £50k of savings.	50			50	0	50	0	On track to be achieved based on vacant restructure posts.
	E20	<b>Reduction in budget for Early Years Placements</b> A continued reduction in pupil numbers in the early years age groups has resulted in a reduced demand and spend on placements in external nurseries.		60		60	10	60	0	Currently projected to be fully achieved.
	E21	<b>Reduction in centrally retained Business Continuity Budget</b> Improvements in the management of school buildings and clarity regarding the split of responsibility between schools and the local authority resulted in an underspend on this budget in 2019/20. The level of saving proposed reflects the anticipated level of		100		100	0	100	0	Projected to be achieved in full based on historic spend levels and cahflow estimates in SOP programme.
			<b>Savings Proposal</b>				<b>Savings Progress</b>			
			<b>Employee Costs</b>	<b>Other Spend</b>	<b>Income</b>	<b>Total</b>	<b>Achieved</b>	<b>Projected</b>	<b>Unachieved</b>	<b>Comments</b>
<b>Dir.</b>	<b>Ref</b>	<b>Proposal</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Education - Efficiency Total</b>			<b>110</b>	<b>178</b>	<b>0</b>	<b>288</b>	<b>28</b>	<b>228</b>	<b>60</b>	
	E22	<b>Printing and Stationery</b> The level of saving proposed reflects the anticipated level spending.		40		40	20	40	0	Budgets were reduced and this saving is expected to be achieved



Housing and Communities	E23	<b>Reduced Library purchasing</b> This represents a 7% saving on the book fund budget. Due to the impact of the Coronavirus Pandemic and restrictions in the number of visitors to Hubs/Libraries, coupled with health and safety limitations around access to printed materials, it is proposed to suspend the availability of printed local newspapers during 2021/22. Cardiff Hubs & Library customers are provided with free access to the Press Reader E-resource which provides digital access to 7,500 newspapers and magazines, both local and worldwide. Customers will be supported to use the digital resources during 2021/22 and a continuation of a more digital approach to library services will continue in future years.	40	40	20	40	0	This saving has been achieved	
	E24	<b>Citizen Advice Bureau (CAB) Contract - Agreed Reduction</b> This saving reflects the final year of a five year phased reduction in the cost of the Advice Services Contract. The contractual agreement reduced funding by £30k a year for four years and then by £20k in year five.	20	20	20	20	0	Saving achieved in full	
	E25	<b>Review of staffing resources in Benefits Assessment</b> Delete the surplus staff hours on the establishment since staff have gone part time.	24	24	24	24	0	This saving has been achieved	
	E26	<b>Review of staffing resources in Benefit and Assessment Support Functions</b> Reduction in staff numbers required to deliver support functions in respect of Housing Benefit.	26	26	26	26	0	This saving has been achieved	
	E27	<b>Realignment of budgets for the CareFirst trainer</b> Realignment of budgets for the CareFirst trainer to reflect the work that is being undertaken.	38	38	38	38	0	This saving has been achieved	
	E28	<b>Review of directorate wide business functions</b> Efficiencies in the directorate wide business support functions following the People & Communities Senior management changes.	40	40	0	0	40	This saving is not currently projected to be achieved	
	E29	<b>Review of staffing resources in Tenant Participation</b> Delete 2 Tenant Participation Officers and integrate the Tenant Participation Team within the Hubs' Community Inclusion Team.	65	65	65	65	0	This saving has been achieved	
<b>Housing &amp; Communities - Efficiency Total</b>			<b>193</b>	<b>100</b>	<b>0</b>	<b>293</b>	<b>213</b>	<b>253</b>	<b>40</b>
P&P	E30	<b>Review of staffing resources in Policy and Partnerships and Performance Management</b> Restructure of Policy, Partnerships and Performance Management teams to create new Performance and Insight Service. Net FTE impact 2.8	138	138	69	138	0	This saving has been achieved	
	E31	<b>Efficiency Savings in Media and Communications</b>	4	4	2	4	0	The saving is fully expected to be achieved.	
<b>Performance &amp; Partnerships - Efficiency Total</b>			<b>142</b>	<b>0</b>	<b>0</b>	<b>142</b>	<b>71</b>	<b>142</b>	<b>0</b>

Savings Proposal				Savings Progress			
Employee Costs	Other Spend	Income	Total	Achieved	Projected	Unachieved	Comments
£000	£000	£000	£000	£000	£000	£000	£000

Recycling & Neighbourhood Services	E32	<b>Continuation of Procurement Review</b> Continue to review contracts/ordering to ensure best value.	30	30	15	30	0	This saving is anticipated to be achieved	
		<b>Review of Spot Hires</b> Reduce reliance on spot hires through continued review of fleet.	60	60	30	60	0	This saving is anticipated to be achieved	
		<b>Change in bag delivery distribution</b> Element of household bag deliveries to be delivered to HUBS and distributed by volunteers rather than council staff.	25	5	30	15	30	0	This saving is anticipated to be achieved
		<b>Increased Income from Fees &amp; Charges</b> Increase in fees and charges (mainly through additional activity at Bessemer Commercial - charging businesses for waste disposal). Also reflects the increase in activity due to improved controls (introduction of the HWRC booking system June 2020). Includes Environmental Enforcement and review of activity levels.		130	130	65	130	0	Income projecting to achieve this savings target.
	E33	<b>New Landfill Gas contract</b> One year saving from development of contract with new supplier.		100	100	100	100	0	Income received - savings target full met.
<b>Recycling &amp; Neighbourhood Services - Efficiency Total</b>			<b>25</b>	<b>95</b>	<b>230</b>	<b>350</b>	<b>225</b>	<b>350</b>	<b>0</b>

Social Services	E34	<b>Internal Supported Living</b> Review of the internal supported living service including closure of one scheme following move-on of service users, and the potential transfer of another internally provided scheme to the external contract.	300	300	70	140	160	One scheme closed, delay in closure of second scheme.
		<b>Reduction in Placements</b> Review potential to reduce number of placements through reablement opportunities.	150	150	150	150	0	Projected to be achieved based on current placement numbers.
		<b>Increase in use of technology in the provision of care and support packages</b> Further opportunities for the use of technology to support care provision where appropriate, reducing reliance on commissioned care.	94	94	0	0	94	This saving is not anticipate to be achieved
		<b>Delivering Transformation Grant</b> The saving represents an anticipated reduction in contribution to the Vale of Glamorgan to reflect current levels of activity. This has been agreed and the proposed level is consistent with the in-year underspend in this area.	70	70	70	70	0	This saving has been achieved
		<b>Additional Step Down Provision</b> Additional step down provision has been sourced through several providers at a lower cost than current placements.	319	319	0	195	124	Only one additional property identified to date, containing three places. Current savings estimate for final half of the year anticipated to be £195,000.
		<b>Assessment Centre</b> Multi-agency assessment of Young People allowing increased understanding of needs to reduce escalation to higher cost placements and provide increased stability / permanency through the appropriate placement and support provision.	50	50	0	50	0	Falconwood Assessment Centre is not yet operational but projected savings should be achieved through avoidance of residential placements.

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		<b>Young Person's Gateway</b> Expand Young Person's Gateway to incorporate an additional 25 places based on the current model. This will have a significant impact on residential placements and allow reduced placement costs and provide service users a faster step down route.		410		410	390	500	(90)	Two Placements have already been delivered totalling £190,000 saving with another two identified. Four further placements will be available in August. Some offsetting costs in relation to staffing.
		<b>Review of Business Support Arrangements</b> Building on the future integration of teams across People & Communities. This saving will be achieved through a combination of a review of the training team and grant funding arrangements, and a wider review of business support arrangements to ensure they are appropriate and maximise digital opportunities.	119		110	229	110	169	60	There are proposals to achieve this saving in full. Implementation timescales mean that it will not be fully delivered in 2021/22.
<b>Social Services - Efficiency Total</b>			<b>119</b>	<b>1,393</b>	<b>110</b>	<b>1,622</b>	<b>790</b>	<b>1,274</b>	<b>348</b>	
<b>&amp; Environment</b>	E36	<b>Increased Income from Statutory Planning Fees</b> Saving reflects the increase in statutory Planning fees agreed by Welsh Government from Sept 2020.			120	120	39	120	0	Current pipeline indicates an optimistic position that target will be achieved supplemented by £300k recovery from LG Hardship Fund.
	E37	<b>Increased Income from Registration</b> Generate additional income through inflationary increases to all fees & charges in respect of ceremonies and certificates.			30	30	15	30	0	This saving is anticipated to be achieved
	E38	<b>Increased Income from Bereavement</b> Generate additional income through an increase to fees & charges in Bereavement services - (3rd year of agreed 3 year plan).			120	120	37	120	0	This saving is anticipated to be achieved
	E39	<b>Increased Income from Temporary Traffic Regulation Orders</b> Generate additional income through an increase for Temporary Traffic Regulation Orders fees to ensure full recovery of costs from developers & capital grants.			45	45	9	45	0	This saving is anticipated to be achieved
		<b>Increased Income from Lamby Way Solar Farm</b> Lamby Way Solar Farm will provide a substantial amount of clean, renewable energy to supply the local electricity grid & connect Council buildings. Continuation of the income generation from electricity at Lamby Way Solar Farm. This is Year 2 of this project. The reduced amount reflects the delay in commencing the Private Wire connection.			20	20	0	0	20	Contractual delays to the private wire connection will result in this saving not being achieved.
			<b>Savings Proposal</b>				<b>Savings Progress</b>			
			<b>Employee Costs</b>	<b>Other Spend</b>	<b>Income</b>	<b>Total</b>	<b>Achieved</b>	<b>Projected</b>	<b>Unachieved</b>	<b>Comments</b>
			<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Planning, Transport</b>	<b>Ref</b>	<b>Proposal</b>								
		<b>Increased Income from Design &amp; Delivery</b> Generate additional income through a combination of: • review of SLA fees (% & chargeable activities) • increased programme of major schemes			162	162	76	162	0	Assumed to be fully achieved but dependent on volume of transport projects.
		<b>Transport Policy - review basis of recharges</b> Improve recharging to ensure full cost recovery from grant-funded schemes.			50	50	14	50	0	This saving is anticipated to be achieved
		<b>Drainage - review basis of recharges</b> Improve recharging to ensure full cost recovery from grant-funded schemes & developers.			40	40	10	40	0	This saving is anticipated to be achieved
	E40	<b>Reduction in Energy Costs from Residential LED Lighting Rollout</b> Continued roll out of LED street lighting in residential areas across entire network - planned 18-24 months delivery.		90		90	0	90	0	Contract set to commence. Assuming no delivery issues saving should be fully realised.
	E41	<b>Increased Income from Section 278 Fees</b> Increase percentage charge for engineering fees to developers to ensure full recovery of staffing costs.			45	45	19	45	0	This saving is anticipated to be achieved
	E42	<b>Increased Income from Fees &amp; Charges</b> Generate additional income through increases to a number of fees & charges in respect of highways and transportation.			15	15	0	15	0	This saving is anticipated to be achieved
	E43	<b>Review of staffing resources</b> Saving will be achieved through deletion of posts across the directorate (6 FTE) and a planned restructure within Bereavement & Registration.	195			195	157	180	15	A delay to a proposed VS in Highways will delay all of the planned saving.
<b>Planning, Transport &amp; Environment - Efficiency Total</b>			<b>195</b>	<b>90</b>	<b>647</b>	<b>932</b>	<b>376</b>	<b>897</b>	<b>35</b>	
	E44	<b>Resetting of Insurance Offer</b> Insurance Team to be funded from the insurance budget with the performance of the team being more linked with the overall cost of insurance - premia and claims.			217	217	217	217	0	This saving has been achieved
	E45	<b>Review of staffing resources in Information Governance</b> Review of work streams to match reduced capacity. Hold vacant posts.	25			25	13	25	0	This saving is anticipated to be fully achieved
	E46	<b>Review of staffing resources in Revenue Services</b> Management restructure to ensure better alignment with debt recovery work.	35			35	18	35	0	This saving is anticipated to be achieved
	E47	<b>Increase Income from Health &amp; Safety</b> Through a combination of increased prices and widening the training offer (in particular First Aid Courses) to both internal and external clients.			66	66	0	66	0	This saving is anticipated to be achieved
	E48	<b>Realign and Charge to Capital Projects</b> Ensure work done by Finance team is funded by Capital Projects being delivered.			100	100	50	100	0	This saving is anticipated to be achieved.
	E49	<b>Occupational Health Nurse NHS - Partner</b> 45% of the post released for savings, equivalent of 16.5 hrs.	17			17	0	17	0	This saving is anticipated to be achieved
	E50	<b>Review of staffing resources in Enterprise Architecture</b> Delete vacant Grade 8 Enterprise Architect post.	50			50	50	50	0	This saving has been achieved
		<b>Review of staffing resources in ICT</b> Reduction of one Full Time Equivalent through the holding of any part time / vacant posts.	25			25	25	25	0	This saving has been achieved

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Planning, Transport

Resources		<b>Tech Fund Contribution to Budget</b> Commitment to budget of £50k from current EE contract tech fund.			50	50	50	50	0	This saving has been achieved
		<b>Increased Income from Procurement</b> Generate additional income by Extending Partnership Authority Working			120	120	0	120	0	This saving is anticipated to be achieved
	E51	<b>Increase Vacancy Provision across Resources Directorate</b>	91			91	46	91	0	This saving is anticipated to be fully achieved
	E52	<b>Review of staffing resources in the Business Support / Administration Function</b> Not full year with efficiencies achievable from 1 October 2021. Hold Vacant posts.	40			40	0	0	40	Unable to achieve unless any posts become vacant during the year.
	E53	<b>Increased Income from Information Governance</b> Further increase income targets by £20,000.			20	20	0	20	0	This saving is anticipated to be achieved
	E54	<b>Review of staffing resources in Accountancy</b> Saving will be achieved through a review of work streams and potential restructure. Currently vacant posts will be held vacant prior to decisions.	60			60	30	60	0	This saving is anticipated to be achieved
	E55	<b>Increased Income from HR</b> Increase income from customers such as Schools to reflect cost incurred in delivering the service.			15	15	15	15	0	This saving is anticipated to be achieved
<b>GRAND TOTAL EFFICIENCY</b>			1,411	2,391	---	5,540	4,877	663		

Dir.	Ref	Proposal	Savings Proposal				Savings Progress			Comments
			Employee Costs	Other Spend	Income	Total	Achieved	Projected	Unachieved	
			£000	£000	£000	£000	£000	£000	£000	
<b>Resources - Efficiency Total</b>			343	50	538	931	514	891	40	
G		Cease use of DX (Document Exchange Service)		2		2	2	2	0	Achieved
L5		Increased Income from Legal Services			1	1	1	1	0	This saving is anticipated to be achieved
<b>Governance and Legal Services - Efficiency Total</b>					1	1	1	1	0	
			0	2	1	3	3	3	0	

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<u>DIRECTORATE &amp; SCHEME</u>		2021-2022 Programme	2020-21 Slippage	Budget revision	Virements	Changes & New Approvals	Total Programme 2021-22	Projected Outturn	Slippage	(Underspend) / Overspend	Total Variance
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b><u>ECONOMIC DEVELOPMENT</u></b>											
<b><u>Business &amp; Investment</u></b>											
1	Town Centre Loan Scheme	0	0	0	0	1,370	1,370	1,370	0	0	0
2	S106 Schemes	59	113	(113)	0	45	104	104	0	0	0
<b>Total Business &amp; Investment</b>		<b>59</b>	<b>113</b>	<b>(113)</b>	<b>0</b>	<b>1,415</b>	<b>1,474</b>	<b>1,474</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>City Development &amp; Major Projects</u></b>											
3	Black Tower Tales	0	30	0	0	0	30	30	0	0	0
4	Merchant Place / Cory's Building Acquisition	0	0	0	0	21	21	21	0	0	0
5	Economic Stimulus Support James Street	0	668	0	0	0	668	200	(468)	0	(468)
6	International Sports Village Phase 1 - Land Acq.	1,000	1,000	0	0	0	2,000	12,105	10,105	0	10,105
7	International Sports Village Phase 2 - Development	0	0	0	0	0	0	750	750	0	750
8	Central Square Public Realm	(342)	340	2	0	0	0	0	0	0	0
9	Red Dragon Centre Acquisition	0	5,724	0	0	0	5,724	5,724	0	0	0
10	Indoor Arena	12,000	0	0	0	0	12,000	5,600	(6,400)	0	(6,400)
11	Llanrumney Development	250	0	0	0	0	250	250	0	0	0
<b>Total City Development &amp; Major Projects</b>		<b>12,908</b>	<b>7,762</b>	<b>2</b>	<b>0</b>	<b>21</b>	<b>20,693</b>	<b>24,680</b>	<b>3,987</b>	<b>0</b>	<b>3,987</b>
<b><u>Parks &amp; Green Spaces</u></b>											
	Asset Renewal Buildings	150	0	0	0	0	150	150	0	0	0
	Asset Renewal Parks Infrastructure	140	108	0	0	0	248	248	0	0	0
	Play Equipment	390	340	0	0	0	730	730	0	0	0
15	Teen/Adult Informal Sport and Fitness Facilities	200	0	0	0	0	200	50	(150)	0	(150)
16	Green Flag Park Infrastructure Renewal	100	0	0	0	0	100	100	0	0	0
17	Combatting Motorcycle Nuisance	150	0	0	0	0	150	150	0	0	0
18	Completion of Parc Cefn Onn	0	49	0	0	10	59	40	(19)	0	(19)
19	Roath Park House	0	0	0	0	106	106	106	0	0	0
20	Flatholm Island - HLF Project	25	0	0	0	60	85	85	0	0	0
21	Roath Park Dam	0	50	0	0	0	50	400	350	0	350
22	S106 Funded Schemes	2,073	1,241	(1,241)	0	0	2,073	1,900	(173)	0	(173)
<b>Total Parks &amp; Green Spaces</b>		<b>3,228</b>	<b>1,788</b>	<b>(1,241)</b>	<b>0</b>	<b>176</b>	<b>3,951</b>	<b>3,959</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b><u>Leisure</u></b>											
23	Asset Renewal Buildings	515	0	0	0	0	515	515	0	0	0
24	Pentwyn Leisure Centre Redevelopment	1,500	0	0	0	0	1,500	500	(1,000)	0	(1,000)
25	Leisure Centres ADM (GLL)	0	465	0	0	0	465	152	(313)	0	(313)
26	Cardiff Riding School - Outdoor Arena	0	77	0	0	0	77	77	0	0	0
<b>Total Leisure</b>		<b>2,015</b>	<b>542</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,557</b>	<b>1,244</b>	<b>(1,313)</b>	<b>0</b>	<b>(1,313)</b>
<b><u>Venues &amp; Cultural Facilities</u></b>											
27	Asset Renewal Buildings St Davids's Hall	490	0	0	0	0	490	490	0	0	0
28	Asset Renewal Buildings New Theatre	50	0	0	0	0	50	50	0	0	0
<b>Total Venues &amp; Cultural Facilities</b>		<b>540</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>540</b>	<b>540</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Property &amp; Asset Management</b>											
29	Asset Renewal - Buildings	1,150	1,391	0	0	0	2,541	1,447	(1,094)	0	(1,094)
30	Community Asset Transfer	0	98	0	0	0	98	0	(98)	0	(98)
31	Cardiff Market Roof & HLF Grant bid	50	19	0	0	0	69	69	0	0	0
<b>Total Property and Asset Management</b>		<b>1,200</b>	<b>1,508</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,708</b>	<b>1,516</b>	<b>(1,192)</b>	<b>0</b>	<b>(1,192)</b>

<b>Harbour Authority</b>											
32	Harbour Asset Renewal	460	0	0	0	125	585	585	0	0	0
<b>Total Harbour Authority</b>		<b>460</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>	<b>585</b>	<b>585</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Recycling Waste Management Services</b>											
33	New HWRC North Cardiff	(200)	200	0	0	0	0	0	0	0	0
34	Waste Recycling and Collection Review	815	0	0	0	0	815	0	(815)	0	(815)
35	Waste Recycling and Depot Site Infrastructure	610	25	0	0	0	635	635	0	0	0
36	Waste Grants Match funding	100	0	0	0	0	100	100	0	0	0
37	Material Recycling Facility	45	19	0	0	0	64	64	0	0	0
38	Lamby Way Control Room & Offices & Fleet Car Park	0	0	0	120	0	120	120	0	0	0
39	MRF Metal Separator	0	0	0	0	5	5	5	0	0	0
40	Circular Economy Fund Grant 2021/22	0	0	0	0	239	239	239	0	0	0
	Caru Cymru (Keep Wales Tidy)	0	0	0	0	15	15	15	0	0	0
	Re-Use Shop (The Cabin) - Wastesavers	0	0	0	0	48	48	48	0	0	0
<b>Total Recycling Waste Management Services</b>		<b>1,370</b>	<b>244</b>	<b>0</b>	<b>120</b>	<b>307</b>	<b>2,041</b>	<b>1,226</b>	<b>(815)</b>	<b>0</b>	<b>(815)</b>

<b>TOTAL ECONOMIC DEVELOPMENT</b>		<b>21,780</b>	<b>11,957</b>	<b>(1,352)</b>	<b>120</b>	<b>2,044</b>	<b>34,549</b>	<b>35,224</b>	<b>675</b>	<b>0</b>	<b>675</b>
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#### **EDUCATION & LIFELONG LEARNING**

##### **Schools - General**

###### **Planning & Development**

43	Asset Renewal	2,302	4,406	0	0	250	6,958	6,958	0	0	0
44	Suitability / Sufficiency	1,040	(5,250)	0	0	5,250	1,040	1,040	0	0	0
45	Asset Renewal Invest to Save	12,000	0	0	0	0	12,000	8,000	(4,000)	0	(4,000)
46	Whitchurch High	0	703	0	0	0	703	703	0	0	0
47	Reducing Infant Class Sizes	1,860	2,091	0	0	(2,380)	1,571	1,571	0	0	0
48	Schools ICT (Hwb) Capital Grant	0	0	0	0	3,500	3,500	3,500	0	0	0
49	Capital Receipts/S106 Funded Schemes	2,334	465	(465)	0	91	2,425	2,425	0	0	0
<b>Total Planning &amp; Development</b>		<b>19,536</b>	<b>2,415</b>	<b>(465)</b>	<b>0</b>	<b>6,711</b>	<b>28,197</b>	<b>24,197</b>	<b>(4,000)</b>	<b>0</b>	<b>(4,000)</b>

###### **Schools Organisation Planning**

50	21st Century Schools - Band A	0	0	0	0	0	0	750	0	750	750
51	21st Century Schools - Band B	23,894	7,054	0	0	8,000	38,948	37,465	(1,483)	0	(1,483)
<b>Total Schools Organisation Planning</b>		<b>23,894</b>	<b>7,054</b>	<b>0</b>	<b>0</b>	<b>8,000</b>	<b>38,948</b>	<b>38,215</b>	<b>(1,483)</b>	<b>750</b>	<b>(733)</b>

<b>TOTAL EDUCATION &amp; LIFELONG LEARNING</b>		<b>43,430</b>	<b>9,469</b>	<b>(465)</b>	<b>0</b>	<b>14,711</b>	<b>67,145</b>	<b>62,412</b>	<b>(5,483)</b>	<b>750</b>	<b>(4,733)</b>
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#### **PEOPLE & COMMUNITIES**

##### **COMMUNITIES & HOUSING**

###### **Neighbourhood Regeneration**

52	Neighbourhood Renewal schemes	300	254	0	0	325	879	679	(200)	0	(200)
53	District Local Centres	250	0	0	0	0	250	50	(200)	0	(200)
54	Alleygating	100	41	0	0	0	141	106	(35)	0	(35)
55	Targeted Regeneration Investment Programme Matchfunding	1,000	430	0	(1,222)	0	208	0	(208)	0	(208)
56	Tudor Street Commercial Business Improvement Scheme	119	270	0	542	209	1,140	1,140	0	0	0
57	Tudor Street Business Environment Improvements	1,330	0	0	590	1,070	2,990	2,400	(590)	0	(590)
58	Tudor Lane Property Enhancement Grant	0	0	0	90	268	358	358	0	0	0
59	Rhiwbina Community Hub	0	288	0	0	120	408	188	(220)	0	(220)
60	City Centre Youth Hub	0	706	0	0	80	786	0	(786)	0	(786)
61	S106 Funded Projects	609	1,009	(1,009)	0	561	1,170	1,170	0	0	0
	<b>Total Neighbourhood Regeneration</b>	<b>3,708</b>	<b>2,998</b>	<b>(1,009)</b>	<b>0</b>	<b>2,633</b>	<b>8,330</b>	<b>6,091</b>	<b>(2,239)</b>	<b>0</b>	<b>(2,239)</b>

#### Housing (General Fund)

62	Disabled Facilities Service	4,550	809	0	0	0	5,359	4,000	(1,359)	0	(1,359)
63	Enable Grant	436	0	0	0	109	545	545	0	0	0
64	Private Rental Sector Lease Scheme	300	0	0	0	(300)	0	0	0	0	0
65	Rapid Response Adaptation	0	0	0	0	200	200	200	0	0	0
66	Assistive Living	0	0	0	0	150	150	150	0	0	0
67	Compulsory Purchase Orders- Romilly / Cyril	0	0	0	0	125	125	125	0	0	0
68	Estate Environmental Improvements	0	452	0	0	0	452	252	(200)	0	(200)
	<b>Total Housing</b>	<b>5,286</b>	<b>1,261</b>	<b>0</b>	<b>0</b>	<b>284</b>	<b>6,831</b>	<b>5,272</b>	<b>(1,559)</b>	<b>0</b>	<b>(1,559)</b>

#### Flying Start

69	Flying Start	0	130	0	0	141	271	150	(121)	0	(121)
	Moorland Primary	0	0	0	0	500	500	200	(300)	0	(300)
	Childcare	480	202	0	0	34	716	621	(95)	0	(95)
	<b>Total Flying Start</b>	<b>480</b>	<b>332</b>	<b>0</b>	<b>0</b>	<b>675</b>	<b>1,487</b>	<b>971</b>	<b>(516)</b>	<b>0</b>	<b>(516)</b>

#### **Total Communities & Housing**

		<b>9,474</b>	<b>4,591</b>	<b>(1,009)</b>	<b>0</b>	<b>3,592</b>	<b>16,648</b>	<b>12,334</b>	<b>(4,314)</b>	<b>0</b>	<b>(4,314)</b>
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#### SOCIAL SERVICES

##### Adult Services

72	Tremorfa Day Services	0	49	0	0	0	49	49	0	0	0
	<b>Total Adult Services</b>	<b>0</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>

##### Children's Services

73	Accommodation Strategy	(229)	228	1	0	0	0	0	0	0	0
74	Young Persons Gateway Accommodation	250	0	0	0	0	250	250	0	0	0
75	Residential Provision for Children Looked After	500	111	0	0	0	611	611	0	0	0
	<b>Children's Services</b>	<b>521</b>	<b>339</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>861</b>	<b>861</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### **Total Social Care**

		<b>521</b>	<b>388</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>910</b>	<b>910</b>	<b>0</b>	<b>0</b>	<b>0</b>
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#### **TOTAL PEOPLE & COMMUNITIES**

		<b>9,995</b>	<b>4,979</b>	<b>(1,008)</b>	<b>0</b>	<b>3,592</b>	<b>17,558</b>	<b>13,244</b>	<b>(4,314)</b>	<b>0</b>	<b>(4,314)</b>
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#### PLANNING, TRANSPORT & ENVIRONMENT

##### Energy Projects & Sustainability

76	Cardiff Heat Network	4,000	0	0	0	0	4,000	3,000	(1,000)	0	(1,000)
77	Energy Retrofit of Buildings (REFIT - Invest to Save)	550	750	0	0	170	1,470	1,470	0	0	0

78	Salix SEELS	500	0	0	0	(500)	0	0	0	0	0
79	Lamby Way Solar Farm	1,069	609	0	0	238	1,916	1,916	0	0	0
80	One Planet Strategy small schemes & matchfunding	700	0	0	0	0	700	700	0	0	0
<b>Total Energy Projects &amp; Sustainability</b>		<b>6,819</b>	<b>1,359</b>	<b>0</b>	<b>0</b>	<b>(92)</b>	<b>8,086</b>	<b>7,086</b>	<b>(1,000)</b>	<b>0</b>	<b>(1,000)</b>

**Bereavement & Registration Services**

81	New Cemetery Site (Invest To Save)	0	149	0	0	200	349	349	0	0	0
82	Bereavement Asset Renewal	95	90	0	0	0	185	177	(8)	0	(8)
<b>Total Bereavement &amp; Registration Services</b>		<b>95</b>	<b>239</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>534</b>	<b>526</b>	<b>(8)</b>	<b>0</b>	<b>(8)</b>

**Highway Infrastructure**

83	Highway Carriageway - Reconstruction	400	108	0	0	0	508	508	0	0	0
84	Highway Resurfacing	3,900	1,128	0	0	1,715	6,743	5,043	(1,700)	0	(1,700)
85	Footpaths	760	0	0	0	0	760	760	0	0	0
86	Footway Improvements around Highway Trees	125	44	0	0	0	169	169	0	0	0
87	Millennium Walkway	1,500	122	0	471	0	2,093	2,493	400	0	400
88	Bridges & Structural Work	0	1,508	0	(238)	0	1,270	1,087	(183)	0	(183)
89	Street Lighting Renewals	0	731	0	(233)	0	498	220	(278)	0	(278)
90	LED Lighting Residential (Invest to Save)	0	3,000	0	0	0	3,000	1,500	(1,500)	0	(1,500)
91	Coastal Erosion Scheme Rover Way to Lamby Way	382	196	0	0	(18)	560	364	(196)	0	(196)
92	Flood Prevention Schemes	250	0	0	0	639	889	664	(225)	0	(225)
<b>Total Highway Maintenance</b>		<b>7,317</b>	<b>6,837</b>	<b>0</b>	<b>0</b>	<b>2,336</b>	<b>16,490</b>	<b>12,808</b>	<b>(3,682)</b>	<b>0</b>	<b>(3,682)</b>

**Traffic & Transportation**

93	Asset Renewal Telematics / Butetown Tunnel	300	346	0	0	0	646	646	0	0	0
94	Cycling Development	1,400	2,392	0	(209)	0	3,583	3,583	0	0	0
95	Road Safety Schemes	335	30	0	0	0	365	365	0	0	0
96	WG Grant Matchfunding	375	502	0	0	0	877	877	0	0	0
97	WG (Local Transport Fund)	2,500	0	0	0	1,498	3,998	3,998	0	0	0
98	WG (Road Safety Casualty Reduction)	175	0	0	0	0	175	175	0	0	0
99	WG (Safe Routes in Communities)	750	0	0	0	951	1,701	1,701	0	0	0
100	WG (Active Travel Fund)	3,500	0	0	0	4,822	8,322	8,322	0	0	0
101	WG Air Quality	9,608	0	0	0	(2,408)	7,200	7,200	0	0	0
102	City Centre Eastside and Canal Phase 2	1,225	0	0	0	15	1,240	490	(750)	0	(750)
103	City Centre Transport Schemes Matchfunding	300	(383)	0	0	0	(83)	0	83	0	83
104	City Centre Transport Impact - enabling works	1,500	0	0	0	0	1,500	500	(1,000)	0	(1,000)
105	Electric Vehicle Charging Points Car Parks	150	0	0	0	18	168	168	0	0	0
106	Bus Corridor Improvements	250	39	0	0	0	289	289	0	0	0
107	Cardiff West Interchange	50	208	0	0	0	258	50	(208)	0	(208)
108	S106 Funded Schemes	706	186	(186)	0	0	706	506	(200)	0	(200)
<b>Total Traffic &amp; Transportation</b>		<b>23,124</b>	<b>3,320</b>	<b>(186)</b>	<b>(209)</b>	<b>4,896</b>	<b>30,945</b>	<b>28,870</b>	<b>(2,075)</b>	<b>0</b>	<b>(2,075)</b>

**Strategic Planning & Regulatory**

109	S106 Projects	181	77	(77)	0	0	181	181	0	0	0
<b>Total Strategic Planning &amp; Regulatory</b>		<b>181</b>	<b>77</b>	<b>(77)</b>	<b>0</b>	<b>0</b>	<b>181</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TOTAL PLANNING, TRANSPORT & ENVIRONMENT**

<b>37,536</b>	<b>11,832</b>	<b>(263)</b>	<b>(209)</b>	<b>7,340</b>	<b>56,236</b>	<b>49,471</b>	<b>(6,765)</b>	<b>0</b>	<b>(6,765)</b>
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**RESOURCES****Technology**

110	Modernising ICT to improve Business Processes	225	202	0	209	0	636	<b>600</b>	(36)	0	<b>(36)</b>
111	ICT Refresh	500	468	0	0	0	968	<b>768</b>	(200)	0	<b>(200)</b>
	<b>Total Technology</b>	<b>725</b>	<b>670</b>	<b>0</b>	<b>209</b>	<b>0</b>	<b>1,604</b>	<b>1,368</b>	<b>(236)</b>	<b>0</b>	<b>(236)</b>

**Central Transport Services**

112	Vehicle Replacement - Lease or Buy Phase 1	0	2,240	0	0	0	2,240	<b>2,240</b>	0	0	<b>0</b>
113	Vehicle Replacement - Lease or Buy Phase 2	0	0	0	0	0	0	<b>2,976</b>	2,976	0	<b>2,976</b>
114	Vehicle Replacement - Lease or Buy Phase 3	0	0	0	0	0	0	<b>1,370</b>	1,370	0	<b>1,370</b>
115	5 x New Electric Powered RCV - WG Funding Phase 2	0	0	0	0	1,025	1,025	<b>1,025</b>	0	0	<b>0</b>
116	6 x New Electric Powered RCV - WG Funding Phase 3	0	0	0	0	1,200	1,200	<b>1,200</b>	0	0	<b>0</b>
117	CTS - Minor Repair Workshop	0	48	0	0	(17)	31	<b>31</b>	0	0	<b>0</b>
	<b>Total Central Transport Services</b>	<b>0</b>	<b>2,288</b>	<b>0</b>	<b>0</b>	<b>2,208</b>	<b>4,496</b>	<b>8,842</b>	<b>4,346</b>	<b>0</b>	<b>4,346</b>

**Corporate**

118	Contingency	200	0	0	0	0	200	<b>200</b>	0	0	<b>0</b>
119	Invest to Save - Bid Allocation for small schemes	500	0	0	(120)	(380)	0	<b>0</b>	0	0	<b>0</b>
120	City Deal - Cardiff Share	3,594	3,198	0	0	0	6,792	<b>300</b>	(6,492)	0	<b>(6,492)</b>
121	Core Office Strategy - Digital Infrastructure	4,800	879	0	0	0	5,679	<b>4,000</b>	(1,679)	0	<b>(1,679)</b>
122	Web casting and Infrastructure	0	260	0	0	0	260	<b>210</b>	(50)	0	<b>(50)</b>
123	Onsite Construction Skills Hub (Construction Industry Training Board)	110	0	0	0	0	110	<b>110</b>	0	0	<b>0</b>
124	Cardiff City Transport Services Ltd	6,600	0	0	0	0	6,600	<b>6,600</b>	0	0	<b>0</b>
	<b>Total Corporate</b>	<b>15,804</b>	<b>4,337</b>	<b>0</b>	<b>(120)</b>	<b>(380)</b>	<b>19,641</b>	<b>11,420</b>	<b>(8,221)</b>	<b>0</b>	<b>(8,221)</b>

**TOTAL RESOURCES**

		<b>16,529</b>	<b>7,295</b>	<b>0</b>	<b>89</b>	<b>1,828</b>	<b>25,741</b>	<b>21,630</b>	<b>(4,111)</b>	<b>0</b>	<b>(4,111)</b>
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**TOTAL GENERAL FUND**

		<b>129,270</b>	<b>45,532</b>	<b>(3,088)</b>	<b>0</b>	<b>29,515</b>	<b>201,229</b>	<b>181,981</b>	<b>(19,998)</b>	<b>750</b>	<b>(19,248)</b>
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**PUBLIC HOUSING (HRA)**

125	Estate Regeneration and Stock Remodelling	3,150	(337)	337	0	0	3,150	<b>3,150</b>	0	0	<b>0</b>
126	External and Internal improvements to buildings	19,250	3,081	(3,081)	0	0	19,250	<b>14,170</b>	(5,080)	0	<b>(5,080)</b>
127	Disabled Facilities Service	3,350	1,304	(1,304)	0	0	3,350	<b>2,500</b>	(850)	0	<b>(850)</b>
128	Housing New Builds & Acquisitions	60,990	(905)	905	0	0	60,990	<b>41,450</b>	(19,540)	0	<b>(19,540)</b>
	<b>TOTAL PUBLIC HOUSING</b>	<b>86,740</b>	<b>3,143</b>	<b>(3,143)</b>	<b>0</b>	<b>0</b>	<b>86,740</b>	<b>61,270</b>	<b>(25,470)</b>	<b>0</b>	<b>(25,470)</b>

**TOTAL**

		<b>216,010</b>	<b>48,675</b>	<b>(6,231)</b>	<b>0</b>	<b>29,515</b>	<b>287,969</b>	<b>243,251</b>	<b>(45,468)</b>	<b>750</b>	<b>(44,718)</b>
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Mae'r dudalen hon yn wag yn fwriadol

**Appendix 5 - Capital Schemes Update**

**Economic Development**

1. Directorate Programme 2021/22 £34.549 million. Initial variance of £675,000 identified.

**Business and Investment**

2. The Council has requested and drawn down repayable loan funding of £6.060 million from Welsh Government for the implementation of town centre regeneration schemes in order to bring back vacant, underutilised or redundant buildings into beneficial use. Loans currently outstanding total £1.110m, with further opportunities for loans being considered and reported as part of future monitoring reports during 2021/22 subject to due diligence of applicants, eligibility and completion of commercial loan agreements. The £1.370 million of applications currently being assessed, support development in the city centre particularly in the leisure and hospitality sector. It should be noted that all risk in respect to repayable loans remains with the Local Authority so robust security for loans is sought.

**City Development & Major Projects**

3. A sum of £2.366 million was originally allocated in the 2019/20 capital programme for economic development initiatives, primarily in relation to heritage buildings and a sum of £366,000 was ringfenced for the completion of the Black Tower Tales visitor experience at Cardiff Castle. Works have been completed and a soft opening took place on 28<sup>th</sup> May with members of the public now able to book tickets for scheduled showings each day as an additional purchase to other Castle attractions. The remaining budget of £30,000 is held for final snagging works and is due to be utilised by the end of the year.
4. Following a marketing exercise for the development of Merchant Place/Cory's Buildings, in October 2021 Cabinet approved a recommendation to dispose of the site, subject to planning, in order to recoup the initial investment. Expenditure incurred in the year of £21,000 on professional fees is anticipated to be recouped from capital receipts.
5. A sum of £1.929 million arising from a 2019/20 Welsh Government grant to support economic stimulus in local authorities was used for the acquisition of land situated on the corner of James Street and Adelaide Street in Cardiff Bay that has remained derelict for over 30 years. Following a Cabinet decision in October 2021, this site is to be appropriated to the HRA at an agreed valuation for the development of social housing. Any future costs related to the site, including clearance, conservation issues and land acquisition will be borne by the HRA. Slippage of £468,000 is shown against

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the general fund allocation pending options for use on alternative schemes or a reduction in borrowing.

6. In September 2021, Cabinet agreed to progress the development strategy for the International Sports Village (ISV) by formally terminating an old Development Agreement with Greenbank Partnership Ltd on the waterfront site and acquiring all the land and assets owned by Greenbank Partnership Ltd at the ISV. Land acquisition and associated costs are expected to be £12.105 million during this financial year with the balance of acquisition costs in accordance with the Heads of Terms agreement, to be incurred in 2022/23. The expenditure in land acquisition is assumed to be recovered from sales of land and income receivable. Close monitoring and reporting of the timescale and value of receipts will need to be undertaken and reported as part of the Annual Property Plan and future reports to Cabinet in order to ensure that there is no sustained impact on the Council's borrowing requirement and on the costs of holding the sites.
7. Further expenditure on design works and professional fees of circa £750,000 is also anticipated to be incurred in 2022/23 relating to the relocation of the Velodrome from Maindy to a new facility within the ISV. This investment remains subject to the approval of a full business case, with a final Cabinet decision on this expected before the end of the financial year. To facilitate the Cabinet approved amendments to the development strategy, budgets have been brought forward from future years and realigned across the International Sports Village projects to enable delivery of the wider ISV masterplan.
8. The primary phase of Central Square Public Realm was completed in November 2018 with costs of £8.700 million in 2018/19 and prior. Completion of the public realm works will not take place until the bus station work is completed by Welsh Government and this is not expected until the latter part of 2022/23.
9. Cabinet approved the acquisition of the Red Dragon Centre site in December 2019, triggering the approval of the affordability envelope in respect of delivery of a new indoor arena as part of the 2019/20 budget proposals. Completion of the site took place in January 2020 and Cabinet approved the final business case of the arena in September 2021. The final sum of £5.724m is payable on submission of a planning application for the arena.
10. In November 2020 Cabinet approved the appointment of a 'Preferred Bidder' developer/operator consortium for the new Indoor Arena as well as approving the land acquisition strategy to enable the Council to gain full control of the land required for the arena. A final business case was approved by Cabinet in September 2021 with a view to signing of the Development and Funding Agreement (DFA) later this year. The current expenditure projection for 2021/22 is circa £5.600 million for acquisition of the remaining land parcels and professional fees, with the costs of these covered by the Arena affordability envelope. The DFA will remain conditional on a number of future milestones being met, including planning permission, with pre-contract service agreement costs not due to be paid to the developer until Financial

Close (once DFA contract becomes unconditional). Financial Close is currently anticipated to be in the 2022/23 financial year and this is when the Council's capital contributions will begin being drawn upon.

11. The Llanrumney Development has an approved budget in year of £250,000. Spend to date includes undertaking a feasibility study as well as surveys, design costs and the valuation fee. This has been paid for from revenue budgets to date but will be capitalised and recovered from capital receipts generated once the disposal of sites materialises.

## **Parks & Green Spaces**

12. Proposed property asset renewal works (£150,000) will include demolition of Lisvane changing rooms, roof upgrades at Llandaff Pavilion and Llanishen Park changing rooms, upgrade of the intruder alarm and external lighting units at Mill Road Bowling Green and the renewal of the alarm main plant control panels at the parks' depot at Eastern Leisure Centre.
13. The Parks Asset Renewal Infrastructure budget for 2021/22 including slippage is £248,000 and is to be used for footpath reconstruction at Hailey Park, Rhydypennau Park, Whitchurch Common, and Grange Gardens. It will also be used for retaining structural works, including bridge replacement at Waterhall Park, Cobb Woods, Hendre Lake and the replacement of a collapsed wall at Fairwater Park.
14. Including the significant level of slippage from the previous year, the play equipment capital allocation is £730,000 including slippage. It is essential that a robust process for the planning and delivery of these schemes is in place with resurfacing and replacement of playground equipment at sites including Lascelles, Parc Caedelyn, Crawford Drive, Garth Newydd, Glenmont Way, Grange Gardens, Drovers Way, Catherine Gardens, Victoria Park, Peppermint Drive and Heol Llanishen Fach. Whilst this is subject to contractor availability and capacity, the projection is that the works can be completed by the end of the financial year.
15. A budget of £200,000 has been allocated to improve the condition of multi-use games areas, fitness equipment, BMX tracks and skate parks across the city. A destination skate park in Llanrumney is currently the subject of detailed design and an acceptable tender exercise. The modular nature of the equipment may require this to be paid for in advance, however the current assumption is slippage of £150,000 into 2022/23.
16. The Green Flag Infrastructure Renewal budget is £100,000 and will be used to support the replacement of signage and infrastructure in existing Green Flag parks which include Roath Park, Victoria Park and Rumney Hill Gardens.
17. A budget of £150,000 which aims to combat motorcycle nuisance and protect park users will be prioritised at locations based on recommendations and issues reported to the Council and South Wales Police. Works at Splott Park

have commenced, with works at Trelai Park scheduled to commence in January 2022.

18. External works at Roath Park House, for change of use, landscaping and improved visual impact are nearing completion. The overall project has been paid for from £726,000 of capital receipts from the disposal of the former youth hostel at Wedal Road agreed by Cabinet to be re-invested in the Roath Park District Area.
19. Following on from the development phase, the Council and partners have been successful in securing Heritage Lottery Funding of up to £645,200 towards the restoration of built and natural heritage on Flat Holm Island. This is for the Walk through Time project, in partnership with RSPB Cymru and the Flat Holm Society, which aims to preserve its heritage, protect its rich wildlife and attract more visitors to the site. Expenditure of £85,000 is projected to be spent on professional fees and contractor preliminary costs.
20. Expenditure of £400,000 is forecast during 2021/22 on professional fees and site surveys in relation to Roath Park Dam in order to determine an options report for works deemed required as part of the Reservoir Act 1975 and in response to a Natural Resources Wales inspection report. Future costs are subject to this appraisal, consultation as well as consideration of the impact on other features of this Grade1 listed Historic Park as part of a future Cabinet Report.

## Leisure

21. A property asset renewal budget of £515,000 has been allocated to replace further sections of the sports hall roof at Western Leisure Centre in order to urgently address water ingress.
22. The budget in 2021/22 for the redevelopment of Pentwyn Leisure Centre is £1.5 million which, subject to approval of a business case, will be funded on an invest to save basis. Procurement of a professional team is underway, and the contract is due to be awarded by the end of November 2021. Design and submission of a planning application is to be submitted by the end of December with an aim for approval by March 2022 and contractor procurement is expected to commence in January/February 2022. Construction is anticipated to commence in June 2022, spanning a period of 12 months. Expenditure in this year is projected to be £500,000 with slippage of £1 million into 2022/23.
23. As part of the contract for the transfer of leisure sites to GLL, the balance remaining of the £3.5 million for investment in the transferred leisure sites is £465,000, which is repayable on an invest to save basis. Expenditure of £152,000 is forecast during the year on the air handling unit as well as gym and studio refurbishment at Western Leisure Centre. It also includes an upgrade to LED lighting at both Western and Fairwater Leisure Centres. This will result in slippage of £313,000 into 2022/23.

24. The resurfacing of the outdoor arena at Pontcanna Riding School started on site week commencing 11<sup>th</sup> October and is expected to complete within six weeks. Funding sources include the Council's property asset renewal budget and a contribution from the Friends of Pontcanna Riding School.

### **Venues and Cultural Facilities**

25. Property Asset Renewal works (£490,000) for St David's Hall include upgrades to the fire detection system and passenger lift renewal. As part of initial necessary works to be undertaken at the New Theatre prior to an agreed handover to HQ Theatres, the building management system is to be replaced (£50,000).

### **Property & Asset Management**

26. Property Asset Renewal works for administration buildings will continue to be developed over the year but currently include the air handling unit in the server room at County Hall and at Ocean Park Tennis Centre, an upgrade to the exterior roller shutter doors to County Hall underground car park and health and safety works at both CTS workshops and Cardiff Castle. Slippage of £1,094,000 is currently forecast and is subject to the availability of contractors and options being considered in respect to larger items of expenditure such as the Flowrider roof at the Cardiff International Whitewater and St David's Hall, which may require re-prioritisation.
27. The Community Asset Transfer budget provides up to £25,000 for improvement works to buildings being taken on by third party organisations. The total budget available for 2021/22 is £98,000 which is the result of slippage from 2020/21 and this is projected to slip again into next year whilst projects are considered.
28. In respect of Central Market, subject to successful grant funding, the Council has allocated £697,000 over the next four years to invest in the fabric of the building; improving the appearance, tackling structural issues and enhancing the commercial attractiveness. There is £69,000 available in 2021/22 and full expenditure is expected. The phase one application has been submitted and approved by the National Lottery Heritage Fund and a further application has been made to the UK Government for Levelling Up funding. These applications are separate however and there will only be access to one of the funds. If successful, this funding will help towards the restoration of the Grade II\* listed Victorian building, elevating its status as a hub for city centre shopping, food and drink as well as preserving its heritage and investing in the tourist infrastructure of the city.

### **Harbour Authority**

29. The Harbour Asset Renewal budget approved for 2021/22 has increased from £460,000 to £585,000 due to an increase in component costs for the

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wheeled materials handler and increased costs for the installation of boardwalk decking. The budget will be spent on the purchase of a new patrol boat which is needed to undertake statutory duties relating to the management of the Harbour, the replacement of a material handler to ensure continued operations with waste removal on the quay and the replacement of decking on the Senedd boardwalk and steps.

### **Recycling Waste Management Services**

30. The five-year capital programme includes £3.325 million to explore options for a new household waste recycling/reuse centre. There is no expenditure forecast to be incurred during the year until a suitable site is identified, resulting in the budget of £200,000 being re-profiled to 2022/23.
31. The Capital programme for 2020/21 included an allocation of £815,000 to roll out a separate glass collection scheme. The Council's recycling strategy 2021- 2025 was the subject of a Cabinet report in September 2021. Subject to the implementation costs of the strategy over the period and availability of grant funding, the Council budget required will be reviewed as part of the budget setting process.
32. The Waste Recycling and Depot Site Infrastructure budget of £635,000 is to be used for a range of infrastructure improvements at depot and recycling sites. This includes CCTV, weighbridge software and barriers as an audit requirement, and improvements to the recycling centres.
33. A sum of £100,000 Council match funding is included in the Capital Programme to help secure a range of Welsh Government grants such as from the Circular Economy Fund to be bid for during the year where match funding is required.
34. In order to implement enhanced team operational requirements and facilities that support revised working practices, a number of changes were made at the Lamby Way waste depot at a cost of £703,000 during 2020/21. An additional £120,000 expenditure is forecast this year to complete the transformation, including technical equipment, lighting and security fencing. This cost is to be repaid over a three-year period from directorate revenue budgets.
35. A Circular Economy Fund grant of £239,000 will be used to purchase glass recycling caddies and for enhancements to recycling centres, including new signage and digital display. The Re-Use shop and associated works funded by the grant are now operational.
36. The Keep Wales Tidy allocation of £15,000 will be spent on litter bin sensors providing additional intelligence to direct resources appropriately as well as portable ticket issuing devices compatible with the enforcement software to effectively issue on the spot fixed penalty notices.



## **Education and Lifelong Learning**

37. Directorate Programme 2021/22 £67.145 million. Initial variance of £4.733 million identified.

### **Schools - General**

#### *Asset Renewal - Buildings*

38. The Council asset renewal allocation of £6.958 million in 2021/22 includes an assumed £5.500 million WG grant for schools' capital maintenance, in line with grants received in the prior three financial years. Full expenditure is anticipated this financial year based on the current programme of roof and boiler replacements, fire precaution works, safeguarding of lobbies and kitchen upgrades. An additional £25 million of invest to save funding to address condition, health and safety and additional learning needs within the schools' estate was approved in 2018/19 and has yet to be utilised. £12 million of this additional funding was allocated for use this year. Current projections indicate slippage of £4 million against this budget, with works identified and costed awaiting commencement.

#### *Asset Renewal – Suitability and Sufficiency*

39. The Suitability and Sufficiency budget of £1.040 million includes the realignment of a £5.250 million brought forward to fund projects earlier than planned. This budget is expected to be fully utilised in 2021/22 on a range of works including security and safeguarding works on boundaries and receptions across the schools' estate, as well as priority Disability Discrimination Act (DDA) adaptations.

#### *Whitchurch High*

40. A £703,000 separate allocation exists for works at Whitchurch High with future works on the Art and Science blocks. The total cost of construction is anticipated to be £2 million with the remaining balance utilising Asset Renewal Budget.

#### *Reducing Infant Class Sizes Grant*

41. As part of an ongoing programme to reduce infant class sizes, Welsh Government agreed a £3.322 million grant funding package until 2021 for St Fagan's Primary, St Francis Primary and Oakfield Primary. Oakfield was completed in 2020/21, with works on the St Fagan's and St Francis projects due to be completed this year.

## *Hwb ICT Infrastructure Grant*

42. A Welsh Government funding allocation of £5.097 million was awarded in 2019/20 to support Cardiff schools in developing sustainable EdTech Digital Services and this was fully utilised by the end of 2020/21. A further £3.5 million has been awarded for use in 2021/22 and full spend is once again projected.

## **Schools Organisation Plan – 21<sup>st</sup> Century Schools**

43. The 21<sup>st</sup> Century Schools Band A programme has fully utilised Welsh Government grant funding of circa £66 million with final expenditure in 2021/22 expected to be £500,000 including demolition at the Michaelston site as part of the Cardiff High School in the West project. This is significantly higher than first planned due to the amount of asbestos and other site contaminants. Additional works relating to Ysgol Glan Morfa have also been identified with expenditure of £250,000 anticipated this year. Outstanding Band A grant retentions will be utilised to fund these projects in the first instance with invest to save picking up any additional spend.
44. Band B of the 21<sup>st</sup> Century Schools Programme is underway with an original funding envelope of circa £284 million. This has been amended by Welsh Government to £202 million based on the movement of Cathays High and Willows schemes to the Mutual Investment Model (MIM). This is to be funded by a Welsh Government grant award with match funding from Cardiff Council at a rate determined by the type of school. A further request has been made to return Willows to the Band B programme due to progress of the project. Costs in relation to Willows are now included in the Band B totals.
45. Works at Fitzalan High have a Welsh Government approved budget of £64.3 million. Significant slippage last year was caused by Covid-19 restrictions and adverse weather conditions. Expenditure this year is anticipated to be £26.753 million, to be funded from grant.
46. St Mary the Virgin is currently at design stage with the full business case currently being drafted. Minimal expenditure is anticipated this year in line with cash flows projected in the business case.
47. The Fairwater Campus scheme (previously Doyle Avenue) aims to house three schools (Cantonian, Riverbank and Woodlands) on one shared campus. An outline business case has been approved by Welsh Government with expenditure on planning, surveys and professional fees underway.
48. Two land acquisitions took place in 2021/22 costing £15.926 million in preparation for the Willows project. This was funded by Welsh Government in addition to the original Band B envelope but will attract the same level of Cardiff Council match funding as other secondary schools (35%). An additional £1.19 million is anticipated in relation to the scheme this year in relation to pre-tender works including surveys, planning and demolition.

49. An additional £8 million WG grant has been received in relation to the strategic purchase of a site on Ty Glas. Use of this land will be prioritised for education purposes due to the terms and conditions of the grant.

### **People & Communities**

50. Directorate Programme 2021/22 £17.558 million. Initial variance of £4.314 million identified.

### **Communities & Housing**

#### **Neighbourhood Regeneration**

51. The Neighbourhood Renewal Schemes budget of £879,000 is made up of an in-year allocation of £300,000, slippage from 2020/21 of £254,000 and a grant of £325,000 to support Covid-19 recovery. Schemes proposed include environmental improvements in Old St Mellons Village, a multi-use games area in Llanrumney and wellbeing improvements in Llanishen Park. The Covid-19 recovery grant will be utilised towards works undertaken at Cowbridge Road East. Expenditure is subject to the outcome of designs and tenders and at this stage and slippage of £200,000 is assumed.
52. An initial budget allocation of £250,000 was approved in 2021/22 towards District and Local Centres, with projected expenditure of £50,000 and slippage of £200,000 into 2022/23. The budget will be used to develop comprehensive recovery strategies for the centres, with initial expenditure on design work to support an approved longer-term programme of investment and bids for grant match funding.
53. Including slippage from the prior year of £41,000 the alleygating budget is £141,000 for priority schemes throughout the city. Subject to completion of consultation and legal procedures, projected expenditure is likely to be £106,000 with schemes including Cyril Crescent, Mill Road, Fairwater Grove East and Pen-y-Wain Place.
54. In March 2018, Cabinet agreed priorities for submission under the Welsh Government Targeted Regeneration Investment (TRI) Programme. From the remaining match funding of £1.430 million set aside by the Council in accordance with the terms and conditions of the funding, the Council has initially allocated £1.222 million towards the commercial business and environment improvement schemes as well as the Tudor Lane property enhancement scheme. The balance remains held as a contingency for increased costs.
55. The Tudor Street Business Improvement Scheme delivers external improvements to commercial premises in Tudor Street, Riverside. Having started in 2020/21, the scheme is due to complete by the end of March 2022 at an estimated total cost of £1.850 million. The expenditure of £1.140 million projected to be spent this year assumes £542,000 of match funding with the balance of £598,000 being grant funding to be claimed.

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56. The Environmental and Green Infrastructure scheme has an estimated total cost of £3.361 million with projected expenditure of £2.400 million during 2021/22. This will be funded by £1.609 million of grant funding and £791,000 from the city centre wider transport impact enabling works budget, with council match funding of £590,000 shown as slippage into 2022/23 to complete the scheme by July 2022.
57. The Tudor Lane Property Enhancement Scheme is the result of a placemaking grant distributed by Welsh Government which will assist applicants to physically improve their properties by offering funding for commercial property frontages and associated works. The Council has been awarded £250,000, with Council match funding of £90,000 and applicant contributions estimated at £18,000 providing an overall programme total of £358,000 for eligible schemes. Circa 20 applications for use of the grant have now been received and are under review. Full spend is currently projected in year in line with the grant terms and conditions, however, is dependent on the take up of grant.
58. Funding available for a scheme at Rhiwbina Hub totals £408,000 and includes a £120,000 approval of Welsh Government Museums, Archives and Libraries Division (MALD) grant. Finalising the scope of the project has resulted in a delay in undertaking a tender exercise which is now expected to be complete by the end of the calendar year. Subject to this the project is expected to have started on site within the final quarter of 2021/22. Expenditure of £188,000 in year is forecast, ensuring use of the MALD funding, with slippage of £220,000 assumed.
59. The Council budget remaining to develop a Multi-Agency City Centre Youth Hub totals £2.036 million with an assumed allocation of £786,000 in 2021/22. Pending a review of alternative options to deliver a viable project at the existing site, external grant bids as well as subsequent cabinet approval, no expenditure is currently forecast and slippage is shown, but will be reviewed as part of future monitoring reports.

### **Housing (General Fund)**

60. The Disabled Facilities Service budget for mandatory and discretionary grants to housing owner-occupiers as well as for administration costs for the grants is £5.359 million and this includes slippage of £809,000 from 2020/21 due to delays as a result of Covid-19. Expenditure for the year is projected to be £4 million and will allow housing owner-occupiers to continue living in their own home. Slippage of £1.359 million is projected due to a number of reasons including a shortage of labour resources and materials impacting on delivery times. Whilst demand remains high and budget is in place, the focus is on the most urgent cases which have built up over lockdown.
61. In addition to the above Council budget, an Enable grant totalling £545,000 has been awarded by Welsh Government to deliver additional adaptations, with full expenditure projected for the year.

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62. Following feedback from initial pilot exercises, Welsh Government are reviewing the Private Rental Sector Leasing scheme and its targets, with a rollout of an all-Wales scheme potentially now in the autumn. The pilot offered loan and grant support to potential landlords; however, the review of the terms will consider offering grants only, with little appetite identified for loans. The Council received a repayable loan of £533,000 from Welsh Government for this project and subject to the revised scheme and Council decision to proceed with the scheme, would return this loan.
63. Integrated Care Funding (ICF) of £200,000 has been awarded for 2021/22 for Rapid Response adaptations which is part of the Accommodation Solutions for both discharge and prevention. This funding allows adaptations to be made to private homes to both enable the discharge of patients back into their own homes and to help prevent them from having to go into hospital in the first place. ICF funding of £150,000 has also been awarded for Assistive Living Technologies, a scheme which enables the purchase of equipment to produce packages of assistive technology for people living with dementia as well as to help prevent falls and ultimately enable citizens to live in their own homes for longer. Full expenditure is projected for both ICF projects. There are five further schemes in the pipeline for which ICF funding has been applied for and they are awaiting sign off from Welsh Government. The total value of the schemes is £4.105 million and if approved, funding will be used towards social services respite accommodation, assessment centres and supported living (Pearl House).
64. Two residential properties were subject to a Compulsory Order Process in 2020/21, on Romily Road and Cyril Crescent. The balance of expenditure this year is estimated to be £125,000 but is subject to discussions with owners in respect to any compensation payable under the process.
65. To facilitate comprehensive regeneration schemes, the estate environmental improvement allocation supports the costs of works to owner-occupier properties as part of the Public Housing programme. Schemes during the year include Roundwood Estate, Arnold Avenue and Bronte Crescent. There is a budget of £452,000 and projected expenditure in year is £252,000 with £200,000 slippage assumed into 2022/23.

### **Flying Start**

66. The budget for Flying Start Capital schemes for the year totals £771,000. This comprises of slippage of £130,000 in relation to allocations for furniture and ICT at five nursery sites across Cardiff, alongside an additional grant award of £140,000 for canopies, replacement boilers and refurbishment at three further sites in 2021/22. A further grant award of £500,000 has been made by WG to support Moorland Primary. It is anticipated that slippage of £421,000 across schemes due to progress made on site to date.

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## **Childcare Capital Grant**

67. Works were completed on Ysgol Y Wern in 2020/21, with additional plans for three Cylch Meithrin provisions planned for the Welsh Medium programme this year. Anticipated expenditure of £621,000 includes an additional award of £206,000 resulting in slippage of £95,000 for work to be completed next financial year.

## **Social Services**

### **Adult Services**

68. There is a total programme budget of £49,000 due to slippage of ICF grant and Council funding from 2020/21. Full spend is projected in year towards the development of a scheme for the Tremorfa Day Centre. An external multi-disciplinary design team has been appointed to take this forward and the funding will be used towards feasibility work on the new build scheme for that site.

### **Children's Services**

69. Proposals being considered from the remaining John Kane Fund include an extension and refurbishment of the Crossland's home. With projected costs in excess of the budget available and the need to mitigate the impact of the works on service delivery, no expenditure is currently assumed during the year.
70. The Young Persons Gateway Accommodation scheme aims to convert four large properties to include an office / sleep in accommodation on site, to provide supported accommodation for young people (16-24 years) to help them live independently whilst still providing intensive 24-hour support.
71. As part of the Right Home, Right Support Children Looked After Commissioning Strategy (2019-2022), £1.5 million was also made available in the programme over a two-year period to develop an emergency pop-up unit, assessment units, and additional residential places in the city. £500,000 is available during this year to secure additional properties, with any expenditure on both the above schemes to be repaid on an invest to save basis.
72. In parallel with the above the Council has submitted bids to the Welsh Government Intermediate Care Fund to support the development and acquisition of additional properties which may result in the Council's own allocations not being required in full at this stage. This includes grant applications towards:
- Two new young person's assessment centres which will be high quality, fully accessible, fit for purpose and able to accommodate a wide range of programmes, activities, and resources specifically to meet a wide range of

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health and well-being needs of young people. The buildings will offer multi-agency support services across health, education and social care as well as psycho-therapeutic packages of support and skills to enable independent living in the future.

- Two residential properties linked to the new young person’s assessment centres to facilitate service delivery specifically tailored to young people (10-17yrs) and able to accommodate up to 3 young people each.
- A 10 bed young persons supported living unit, with a specific focus on supporting existing placements and helping young people to progress to live independent lives in permanent accommodation.

Updates in respect to applications will be included in a future monitoring report.

### **Planning, Transport & Environment**

73. Directorate Programme 2021/22 £56.236 million. Initial variance of £6.765 million identified.

### **Energy Projects & Sustainability**

74. In May 2019 the Council entered into an agreement to obtain grant funding of £6.628 million for Phase one of the Cardiff Heat Network project from the Department of Business, Energy and Industrial Strategy (BEIS) and this was awarded in March 2021. A further £8.600m interest free loan has also been agreed between the Council and Welsh Government and this will be passed on to Cardiff Heat Network (CHN) Limited, a special purpose vehicle created with the Council as sole shareholder. The estimated expenditure to be reimbursed to CHN for the year was £3 million.

75. A second phase of £1.470 million investment under the REFIT programme will invest in energy conservation measures into the education estate including solar panels, sensors and lighting upgrades. Sites have been selected following detailed assessment with the contractor including feedback from phase one and validation of the outcomes by SALIX who are also providing loan funding to implement the works which must be repaid over an 8-year period from the savings generated from the measures.

76. There is an invest to save budget of £500,000 in place for the roll out of further Salix SEELS projects across the Council. There are currently no applications in the pipeline and so the budget line has been removed but will be adjusted subject to confirmed schemes demonstrated by a robust business case.

77. In May 2019, Cabinet approved the final business case to deliver a solar farm at Lamby Way. The Solar Farm is a long term invest to save project, undertaken on the basis of being self-financing over its operational life. Installation of the solar panels and the first electricity was generated following connection to the grid in December 2020. Due to conservation and timing issues, there has been a delay with the installation of the private wire, but completion is due by November 2021. There is a Capital budget in year of

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£1.678 million, consisting of an approved budget of £1.069 million plus slippage from 2020/21 of £609,000. An additional £238,000 has been added to fund increased and unforeseen contractor costs, totalling £1.916 million which is projected to be spent in full this year. The current estimated cost of the scheme since inception is therefore circa £8.975 million.

78. It should be noted that the costs of all projects identified above together with ongoing maintenance must be paid back from savings or future income generation.
79. The One Planet Cardiff Strategy is a strategic response to the climate emergency and includes a range of actions which together, form the basis of a delivery plan to achieve carbon neutrality across the city. As well as strategic projects mentioned above, the Council has allocated £3.9 million over the next 5 years towards capital investment and match funding for smaller schemes to support the strategy. The allocation for 2021/22 is £700,000 which is expected to be spent in full but subject to grant awards, may result in slippage for use on other projects. Similarly, any additional costs will be managed by bringing forward budgets from future years or from external grant bids. Projects approved include enhanced food composting facilities in schools, implementation of electric vehicles, upgraded electric vehicle charging at Lamby Way and installation of carbon sensors within County Hall.

### **Bereavement & Registration Services**

80. Work to create new burial space in the North of the city is now complete, with the Council and contractor in negotiations in respect of finalising the overall cost of the scheme. The budget allows for completion of works including the seeding of the grass, with expenditure on the overall project to be repaid from future income receivable as part of the bereavement reserve.
81. As part of the budget proposals in 2020/21, a segregated Capital property asset renewal allocation for bereavement services was created to allow more of the bereavement reserve to be used to support the revenue costs of the service and Directorate. Due to slippage from the previous year, the total allocation for 2021/22 is £185,000 to support site infrastructure improvements, new vehicles and plant and improvements to facilities. Expenditure for the year is expected to be £177,000. This figure includes the purchase of two new excavators and two trailers as well as lawnmowers and strimmers (£85,000) which will replace older machines. There will also be expenditure of £75,000 on road resurfacing at Thornhill Crematorium. Expenditure of £17,000 also includes design on lighting with works planned to begin in 2022/23.

### **Highway Maintenance**

82. Expenditure on the reconstruction of structurally deteriorated roads which are deemed to be a priority is forecast to be £508,000. Schemes carried over and

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completed this year are Grand Avenue, Hadfield Road, Rover Way, Heol Llanishen Fach, Willowbrook Drive and Heol Penyfai. Nant Fawr and Hendre will be completed in February/March 22.

83. The budgets for carriageway and footpath works total £7.672 million including slippage from 2020/21 and a Welsh Government grant allocation. The budget will complete 2020/21 carriageway preventative, resurfacing and patching contracts, micro asphalt resurfacing and a number of other treatments during the remainder of the year. New contracts awarded this year and completed are high speed routes resurfacing and phase two footway improvements at Heol Carnau. A carriageway slurry seal programme has commenced and will be completed by the end of March. In order to avoid slippage, assessment of priorities and immediate actions should be put in place in order to ensure works can be procured and completed where budgets have been requested during the year to address condition. An element of the budget is to be carried forward to 2022/23 for use towards the cost of City Centre schemes.
84. The five-year capital programme included a sum of £2.240 million to replace the timber surface of the Millennium Walkway. Works entailed the replacement of the timber decking and supporting bearers using reinforced plastic components along the length of the walkway from Wood Street to Cowbridge Road East/Castle Street along the River Taff. Following a trialling of materials, construction started in February after the dismantling of the Dragons Heart hospital from the stadium. Additional costs have been identified primarily in order to upgrade lighting, cabling and replace decayed timber as part of unforeseen issues identified following the removal of the old walkway. These additional costs have been met by a virement from the highway structures and street lighting budgets.
85. The bridges and structures budget of £1.270 million will support Fairwater Road, Heathwood Road and Capel Llaniltern culvert works as well as any capital works arising from assessment reports from North Road flyover. The budget will also be used to replace expansion joints at various locations around the city, upgrade viaduct doors and install CCTV. Slippage of this budget assumed to 2022/23 is £183,000.
86. The street lighting renewals budget is to be utilised for subway lighting, column replacement and to start the design process for electrical works on Eastern Avenue. Implementation of the latter continues to be delayed resulting in overall slippage of £278,000 into 2022/23.
87. Following a successful trial of LED lighting in the Radyr Ward, with the conversion of 1,250 columns, Cabinet approved in May 2019, an invest to save business case for all remaining residential columns to be converted to LED. Following a tender exercise, the total cost is estimated at £5.200 million with £1.500 million of expenditure forecast during this year. This is lower than planned due to a restricted supply of lanterns because of shortages of semi-conductor components, extending the period of the contract.
88. As part of a coastal risk management scheme to implement improvements from Rover Way to Lamby Way, a revised Welsh Government grant of £1.129

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million was awarded for the development of the full business case to deliver the detailed design and cost estimates to construct the coastal defence improvements. Ground investigations were completed in May 2020 and results have been utilised in order to determine the most appropriate detailed design. Cabinet considered a progress report on the scheme in June 2021 including the reasons for cost estimate increases, timescales and to approve a tender exercise. Projected expenditure during 2021/22, to be paid for by grant is £364,000, on professional fees to secure a final business case towards a proposed start on site by March 2022. This is subject to tender, approval of the business case and funding approach by Welsh Government.

89. A sum of £250,000 Council match funding has been allocated towards the implementation of flood prevention measures together with Welsh Government funding of £639,000. This is for small scale schemes and post storm repairs, with only £25,000 match funding likely to be required this year.

### **Traffic & Transportation**

90. The enhanced asset renewal telematics budget of £646,000 is to be used for replacement of obsolete analogue CCTV cameras at various locations with HD digital CCTV cameras, replacement of the electronic signage/control system for the North Road tidal flow lane control system and Bute Tunnel entrance electronic signage.

91. The total budget for cycling development in 2021/22, including slippage from the prior year, is £3.583 million, which will be used to match fund WG grant funded schemes for primary cycleways and completion of schemes such as North Road Phase II which will deliver improvements to Cathays Terrace, Whitchurch Road, Allensbank Road and King George V Drive East. Opportunities will be considered to supplement Welsh Government grant to introduce additional pop-up cycling facilities. No slippage is currently forecast but is subject to the application and award of grant funding.

92. The Council Road Safety Schemes budget of £365,000 will be used to match fund safety related schemes being delivered as part of Welsh Government grants. This is together with a sum of £877,000 Council match funding, including slippage of £502,000 from the previous year, to help secure a range of grants where match funding is required towards a range of schemes for Local Transport, Safe Routes in Communities and Road Safety as described below.

93. The Welsh Government revised allocation to Cardiff for the Local Transport Fund is £3.998 million. The fund supports development of integrated, effective, accessible, affordable and sustainable transport systems. Schemes bid for and approved include £1.617 million towards improving sustainable transport and active travel measures in the City Centre, £1.270 million towards bus priority and active travel improvement schemes (A4119 Corridor Phase 2D and A470 Caedelyn Road to Tyn y Parc Road Phase 2). It also includes £1.111 million towards bus stop infrastructure and real time information improvements.

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94. The Welsh Government Road Safety Casualty Reduction grant approval is £175,000, which will support capital projects that reduce road casualties including traffic calming and pedestrian improvements on Penarth Road, Clive Street Junction and Thornhill Road.
95. The Welsh Government revised allocation to Cardiff for Safe Routes in Communities Grant of £1.701 million aims to improve accessibility and safety and encourage walking and cycling in communities. There is particular emphasis on improving routes to and from schools within the Canton and Trowbridge area. The allocation includes the School Streets scheme which is part of a wider programme working with schools to increase the use of active modes for school journeys, through targeted interventions and behaviour change support.
96. The Welsh Government revised allocation to Cardiff for Active Travel is £8.322 million. The purpose of the fund is to increase levels of active travel, improve health and well-being, improve air quality, reduce carbon emissions and connect communities. Funding will support Cardiff Cycle Superhighways stage 1 (£4.964 million), Taff Trail upgrade at Hailey Park (£514,000), Active Travel to Schools (£1.201 million) and various improvements to the Integrated Cycle Network Plan (£1.643 million).
97. In order to comply with the requirement of the Environment Act 1995 – Air Quality Direction 2019, Welsh Government provided a grant for a range of agreed measures. Planned expenditure during 2021/22 includes Bus retrofit (£562,000); taxi vehicle emissions incentives (£1.860m); city centre transport and active travel (£4.684m); implementation management and monitoring (£9,000). As part of the City Centre Transport projects, works on improvements at Central Square as part of a £7.5 million scheme. Works are expected to be completed in April 2022.
98. At its meeting in June 2021, the Cabinet also approved that a procurement exercise commence on the City Centre East and Phase one of the Canal. This included permanent bus priority measures on Station Terrace and Churchill Way, a permanent cycleway a revised car park routing system and the first phase of the canal at the north end of Churchill Way. Subject to the outcome of that tender exercise works over 15 months are proposed to begin in January 2022 and are to be paid for by a combination of City Deal Metro Plus grant, Air Quality grant, Council match funding and a sum of £3 million Council funding included in the overall programme towards the canal. Subject to the timing of works, it is assumed grant funding would be used first, so the Council allocation of £750,000 towards the Canal, profiled for use in 2021/22, will be carried forward as slippage into 2022/23.
99. To mitigate against the impact of the City Centre works in neighbouring areas, the Council has allocated a sum of £4 million, with £1.500 million assumed in 2021/22. A sum of £500,000 is forecast for 2021/22 in respect to development work at a number of sites in Grangetown and towards transport and green infrastructure improvements at Tudor Road. The balance shown as slippage at this stage.

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100. A Welsh Government grant of £168,000 has been awarded from the Ultra Low Emissions Vehicle Transformation Fund to install electric vehicle charging infrastructure in car parks.
101. The Council Bus Corridor enhancements budget of £289,000 will be used to complete the A470 Phase 1 and will also be utilised for match funding towards Welsh Government Local Transport improvement schemes (A4119 Corridor Phase 2D and A470 Caedelyn Road to Tyn -y Parc Road Phase 2).
102. A budget of £258,000 including slippage is shown in relation to development of the transport interchange on the site of the former recycling site at Waungron Road, which is proposed to be delivered in parallel with the housing scheme. Design works were completed by the end of August 2021 and a tender process will be undertaken for the completion of the retaining wall. Slippage of £208,000 is currently projected.

### **Resources**

103. Directorate Programme 2021/22 £25.741 million. Initial variance of £4.111 million identified.

### **Technology**

104. The Modernising ICT budget aims to support projects in the Cardiff Capital Ambition programme and the digitisation of business services utilising modern technology. The total programme budget for the year is £636,000 and this includes slippage from 2020/21 of £202,000. The budget includes a virement of £209,000 from the budget allocated for Cycling Development within Transportation, for the upgrade of Building Control IDOX software system. Expenditure planned during the year is currently forecast as £600,000 and includes phase two of the Corporate Landlord Scheme (£65,000), project costs of the digitalisation team for implementation (£131,000), SAP Information Lifecycle Management including GDPR and archiving (£150,000) and Digital telephony (£45,000).
105. Slippage of £200,000 is currently shown in respect to the ICT Refresh budget of £968,000 primarily because of timing of receipt and implementation of hardware due to lead in times. This budget covers a range of projects to support resilience, capacity and capability including direct access and Wi-Fi replacement, server replacement and firewall licenses.

### **Central Transport Services**

106. As a result of slippage from 2020/21, the amount carried forward to complete phase 1 of the vehicle replacement programme in 2021/22 is £2.240 million and full expenditure is projected during the year. Orders have

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also been placed and committed for the start of the second and third phases of vehicle replacement at a cost of £4.001 million and £2.570 million respectively. This expenditure will be funded from budget brought forward from 2022/23. Planned expenditure for phase 2 includes the acquisition of 17 vehicles as well as 5 electric powered refuse collection vehicles which are match funded by £1.025 million of Welsh Government grant. Similarly, phase 3 planned expenditure includes the purchase of a further 6 electric powered refuse collection vehicles which are also match funded by Welsh Government (£1.200 million). The CTS Minor Repair Workshop has a total programme this year of £48,000 due to slippage from 2020/21. Projected expenditure for the year is £31,000 meaning an underspend of £17,000 which will reduce the Invest to Save repayments over the life of the scheme.

## Corporate

107. In respect of the contingency budget of £200,000, given that it is early in the financial year, this is shown projected to be fully required, although as the year progresses, any under spend will be used to reduce the level of borrowing assumed in the Capital Programme.
108. A sum of £120,000 has been vired to support Lamby Waste depot enhancements, with the balance of the £500,000 invest to save budget assumed to have no further drawdown. This will be reviewed and adjusted in future monitoring reports if schemes are approved during the year.
109. Including slippage of £3.198 million from 2020/21, based on projections initially assumed in the Cardiff Capital Region City Deal (CCRCDC) business plan, a total programme budget of £6.792 million was assumed for 2021/22 as part of the Council's agreed £28.4 million contribution to the region. The timing and value of any drawdown is subject to proposed projects being considered and approved by the CCRCDC joint committee, the delivery and expenditure on those projects, but also the different funding streams available to CCRCDC to manage expenditure obligations. With expenditure estimated to be lower than planned and assumptions that the majority of expenditure during the year will be managed within existing resources held by City Deal, slippage of £6.492 million will be reprofiled into future years.
110. The Core Office Strategy had an overall allocation of £9.750 million included in the programme over a three-year period with £5.679 million of this assumed in 2021/22. This was towards smarter working, digital infrastructure and building adaptations to allow consolidation into alternative council buildings. Drawdown of this allocation is subject to any expenditure being repaid on an invest to save basis. Projected expenditure for the year is £4 million, predominantly to be spent on adaptations and fit out of Oak House following its acquisition and the purchase of specialist equipment for the Alarm Receiving Centre (ARC).
111. A total of £260,000 allocated in 2020/21 was carried forward to this year towards a webcasting and conferencing system. The Procurement process is currently being undertaken for the core elements of the microphone and

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conference control system which will determine cost and timescales with the aim for this and any other improvements being finalised by May 2022. .

112. The CITB Onsite Construction Academy is hosted on the Wates Residential Aspen Grove development at the old Eastern High site in Rumney. Expenditure of £110,000 relates to purpose-designed demountables hosting a large classroom area, kitchen and toilet facilities, a reception point and office space, which will become active following easing of Covid-19 restrictions. The Academy commenced taking referrals for support in late May for a five-day intensive programme allowing learners to gain various industry-recognised certificates.
113. The second and final tranche of viability support (£6.600 million) to be given to Cardiff Bus was referred to in the report to Council in October 2020 headed “Securing the Future Sustainability and Viability of Cardiff City Transport Services Limited”. Following completion of equity subscription agreements, additional equity was injected into the company in September 2021, to allow it to implement that part of its Turnaround Strategy relating to fleet investment and strengthening the balance sheet.

### Section 106 Schemes and Other Contributions

114. The table below shows the Section 106 and other contributions forecast to be spent at the time of setting the budget. This has been reviewed by Directorates and is reflected in the new projection at Month 6:

	<b>Budget</b>	<b>Projection at Month 6</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Parks & Green Spaces	2,073	1900	(173)
Traffic & Transportation	706	506	(200)
Strategic Planning & Regulatory	181	181	0
Neighbourhood Regeneration	609	1,170	561
Economic Development	59	104	45
Education & Lifelong Learning	2,334	2,425	91
Public Housing (HRA)	3,701	3,701	0
<b>Total</b>	<b>9,663</b>	<b>9,987</b>	<b>324</b>

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

- Parks and Green Spaces – Schemes are proposed to be undertaken in a number of areas and include Adamsdown Open Space, Cogan Gardens, Craiglee Drive Open Space, Llandaff Fields, Llanishen Park, Kitchener Gardens, Cemaes Crescent, Llanishen Park and cycle

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improvements along the Roath Park Corridor. Capacity to deliver schemes continues to be reviewed.

- Traffic & Transportation – Public transport improvements, junction improvements, bus stops and bus borders; installation of CCTV and real time information, telematics and transportation schemes including the provision of bus routes in the city and strategic transport initiatives.
- Strategic Planning & Regulatory – City Road Public Realm enhancement scheme and Air Quality Monitoring around the city.
- Neighborhood Regeneration – Provision of a Library Service within the Cardiff Royal Infirmary, improvement of community facilities at Penylan Library and Community Centre and Lisvane Old School Rooms.
- Economic Development – Support for small to medium enterprises in Adamsdown and Llanishen.
- Education & Lifelong Learning – Condition works at Lansdowne and Radnor Primary Schools.
- Public Housing – Development of new Council housing.

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**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**17 November 2021**

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**Corporate Property Strategy 2021-26**

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**Reason for the Report**

1. To provide the Committee with an opportunity for policy development scrutiny of the Council's updated Corporate Property Strategy 2021-26.

**Structure of the Papers**

2. To assist Members' preparation for the scrutiny as described above, papers attached to this cover report are as follows:

**Appendix A: Presentation Corporate Property Strategy 2021-26**

**Background**

3. The Committee's Terms of Reference confer responsibility for scrutiny of the Council's property estate. This is comprised of both 'operational' property from which the Council operates and delivers its services, and 'non-operational' or 'investment' property which is often let for commercial return or to promote local employment, small businesses and the economic regeneration of local areas. The Council's operational and non-operational estates both fall within the Investment and Development Cabinet Portfolio and the Economic Development Directorate.
4. In February 2021 the Council approved its Corporate Plan 2021-24, a clear statement of the strategic priorities of the organisation, setting out eight Well-being Objectives and, as such, underpinned by Directorates Delivery Plans which provide greater detail on how the Well-being Objectives contained in the Plan will be delivered.

5. Well-being Objective 7 is: **Modernising and Integrating Our Public Services**, and a key **Step** listed to achieve the Objective is:
  - **Deliver fewer and better Council buildings**
  
6. The Corporate Plan narrative reads ‘Following the successful delivery of the Corporate Property Strategy 2015-20, capital receipts amounting to some £35m have already been generated and are being re-invested in delivering the Council’s priorities. Major work has also been continued on the long-term commitment to modernise the Council’s estate and significant progress has been made across the estate, especially in schools, to ensure our buildings are meeting health and safety compliance standards and that they are managed effectively..... As working practices have changed during the pandemic, large parts of the organisation have successfully worked from home. Whilst retaining core office accommodation will form an important part of the Council’s service delivery model going forward, particularly in supporting economic recovery and footfall in key parts of the city, there are clear opportunities for innovation. The Council’s office accommodation must therefore be considered in the context of a highly agile workforce, a diminished requirement for office space and the opportunity to flexibly deploy activity across the city. This provides opportunities to better target service delivery and use allocation of Council accommodation to support economic recovery.’
  
7. To deliver fewer and better Council buildings the aim is to ***‘develop(ing) a plan to secure investment into the Council’s historic assets, including City Hall, by December 2021; and review(ing) the Council’s existing corporate estate to identify potential disposals to generate capital receipts.***

## **Issues**

4. Attached at **Appendix A** is the presentation that officers will deliver to facilitate policy development scrutiny of the Corporate Property Strategy 2021-26. The Strategy will provide the framework within which the corporate property function manages the Council’s estate, both operational and non-operational.
5. The theme of the new Strategy will be Modernisation and its scope now extends to land and investment property. The Corporate Landlord model will continue to be

developed and the principles of Hybrid and Locality Working and One Planet Cardiff will be central to decision making.

6. The presentation includes a number of anacronyms in relation to governance arrangements, for reference:

AMB – Asset Management Board

APP – Annual Property Plan

ODR – Officer Decision Report

CR – Cabinet Report

HRA – Housing Revenue Account

### **Scope of the Scrutiny**

14. The Committee will receive a presentation on the Corporate Property Strategy that includes the ongoing evaluation of core office requirements and addresses the property implications of the recovery and renewal programme move towards Hybrid Working.
15. The Corporate Property Strategy is programmed for decision by Cabinet in December. As such this scrutiny constitutes a policy development discussion that will feed into the final report to Cabinet.

### **Way Forward**

15. Councillor Russell Goodway, Cabinet Member, will be in attendance to answer Members' questions, supported by Neil Hanratty, Director of Economic Development, and Donna Jones, Assistant Director County Estates.

### **Legal Implications**

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to

Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATION**

- i. The Committee is recommended to consider the information presented at the meeting;
- ii. Agree whether it wishes to make any comments, observations or recommendations to inform the Cabinet's final consideration of the Corporate Property Strategy 2021-26.
- iii. Agree whether further pre-decision scrutiny of the Strategy will be required.

**Davina Fiore**

**Director of Governance & Legal Services**

**11 November 2021**



# Corporate Property Strategy 2021-26

PRAP November 2021

Tudalen 149



Gweithio dros Gaerdydd, gweithio gyda'n gilydd  
Working for Cardiff, working together



# Strategy - Contents

1. Summary
2. Introduction
3. Property Strategy 2015-20 review
4. Property Strategy 2021-26 Aims and Objectives
5. Governance and Process
6. Operational Estate
7. Leased estate - Non-Operational
8. Leased estate - Investment

Tudalen 150



# 2. Introduction

- The Property Strategy provides a framework to strategically manage the estate
- Applies to Corporate and Education assets, not residential estate
- Governance is managed by Economic Development
- Transparency of decision making with performance updates to Cabinet via APP
- Contributes to the Corporate plan, Council budget, One Planet Cardiff and the post COVID Economic Recovery

Tudalen 151



# 3. Property Strategy 2015-20 review

- Focused mostly on operational estate
- Theme was rationalisation – via disposal, lease or relinquishment
- Targets achieved

Tudalen 152

	Building GIA (sqft) reduction	Maintenance Backlog reduction	Total Running Cost reduction	Capital Receipts received
Strategy target	1,172,351	£20,000,000	£5,000,000	£20,000,000
Strategy target %	15	n/a	14	n/a
Achieved	1,196,774	£20,516,519	£5,709,856	£35,845,939
Achieved %	15	n/a	15	n/a





# 4. Aims and Objectives 2021-26

- Theme is MODERNISATION and best use of retained property assets
- Corporate approach - building on the previous strategy
- Scope now includes land, non-op and investment property
- Acquisitions are included in annual reporting
- Continued development of the Corporate Landlord model
- Establish the principles of Hybrid working post COVID i.e  
Incorporation of the One Planet Strategy on property decision making
- Revised governance and processes
- New targets that reflect theme of Modernisation
- Continue to deliver Capital Receipts

Tudalen 153



# 5. Governance and processes

- AMB and AMB working group provide governance
- Corporate Landlord manages day to day property matters
- Disposal process – ring fencing to only take place on recommendation of AMB and subsequent ODR / CR
- Defines appropriation to HRA process for surplus sites
- Acquisitions reviewed at AMB and reported via APP
- Handbook – all processes and management principles documented



# 6. Operational Estate

- Property managed by the Council to deliver or support the delivery of services
- Managed by Corporate Landlord
- Circa 350 assets
- Maintenance Backlog – under review
- Running Cost - £38m p/a
- Carbon output circa - 18,478 tCO<sub>2</sub>e
- Focus on modernisation of the retained estate
- Objective to maximise physical efficiency and behavioural use of the retained estate
- One Planet Cardiff – New Build, Refurbs, Asset Renewal and offsetting

Tudalen 155



# 6. Operational Estate

- Development of Hybrid and Locality Working model
- Leaner and Greener
- Core Office review

SOP

Other key services land and property themes

Operational Targets

- **Carbon reduction (One Planet)**
- **Running Cost Reduction (Efficiency)**
- **Maintenance backlog reduction (Quality)**

Tudalen 156



# 7. Leased estate: Non-Operational Estate

- Property leased on community terms
- Circa 200 assets
- Management principles
  - Lease events
  - Governance
  - Statutory obligations
  - Health and Safety issues
  - Inspections
- Retail estate review
- Budget governance (rents and maintenance)

Tudalen 157



# 8. Leased Estate: Investment Estate

- Property leased on commercial terms
- Circa 200 assets
- Income = £4m
- Income and receipts ring-fenced back into portfolio
- Maximise rental income via investment and rent reviews
- Management principles
  - Lease events
  - Governance
- Budget governance
- **Investment target = Increase rental Income**

Tudalen 158



# Summary

- The Property Strategy 2021/26 provides a framework to strategically manage the estate
- Targets to be achieved over the 5 years with Annual Property Plan (APP) reports to Cabinet
- Includes the Operational, Non-Operational and Investments estates

Tudalen 159

<b>DRAFT</b>	<b>Carbon reduction</b>	<b>Running Cost reduction</b>	<b>Maintenance backlog reduction</b>	<b>Capital Receipts (Non-SOP)</b>	<b>Rental income increase</b>
Baseline	18,478 tCO2e	£38m	Under review	n/a	£4m
<b>Strategy Target</b>	<b>~30%</b>	<b>-£5m</b>		<b>+£30m</b>	<b>+£600k</b>

Mae'r dudalen hon yn wag yn fwriadol



**CYNGOR CAERDYDD  
CARDIFF COUNCIL**

**POLICY REVIEW AND PERFORMANCE  
SCRUTINY COMMITTEE**

**17 NOVEMBER 2021**

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**COMMITTEE BUSINESS - Replacement Local Development Plan  
Joint Task and Finish Group – Draft Terms of Reference**

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**Purpose of the Report**

1. For Members to note the draft Terms of Reference and approach for the Replacement Local Development Plan (RLDP) Joint Task and Finish Group.

**Background**

2. In September 2021, each of the five Scrutiny Committees individually considered the draft report titled *Cardiff Replacement Local Development Plan: Vision, Issues and Objectives and Integrated Sustainability Appraisal Scoping Report* prior to its consideration by Cabinet. Following these meetings, a collective letter capturing all concerns and observations of all five committees was subsequently sent to Cabinet.
3. Going forward the five Scrutiny Chairs considered it would be good practice to pool scrutiny expertise from all committees and continue a culture of collaboration. This was supported by the Scrutiny Committees at their September meetings, where Members agreed to progress Scrutiny of the next stage of the RLDP via a Task and Finish Group whereby there is cross-representation from all 5 Scrutiny Committees in order to ensure that all aspects affected by the RLDP are able to be considered.

4. At the October meeting of this Committee Members were invited to express an interest in participating in the Joint Inquiry and Councillors Norma Mackie and Joel Williams were nominated as representatives for the Policy Review & Performance Scrutiny Committee.
5. The next stage of the RLDP is the consultation around the proposed Strategic Options. These options are going out for a 10-week consultation in late November 2021 until January 2022. This will then be used to develop and inform the Preferred Strategy which is scheduled to be presented to Cabinet in September 2021.
6. The Task and Finish Group held their first meeting on 2<sup>nd</sup> November 2021, where they considered the areas they wished to explore in their examination of the Strategic Options, the evidence they required and methods of research.
7. Attached at **Appendix A** is a scoping document which contains the Task and Finish Groups draft Terms of Reference as well as detail of the proposed approach for the inquiry that resulted from the first meeting. This will be presented to each of the five scrutiny committees for consideration and noting.

### **Way Forward**

8. The Committee is asked to consider the attached approach of the Joint Task and Finish Group and note the proposed Terms of Reference for the inquiry into the RLDP Strategic Options.

### **Legal Implications**

9. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendation in this report is to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising

from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

10. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendation in this report is to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

### **RECOMMENDATION**

The Committee is recommended to:

- i) Note the approach for the RLDP Joint Task and Finish Group inquiry into the Strategic Options and note the draft Terms of Reference.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**11 November 2021**

Mae'r dudalen hon yn wag yn fwriadol

**ENVIRONMENTAL SCRUTINY COMMITTEE  
SCRUTINY INVESTIGATION SCOPING EXERCISE SUMMARY SHEET**

<b>PROPOSED TOPIC: Cardiff Replacement Local Development Plan</b>	
<b>PROPOSED TYPE OF SCRUTINY INVESTIGATION: Joint Inquiry</b>	
<b>Proposed Terms of Reference</b>	<ul style="list-style-type: none"> <li>• To explore, scrutinise and act as a consultee on the Strategic Options for the Replacement LDP focusing on how these have addressed: <ul style="list-style-type: none"> <li>○ Accessibility and Inclusivity</li> <li>○ One Planet Cardiff.</li> </ul> </li> <li>• To review the Council’s consultation process to date; to examine its effectiveness and make recommendations for future consultation on the next stages of the Replacement LDP</li> <li>• To understand the supporting rationale for the projected growth provided by Welsh Government in order to consider whether the evidence base is robust, realistic, and viable.</li> <li>• To consider how Cardiff’s replacement LDP and the Strategic Options are aligned with regional planning.</li> <li>• To hear and consider views of stakeholders to inform the recommendations of Scrutiny on both the Strategic Options and the Council’s consultation processes.</li> <li>• To coordinate and provide a single joint response from the Scrutiny Committees.</li> <li>• To make recommendations that will inform the decisions and considerations that the Council’s Executive will make in the development of the Preferred Strategy.</li> <li>• To make recommendations that will inform any future scrutiny of the replacement LDP.</li> </ul>
<b>Task &amp; Finish Recommended.</b>	Yes
<b>Stakeholders</b>	Cabinet Members Senior Managers External Stakeholders TBC
<b>Number of meetings required</b>	
<b>Meeting 1</b> Mid November 2021	<b>Consultation Process – Strategic Options</b> To examine the consultation document and explore the consultation processes planned for engagement around the Strategic Options. To have a particular focus on the plans and approaches for involving hard to reach and under-represented groups.

	Desktop based research on best practice consultation to enable Members to compare, contrast and assess the Council's own consultation.
<b>Meeting 2</b> Beginning December 2021	<b>Internal Evidence on Strategic options</b> To receive a presentation from the Cabinet Member and Senior Officers on the Strategic Options. <ul style="list-style-type: none"> <li>• <b>Role of Scrutiny</b> - To examine the Strategic Options.</li> </ul> To receive information regarding the evidence base provided by Welsh Government to consider its robustness realism, and viability of projected growth and examine the rationale behind the options being presented. <p>To receive information on how Cardiff's replacement LDP and the Strategic Options align with regional planning.</p> <p>To explore the Strategic Options through focus on the two areas identified; 'Accessibility and Inclusivity' and 'One Planet Cardiff'; to ascertain how these have been addressed in the Strategic Options put forward.</p> <b>Invitees</b> Cllr Wild, Andrew Gregory, Stuart Williams, Simon Gilbert
<b>Meeting 3</b> 1 <sup>st</sup> /2 <sup>nd</sup> week January	<b>External Evidence on Strategic Options</b> To hear evidence from key stakeholder witnesses to help inform the T&F Group's views and recommendations on the strategic options. <p><b>Selected stakeholder witnesses will be invited to attend the meeting to provide verbal evidence to the T&amp;F Group on their views of the strategic options.</b></p> External Stakeholder witnesses TBC
<b>Meeting 4</b> 3rd week January 2022	<b>External Evidence on Strategic options</b> <b>Part 1</b> <b>Stakeholder Research</b> Report of the key findings of the Call for Evidence from key stakeholders – written summary of main points provided by Gladys Hingco, Principal Scrutiny Research Officer. <p><b>Part 2</b>  Discuss evidence received with Cabinet Member and Senior Officers</p>
<b>Meeting 5</b>	<b>External Evidence on Consultation Process</b> Explore views of stakeholders on the consultation processes undertaken in developing the Strategic Options as well as the

<p>4<sup>th</sup> week of January 2022</p>	<p>Vision, Issues &amp; Objectives/ISA. This meeting will assess the effectiveness of the consultation approach and processes that have been adopted by the Directorate. The findings of this meeting will inform the recommendations that will be made on the future consultation on the Preferred Strategy.</p> <p><b>Selected stakeholder witnesses will be invited to attend meeting to provide verbal evidence to the T&amp;F Group on their views of the strategic options</b></p> <p><b>Stakeholder Research</b></p> <ul style="list-style-type: none"> <li>• Reporting of the summary findings of the Call for Evidence from key stakeholders – provided by Gladys Hingco, Principal Scrutiny Research Officer.</li> </ul> <p>External stakeholders TBC</p>
<p><b>Meeting 6</b> February 2022</p>	<p><b>Sum Up Meeting</b></p> <p>Consideration of all information received during the inquiry and agree way forward for draft report/recommendations</p> <p><b>Consideration of draft report/recommendations</b></p>
<p style="text-align: center;"><b>Proposed Reporting Arrangements</b></p> <ul style="list-style-type: none"> <li>• Investigation to be undertaken by middle of February 2022</li> <li>• Report to be considered by the Scrutiny Committees – end of February/March 2022</li> <li>• Report from Scrutiny to Cabinet - March 2022</li> </ul>	
<p style="text-align: center;"><b>Potential Outputs/Outcomes from this investigation</b></p> <p>As a key consultee, the T&amp;F will produce a report that will outline and illustrate Members views on the strategic options being consulted on at this stage of the development of the RLDP process. The recommendations of this report will be informed by consideration of evidence and views from selected stakeholders who have contributed to the scrutiny of the RLDP's strategic options and will assist the Directorate and Cabinet in the development of the Preferred Strategy.</p> <p>The findings and recommendations of the T&amp;F will also inform Scrutiny's, Cabinet's, and the Directorate's views on future consultations of the next stages of the development of the RLDP.</p>	

Mae'r dudalen hon yn wag yn fwriadol