

**DRAFT CORPORATE PLAN 2018 - 2021 and 2018/19 DRAFT CABINET  
BUDGET PROPOSALS**

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**Purpose of Report**

1. To provide Members with context for the scrutiny of the sections of the Council's draft *Corporate Plan 2018 – 21* and draft Cabinet 2018/19 Budget Proposals that relate to Directorates falling within the remit of this Committee.

**Structure of Papers**

2. Attached to this report, Members will find a copy of relevant sections of the draft *Corporate Plan 2018 – 2021* and draft Cabinet budget papers 2018/19 that fall within this Committee's remit, and which Members may wish to scrutinise during the meeting. The papers include:
  - Draft Corporate Plan 2018 -21 Extract containing sections relevant to Children and Young People, (**Appendix 1**);
  - Overview of 2018/19 savings proposals (**Appendix 2**);
  - Financial Pressure (**Appendix 3**);
  - Employee Implications (**Appendix 4**);
  - Consultation Executive Summary (**Appendix 5**).

**Social Services Directorate**

- Controllable Budget analysis (**Appendix 6**);
- Draft budget proposals (**Appendix 7 lines 44 - 46**);

- Financial Pressures (**Appendix 3 lines 6 – 8**);
- Capital programme (**Appendix 8 line 50**).

### **Education Directorate**

- Controllable Budget Analysis (**Appendix 9**);
- Draft budget proposals (**Appendix 7 Lines 18 – 24, 56, 71 - 74**);
- Financial Pressures (**Appendix 3 Lines 1, 2 & 9**)
- Capital programme (**Appendix 8 lines 6, 7, 29 – 32, 56 & 57, 76, 77 & 85**).
- Summary of Fees and Charges (**Appendix 10 Lines 78 - 88**)

### **Play Service**

- Draft budget proposals (**Appendix 7 Line 14**);

### **Structure of Meeting**

3. The following Cabinet Members and officers have been invited to attend the Committee:

- Ian Allwood – Head of Finance;
- Councillor Graham Hinchey - Cabinet Member for Children & Families;
- Tony Young – Director of Social Services;
- Sarah Merry – Deputy Leader and Cabinet Member for Education, Employment and Skills;
- Nick Batchelar – Director of Education and Lifelong Learning;
- Andrew Gregory – Director of City Operations
- Councillor Bradbury – Cabinet member for Culture and Leisure
- Neil Hanratty – Director of Economic Development
- Councillor Weaver – Cabinet Members for Finance, Modernisations and Performance, may be in attendance.

4. Ian Allwood (Head of Finance), Allan Evans (Operational Manager Accountancy) and Robert Green (Group Accountant) will initially provide a short outline of the final Welsh Government proposals as they impact on the Committee's terms of reference, and be available to answer questions that Members might have on this. Individual Cabinet Members and Directors will then in turn present the sections of the Corporate Plan and Draft Cabinet Budget proposals that fall within their area of responsibility.

## **Background**

5. The Council's Constitution allows for Scrutiny Committees to consider the draft Cabinet Budget Proposals prior to their consideration by the Cabinet and Full Council.
6. This Scrutiny Committee meeting will focus on those areas of the draft budget proposals that fall within this Committee's terms of reference, together with the alignment of those proposals with the areas of the Corporate Plan that impact on the lives of children and young people in Cardiff. Members will therefore be presented with the budget proposals, for the following Directorates: Social Services (Children's Services) and Education and Lifelong Learning.
7. Following the Scrutiny Committee meeting, the Chair will detail the Committee's comments or recommendations in correspondence to the Cabinet, for their consideration, prior to finalising their budget proposals. The Cabinet will consider their draft Cabinet budget proposals at their meeting on 15 February 2018, at that meeting the Cabinet will formally recommend their budget recommendations for consideration and adoption by Full Council, at its meeting on 22 February 2018.

## Summary of Draft Corporate Plan 2018 – 2021

8. In July 2017, the Council's new Administration set out a policy programme and associated delivery commitments entitled 'Capital Ambition' establishing the Cabinet's key priorities for the municipal term, and outlining a programme of action to continue to drive the city economy forward, whilst ensuring that the benefits of success are felt by all residents. It focussed on four main areas, which form the basis for the Corporate Plan 2018-21 :

- **Working for Cardiff** – Making sure that all citizens can contribute to, and benefit from, the city's success.
- **Working for Wales** – A successful Wales needs a successful capital city.
- **Working for the Future** – Managing the city's growth in a sustainable way.
- **Working for Public Services** – Making sure public services are delivered efficiently, effectively and sustainably in the face of rising demand and reducing budgets.

9. The Corporate Plan and the Well-being Plan are key documents in delivering Capital Ambition, as they translate the administration's priorities into deliverable organisational objectives. The Well-being of Future Generations Act also places a statutory duty on Public Bodies to publish well-being objectives. In Cardiff, the Council and the Public Service Board have adopted the same 7 Well-being Objectives, reflecting their shared aspirations for the city and a common understanding of challenges. The Corporate Plan is therefore structured around Capital Ambition priorities and 7 well-being-

objectives. The Corporate Plan also makes clear the steps the Council will undertake to make progress in achieving these objectives.

### **Working for Cardiff**

#### *Well-being Objectives:*

- Cardiff is a great place to grow up
- Cardiff is a great place to grow older
- Supporting people out of poverty
- Cardiff has Safe, Confident and Empowered Communities

### **Working for Wales**

#### *Well-being Objective:*

- A Capital City that Works for Wales

### **Working for the Future**

#### *Well-being Objective:*

- Cardiff's Population Growth is managed in a Resilient Way

### **Working for Public Services**

#### *Well-being Objective:*

- Modernising and Integrating Our Public Services

10. The Corporate Plan also sets out the Performance Measures and targets that will enable the Council, and its scrutiny committees, to monitor delivery. The example below demonstrates how the Well-being Objectives, Steps and Performance Measures relate to one another as part of a coherent policy framework.

- **Capital Ambition Priority:** Working for Cardiff
- **Well-being Objective:** Cardiff is a great place to live
- **Step:** Improve the educational attainment of pupils eligible for free school meals by:
  - Highlighting and transferring best practice in schools which are effective in ensuring that economic disadvantage does not limit educational achievement

- Increasing the level of challenge and support to schools where pupils eligible for free school meals are underperforming.
- **Performance Measure (KPI):** The attainment gap in the Core Subject Indicator at the end of Key Stage 2 for those eligible for Free School Meals (FSM) and those not
- **Target: 12**

11. This Cover Report is structured by directorate and appropriate Cabinet Member, and considers the sections of the Corporate Plan 2018-2021 relevant to this Committee's terms of reference, setting out the relevant Well Being Objectives, Steps and Performance Measures.

### **Summary and overview of Budgetary Position 2018/19**

12. As at 6 February 2018, the Council finds itself with a funding shortfall of approximately £19 million for 2018/19, before savings and new pressures have been accounted for. The shortfall comprises of:

<b>BUDGETARY GAP</b>	<b>£000</b>
Resources Available	601,026
Resources Required	620,254
<b>Shortfall before savings and new pressures</b>	<b>19,228</b>

13. The resources available to finance the budget before any increase in the rate of Council Tax are made up as follows:

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

14. The following table summarises the resources required to cover base expenditure, commitments and budget realignments.

<b>Resources Required</b>	<b>£000</b>
<b>2018/19 adjusted base budget (after transfers)</b>	<b>595,674</b>
New Responsibilities (per settlement)	1,472
Employees (pay awards, increments, NI etc.)	3,361
Demographic pressures	5,308
Commitments	3,656
Directorate expenditure and income realignments (net)	1,194
Special inflation	4,550
Schools non-pupil number growth (net)	5,039
<b>Total Resources Required</b>	<b>620,254</b>

15. In addition to the budget shortfall of £19.228 million, the Council has identified new directorate pressures of £1.474 million bringing the shortfall to £20.702 million. Overall savings of £14.296 million have been identified, resulting in £6.406 million to be raised from additional Council Tax, as set out below:

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

16. In terms of the Directorate savings proposals of **£14.296** million as shown in **Appendix 2**:

- **£1.879 million** are savings from **employee costs**;
- **£9.391 million** are saving from **other spend**; and
- **£3.026 million** from increased **income**.

17. The net additional increase in Council Tax and the savings identified in the above table account for two of four components that the Council identified as part of its 2018/19 Budget Strategy. The other two components, a 30% cap on schools non-pupil number-growth and use of earmarked reserves have already been accounted for within the calculations of the Resources Required and the Resources Available for 2018/19. The table below sets out in full, the four components of the 2018/19 Budget Strategy along with their respective contributions to balancing this budget.

	<b>£000</b>
30% cap on schools growth (non-pupil number)	2,196
Use of Earmarked Reserves	2,350
Savings	14,296
Council Tax at 5% (net)	6,406
<b>TOTAL</b>	<b>25,248</b>

18. City of Cardiff Council commitments are listed as comprising the following:

- New Responsibilities (per Settlement);
- Increased employee costs;
- Demographic Pressures;
- Commitments;
- Directorate expenditure and income realignment;
- Special inflation;
- Schools non-pupil number growth (net).

19. To enable the Committee to understand the prioritisation of proposed consultation savings across Directorates, the table below sets out the level of savings proposals as a percentage of overall consultation budgets for each Directorate, as per the table below.



<b>Total Savings</b>	<b>Employee Costs £000</b>	<b>Other Spend £000</b>	<b>Income £000</b>	<b>Total £000</b>	<b>% of overall saving</b>
<b>Corporate Management</b>	21	230	0	<b>251</b>	<b>2%</b>
<b>Economic Development</b>	328	1369	789	<b>2,486</b>	<b>17%</b>
<b>Education and Lifelong Learning</b>	455	713	110	<b>1,278</b>	<b>9%</b>
<b>People &amp; Communities – Communities and Housing</b>	92	191	406	<b>689</b>	<b>5%</b>
<b>People &amp; Communities – Social Services</b>	0	4810	350	<b>5,160</b>	<b>36%</b>
<b>Planning, Transport &amp; Environment</b>	273	812	753	<b>1,838</b>	<b>13%</b>
<b>Resources – Governance &amp; Legal</b>	73	123	246	<b>442</b>	<b>3%</b>
<b>Resources - Resources</b>	637	517	372	<b>1,526</b>	<b>11%</b>
<b>Council Wide</b>	0	626	0	<b>626</b>	<b>4%</b>
<b>Total</b>	<b>1,879</b>	<b>9,391</b>	<b>3,026</b>	<b>14,296</b>	<b>100%</b>

20. Members will be aware that there is a requirement for every savings proposal to have an equality screening or (if the screening identifies a red or red/amber risk) a full equality impact assessment. Members have the opportunity to view those equality impact assessments which were identified as potentially having a significant negative impact on the various protected characteristics, on the Council's website<sup>1</sup>.

### **Draft Capital Programme 2018/19 to 2022/23**

21. The proposed 2018/19 budget outlines capital expenditure proposals of £720,714 million for the 2018/19 to 2022/23 financial years, of which £141,764 million is earmarked for 2018/19. Details of the individual Directorates' capital programmes are included in the sections below.

<sup>1</sup> <https://www.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Equality-diversity-and-cohesion/Equality-Monitoring-and-Impact-Assessment/Pages/Equality-Monitoring-and-Impact-Assessment.aspx>

## Social Services (Children's Services)

### a) Draft Corporate Plan 2018 - 2021

22. The draft *Corporate Plan* set out the key issues, priorities, resources and most importantly outcomes for the Social Services directorate, copy of an extract relevant to Children's services is attached at **Appendix 1**.

Councillor Graham Hinchey, Cabinet Member for Children, and Families will make a short statement on his section of the *Corporate Plan*.

23. The Lead Cabinet member has a commitment to address the actions to address the well-being objective: Safe, confident and empowered communities:

- Ensure children and adults are protected from risk of harm and abuse by:
  - Revising the Child Sexual Exploitation Strategy by March 2019 to encompass new and emerging themes of child and adult exploitation
  - Raising awareness among public and professionals safeguarding issues for the duration of the plan.
  - Continue implementation with key partners of the "Signs of Safety" model, a strength-based whole-service methodology for working with children and families in need of care and support, for completion by 2022.
  - Designing and implement a parallel model in adult's services by 2022
- Respond to the Parliamentary Review of Health and Social Care in Wales, which makes the case for reforming Wales' health and care system; particularly the way care and support is delivered by public, independent and third sector
- Ensure that the Council's Corporate Safeguarding Strategy is implemented.

- Continue to develop and support the workforce by implementing the requirements of the Regulation and Inspection of Social Care (Wales) Act 2016 and ensuring that all relevant professionals are appropriately qualified by 2020
- Continue to implement a sustainable finance and service delivery strategy across Children's and Adult Services throughout 2018/19, where the commissioning and delivery of services is evidence based, outcome focussed and commercially sound.
- Prevent children entering the criminal justice system and work with those already in the criminal justice system to reduce their reoffending through the interventions delivered by partners in the Cardiff Youth Offending Service.

#### **b) Draft Budget Proposals and Capital Programme**

24. This section of the report provides the Committee with an opportunity to consider the draft Cabinet budget proposals and their alignment to the Children's Services section of the Corporate Plan 2018 - 2021, which relate to this Committee's terms of reference. Tony Young (Director of Social Services) will present the budget savings and answer any questions Members may have. The proposals are contained in the five key documents which are **appended at (3, 4, 6, 7, & 8)** to this report:

- **Controllable Budget Analysis 2017/18 (Appendix 6)** - This financial information sheet provides the relationship between the Social Services 2017/18 detailed controllable budget lines and budget proposals for the 2018/19 budget.
- **Cabinet Budget Proposals Summary (Appendix 7)** –The table provide a detailed analysis, of the budget saving proposed as well as showing the employees cost and the external spend element of the savings. To enable Members to identify those items falling within the terms of reference of this Committee the following lines have been

identified as Children's Services – total proposed savings - £1,540,000 - (**Lines 44-46**).

- **Financial Pressures (Appendix 3)** – The appendix extract provides details of the Financial Pressures that have been identified for 2018/19, totalling £291,000 (**Lines 6 - 8**).
  
- **Capital Programme 2018 - 2021 (Appendix 8)** The appendix extract provides the capital projects proposed over the next five years falling within the terms of reference of this Committee, the following line has been identified:
  - Children Services Accommodation Strategy - 2018/19 £100,000 – **line 50**.
  
- **Employee Implications (Appendix 4)** – The appendix extract provides details of the Employee implications following from the implementation of the Financial Pressure bids for 2018/19, (**Lines 25 - 28**).

## Education and Lifelong Learning

### a) Corporate Plan 2018 - 2021

25. The *Corporate Plan* sets out the key issues, priorities, resources and most importantly outcomes for the Education and Lifelong Learning Directorate (attached at **Appendix 1**,). Councillor Sarah Merry, Deputy Leader and Cabinet Member for Education, Employment and Skills, will make a short statement on the elements of the *Corporate Plan* relating to Education.

26. In order to achieve the above the Lead Cabinet member for Education, Employment and Skills is committed to:

- Promote and fulfil Children's rights by building a Child Friendly City in partnership with UNICEF UK, over the three years to 2021.
- Continue to raise standards achieved by learners in Cardiff schools and support schools in developing the 'Successful Futures' curriculum to be in operation by September 2022
- Improve the educational attainment of pupils eligible for free school meals by:
  - Highlighting and transferring best practice in schools which are effective in ensuring that economic disadvantage does not limit educational achievement
  - Increasing the level of challenge and support to schools where pupils eligible for free school meals are underperforming.
- Deliver a strengthened programme of academic and vocational provision for learners educated outside of mainstream settings, to improve learner outcomes during the academic year 2017/18 and beyond.
- Reshape and enhance specialist provision and services for pupils with additional learning needs to ensure sufficient, high quality

places are available to meet the current and projected need from 2017-2022.

- Complete the remaining schemes within the £164m 'Band A' programme of investment in schools, which will result in the opening of:
  - Five new primary schools, including two Welsh medium schools by Autumn 2018
  - One new secondary school by Spring 2019.
- Deliver the new schemes within the £284m 'Band B' programme of school investment, from April 2019 to 2024 to:
  - Increase the number of school places available
  - Improve the condition of school buildings
  - Improve the teaching and learning environment.
- Address the maintenance backlog in schools, as part of a wider programme of Asset and Estate management, targeting increased investment in schools that require priority action by March 2019.
- Support young people into Education, Employment or Training by delivering the Cardiff Commitment, which will include:
  - Engaging city businesses to open up careers and enterprise opportunities to schools;
  - Implementing a digital platform to empower schools, young people and business to connect;
  - Introducing programmes of support to enable vulnerable young people to progress into employment;
  - Transforming information management processes to identify, track and support young people pre and post 16.

## **b) Draft Budget Proposals and Capital Programme**

27. This report provides the Committee with an opportunity to consider the draft Cabinet budget proposals and their alignment to the *Corporate Plan 2018 - 2021*, for the Education and Lifelong Learning Directorate, which

relate to this Committee's terms of reference. Nick Batchelar (Director of Education and Lifelong Learning) will present the budget savings and answer any questions Members may have and Andrew Gregory, Director of City Operations will present the budget savings in respect of School Transport Budget Savings Proposals. The proposals are contained in the five key documents which are detailed below:

- **Controllable Budget Analysis 2018/19 (Appendix 9)** - This financial information sheet provides the relationship between the Departmental 2017/18 controllable budget lines and budget proposals for the 2018/19 budget.
- **Cabinet Budget Proposals Summary (Appendix 7)** – This table provides a detailed analysis of the budget saving proposed, as well as showing the employees cost and the other spend element of the savings. To enable Members to identify those items falling within the terms of reference of this Committee the following lines have been identified.  
**Education** – total proposed savings £1,278,000 – **lines 18 – 24.**
- **Financial Pressures (Appendix 3)** – The appendix extract provides details of the Financial Pressures that have been identified for 2018/19 totalling £225,000 **line 1 & 2.**
- **Employee Implications (Appendix 4)** – The appendix extract provides details of the Employee implications following from the implementation of the Savings proposals for 2018/19, (**Lines 15 - 16**).
- **Capital programme 2018/19 - 2021/22 (Appendix 8)**– The extract from the draft Capital Programme provides an analysis of the Directorate's capital projects proposed over the next five years. To enable Members to identify those capital projects falling within the

terms of reference of this Committee, **lines 6,7,29 – 32, 56 & 57, 76, 77, 85 and 92.**

- **Fees and Charges 2018 - 2019 (Appendix 10)** The appendix extract provides the changes to the fees and charges that have been identified for 2018/19, (**Lines 78 – 88**)



## Children's Play

### a) Draft Budget Proposals and Capital Programme

28. This report provides the Committee with an opportunity to consider the draft Cabinet budget proposals and their alignment to the *Corporate Plan* 2018 - 2021, for Children's Play, which falls under this Committee's terms of reference. The gross cost of the service in 2017/18 is £717,820, . Jon Maidment will present the Play Service budget savings and answer any questions Members may have

- **Cabinet Budget Proposals Summary (Appendix 7)** – This table provides a detailed analysis of the budget saving proposed, as well as showing the employees cost and the other spend element of the savings. To enable Members to identify those items falling within the terms of reference of this Committee the following lines have been identified.

**Children's Play** – total proposed savings £115,000 – **lines 14**.

- **Employee Implications (Appendix 4)** – The appendix extract provides details of the Employee implications following from the implementation of the propose savings proposals for 2018/19, (**Line 11**).

## Consultation and Engagement

29. The Cabinet report setting out the *2018/19 Budget Proposals – For Consultation* was approved on 2 November 2017, including details of the consultation and engagement used in the development and consideration of the budget proposals.
30. In consultation with both the public and partners a range of ideas have been explored as to how savings and income can be maximised, although the scale of cuts required means that consideration must be given to the level of services provided, and in some instances whether the resources remain to enable them to continue. The reality of this is that to maintain or improve some services, reductions will need to be made in other areas.
31. An on-line consultation document '*Changes for Cardiff*' was launched on the 10 November and hard copies were distributed across libraries and hubs, postal delivery to selected households across the City, face to face engagement with targeted groups and selected locations across the city.
32. The timetable for the budget consultation process ran from 10 November 2016 until midnight on 14 December 2017. Results have now been analysed and the Executive Summary of the consultation document is attached at **Appendix 5**. The full set of consultation documents can be found on the Council's Internet page
33. Summarised below are the results from the key questions that relate to the Terms of Reference of this Committee:
- **School Meal provision (Appendix 5)**
  - **Support our children's education by investing in School buildings (Appendix 5)**

## **Way Forward**

34. Officers will make a presentation on the budget position, draft Cabinet proposals, financial pressures and capital items falling within the terms of reference of this Committee. The Cabinet Members and Officers will also be available to answer questions arising from their presentations and the attached papers.
35. Following consideration of the budget proposals, presentations and answers to Member questions, the Committee may wish to provide its comments, concerns and recommendations for the Cabinet at its business meeting on 15 February 2018. The Committee will also have the opportunity to have the letter considered at the Policy Review and Performance Scrutiny Committee due to be held on 14 February 2018.

## **Legal Implications**

36. 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**

37. 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 give consideration to the information received at this meeting, and to submit any recommendations or comments to the Cabinet prior to its consideration of the final budget proposals on 15 February 2018 and to the Chairman of the Policy Review and Performance Scrutiny Committee for consideration at their meeting on 14 February 2018.

**Davina Fiore**

**Director of Governance and Legal Services**

**7 February 2018**