

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ENVIRONMENTAL SCRUTINY COMMITTEE

18 February 2019

**DRAFT CORPORATE PLAN 2019 to 2022 & 2019/20 DRAFT CABINET
BUDGET PROPOSALS**

Purpose of report

1. To provide Members with the context for the scrutiny of those sections of the Council's Draft Corporate Plan 2019 to 2022 and Draft Cabinet 2019/20 budget consultation proposals as they relate to the Directorate which falls under 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 2019 to 2022 and Draft Cabinet Budget Papers 2019/20 with sections of the budget that fall within this Committee's remit, and which Members may wish to scrutinise during the meeting. The papers include:
 - Sections of the Draft Corporate Plan 2019 to 2022 relevant to the terms of reference of the Environmental Scrutiny Committee (**Appendix 1 of this report is marked as to follow**);
 - 2019/20 Proposals Overview – Includes an overview of the 2019/20 savings proposals (**Appendix 2**);
 - Planning, Transport & Environment Directorate - Draft Budget Savings Proposals relevant to the Strategic Planning & Transport Portfolio (**Appendix 3**);
 - Planning, Transport & Environment Directorate - Financial Pressures relevant to the Strategic Planning & Transport Portfolio (**Appendix 4**);

- Planning, Transport & Environment Directorate – Capital Programme relevant to the Strategic Planning & Transport Portfolio (**Appendix 5 of this report is marked as to follow**);
- Planning, Transport & Environment Directorate – Fees & Charges relevant to the Strategic Planning & Transport Portfolio (**Appendix 6**);
- Planning, Transport & Environment Directorate - Draft Budget Savings Proposals relevant to the Clean Streets, Recycling & Environment Portfolio (**Appendix 7**);
- Planning, Transport & Environment Directorate - Financial Pressures relevant to the Clean Streets, Recycling & Environment Portfolio (**Appendix 8**);
- Planning, Transport & Environment Directorate – Capital Programme relevant to the Clean Streets, Recycling & Environment Portfolio (**Appendix 9 of this report is marked as to follow**);
- Planning, Transport & Environment Directorate – Fees & Charges relevant to the Clean Streets, Recycling & Environment Portfolio (**Appendix 10**);
- Planning, Transport & Environment Directorate – Exempt Fees & Charges relevant to the Clean Streets, Recycling & Environment Portfolio – on yellow papers (**Appendix 11**);
- Planning, Transport & Environment Directorate – Controllable Budget Analysis (**Appendix 12**);
- ‘*Changes for Cardiff – Consultation Results & Feedback Report on the City of Cardiff Council’s 2019/20 Budget Proposals – Executive Summary*’ & relevant sections from the report (**Appendix 13**).

Structure of Meeting

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

- Councillor Chris Weaver – Cabinet Member for Finance, Modernisation & Performance;

- Councillor Caro Wild – Cabinet Member for Strategic Planning & Transport;
 - Councillor Michael Michael – Cabinet Member for Clean Streets, Recycling & Environment.
4. The Cabinet Members will be supported by officers from the Resources Directorate and the Planning, Transport and Environment Directorate.
 5. At the meeting an officer from the Resources Directorate will deliver a presentation on the Draft Budget Proposals 2019/20; in doing this they will provide a summary of the outline Welsh Government funding proposals and comment on how these will impact on services delivered within the Environmental Scrutiny Committee's terms of reference. The Resources Directorate representative and Councillor Chris Weaver will then be available to answer any Member questions on the overall budget position.
 6. The budget corporate overview will be followed by scrutiny of the Draft Budget Proposals 2019/20 for the Strategic Planning & Transport Portfolio and Clean Streets, Recycling & Environment Portfolio. This will provide Councillor Caro Wild and Councillor Michael Michael with the opportunity to brief the Committee on the impact that the Draft Corporate Plan 2019 to 2022 and Draft Budget Proposals 2019/20 will have on their areas of responsibility. The proposals for both of these portfolios will be managed from within the Planning, Transport & Environment Directorate. The Cabinet Members will be supported by officers responsible from the Planning, Transport & Environment Directorate.

Background

7. The Council's constitution allows for Scrutiny Committees to consider the Draft Cabinet budget proposals prior to their consideration by the Cabinet and then Council.
8. The Scrutiny Committee's comments or recommendations will be considered by the Cabinet prior to finalising their budget proposals. The

budget information provided for consideration alongside this report is for the purpose of consultation only. The Draft Cabinet budget proposals will be considered by Cabinet on 21 February 2019 for agreement; at this meeting a formal decision will also be taken determining the Cabinet's budget recommendations for consideration by Council at its meeting on 28 February 2019.

9. This meeting will focus on those areas of the Council's budget that fall within this Committee's terms of reference together with the budget proposals alignment with those areas of the Draft Corporate Plan 2019 to 2022. Members will, therefore, be presented with the budget proposals for the Planning, Transport & Environment Directorate.

Summary of Draft Corporate Plan 2019 – 2022

10. ***Draft Corporate Plan 2019 – 2022 – To Follow** - This section of the report will make reference to information contained within the 'Draft Corporate Plan 2019 – 2022'. At the point of writing this report the 'Draft Corporate Plan 2019 – 2022' was not available for publication. When the 'Draft Corporate Plan 2019 – 2022' becomes available this section of the report will be updated to reflect the content of the document.*

Summary of Budgetary Position

11. As at 11 February 2019, the Council finds itself with a budgetary gap of approximately £32 million for 2019/20, before savings have been accounted for. The shortfall comprises of:

BUDGETARY GAP	£000
Resources Available	612,608
Resources Required	645,046
Shortfall before savings	32,438

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

Resources Available	£000
Resources from WG	444,629
Council Tax (at nil increase)	167,979
Total Resources Available	612,608

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

Resources Required	£000
2018/19 adjusted base (after transfers)	610,400
New Responsibilities (per settlement)	637
New Specific Grant funding for Social Services (per settlement)	(3,000)
Employee Costs	4,412
Demographic Pressures	3,500
Commitments	2,997
Directorate Expenditure Realignments	5,599
Exceptional Inflation	3,186
Schools pressures	12,520
New directorate pressures	4,795
Total Resources Required	645,046

14. The table below identifies how the funding shortfall will be addressed:

Funding Gap	£000
Directorate Savings	(19,157)
Partial deletion of Financial Resilience Mechanism	(200)
Schools' contribution to meeting pressures	(3,586)
Net Council Tax increase at 4.9%	(6,745)
Use of Reserves	(2,750)
TOTAL	(32,438)

15. In respect of savings proposals of **£19.157** million, shown in **Appendix 2**:

- **£4.878 million** are savings from **employee costs**;
- **£15.976 million** are savings from **other spend**; and
- **£1.697 million** net reduction in **income budgets**.

16. These overall figures include the write-out of budgets linked to the proposal to secure a private tenant for the New Theatre within Economic Development. This includes a reduction in income budgets, which offsets other savings in respect of the generation of additional income, which otherwise total £3.855 million overall.
17. To enable the Committee to understand the prioritisation of proposed savings across directorates, the table below sets out the level of savings proposals for each directorate, as a percentage of overall savings.

Total Savings	Employee Costs £000	Other Spend £000	Income £000	Total £000	% of overall saving
Corporate Management	40	126	0	166	1%
Economic Development	1,876	6,679	(5,402)	3,153	16%
Education and Lifelong Learning	270	1,032	140	1,442	8%
People & Communities – Housing and Communities	423	95	350	868	5%
People & Communities – Social Services	0	5,750	250	6,000	31%
Planning, Transport & Environment	477	1,810	1,982	4,269	22%
Resources – Governance & Legal	119	42	211	372	2%
Resources - Resources	1,673	442	772	2,887	15%
Total	4,878	15,976	(1,697)	19,157	100%

18. 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 that were identified as potentially having a significant negative impact on the various protected characteristics on the Council's website; the link to the relevant webpage can be accessed below:

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2019-20/EIAS-2019/Pages/default.aspx>

19. ***Draft Corporate Plan 2019 – 2022 – To Follow*** – This section of the report will make reference to information contained within the ‘Draft Corporate Plan 2019 – 2022’. At the point of writing this report the ‘Draft Corporate Plan 2019 – 2022’ was not available for publication. When the ‘Draft Corporate Plan 2019 – 2022’ becomes available this section of the report will be updated to reflect the content of the document.

Budget Information relevant to the Strategic Planning & Transport Portfolio

20. ***Draft Corporate Plan 2019 – 2022 – To Follow*** – This section of the report will make reference to information contained within the ‘Draft Corporate Plan 2019 – 2022’. At the point of writing this report the ‘Draft Corporate Plan 2019 – 2022’ was not available for publication. When the ‘Draft Corporate Plan 2019 – 2022’ becomes available this section of the report will be updated to reflect the content of the document.

Strategic Planning & Transport Portfolio - Draft Budget Savings Proposals, Capital Programme and Fees & Charges

21. This report provides the Committee with an opportunity to consider the Draft Cabinet Savings Proposals and their alignment to the Corporate Plan 2019 to 2022 for the Planning, Transport & Environment Directorate that relate to this Committee’s terms of reference. The proposals for the Planning, Transport & Environment Directorate are referenced below:
- **Appendix 3: Planning, Transport & Environment Directorate– Draft Budget Savings Proposals relevant to the Strategic Planning & Transport Portfolio** – This document provides a detailed analysis of the budget savings proposed for the Planning, Transport & Environment Directorate relevant to the Strategic Planning & Transport Portfolio. The Planning, Transport & Environment Directorate has total proposed savings of £1,352,000 that are relevant to the Strategic

Planning & Transport Portfolio. Total savings are split across three general savings areas are – ‘Employee Costs’ £161,000; ‘Other Spend’ £104,000; and ‘Income’ £1,087,000.

- **Appendix 4: Planning, Transport & Environment Directorate – Financial Pressures relevant to the Strategic Planning, & Transport Portfolio** – This document provides detail on the two financial pressures bids submitted by the Planning, Transport & Environment Directorate. The financial pressures bids are described as:
 - City Centre Public Realm improvements - including Central Square (no S278/commuted sums etc) - £120,000.
 - Maintenance and operation of new hostile vehicle mitigation bollards - £50,000.

- **Appendix 5: Planning, Transport & Environment Directorate - Budget 2019/20 - 2023/24 – Capital Programme** – The extract from the draft Capital Programme provides an analysis of the Directorates capital projects proposed over the next five years relevant to the Strategic Planning & Transport Portfolio. **(At the time of writing this report the information on the Capital Programme relevant to the Strategic Planning & Transport Portfolio was not available, therefore, Appendix 5 is marked as to follow).**

- **Appendix 6: Planning, Transport & Environment Directorate – Fees & Charges relevant to the Strategic Planning & Transport Portfolio** – Appendix 6 provides a summary of the proposed fees and charges relevant to the Strategic Planning & Transport Portfolio for 2019/20.

- **Appendix 12: Planning, Transport & Environment Directorate – Controllable Budget Analysis** - The financial information element of the pack has been updated to include the relationship between the 2018/19 budget lines and savings proposed against each line as part

of the 2019/20 budget for the Planning, Transport & Environment Directorate.

Budget Information relevant to the Clean Streets, Recycling & Environment Portfolio

22. ***Draft Corporate Plan 2019 – 2022 – To Follow*** – *This section of the report will make reference to information contained within the ‘Draft Corporate Plan 2019 – 2022’. At the point of writing this report the ‘Draft Corporate Plan 2019 – 2022’ was not available for publication. When the ‘Draft Corporate Plan 2019 – 2022’ becomes available this section of the report will be updated to reflect the content of the document.*

Clean Streets, Recycling & Environment Portfolio - Draft Budget Savings Proposals, Capital Programme and Fees & Charges

23. This report provides the Committee with an opportunity to consider the Draft Cabinet Savings Proposals and their alignment to the Corporate Plan 2019 to 2022 for the Planning, Transport & Environment Directorate that relate to this Committee’s terms of reference. The proposals for the Planning, Transport & Environment Directorate relevant to the Clean Streets, Recycling & Environment Portfolio are referenced below:

- **Appendix 7: Planning, Transport & Environment Directorate – Draft Budget Savings Proposals relevant to the Clean Streets, Recycling & Environment Portfolio** – This document provides a detailed analysis of the budget savings proposed for the Planning, Transport & Environment Directorate relevant to the Clean Streets, Recycling & Environment Portfolio. The Planning, Transport & Environment Directorate has total proposed savings of £2,491,000 that are relevant to the Clean Streets, Recycling & Environment Portfolio. The total saving is split across three general savings areas – ‘Employee Costs’ £316,000; ‘Other Spend’ £1,280,000; and ‘Income’ £895,000.

- **Appendix 8: Planning, Transport & Environment Directorate – Financial Pressures relevant to the Clean Streets, Recycling & Environment Directorate** – This document provides detail on the four financial pressures bids submitted by the Planning, Transport & Environment Directorate. The financial pressures bids are described as:

 - Street Scene - Cleansing growth due to night time economy & increase in food outlets (2-10pm shift) - £100,000.
 - Street Scene - Increased recycling costs - Achieve recycling target (£250,000); Increased cost of recycling disposal & treatment (£454,000) - £704,000.
 - Street Scene - City Wide Roll Out of Separate Glass Collections - £163,000.
 - Fleet - Additional lease cost of existing fleet - £200,000.

- **Appendix 9: Planning, Transport & Environment Directorate - Budget 2019/20 - 2023/24 – Capital Programme** – The extract from the draft Capital Programme provides an analysis of the Directorate capital projects proposed over the next five years relevant to the Clean Streets, Recycling & Environment Portfolio. **(At the time of writing this report the information on the Capital Programme relevant to the Clean Streets, Recycling & Environment Portfolio was not available, therefore, Appendix 9 is marked as to follow).**

- **Appendix 10: Planning, Transport & Environment Directorate – Fees & Charges relevant to the Clean Streets, Recycling & Environment Portfolio** – Appendix 10 provides a summary of the proposed fees and charges relevant to the Clean Streets, Recycling & Environment Portfolio for 2019/20.

- **Appendix 11: Planning, Transport & Environment Directorate – Exempt Fees & Charges relevant to the Clean Streets, Recycling & Environment Portfolio** – Appendix 11 has been provided to Members on yellow papers and relates to a range of fees and charges

for 2019/20. These are deemed to be exempt from public publication by virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972. Members will need to decide if they have any questions that they would like to ask on the proposals contained in Appendix 10. Should Members wish to ask any questions on the proposals contained within **Appendix 11** then the meeting will need to be temporarily closed so that scrutiny is undertaken in a closed session.

- **Appendix 12: Planning, Transport & Environment Directorate – Controllable Budget Analysis** - The financial information element of the pack has been updated to include the relationship between the 2018/19 budget lines and savings proposed against each line as part of the 2019/20 budget for the Planning, Transport & Environment Directorate.

Consultation and Engagement

24. The Council's budget consultation survey launched on the 16 November 2018 and ran until 2nd January 2019. A copy of the consultation report is attached to this document at **Appendix 13**. A range of mechanisms were used as part of the process, including:
 25. **Email** - the survey was promoted via email to:
 - The Citizens' Panel (approximately 6,000 residents);
 - Councillors, Council Staff and Cardiff Public Services Board members Community Councils;
 - 100 third sector organisations working with target groups including minority ethnic, younger people and those with a disability.
 26. Teams across the Council were encouraged to promote the survey (where GDPR1 rules allowed) by emailing customers through existing email lists, particularly where budget proposals may affect specific groups.

27. The consultation was promoted to Council supported networks, including:
- Cardiff 50+ Forum;
 - Cardiff Access Forum;
 - Employee Black Minority Ethnic Network;
 - Cardiff Youth Council.
28. A separate shorter survey of five key questions from the main survey and three demographic questions was distributed to secondary schools across Cardiff, offering entrance into a Prize Draw to win a £20 shopping voucher. Any enquiries from the public were directed to consultation@cardiff.gov.uk where they were picked up by Cardiff Research Centre staff and directed to relevant officers across the Council.
29. **Internet** - The consultation was given dedicated pages on the Council's website and promoted to Council employees via DigiGov, the Staff App and the Council's computer screen saver.
30. **Social Media** - The survey was promoted to almost 90,000 followers via Facebook and Twitter by the Corporate Communications Team throughout the consultation period. Targeted promotion was facilitated via stakeholder's social media accounts and Facebook boosts aimed at those less frequently heard, i.e. under 25's, Minority Ethnic groups and those living in the 'Southern Arc' of the city. A series of online polls were hosted on Facebook/Twitter to boost responses to key questions within the consultation.
31. **Face to Face & Hard Copies** – The consultation undertook a series of events and distributed supporting literature in the following way:
- Posters and 2,500 hard copies of the consultation document (plus 500 Welsh) were distributed to libraries, Hubs, core council buildings and community settings (Thornhill Church Centre, Dusty Forge and Chapter Arts). Drop boxes were provided in hubs and libraries for the

public to deposit their returns. Council officers were on hand at Central Library and Grangetown Hub to answer questions.

- Hard copies, with freepost return envelopes, were also delivered to selected streets in St Mellons, Llanrumney, Ely and Caerau (areas that typically have a poor response rate).
- A facilitated focus group session was held with Diverse Cymru members.

32. **Results** - A combined total of 2,937 validated responses were received during the consultation exercise. The results presented in **Appendix 13** to this report are set out by well-being objective – Cardiff Council's priorities as set out in Capital Ambition.

33. Responses are broken down by age, gender, ethnic background, Welsh speakers, those with a disability and those living in the least or most deprived areas of the city. In addition, the analysis includes the response from those living in the 'Southern Arc' of Cardiff which comprises the following electoral divisions: Adamsdown, Butetown, Caerau, Canton, Ely, Grangetown, Llanrumney, Riverside, Rumney, Splott, Trowbridge.

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 21 February 2019. The Committee will also have the opportunity to pass on any comments or observations made during the meeting to the Policy Review and Performance Scrutiny Committee that takes place on the 20 February.

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 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

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

38. 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.

DAVINA FIORE

Director for Governance & Legal Services

12th February 2019