
DRAFT CORPORATE PLAN 2019-2022 AND BUDGET PROPOSALS 2019-2020

Reason for the Report

1. To provide Members with context for the scrutiny of those sections of the Council's draft *Corporate Plan 2019 - 2022* and draft *Cabinet 2019/20 Budget Proposals* that relate to the Portfolios and Directorates falling within the remit of this Committee.

Background

2. The Council's constitution allows all Scrutiny Committees to scrutinise the draft budget proposals prior to their consideration by Full Council. The Committee's consideration of the budget will allow Members to feed their comments or recommendations to the Cabinet when it considers the draft budget proposals on 21 February 2019. The proposals will then be presented to Full Council on 28 February 2019.
3. The scope of the scrutiny is as follows:
 - The relevant sections of the *Corporate Plan 2019-2022*, in terms of aims & priorities, actions and monitoring of implementation of these;
 - The relevant Budgetary Proposals in terms of their alignment with the *Corporate Plan* – to test whether they support delivery of the aims and priorities detailed in the *Corporate Plan*;
 - The relevant Budgetary Proposals in terms of potential impact on service delivery, service users and citizens of Cardiff;
 - The achievability and deliverability of the proposed savings; and
 - The affordability and risk implications of the proposed capital programme.

Structure of the papers

4. Attached to this report are a series of appendices which will aid Members in their scrutiny of the budget proposals:

Appendix A: Draft Corporate Plan 2019 – 2022 – *to follow*

Appendix B: 2019-20 Directorate Budget Savings

Appendix C1: Controllable Budget – Economic Development

Appendix C2: Controllable Budget – Communities, Housing and Customer Services

Appendix D: 2019-20 Financial Pressures

Appendix E: Capital Programme 2019/20 – 2023/24 – *to follow*

Appendix F: Employee Implications of Budget

Appendix G: Fees and Charges

Appendix H: Changes for Cardiff – Consultation Report.

5. Throughout the appendices, the following colour coding is used:

Shaded pink – Economic Development Directorate proposals that fall within this Committee's terms of reference;

Shaded yellow – People & Communities – Communities & Housing Directorate proposals that fall within this Committee's terms of reference.

The lines that are greyed out in these documents fall under another Scrutiny Committee's terms of reference and will be scrutinised by them accordingly.

Structure of Meeting

6. The following Cabinet Members and officers have been invited to give a short presentation providing a corporate overview of the 2019-20 Budget Proposals as they impact on the Committee's terms of reference, and to answer any general questions arising:

- Cllr Chris Weaver – Cabinet Member, Finance, Modernisation and Performance
- Christine Salter (Corporate Director - Resources)
- Ian Allwood (Head of Finance)

7. The meeting is then structured by Cabinet Member Portfolio area, as follows:

- Cllr Huw Thomas – Leader
- Cllr Huw Thomas – covering the portfolio re Investment & Development
- Cllr Peter Bradbury – Cabinet Member, Culture and Leisure;
- Cllr Sarah Merry – Deputy Leader – Cabinet Member – Education, Employment & Skills
- Cllr Lynda Thorne – Cabinet Member – Housing & Communities

Summary of Draft Corporate Plan 2019 – 2022

8. *At the time of producing of these papers, the draft Corporate Plan 2019- 2022 was not available. This section will be completed when it is available and the report will be re-issued accordingly.*

Summary of Budgetary Position

9. 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

10. 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

11. 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 Realignment	5,599
Exceptional Inflation	3,186
Schools pressures	12,520
New directorate pressures	4,795
Total Resources Required	645,046

12. 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)

13. In respect of savings proposals of **£19.157** million, shown in **Appendix B**:

- **£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**.

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.

14. 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%

15. Details of the Directorate Savings Proposals are shown at **Appendix B**. These proposals have undergone a three-stage risk analysis assessing the residual risk to the Council should the savings proposals be accepted; the achievability of the saving; and its equality impact rating.

16. The residual risk may relate to a variety of factors including: risks to the Council's reputation; adverse implications for the achievement of a Directorate's objectives or performance targets; implications for the community; or financial implications. Residual risk may comprise several of these factors at once. The achievability rating indicates the feasibility of the proposed saving, and an equality impact assessment identifies the potential equality risks associated with each proposal.

17. The Equality Act 2010 sets out a General Duty that as a public body within Wales, the Council is required to have due regard in its decision making processes (including financial decisions) to three factors:

- To eliminate unlawful discrimination, harassment and victimisation;
- To advance equality of opportunity; and

- To foster good relations between people who share a protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religious belief and non-belief, race, sex, sexual orientation and Welsh Language) and those who do not.

Where a screening identifies a red or red/amber risk a full Equality Impact Assessment is undertaken. Three of the savings proposals within this Committee's terms of reference required a full EIA:

- Line 7- New Theatre;
- Line 17 – Public Conveniences in Caedelyn Park; and
- Line 18 Reduced Subsidisation of Events.

Members can view the EIAs at:

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

Directorate Controllable Budgetary Analysis

18. The Directorate Controllable Budgetary Analysis sheets are attached at **Appendices C1 and C2**, and provide current year information by service divisions within the Directorates. Each line is coded alphabetically (on the far left) and the letters correspond to the 'cross-reference' column (X-Ref) on the Savings Proposals spreadsheet.

Financial Pressures 2019-20

19. **Appendix D** shows the Financial Pressures identified for 2019/20, these total to **£4,795 million**. None of these Financial Pressures falls within the remit of this Committee's Terms of Reference.

Council Capital Programme 2019/20 to 2023/24

20. *At the time of producing of these papers, the Capital Programme 2019/20 – 2023/24 was not available. This section will be completed when it is available and the report will be re-issued accordingly.*

Employee Implications of Budget

21. This table, attached at **Appendix F**, provides a summary of the impact on posts across the Council. The employee implications of savings proposals relevant to this Committee are highlighted according to the following colour scheme:

Shaded pink – Economic Development Directorate

Shaded yellow – People & Communities – Communities & Housing

Fees and Charges

22. **Appendix G** provides a summary of Fees and Charges, including charges for Outdoor Activities. Members will note that both ‘changes in prices’ and where there is ‘no proposed price change’ are listed. Those relevant to this Committee are highlighted according to the following colour scheme:

Shaded pink – Economic Development Directorate

Shaded yellow – People & Communities – Communities & Housing

Specific Proposals within ECC Terms of Reference

23. This report provides the Committee with an opportunity to consider the draft Cabinet budgetary proposals and their alignment to the Corporate Plan 2019 - 2022, for the proposals that relate to this Committee’s terms of reference. These are set out below by Cabinet Member portfolio.

Leader

24. Councillor Huw Thomas, Leader, and Jon Day¹ (Operational Manager – Economic Policy) have been invited to answer Members’ questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendices A, B and E** in relation to the following budgetary proposals, shaded pink:

Corporate Plan – Appendix A

At the time of producing of these papers, the draft Corporate Plan 2019- 2022 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

¹ Neil Hanratty, Director of Economic Development is unable to attend this meeting and has sent his apologies

Savings Proposals - Appendix B

- **Line 1** - Reduction of funding available to react to opportunities to fund City wide events - **£126,000**

Capital Programme- Appendix E

At the time of producing of these papers, the Capital Programme 2019/20 – 2023/24 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Investment & Development

25. Councillor Huw Thomas, Leader, has kindly agreed to cover the items that fall with the Investment & Development portfolio, as Councillor Russell Goodway, Cabinet Member for this portfolio, is unable to attend this meeting. Ken Poole (Head of Economic Development) and Jon Day (Operational Manager – Economic Policy) have also been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio.

26. Members are asked to refer to **Appendices A, B, E, F, G and H** in relation to the following budgetary proposals, shaded pink:

Corporate Plan – Appendix A

At the time of producing of these papers, the draft Corporate Plan 2019- 2022 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Savings Proposals - Appendix B

- **Line 5** – Workshops Income - **£20,000**
- **Line 12** – Revised and Restructured model for Economic Development - **£56,000**
- **Line 14** – Revised and Restructured model for the Tourism service and reduction in Tourism budget - **£41,000**
- **Line 15** – City Centre Management – Remove Subsidy - **£40,000**
- **Line 20** – Economic Development Projects and Initiatives - **£28,000**

Employee Implications of Budget – Appendix F

- **Line 12** – Delete 1 vacant post
- **Line 14** – Delete 1 vacant post
- **Line 15** - Delete 3 posts – 2.15 via voluntary redundancy and 0.85 by redeployment

Capital Programme- Appendix E

At the time of producing of these papers, the Capital Programme 2019/20 – 2023/24 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Fees & Changes – Appendix G

- Members are asked to refer to the following lines, shaded pink, in
Appendix G: Lines 1 and 2

Culture & Leisure

27. Councillor Peter Bradbury, Cabinet Member for this Portfolio, Kathryn Richards (Head of Culture, Venues, Tourism and Events), and Jon Maidment (Operational Manager – Parks, Sport and Harbour Authority) have been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendices A, B, E, F, G and H** in relation to the following budgetary proposals, shaded pink:

Corporate Plan – Appendix A

At the time of producing of these papers, the draft Corporate Plan 2019- 2022 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Savings Proposals – Appendix B

Culture, Venues and Events

- **Line 3** – Cardiff Castle – Income/ Staff rationalisation - **£122,000**
- **Line 7** – New Theatre - **£404,000**
- **Line 16** – Review of Venues and Catering Staffing Resource - **£19,000**
- **Line 18** - Reduced Subsidisation of Events - **£125,000**
- **Line 19** – Reduction in funding for annual Cultural Projects Schemes - **£62,000**

Parks, Leisure, Sport

- **Line 6** – New Operating Model for Leisure Centres - **£1,822,000**
- **Line 8** – Parks & Sport – continue transfer of parks buildings to reduce costs to the Council and attract investment - **£25,000**
- **Line 17** – Closure of public conveniences in Caedelyn Park - **£6,000**

Employee Implications of Budget – Appendix F

- **Line 3** – **Delete 1 post** (voluntary redundancy)
- **Line 7** – **Delete TBC**
- **Line 16** – **Delete 1 post** (voluntary redundancy)
- **Line 18** – **Delete 1 post** (TBC)

Capital Programme- Appendix E

At the time of producing of these papers, the Capital Programme 2019/20 – 2023/24 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Fees & Changes – Appendix G

- Members are asked to refer to the following lines, shaded pink, in **Appendix G**:
 - **Lines 6-57 – Venues** (Norwegian Church, Cardiff Castle, City Hall, Mansion House, Cardiff Caravan & Camping Park, Cardiff Story Museum, Events Park & Ride and County Hall Hire)
 - **Lines 58- 77 – Parks** (Allotments, Roath Park, Bowls, Pavilions, Pitch hire)
 - **Lines 78 -94 – Channel View Centre**
 - **Lines 95 – 140 – Cardiff Riding School**
 - **Lines 141 – 165 – Canton Community Hall**

- **Lines 166 – 235 – Sailing and Water activities** (*Sailing Centre, Activity Adventure Programme, Fishing, Slipway fees and charges, Rowing, Cardiff International White Water*)
- **Lines 236 – 243 - Harbour**

Education, Employment & Skills

28. Councillor Sarah Merry, Cabinet Member for this portfolio, and Jane Thomas² (Assistant Director of Communities & Housing) have been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendices A and G** in relation to the following budgetary proposals, shaded yellow:

Corporate Plan – Appendix A

At the time of producing of these papers, the draft Corporate Plan 2019- 2022 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Fees & Changes – Appendix G

- Members are asked to refer to the following lines, shaded yellow, in Appendix G:
 - **Lines 275 - 278 – Adult Community Learning - Overall**
 - **Lines 279 – 290 – Adult Community Learning – Llanover Hall**

Housing & Communities

29. Councillor Lynda Thorne, Cabinet Member for this portfolio, and Jane Thomas (Assistant Director of Communities & Housing) have been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendices A, B, E, F and G** in relation to the following budgetary proposals, shaded yellow:

²Sarah McGill, Corporate Director - People & Communities is unable to attend this meeting and has sent her apologies.

Corporate Plan – Appendix A

At the time of producing of these papers, the draft Corporate Plan 2019- 2022 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Savings Proposals - Appendix B

- **Line 27** – Community Wellbeing Hubs Implementation - **£250,000**
- **Line 30** – Deletion of an Into Work advisor post - **£40,000**
- **Line 33** – Provision of all Into Work Services in-house – **£33,000**

Employee Implications of Budget – Appendix F

- **Line 27** – **Delete 7 posts overall** – 5 via voluntary redundancy, 8 vacant post and create 6 new posts
- **Line 30** – **Delete 1 post (vacant)**

Capital Programme- Appendix E

At the time of producing of these papers, the Capital Programme 2019/20 – 2023/24 was not available. This section will be completed when it is available and the report will be re-issued accordingly.

Fees & Changes – Appendix G

- Members are asked to refer to the following lines, shaded yellow, in Appendix G:
 - **Lines 258 – 265** – Libraries/ Hubs
 - **Lines 266 – 270** – Libraries/ Hubs Local Studies Department
 - **Lines 271 – 274** – Libraries/ Hubs – Central Library

Consultation & Engagement Process

30. The Council's *Changes for Cardiff* budget consultation survey launched on the 16 November 2018 and ran until 2 January 2019. A range of mechanisms were used as part of the process, including:

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.
- 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.
- The consultation was promoted to Council supported networks, including:
 - Cardiff 50+ Forum
 - Cardiff Access Forum
 - Employee Black Minority Ethnic Network
 - Cardiff Youth Council
- 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.

Internet/Intranet

- 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.

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 stakeholders' 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.

Face-to-Face and Hard Copies

- 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.

A combined total of 2,078 validated responses were received; this compares to 2,937 in 2018/19.

31. The *Changes for Cardiff* budget consultation results have now been analysed and a full copy of the report is attached at **Appendix H**. The results are set out by the Capital Ambition well-being objectives and 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 responses 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 and Trowbridge. The most frequently made comments, including those made during face-to-face engagement are

included alongside the core data, with all survey comments contained in Appendix C to Appendix H.

32. The sections listed below are of particular interest to the Economy and Culture Scrutiny Committee as they cover services within the Committee terms of reference:

- Transferring park assets to sports organisations – *pages 22-23, pages 59-60*
- New Theatre– *pages 26-28, pages 61-62*
- City Events– *pages 29-30, pages 63-64*

33. The results show that:

- Just under half of those responding (46.8%) supported the proposal to further transfer park assets to local sporting leagues and governing bodies, with 35.2% opposing.
- Three in five respondents (59.2%) support the proposal to secure a private tenant for the New Theatre to develop and sustain the current theatre offer in the city.
- Almost two-thirds of respondents (64.7%) supported the principle of reducing the subsidy of entertainment and art events.

Way Forward

34. Officers will make a presentation providing a corporate overview of the 2019-20 Budget Proposals as they impact on the Committee's terms of reference. The Cabinet Members and Officers will also be available to answer questions arising from 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.

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 consider 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 of Governance and Legal Services

13 February 2019