

The Proposal in the Budget Report under Agenda item 13(c) be amended as below:

Cllr McEvoy (Independent)

Line	Directorate	Description	(Savings)/ Costs £000	Cumulative £000
Directorate Savings				
11	Economic Development	Reduce Operational Cost of Estate	(30)	(30)
37	Social Services	Safely reduce the number of children entering local authority care by enhancing protective factors within the child's home and community	(100)	(130)
	Council Wide Efficiencies	Reduction in Newspapers / Periodicals	(5)	(135)
	Council Wide Efficiencies	Senior Management Restructure	(287)	(422)
	Corporate Management	Withdraw from Core Cities membership	(44)	(466)
	Corporate Management	Commence the withdrawal from the Welsh Local Government Association	0	(466)
Savings Adjustment - Total			(466)	
Additional Expenditure/ Financial Pressures				
2	Education & Lifelong Learning	Local Development Plan – Educational Implications	(50)	(516)
4	Housing & Communities	Implementation of the Support For Families Model	(500)	(1016)
8	Social Services	Implement new fostering business model	(300)	(1316)
9	Social Services	Potential cost implications of Supported Living Tender	(100)	(1416)
10	Social Services	Increased capacity for Information Governance activity related to disclosures in care proceedings	(64)	(1480)
11	Planning, Transport & Environment	City Centre Public Realm Improvements	(20)	(1500)
18	Legal Services	Increase in Demand for Children's Safeguarding work	(351)	(1851)
		St David's Day Festival	100	(1751)
		Family Support Fund	1100	(651)
		Parent Advocacy Fund	351	(300)
		Care Leaver to Social Work apprenticeships	200	(100)
		Waugron Road and recycling, including community skips	250	150

Line	Directorate	Description	(Savings)/ Costs £000	Cumulative £000
		Net Impact of Adjustments and Additional Proposals	150	150
		Use of Earmarked Reserves		
1		Apprenticeships & Trainee - To support the Council's commitment to young people through funding for apprenticeships and trainees	(200)	(50)
9		Cardiff Enterprise Zone – To fund expenditure in Cardiff Enterprise Zone in future years	(100)	(150)
56		Waste Management – To fund costs in waste management initiatives to achieve recycling targets and offset impact on additional tonnage and waste management costs	(250)	(400)
		All Earmarked Reserves to be reviewed in order to release a further £1 million.	(1,000)	(1400)
		Earmarked Reserves	(1550)	
		General Reserves		
		Drawdown from General Reserves	(300)	(1,700)
		Additional Expenditure		
		Provide support to those impacted by Bedroom Tax	1,700	0
		Housing Revenue Account Amendment		
		HRA General Reserves		
		Drawdown from HRA General Reserves	(500)	(500)
		Additional expenditure		
		Direct Revenue Financing - to support new council houses	500	0

Proposed by Cllr Neil McEvoy

Seconded by Cllr Andrea Gibson

Statutory Officers Commentary on Cllr McEvoy (Independent) Budget Proposals 2019/20

The proposals increase the level of resources available in order to establish a fund to provide support to those impacted by the “Bedroom Tax”. The proposals set out ensure that the increase in Council Tax remains at 4.9% for 2019/20. The proposals have not been subject to detailed discussions with directorates nor have equality impact assessments been further reviewed. However, within this constraint their financial achievability has been reviewed and considered.

This proposal sets up a fund to support those impacted by the “Bedroom Tax”. The Council has discretion to make payments up to a cap of £1.7 million. The Council currently provides assistance to those householders that have committed to downsizing within an appropriate time scale. This proposal will widen support to an increased number of affected households. In the event of this proposal being accepted a detailed plan will be required to be drawn up which will consider how this money will be used to provide support to those impacted.

The alternative budget includes an increase to savings proposals of £429,000. These include additional targets for senior management reductions of £287,000 which is primarily predicated on the two currently vacant posts on this tier not being filled. In assessing the achievability of this risk then my view is that it will be amber-green but red-amber for residual risk to service delivery. There are also proposals to increase the efficiencies in operating the estate (£30,000) and increasing the saving on safely reducing the number of children entering local authority care by an additional £100,000. Whilst the achievability risk for the operational estate remains at amber-green, the risk in relation to the Social Services proposal increases to red-amber. In addition, a £5,000 Council-wide saving is proposed in relation to spend on newspapers and periodicals and there is a proposal to withdraw from Core Cities membership (£44,000). The achievability and residual risk of these proposals are assessed as a green. There is a further proposal to commence withdrawal from the WLGA which requires three years notice. This saving of £160,000 will then be able to be achieved in 2022/23.

It is proposed that the financial pressure bids in relation to implementing a Support for Families Model (£500,000) and a new fostering model (£300,000) are deleted and replaced with a Family Support Fund budget of £1.1 million. The Support for Families model was a Cabinet pre-budget decision and some posts have been filled and a decision needs to be made as to whether or not these posts can be funded from the new fund or within the overall Housing and Communities budget. In addition, the financial pressure bid for additional legal work in respect of increased demand in Children’s safeguarding is rejected and replaced with a parent advocacy fund in order to deliver better outcomes for children without recourse to legal action. This proposal has a significant element of risk that the legal costs for the Council in the short term will exceed the budget allocated to it. There are other proposals to reduce pressure bids such as educational planning implications of the Local Development Plan (£50,000), the potential cost implications of the Supported Living Tender (£100,000) and the City Centre Public Realm improvements (£20,000). It is also proposed that the financial pressure for increased capacity in respect to disclosure in care proceedings (£64,000) is removed.

New financial pressures added to the budget are in respect of St David’s Day celebrations (£100,000), the re-opening of Waungron Road, to improve recycling and increase

community skips (£250,000) and to introduce a scheme for care leavers to take up social work apprenticeships (£200,000).

In order to keep the budget in balance, it is proposed to use £1.55 million from Earmarked Reserves, which is in addition to the £2.75 million already being used. Part of the funding will be from Cardiff Enterprise Zone (£100,000), Apprenticeship & Training (£200,000) and Waste Management (£250,000) earmarked reserves respectively. The proposal also includes a further review of earmarked reserves in order to release a further £1 million representing circa 3.5% of the total estimated earmarked reserves as at 31 March 2020. The drawdown of a further £1.55 million will have an adverse impact on the Council's overall financial resilience and reduce the ability of the Council to react to changing circumstances if needed.

The proposal to support those impacted by the "Bedroom Tax" is for one year and any continuation of that proposal going forward would put pressure on the budget gap for the medium term.

In addition, to the budget proposals above this amendment also looks to increase the funds available to the Housing Revenue Account (HRA) by £500,000 in order to invest in additional properties for the Council Housing stock. This additional investment will be funded by a drawdown from the HRA General Reserve and the length of the investment needs to match the length of the funding. The use of reserves is to be used primarily for one off purposes and any decision to use this amount to borrow will be considered too high a risk and place a heavy burden on the financial resilience of the HRA going forward.

Legal Implications

The legal context and implications set out in the main budget report also apply to these proposals.

Where these alternative proposals require consultation and an equality impact assessment, any decision taken to incorporate the proposals into the Council's budget will be an in principle decision, and the details of the implementation proposals will have to be subject to consultation and equality impact assessments which must be taken into account in a final decision on the implementation. For example the proposal to provide additional support to those affected by the "Bedroom Tax" would require consultation and equality impact assessments to be carried out on the proposed assessment criteria, and these would have to be taken into account in making final decisions on the implementation of the proposal.

In relation to the proposal to reduce expenditure on children's safeguarding by proposing to safely reduce the number of children entering local authority care by enhancing protective factors within child's home and community, members will be aware that Section 1 of the Children's Act 1989 states that the child's welfare is the paramount consideration which must be taken into account.

If accepted the proposals not to increase capacity for Information Governance activity related to disclosures in care proceedings and not to fund the Increase in demand for legal work in relation to children's safeguarding, would lead to an increased risk of the Council failing to meet court orders in relation to children's safeguarding matters and therefore

potentially failing in its statutory duties. A decision not to implement the support for families model and the new fostering business model could also increase this risk. In practise expenditure needed to meet our statutory duties would have to be incurred and there would be an increased risk of budget overspend.

Budget Summary 2019/20

Resources Available:-	£000	£000
Welsh Government	(444,629)	
Use of Reserves	(4,600)	
Council Tax at 4.9% increase	<u>(176,210)</u>	
		(625,439)
 Resources Needed:-		
2018/19 adjusted Base Budget	610,400	
Commitments, inflation and realignments	27,751	
New Financial Pressures Accepted	7,111	
 Less:		
Council Savings	(19,623)	
Reduction in FRM	<u>(200)</u>	
		625,439

RECOMMENDATIONS

(a) Recommendations to Council

The Proposer has examined the Cabinet budget proposals and considered the responses received to the budget consultation. Having taken account of the comments of the Corporate Director Resources in respect of the robustness of the attached alternative budget and the adequacy of reserves as required under Section 25 of the Local Government Act 2003, the Proposer recommends that Council:

- 1.0 Approve the Revenue, Capital and Housing Revenue Account budgets including all proposals and increasing the Council Tax by 4.9% as set out in this report and that the Council resolve the following terms.
- 2.0 That it be noted that at its meeting on 13 December 2018 the Council calculated the following amounts for the year 2019/20 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-
 - a) 145,499 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as amended, as its Council Tax base for the year.
 - b) Lisvane 2,409

Pentyrch	3,280
Radyr	3,783
St. Fagans	1,423
Old St. Mellons	1,828
Tongwynlais	817

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

2.1 Agree that the following amounts be now calculated by the County Council of the City and County of Cardiff for the year 2019/20 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

a) Aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) (including Community Council precepts totalling £396,847).

£1,027,858,847

b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c).

£407,023,000

c) Amount by which the aggregate at 2.1(a) above exceeds the aggregate at 2.1(b) above calculated in accordance with Section 32(4) as the budget requirement for the year.

£620,835,847

d) Aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of Revenue Support Grant, its council tax reduction scheme, redistributed Non-Domestic Rates.

£444,629,480

e) The amount at 2.1(c) above less the amount at 2.1(d) (net of the amount for discretionary relief of £400,000), all divided by the amount at 2.0(a) above, calculated in accordance with Section 33(1) as the basic amount of Council Tax for the year.

£1,213.80

f) Aggregate amount of all special items referred to in Section 34(1).

£396,847

g) Amount at 2.1(e) above less the result given by dividing the amount at 2.1(f) above by the amount at 2.0(a) above, in accordance with Section 34(2) of the Act, as the basic amount of Council Tax for the year for dwellings in those parts of the area to which no special items relate.

£1,211.07

- h) The amounts given by adding to the amount at 2.1(g) above the amounts of special items relating to dwellings in those parts of the Council's area mentioned below, divided in each case by the amount at 2.0(b) above, calculated in accordance with Section 34(3) as the basic amounts of Council Tax for the year for dwellings in those parts of the area to which special items relate.

	£
Lisvane	1,227.26
Pentyrch	1,258.33
Radyr	1,243.94
St. Fagans	1,225.48
Old St. Mellons	1,231.31
Tongwynlais	1,236.77

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

VALUATION BANDS

	A £	B £	C £	D £	E £	F £	G £	H £	I £
Area									
Lisvane	818.16	954.53	1,090.89	1,227.26	1,499.98	1,772.71	2,045.42	2,454.52	2,863.60
Pentyrch	838.88	978.70	1,118.51	1,258.33	1,537.95	1,817.58	2,097.21	2,516.66	2,936.09
Radyr	829.28	967.51	1,105.72	1,243.94	1,520.36	1,796.80	2,073.22	2,487.88	2,902.52
St. Fagans	816.98	953.15	1,089.31	1,225.48	1,497.80	1,770.13	2,042.46	2,450.96	2,859.44
Old St. Mellons	820.86	957.68	1,094.49	1,231.31	1,504.93	1,778.56	2,052.17	2,462.62	2,873.05
Tongwynlais	824.50	961.93	1,099.34	1,236.77	1,511.60	1,786.44	2,061.27	2,473.54	2,885.79
All other parts of the Council's Area	807.37	941.94	1,076.50	1,211.07	1,480.19	1,749.32	2,018.44	2,422.14	2,825.82

- 2.2 That it be noted that for the year 2019/20, the Police and Crime Commissioner for South Wales has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

VALUATION BANDS

A £	B £	C £	D £	E £	F £	G £	H £	I £
171.68	200.29	228.91	257.52	314.75	371.97	429.20	515.04	600.88

2.3 Having calculated the aggregate in each case of the amounts at 2.1(i) and 2.2 above, the County Council of the City and County of Cardiff in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:-

Part of Council's Area
VALUATION BANDS

Area	A £	B £	C £	D £	E £	F £	G £	H £	I £
Lisvane	989.84	1,154.82	1,319.80	1,484.78	1,814.73	2,144.68	2,474.62	2,969.56	3,464.48
Pentyrch	1,010.56	1,178.99	1,347.42	1,515.85	1,852.70	2,189.55	2,526.41	3,031.70	3,536.97
Radyr	1,000.96	1,167.80	1,334.63	1,501.46	1,835.11	2,168.77	2,502.42	3,002.92	3,503.40
St. Fagans	988.66	1,153.44	1,318.22	1,483.00	1,812.55	2,142.10	2,471.66	2,966.00	3,460.32
Old St. Mellons	992.54	1,157.97	1,323.40	1,488.83	1,819.68	2,150.53	2,481.37	2,977.66	3,473.93
Tongwynlais	996.18	1,162.22	1,328.25	1,494.29	1,826.35	2,158.41	2,490.47	2,988.58	3,486.67
All other parts of the Council's Area	979.05	1,142.23	1,305.41	1,468.59	1,794.94	2,121.29	2,447.64	2,937.18	3,426.70

2.4 Authorise the Corporate Director Resources to make payments under Section 38 of the Local Government (Wales) Act 1994 from the Council Fund by equal instalments on the last working day of each month from April 2019 to March 2020 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £37,469,009.

2.5 That the Common Seal be affixed to the said Council Tax.

2.6 The Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2019 to 31 March 2020 namely

The County Council of the City and County of Cardiff	£ 113,864
The Vale of Glamorgan County Borough Council	12,736

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

3.0 In accordance with the Local Government Act 2003, the Local Authority (Capital Finance and Accounting) (Wales) Regulations 2003 and subsequent amendments and the CIPFA Prudential Code and Treasury Management Codes of Practice:

(a) Approve the Capital Strategy 2019/20

- (b) Approve the Treasury Management Strategy 2019/20 and authorise the Section 151 Officer to raise such funds as may be required to finance capital expenditure by temporary or long term borrowing
 - (c) Approve the Prudential Indicators for 2019/20 to 2023/24 including the affordable borrowing limit
 - (d) Delegate to the Section 151 Officer the authority to effect movement between the limits for borrowing and long term liabilities within the limit for any year and to bring forward or delay schemes within the Capital Programme.
 - (e) Approve the Minimum Revenue Provision Policy for 2019/20.
- 4.0 To approve the Budgetary Framework outlined in this report including the Affordability Envelope detailed in this report. This will be subject to the approval of a business case in respect of the indoor arena and the financial implications of such a decision being within the affordability and borrowing implications outlined.
- 5.0 Maintain the current Council Tax Reduction Scheme as set out in the report.

26 February 2019
Cllr Neil McEvoy - Independent