

The Proposal in the Budget Report under Agenda item 9 be amended as below:

Liberal Democrat Group

Line	Directorate	Description	(Savings)/ Costs £000	Cumulative £000
New Savings / Reduced Commitments				
	Council Wide	Reduction to General Contingency Budget	(1,300)	(1,300)
	Council Wide	Reduction in budgeted contribution to Treasury Management Reserve	(200)	(1,500)
	Council Wide	Drawdown from General Reserve	(100)	(1,600)
Additional Expenditure/Financial Pressures				
	Council Wide	Investment in biodiversity initiatives, including the provision of green walls and increased tree cover	500	(1,100)
	Council Wide	Fund to support local community transport organisations to trial a new demand-responsive public transport scheme	100	(1,000)
	Education	Financial support for schools in areas of economic deprivation	100	(900)
	Education	Removal of planned increase to the price of a school bus pass	3	(897)
	Education	Removal of planned increase to the Music Service fee	17	(880)
Net Position			(880)	(880)

Proposed by Cllr Rodney Berman

Seconded by Cllr Joe Boyle

Statutory Officer Commentary on the Liberal Democrat Budget Proposals 2020/21

The proposal from the Liberal Democrat Group includes two new savings proposals and a drawdown from the General Reserve. A number of new expenditure commitments have also been proposed, as have the removal of two planned fee increases. The savings proposals amount to £1.5 million, with the amendment relating to the General Reserve totalling £100,000. The new expenditure commitments amount to £700,000 and the amendments to fee increases would cost £20,000. The net effect on the overall budget position is to reduce the level of resources required by £880,000. The net effect would facilitate a reduction in the proposed increase to the rate of Council Tax, with the amendment proposing an increase of 3.9%.

The proposals have not been subject to detailed discussions with directorates, nor have equality impact assessments been undertaken in respect of these. However, within this constraint, they have been reviewed as to their financial achievability and risk.

The first new savings proposal is to reduce the level of general contingency by £1.3 million, from its existing £3 million level. This proposal would reduce the balance to £1.7 million, which would present a level of risk to the financial resilience of the Council going forward. Whilst the overall level of savings required for 2020/21 is lower than in previous years, the ability to identify savings is becoming increasingly challenging. In addition, the 2019/20 budget monitoring position reflects a number of directorate budget pressures and, whilst a number of budget realignments have been put forward for 2020/21, there remains a risk that overspends could occur during 2020/21. Furthermore, there remains significant uncertainty regarding the financial position over the medium term and, therefore, whilst the full contingency may not be required during 2020/21, there remains the possibility that the contingency will be required in full during the remaining years of the medium term strategy time horizon. Should this proposal be taken forward, the risk that the Council may need to make unplanned use of reserves, in the event of an overspend, would increase. As reserves can only be utilised once, there is a risk that this could result in a weakening of the Council's balance sheet and overall financial resilience.

The second savings proposal is to reduce the planned contribution to the Treasury Management Reserve by £200,000. Although the level of proposal is relatively small, as a proportion of the total budgeted figure, it would reduce the overall level of flexibility the Council has going forward, particularly when the cumulative impact of reducing the contribution by this level is considered over the medium term. This will have an impact in terms of the Council being able to manage risk in relation to major projects and the wider Capital Programme. The proposal in relation to reserves is to drawdown £100,000 from the General Reserve. This reserve is not held for a specific purpose or known commitment and, therefore, exists as part of the Council's financial resilience measures and is required for any unexpected or emergency events. On this basis, reducing the balance in this reserve by any amount weakens the Council's financial resilience and the ability to respond to unexpected financial challenges.

This proposal includes the removal of two planned fee increases within the Education directorate. Both planned fee increases are not linked to savings proposals and have been put forward to cover anticipated cost increases in connection with the services concerned. On the basis that this amendment proposes the removal of those two price increases, it means that income levels would not increase as required and cost increases would not be funded. Therefore, in essence, these proposals would increase, or introduce as appropriate, a degree of subsidisation in the fees being levied.

The other proposals included within this amendment are to introduce new budgets and expenditure commitments. These new funds include a fund for implementing biodiversity initiatives and recruiting an additional tree officer, a fund to support local community transport organisations in trialling a new demand-responsive public transport scheme and a fund to cover the costs incurred by schools in economically deprived areas in providing out of hours use of their facilities by groups providing activities, support and services for young people. Further work would need to be undertaken in order to understand the governance arrangements required and the way in which these funds would be administered.

Legal Implications

The legal context and implications set out in the main budget report also apply to these Proposals and regard should be had to the same.

As regards the proposals in respect of; Reduction to General Contingency Budget, Reduction in contribution to Treasury Management Reserve and Drawdown from General Reserve, attention is drawn to the requirement, when the Council is considering its budget, to have regard to the S151 Officer's advice as to the robustness of the estimates and the adequacy of the proposed reserves in the budget proposals. The body of the main budget report and this addendum setting out such advice, including advice on financial resilience, reserves and contingencies.

Any specific proposals which are developed in relation to these proposals will require appropriate consultation, equality impact assessment and evaluation in relation to the Council's wellbeing objectives. 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 whether to implement the proposals or not.

Budget Summary – Liberal Democrat Proposal 2020/21

Resources Available:	£000	£000
Welsh Government	469,047	
Use of Earmarked Reserves	750	
Use of General Reserve	100	
Council Tax at 3.9% Increase	<u>185,319</u>	
		655,216

Resources Needed:		
2019/20 Base Budget Brought Forward	623,589	
Commitments, Inflation & Realignments	38,299	
New Financial Pressures & Policy Growth	4,592	
Less:		
Savings	(9,964)	
Reduction in Contingency Budget	<u>(1,300)</u>	
		655,216

RECOMMENDATIONS – LIBERAL DEMOCRAT GROUP

(a) Recommendations to Council

The Liberal Democrat Group have examined the Cabinet budget proposals and considered the responses received to the Budget Consultation. Having taken account of the comments of the Section 151 Officer in respect of the robustness of its proposed amendments to the Budget Report (alternative budget proposals) and the adequacy of reserves as required under Section 25 of the Local Government Act 2003, the Liberal Democrat Group recommend that Council:

- 1.0 Approve the Revenue, Capital and Housing Revenue Account budgets including all proposals as set out in the main budget report, subject to the amendments set out in this proposal, including increasing the Council Tax by 3.9%, and that the Council resolve the following terms.
- 2.0 Note that at its meeting on 19 December 2019 the Council calculated the following amounts for the year 2020/21 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-

a) 147,277 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	2,499
Pentyrch	3,316
Radyr	3,841
St. Fagans	1,592
Old St. Mellons	2,047
Tongwynlais	820

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 2020/21 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 £445,570).

£1,068,808,570

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

£414,397,000

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.

£654,411,570

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.

£469,047,025

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.

£1,261.33

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

£445,570

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.

£1,258.30

- 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	1,276.31
Pentyrch	1,311.07
Radyr	1,291.17
St. Fagans	1,277.62
Old St. Mellons	1,280.56
Tongwynlais	1,286.35

- 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.

Area	A £	B £	C £	D £	E £	F £	G £	H £	I £
Lisvane	850.88	992.69	1,134.50	1,276.31	1,559.93	1,843.56	2,127.19	2,552.62	2,978.06
Pentyrch	874.05	1,019.72	1,165.40	1,311.07	1,602.42	1,893.77	2,185.12	2,622.14	3,059.17
Radyr	860.78	1,004.25	1,147.71	1,291.17	1,578.09	1,865.03	2,151.95	2,582.34	3,012.74
St. Fagans	851.75	993.71	1,135.66	1,277.62	1,561.53	1,845.46	2,129.37	2,555.24	2,981.12
Old St. Mellons	853.71	995.99	1,138.28	1,280.56	1,565.13	1,849.70	2,134.27	2,561.12	2,987.98
Tongwynlais	857.57	1,000.50	1,143.42	1,286.35	1,572.20	1,858.07	2,143.92	2,572.70	3,001.49
All other parts of the Council's Area	838.87	978.68	1,118.49	1,258.30	1,537.92	1,817.55	2,097.17	2,516.60	2,936.04

- 2.2 Note that for the year 2020/21, 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 £
181.81	212.11	242.41	272.72	333.32	393.92	454.53	545.43	636.34

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 2020/21 for each of the categories of dwellings shown below:-

Part of Council's Area									
VALUATION BANDS									
	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Area									
Lisvane	1,032.69	1,204.80	1,376.92	1,549.03	1,893.26	2,237.49	2,581.72	3,098.06	3,614.40
Pentyrch	1,055.86	1,231.83	1,407.82	1,583.79	1,935.75	2,287.70	2,639.65	3,167.58	3,695.51
Radyr	1,042.59	1,216.36	1,390.13	1,563.89	1,911.42	2,258.96	2,606.48	3,127.78	3,649.08
St. Fagans Old St.	1,033.56	1,205.82	1,378.08	1,550.34	1,894.86	2,239.39	2,583.90	3,100.68	3,617.46
Mellons	1,035.52	1,208.10	1,380.70	1,553.28	1,898.46	2,243.63	2,588.80	3,106.56	3,624.32
Tongwynlais	1,039.38	1,212.61	1,385.84	1,559.07	1,905.53	2,252.00	2,598.45	3,118.14	3,637.83
All other parts of the Council's Area	1,020.68	1,190.79	1,360.91	1,531.02	1,871.25	2,211.48	2,551.70	3,062.04	3,572.38

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 2020 to March 2021 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £40,164,662.

2.5 Agree that the Common Seal be affixed to the said Council Tax.

2.6 Agree that the Common Seal be affixed to precepts for Port Health Expenses for the period 1 April 2020 to 31 March 2021 namely

	£
County Council of the City and County of Cardiff	113,783
Vale of Glamorgan County Borough Council	12,817

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 2020/21

- (b) Approve the Treasury Management Strategy 2020/21 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 2020/21 to 2024/25 including the affordable borrowing limit
- (d) Delegate to the Section 151 Officer the authority to effect movement between limits for borrowing and long term liabilities within the limit for any year to bring forward or delay schemes within the Capital Programme.
- (e) Approve the Minimum Revenue Provision Policy for 2019/20 and 2020/21

4.0 To approve the Budgetary Framework outlined in this report

5.0 Maintain the current Council Tax Reduction Scheme as set out in the report.

THE LIBERAL DEMOCRATIC GROUP
27th February 2020