
Budget Consultation 2021/22

Reason for this Report

1. To brief the Committee on the budget consultation approach for 2021/22 and provide an opportunity for Members to contribute to the consultation.

Structure of the papers

2. Attached at **Appendix A** is a Cabinet report titled *2021/22 Budget Modelling Update and Consultation Requirements*, to which there are two appendices:
 - Appendix 1** – Provisional Local Government Financial Settlement 2021/22 – Statement and Key Data Table;
 - Appendix 2** – Budget Consultation 2021/22 details.

Background and Context

3. The Committee's Terms of Reference confer responsibility for scrutiny of the Council's citizen engagement and consultation activity. Members have regularly expressed an interest in ensuring that the Council's budget consultation to Cardiff residents comprehensively targets all sectors, particularly minority, seldom heard and underrepresented sectors of the population.
4. Delivering the budget consultation in a timely manner to inform budget decision making can be a challenge because of its dependency on the UK Spending Round and the announcement of the Local Government Provisional Settlement by Welsh Government. This announcement is routinely made in October leading to

a Council budget consultation survey in November. This year the Council received notice of its Provisional Settlement on 22 December 2020.

5. The Cabinet held an additional meeting on 13th January 2021 to agree the proposed approach to Budget Consultation for 2021/22, with a view to the formal budget consultation commencing on the 13th January 2021 and running until 10th February 2021. The results of this consultation process will inform Cabinet discussion and debate in preparing their final 2021/22 budget proposals.
6. The Council's five Scrutiny Committees routinely scrutinise budget proposals in February prior to Cabinet agreeing the final budget and consideration by Full Council. Scrutiny Committee's also regularly monitor the Council's financial performance throughout the year. Each year in February the analysis of the results of the annual budget consultation is presented to Members alongside the budget proposals to inform the internal challenge.

Issues

7. The report attached at **Appendix A** provides:
 - an update on the Council's budget preparations for 2021/22, including the impact of the Provisional Settlement and;
 - details of the consultation that will take place to inform Cabinet's preparation for the Council setting its 2021/22 budget in February 2021.
8. Cardiff Council will receive a +3.8% increase in Aggregate External Finance (AEF) in 2021/22, which equates to £18m in cash terms. This level of revenue funding announced in the Provisional Settlement is better than the planning assumption reflected in the Council's September Medium Term Financial Plan (MTFP). The MTFP, which pre-dated the Spending Round, had assumed a potential +1.5% funding increase for 2021/22.
9. With the announcement of the Provisional Settlement the Cabinet report updates the Council's budget modelling (*paragraphs 22-31*), clarifying that at this point there is a budget gap between *resources available* and *resources required* of

£16.359m. This represents an improvement on the Council's Medium Term Financial Planning projection of a £25.4m gap in September 2020. It also states that whilst the position for 2021/22 is more positive than initially assumed, the Council must continue to strengthen financial resilience and build a robust position from which to move forward.

10. Members are specifically referred to the section of the report headlined ***Consultation and Engagement*** (points 44 to 48).

11. With Cabinet approval the Budget Consultation was launched promptly on 13 January 2021 and will run until 10 February 2021.

12. Current Covid-19 restrictions will have an impact on methodology used for the budget consultation. There will be no face-to-face engagement, and the focus of promoting the consultation will be done electronically. No paper copies will be available or face to face events targeting underrepresented groups and areas.

13. Important points to note included in the report are that :

- The consultation document will be available for online completion on the Council's website.
- A co-ordinated social media and press campaign, and partner involvement will seek to ensure citywide engagement:
- Links to the consultation will be made available on the Council's corporate social media accounts, with posts targeting localised community groups across the city, and targeted advertising aimed at groups with a typically lower response rates.
- Links to the survey will also be shared with community groups, such as faith groups, community councils and the Cardiff Youth Council, and partners, including members of the PSB, to be shared with their contacts.
- The consultation will also be promoted to Council staff via the intranet and Staff Information alerts via email and on DigiGov.
- The Council will also work with the Access Forum, and relevant groups including the Deaf Hub and RNIB to make the survey available to

those who may have difficulty accessing or completing the online link.

- Findings from the most recent Ask Cardiff survey, conducted in October & November 2020 with 4,715 responses, will also be used to inform the Council's corporate plan and budget.

14. At **Appendix 2 to Appendix A** Members will find the actual online survey. The narrative outlines the Council's budget and the gap it needs to fill via efficiencies and council tax, makes clear that Covid-19 has had a significant impact on the budget and looks forward to Recovery and Renewal and its priorities for 2021/22.

15. The Council's 5 priorities are:

- **Leading the city's economic recovery**, doing all we can to support businesses and workers and delivering our ambitious capital investment programme, including major regeneration projects in Cardiff Bay and the city centre; our circa £280m school investment programme, and our commitment to build 2000 new Council homes.
- **Supporting the people who have been hit hardest by the pandemic** – particularly our youngest, oldest and most vulnerable citizens, and those in our most deprived communities – and the services upon which they rely, including care for vulnerable children and older people; people suffering poor mental health; those who are homeless and rough sleeping.
- **Rebuilding the services that have been closed or severely restricted by the pandemic**, including our programme of major events, cultural and tourist venues, leisure centres, and public transport.
- **Continuing to modernise our services**, building on the transformational use of technology throughout the pandemic.
- The One Planet Cardiff programme, **delivering a green recovery for Cardiff**, including investments in cycling, walking and public transport; increasing the energy we generate from renewables; increased tree planting, and improving our flood defences.

16. The consultation approach this year simply lists 11 Council services and invites the respondent to rank their top 3. It goes on to request the respondent's lowest priority from the same list.

Scope of the Scrutiny

17. This item will give Members the opportunity to contribute to the 2021 budget consultation.

18. To facilitate the scrutiny in attendance to answer Members questions will be:

- a. Cabinet Member for Finance, Modernisation & Performance, Councillor Chris Weaver;
- b. Corporate Director Resources, Christopher Lee;
- c. Head of Performance and Partnerships, Gareth Newell; and
- d. Operational Manager, Cohesion and Community Engagement, Sian Sanders.

Legal Implications

19. 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

20. 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.

RECOMMENDATIONS

21. The Committee is recommended to:

- i. Note the proposed approach to the 2021 budget consultation;
- ii. Consider whether it wishes to relay any comments or observations to inform the consultation findings.

DAVINA FIORE

Director, Governance & Legal Services

14 January 2021