

# The Proposal in the Budget Report under Agenda item 8 be amended as below:

Liberal Democrat Group

## REVENUE

Line	Directorate	Description	(Savings)/ Costs £000	Cumulative £000
<b>New Savings / Reduced Commitments</b>				
	Council Wide	Reduction to General Contingency Budget.	(1,663)	(1,663)
<b>Additional Expenditure/Financial Pressures</b>				
	Education	Increase in funding for summer engagement programme.	500	(1,163)
	Housing & Communities	Additional funding for homelessness prevention, with a focus on preventing evictions from the private sector.	250	(913)
	Planning, Transport & Environment	Reduction to planned fee increase for Bereavement Services and withdrawal of associated savings proposal.	120	(793)
	Planning, Transport & Environment	Reduction to planned fee increases for Registration Services and withdrawal of associated savings proposal.	30	(763)
<b>Redefined Financial Resilience Mechanism Proposals</b>				
	Council Wide	Socially valuable bus routes (£432k) to be refocused to support the provision of a social subsidy to bus routes where deemed necessary and promote the provision of demand-responsive bus services, as deemed appropriate to ensure continuity of bus services for affected communities.	0	(763)
<b>Net Revenue Position</b>			<b>(763)</b>	<b>(763)</b>

## CAPITAL

	2021/22 (£000)	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	Total (£000)
<b>Reduced Expenditure Commitments:</b>						
Capital Contingency Allocation	(50)	(50)	(50)	(50)	(50)	<b>(250)</b>
<b>New/Increased Expenditure Commitments:</b>						
Increased Alley Gating (Line 57)	50	50	50	50	50	<b>250</b>
Increased investment in Neighbourhood, District and Local Centres (Line 58)	250	50	0	0	0	<b>300</b>
Investment in footpaths, footways and trails (New investment)	500	0	0	0	0	<b>500</b>
<b>Total Net Additional Capital Expenditure</b>	<b>750</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>

**Proposed by: Councillor Rodney Berman**

**Seconded by: Councillor Rhys Taylor**

### **Statutory Officer Commentary on the Liberal Democrat Budget Proposals 2021/22**

The proposal from the Liberal Democrat Group includes one new savings proposal, two new expenditure commitments and the removal of two savings proposals. In addition, one of the proposed uses of the Financial Resilience Mechanism has been redefined. The net effect of these proposals is to reduce the level of resources required by £763,000. This would facilitate a reduction in the proposed increase to the rate of Council Tax, with the amendment proposing an increase of 3.0%.

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 budget by £1.663 million, from its existing £3 million level. This proposal would reduce the budget to £1.337 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 2021/22 is comparably lower than in previous years, the ability to identify savings is continue to be increasingly challenging. In addition, the 2020/21 budget monitoring position reflects a number of directorate budget pressures and unachieved savings proposals, with the overall Month 9 position reflecting an overspend, after allowing for use of the contingency budget. Therefore, and even more so in light of the ongoing impact of the COVID-19 pandemic, there remains a risk that overspends could occur during 2021/22 and the full contingency budget be required.

Furthermore, there remains significant uncertainty regarding the financial position over the medium term. With the long term impact of the pandemic, especially the impact on income generation levels, still to be seen, there remains the possibility that the contingency will be required in full during the remaining years of the medium term plan. Added to this is the uncertainty regarding the cost of demand-led services, with that demand being difficult to predict, as well as the Council's comparatively low level of reserves. 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 proposed reduction in the contingency budget would facilitate additional expenditure commitments and the reversal of two planned savings proposals. The two savings proposals that would be withdrawn both relate to planned fee increases: one in Bereavement Services and one in Registration Services. In the case of Bereavement Services, the proposal would be to reduce, rather than fully withdraw, the planned fee increase, with a balance of the increase required to enable investment in the service. The first new expenditure commitment relates to the Summer Engagement Programme and totals £500,000. This would supplement the commitment contained with the Cabinet's budget proposal, taking total funding to £1.043 million, with this £500,000 being available on a recurring basis. The second new commitment relates to homelessness prevention and would amount to £250,000. Further work would need to be undertaken in order to understand the feasibility of delivering the required outcomes from these additional allocations. In addition, a redefinition of a proposed allocation for socially valuable bus routes has been proposed.

In addition to the revenue proposals outlined above, proposals have also been put forward in relation to the Capital Programme. In total, three new or enhanced expenditure commitments have been added to the programme, with a reduction to the Capital Contingency providing a partial offset against these commitments. The total net effect on the Capital Programme is an additional £800,000 of expenditure over the life of the programme. This additional expenditure would need to be financed via existing resources, requiring a review of the proposed programme and the identification of provisional commitments that could be reduced or repurposed. In terms of the

proposed reduction to the Capital Contingency allocation, this equates to a 25% reduction of the £200,000 per annum allocation. A reduction of this proportion, would present a degree of risk in being able to manage unforeseen cost overruns or the ability to respond to in-year opportunities for new initiatives.

## **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 and reduction to the Capital Contingency, 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 plans 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 2021/22**

<b>Resources Available:-</b>	<b>£000</b>	<b>£000</b>
Welsh Government	487,913	
Use of Reserves	750	
Council Tax at 3.0% increase	<u>192,655</u>	
		<b>681,318</b>

<b>Resources Needed:-</b>		
2020/21 Base Budget B/f	656,186	
Commitments, inflation and realignments	33,073	
New Financial Pressures & Policy Growth	3,816	
<b>Less:</b>		
Savings	(10,094)	
Reduction in Base Budget Contingency	<u>(1,663)</u>	
		<b>681,318</b>

## **RECOMMENDATIONS**

### **(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 and increasing the Council Tax by 3.0% as set out in this report and that the Council resolve the following terms.

2.0 Note that at its meeting on 17 December 2020 Cabinet calculated the following amounts for the year 2021/22 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-

a) 147,794 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	2,513
	Pentyrch	3,369
	Radyr	3,847
	St. Fagans	1,746
	Old St. Mellons	2,192
	Tongwynlais	822

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 2021/22 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 £457,978). £1,113,117,978

b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c). £432,492,000

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. £680,625,978

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. £487,912,796

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. £1,306.64

- f) Aggregate amount of all special items referred to in Section 34(1).  
£457,978
- 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.  
£1,303.54
- 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	1,323.83
Pentyrch	1,355.48
Radyr	1,336.41
St. Fagans	1,322.86
Old St. Mellons	1,325.80
Tongwynlais	1,331.52

- 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.

	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
<b>Area</b>									
Lisvane	882.56	1,029.64	1,176.74	1,323.83	1,618.02	1,912.20	2,206.39	2,647.66	3,088.93
Pentyrch	903.66	1,054.26	1,204.87	1,355.48	1,656.70	1,957.91	2,259.14	2,710.96	3,162.78
Radyr	890.94	1,039.43	1,187.92	1,336.41	1,633.39	1,930.37	2,227.35	2,672.82	3,118.29
St. Fagans	881.91	1,028.89	1,175.87	1,322.86	1,616.83	1,910.80	2,204.77	2,645.72	3,086.67
Old St. Mellons	883.87	1,031.17	1,178.49	1,325.80	1,620.43	1,915.04	2,209.67	2,651.60	3,093.53
Tongwynlais	887.68	1,035.62	1,183.57	1,331.52	1,627.42	1,923.31	2,219.20	2,663.04	3,106.88
All other parts of the Council's Area	869.03	1,013.86	1,158.70	1,303.54	1,593.22	1,882.89	2,172.57	2,607.08	3,041.59

2.2 Note that for the year 2021/22, 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
£	£	£	£	£	£	£	£	£
191.81	223.78	255.75	287.72	351.66	415.60	479.53	575.44	671.35

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 2021/22 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	1,074.37	1,253.43	1,432.49	1,611.55	1,969.67	2,327.80	2,685.92	3,223.10	3,760.28
Pentyrch	1,095.47	1,278.05	1,460.62	1,643.20	2,008.35	2,373.51	2,738.67	3,286.40	3,834.13
Radyr	1,082.75	1,263.22	1,443.67	1,624.13	1,985.04	2,345.97	2,706.88	3,248.26	3,789.64
St. Fagans Old St.	1,073.72	1,252.68	1,431.62	1,610.58	1,968.48	2,326.40	2,684.30	3,221.16	3,758.02
Mellons	1,075.68	1,254.96	1,434.24	1,613.52	1,972.08	2,330.64	2,689.20	3,227.04	3,764.88
Tongwynlais	1,079.49	1,259.41	1,439.32	1,619.24	1,979.07	2,338.91	2,698.73	3,238.48	3,778.23
All other parts of the Council's Area	1,060.84	1,237.65	1,414.45	1,591.26	1,944.87	2,298.49	2,652.10	3,182.52	3,712.94

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 2021 to March 2022 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £42,523,290.

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 2021 to 31 March 2022 namely

	£
County Council of the City and County of Cardiff	113,768
Vale of Glamorgan County Borough Council	12,832

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 2021/22.

(b) Approve the Treasury Management Strategy 2021/22 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 2021/22 – 2025/26 including the affordable borrowing limit.
  - (d) Delegate to the Section 151 Officer the ability 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 in the Capital Programme.
  - (e) Approve the Minimum Revenue Provision Policy for 2021/22
- 4.0 Subject to Council approving the Capital budget and further to the decision of Council in October 2020, headed “Securing the Future Sustainability and Viability of Cardiff City Transport Services limited”, authorise the issue and acquisition of additional equity in Cardiff City Transport Services Limited to allow the release of £6.6 million included in the 2021/22 capital programme with this payment being subject to Cardiff City Transport Services Limited agreeing to use the same solely to carry out interventions to support viability and strengthen the balance sheet through fleet acquisition.
- 5.0 To approve the Budgetary Framework outlined in this report.
- 6.0 To maintain the current Council Tax Reduction Scheme as set out in this report.

**3<sup>rd</sup> March 2021**

**The Liberal Democrat Group**