

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

Propel

Line	Directorate	Description	(Savings) / Costs £000	Cumulative £000
Directorate Savings				
	Council Wide	Reduction of General Contingency Budget	(1,500)	(1,500)
Additional Expenditure/ Financial Pressures				
	Education	Increase Youth Provision across the City.	1,500	0

The following amendments proposed to the Capital Programme

Line	Narrative	Description	2021/22 £'000	2022/23 £'000	Total £'000
Deletion of Following Line					
36	Western Transport Interchange	To create a public transport interchange in the west of the city as part of the redevelopment of the former Household Waste Recycling Centre.	(258)	(1,100)	(1,358)
Add in Following Line					
	Waungron Road	To reinstate Household Waste Recycling Centre	258	1,100	1,358
Net Impact			0	0	0

Proposed by Cllr Neil McEvoy

Seconded by Cllr Keith Parry

Statutory Officers Commentary on the Propel Budget Proposals 2021/22

The proposal seeks to increase the level of Youth Provision across the City by £3 million over two years. The rationale for spreading the investment in the Youth Service over two years is that it helps to ensure that those areas of greatest need are targeted and that the Council seeks to derive the greatest value from this investment. The investment in the Youth Service is through the reduction of the General Contingency Budget by £1.5 million in 2021/22 with a view to drawing down the remaining budget of £1.5 million in 2022/23. This 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 lower than in previous years, the ability to identify savings is becoming increasingly challenging. In addition, the impact of the pandemic on services will become clearer over the forthcoming months and that combined with identified directorate budget pressures does indicate a continuing risk of overspends occurring during 2021/22.

Furthermore, there remains significant uncertainty regarding the financial position over the medium term including the exposure to additional cost in relation to demand-led services, the uncertainty brought about by the pandemic and the difficulty in judging what the long tail effects of COVID19 may be on the economy, public finances and future demand on services. 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.

By phasing the reduction in the General Contingency Budget over two years this mitigates the risk by allowing £1.5 million to be available in 2021/22 to maintain the financial position.

The proposal also highlights the removal of Line 36 in the Capital Programme and replace it with the reinstatement of Household Waste Recycling Centre. There has been no review to determine the likely costs of replacement and once due diligence has been taken this may result in additional costs that would need to be absorbed within either the Capital Programme or the Revenue Budget. There is a risk that aborted costs will arise in the event of the Transport Interchange project being abandoned and these costs would need to be quantified. The start date of the Centre being ready for operation will need to be understood with a revenue budget being potentially required for a part of 2021/22 and then identified for the full year operation in 2022/23. Any revenue costs (presumed to be for a few months maximum) arising in 2021/22 will need to be found from within the budgetary allocation to the directorate thus reducing its resilience to deliver services within those constraints.

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 proposal in respect of Reduction of General Contingency Budget Fund, 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

RECOMMENDATIONS – PROPEL

Budget Summary – Propel

Resources Available:-	£000	£000
Welsh Government	487,913	
Use of Reserves	750	
Council Tax at 3.5% increase	<u>193,589</u>	
		682,252
Resources Needed:-		
2020/21 Base Budget B/f	656,186	
Commitments, inflation and realignments	33,244	
New Financial Pressures & Policy Growth	4,566	
Less:		
Savings	(10,244)	
Reduction in Contingency	<u>(1,500)</u>	
		682,252

RECOMMENDATIONS – PROPEL

(a) Recommendations to Council

The Propel 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, Propel Group recommend that Council:

- 1.0 Approve the Revenue, Capital and Housing Revenue Account budgets including all proposals and increasing the Council Tax by 3.5% 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). £1,114,038,978
- b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3) (a) and (c). £432,479,000
- 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. £681,559,978
- 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. £1,312.96
- 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. £1,309.86

- 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	1,330.15
Pentyrch	1,361.80
Radyr	1,342.73
St. Fagans	1,329.18
Old St. Mellons	1,332.12
Tongwynlais	1,337.84

- 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
	£	£	£	£	£	£	£	£	£
Area									
Lisvane	886.77	1,034.56	1,182.36	1,330.15	1,625.74	1,921.33	2,216.92	2,660.30	3,103.68
Pentyrch	907.87	1,059.18	1,210.49	1,361.80	1,664.42	1,967.04	2,269.67	2,723.60	3,177.53
Radyr	895.15	1,044.35	1,193.54	1,342.73	1,641.11	1,939.50	2,237.88	2,685.46	3,133.04
St. Fagans	886.12	1,033.81	1,181.49	1,329.18	1,624.55	1,919.93	2,215.30	2,658.36	3,101.42
Old St. Mellons	888.08	1,036.09	1,184.11	1,332.12	1,628.15	1,924.17	2,220.20	2,664.24	3,108.28
Tongwynlais	891.89	1,040.54	1,189.19	1,337.84	1,635.14	1,932.44	2,229.73	2,675.68	3,121.63
All other parts of the Council's Area	873.24	1,018.78	1,164.32	1,309.86	1,600.94	1,892.02	2,183.10	2,619.72	3,056.34

- 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

	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Area									
Lisvane	1,078.58	1,258.34	1,438.11	1,617.87	1,977.40	2,336.93	2,696.45	3,235.74	3,775.03
Pentyrch	1,099.68	1,282.96	1,466.24	1,649.52	2,016.08	2,382.64	2,749.20	3,299.04	3,848.88
Radyr	1,086.96	1,268.13	1,449.29	1,630.45	1,992.77	2,355.10	2,717.41	3,260.90	3,804.39
St. Fagans	1,077.93	1,257.59	1,437.24	1,616.90	1,976.21	2,335.53	2,694.83	3,233.80	3,772.77
Old St. Mellons	1,079.89	1,259.87	1,439.86	1,619.84	1,979.81	2,339.77	2,699.73	3,239.68	3,779.63
Tongwynlais	1,083.70	1,264.32	1,444.94	1,625.56	1,986.80	2,348.04	2,709.26	3,251.12	3,792.98
All other parts of the Council's Area	1,065.05	1,242.56	1,420.07	1,597.58	1,952.60	2,307.62	2,662.63	3,195.16	3,727.69

- 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.

THE PROPEL PARTY GROUP
2 MARCH 2021