
Budget Consultation 2022/23

Reason for this Report

1. To brief the Committee on the budget consultation approach for 2022/23 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 *2022/23 Budget Modelling Update and Consultation Requirements*, to which there are two appendices:
 - Appendix 1** – Provisional Local Government Financial Settlement 2022/23 – Statement and Key Data Table;
 - Appendix 2** – Budget Consultation 2022/23 details.

Appendix B – Presentation to Committee – Budget 2022/23

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 Autumn Budget

in late October and the announcement of the Local Government Provisional Settlement by Welsh Government. The Provisional Settlement was received on 21st December 2021. The Provisional Settlement is a critical factor in drafting the budget strategy and can significantly affect the overall position.

5. The Cabinet held an additional meeting on 13th January 2022 to agree the proposed approach to Budget Consultation for 2022/23, with a view to the formal budget consultation commencing on the 13th of January 2022 and running until 4th February 2022. The results of this consultation process will inform Cabinet discussion and debate in preparing their final 2022/23 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 2022/23, including the impact of the Provisional Settlement and;
 - details of the public consultation that will take place to inform Cabinet's preparation for the Council setting its 2022/23 budget in February 2022, allowing Cabinet to lay before March Council, proposals, which if approved, would result in the adoption of a balanced budget for 2022/23. The public consultation proposed by this report will inform the preparation of Cabinet's final draft budget.
8. Cardiff Council will receive a +10.7% increase in Aggregate External Finance (AEF) in 2022/23, which equates to £52.6m in cash terms. Included within the settlement is funding for additional pressures such as support for the payment of the Real Living Wage in the care sector, allowances for increased pay and

national insurance contributions from April 2022, and, in the absence of any Local Authority Hardship Fund next year, the Council will need to ensure it can cover any ongoing COVID 19 related pressures (both expenditure and income) from within this allocation. This is significantly higher than the 1% planning assumption reflected in the Council's September MTFP 2022/23.

9. With the announcement of the Provisional Settlement the Cabinet report updates the Council's budget modelling (*paragraphs 26-31*), clarifying that at this point there is a budget gap between *resources available* and *resources required* of £8.999m. It also states that whilst the position for 2022/23 is more positive than initially assumed, additional sums may be required to fully deliver on initiatives announced as part of the settlement, and to protect the Council's financial resilience.
10. Members are specifically referred to the section of the report headlined ***Consultation and Engagement*** (*points 47 to 53*).
11. With Cabinet approval the Budget Consultation will be launched promptly on 13 January 2022 and will run until 4 February 2022.
12. Current Omicron variant 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, with 2,704 responses, will also be used to inform the Council's corporate plan and budget. A list of priorities can be found at point 47.
- Trade unions have been consulted in advance on the budget projections for 2022/23 and the likely impact on employees, particularly where posts are at risk of redundancy.

14. At **Appendix 2** to **Appendix A** Members will find the proposed online budget consultation survey. The narrative outlines the Council's budget challenges for 2022/23 and the top service priorities according to Ask Cardiff:

- Education and Youth Services
- Supporting vulnerable children and families
- Supporting vulnerable adults and older people
- Recycling and Waste Services
- Neighbourhood services such as street cleansing
- Homelessness and housing

15. The consultation approach this year simply invites the respondent, within each of the broad headlines identified above, to tell the Council if there are more specific services in which they would like to see investment.

Scope of the Scrutiny

16. Officers will deliver the presentation at **Appendix B** followed by Members questions, giving Members the opportunity to contribute to the 2022 budget consultation.

17. 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

18. 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

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 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

20. The Committee is recommended to:

- i. Note the proposed approach to the 2022 budget consultation;
- ii. Consider whether it wishes to relay any comments or observations to inform the consultation findings.

DAVINA FIORE

Director, Governance & Legal Services

12 January 2022