

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

Cllr Hill-John (Conservative Group)

Line	Directorate	Description	(Savings) / Costs £000	Cumulative £000
Directorate Savings				
	Council Wide	Reduction of General Contingency Budget	(2,000)	(2,000)
	Council Wide	Reduction in Agency & Consultancy Spend	(165)	(2,165)
	Council Wide	Additional measures to tackle sickness absence	(50)	(2,215)
	Council Wide	Reduction in Strategic Budget Reserve	(850)	(3,065)
Net Position			(3,065)	(3,065)

Additional recommendation : Recommend that the Cabinet considers a management restructure, reducing the number of managers and ensuring the savings released are directed back to frontline services.

No amendments are proposed to the Capital Programme

Proposed by Cllr Gavin Hill-John

Seconded by Cllr Adrian Robson

Statutory Officers Commentary on the Conservative Budget Proposals 2022/23

Financial implications

In summary the proposal from the Conservative Group includes two new savings proposals as well as an additional drawdown from the Strategic Budget Reserve and a further reduction in the use of the General Contingency Budget. No new financial pressures have been proposed and there are no proposed changes to the Capital Programme. Overall, the proposal results in a reduction to the Cabinet's proposed increase to the rate of Council Tax from 1.9% to 0%.

The proposal seeks a zero increase in Council Tax and proposes to fund the reduction in Council Tax income of £3.065 million compared to the Cabinet proposals largely through a combination of the reduction of the General Contingency Budget by £2.0 million in 2022/23 and the drawdown from the Strategic Budget Reserve of £0.850 million. This would present a level of risk to the financial resilience of the Council for both 2022/23 and the medium term.

The reduction of the general contingency reduces the financial resilience of the budget against future uncertainty facing the Council as it emerges from the impact of the pandemic. The reduction from Strategic Budget Reserve of £0.850 million reduces the ability of the Council to respond to short term spikes of financial pressures..

Whilst financial planning assumptions have been refreshed across all Council services, there remains significant uncertainty regarding the financial position over the short / medium term including the exposure to additional cost in relation to demand-led services, inflationary pressures, 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.

Included within the suggested new savings is a proposed Council wide reduction in agency / consultants spend where it would be necessary to understand the details of where these reductions would take place so the potential impact upon achievability can be understood. This proposal will also need to identify whether any employed roles need to be created to carry out the work undertaken by agency workers / consultants which could impact on the overall savings. As this stage the proposal would be considered to be at the general planning stage, and it would be appropriate to categorise this as a red risk in terms of achievability. The implementation of this proposal would be required as soon as possible to ensure that as much of the saving is achieved in 2022/23 and reducing the amount that would carry forward as unachieved savings into 2023/24.

The same comments also apply to the proposal to the reduce the budget on additional measures to tackle sickness absence where again it would be necessary to understand the details of where these reductions would take place so the potential impact upon achievability can be understood. As this stage this proposal would also be considered to be at the general planning stage with the associated risk in terms of achievability and although the proposed saving here is not as significant in value there will still be a need to implement as soon as possible to ensure savings are maximised in 2022/23.

Although no specific saving for 2022/23 is identified for the additional recommendation to consider a management restructure similar comments about the need to develop specific proposals, including any associated costs which if these include redundancy payments and pension strain could be significant, so that the impact on achievability can be understood would also apply with this recommendation.

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 of General Contingency Budget and reduction in Strategic Budget 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 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 the proposals put forward will require evaluation in relation to the Council's wellbeing objectives.

As regards the proposals put forward (reduction in agency and consultancy spend and additional measures to tackle sickness absence) consideration should be given to whether consultation is appropriate and or an equality impact assessment required . Where consultation and or an equality impact assessment is required, 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.

As regards the proposed additional recommendation (a management restructure), then if approved detailed advice (including legal advice) would need to be obtained on the process to be followed, financial implications such as redundancy costs, consultation and other requirements. To the extent any of the proposals require any statutory or other processes to be followed then this may impact on the timeline for deliverability of the saving proposal

Budget Summary – Conservative Proposal 2022/23

Budget Summary - Conservative

Resources Available:-	£000	£000
Welsh Government	544,726	
Use of Reserves	839	
Council Tax - no increase	<u>195,309</u>	
		740,874

Resources Needed:-		
2021/22 Base Budget B/f	686,734	
Commitments, inflation and realignments	44,150	
New Financial Pressures & Covid Recovery	14,413	
Policy Growth	5,500	
Transfer to Reserves	0	
Less:		
Savings & Reductions in Contingency	<u>(9,923)</u>	
		740,874

RECOMMENDATIONS - CONSERVATIVE GROUP

(a) Recommendations to Council

The Conservative Group, having taken account of the comments of the Section 151 Officer in respect of the robustness of the budget and the adequacy of the reserves as required under Section 25 of the Local Government Act 2003, and having considered the responses to the Budget Consultation recommend that Council:

1.0 Approve the Revenue, Capital and Housing Revenue Account budgets including all proposals and with no increase to Council Tax as set out in this report and that the Council resolve the following terms.

2.0 Note that at its meeting on 16 December 2021 Cabinet calculated the following amounts for the year 2022/23 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:-

a) 149,107 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	2,697
	Pentyrch	3,517
	Radyr	3,983
	St. Fagans	1,854
	Old St. Mellons	2,321
	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 2022/23 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 £495,086). £1,166,329,086

b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c). £426,199,000

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. £740,130,086

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. £544,725,604

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. £1,313.18

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

£495,086

- 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	1,332.48
Pentyrch	1,362.46
Radyr	1,342.73
St. Fagans	1,332.51
Old St. Mellons	1,332.12
Tongwynlais	1,339.67

- 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	888.32	1,036.37	1,184.43	1,332.48	1,628.59	1,924.69	2,220.80	2,664.96	3,109.12
Pentyrch	908.31	1,059.69	1,211.08	1,362.46	1,665.23	1,968.00	2,270.77	2,724.92	3,179.07
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	888.34	1,036.40	1,184.45	1,332.51	1,628.62	1,924.74	2,220.85	2,665.02	3,109.19
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	893.11	1,041.97	1,190.82	1,339.67	1,637.37	1,935.08	2,232.78	2,679.34	3,125.90
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 2022/23, 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
£	£	£	£	£	£	£	£	£
201.41	234.97	268.54	302.11	369.25	436.38	503.52	604.22	704.92

- 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 2022/23 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	1,089.73	1,271.34	1,452.97	1,634.59	1,997.84	2,361.07	2,724.32	3,269.18	3,814.04
Pentyrch	1,109.72	1,294.66	1,479.62	1,664.57	2,034.48	2,404.38	2,774.29	3,329.14	3,883.99
Radyr	1,096.56	1,279.32	1,462.08	1,644.84	2,010.36	2,375.88	2,741.40	3,289.68	3,837.96
St. Fagans	1,089.75	1,271.37	1,452.99	1,634.62	1,997.87	2,361.12	2,724.37	3,269.24	3,814.11
Old St. Mellons	1,089.49	1,271.06	1,452.65	1,634.23	1,997.40	2,360.55	2,723.72	3,268.46	3,813.20
Tongwynlais	1,094.52	1,276.94	1,459.36	1,641.78	2,006.62	2,371.46	2,736.30	3,283.56	3,830.82
All other parts of the Council's Area	1,074.65	1,253.75	1,432.86	1,611.97	1,970.19	2,328.40	2,686.62	3,223.94	3,761.26

- 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 2022 to March 2023 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £45,046,716.

- 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 2022 to 31 March 2023 namely

	£
County Council of the City and County of Cardiff	117,749
Vale of Glamorgan County Borough Council	13,125

- 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 2022/23.
 - (b) Approve the Treasury Management Strategy 2022/23 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 2022/23 – 2026/27 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 2022/23.
- 4.0 To approve the Budgetary Framework outlined in this report.
- 5.0 To maintain the current Council Tax Reduction Scheme as set out in this report.

Cllr Gavin Hill-John Conservative Group
2 March 2022