

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

(Propel)

| Line | Directorate | Description | (Savings)/ Costs £000 | Cumulati ve £000 |
|--|--------------|---|-----------------------------|------------------------|
| Directorate Savings | | | | |
| | Council Wide | Reduction of General Contingency Budget | (500) | (500) |
| | Council Wide | Reduction of the Strategic Budget Reserve | (750) | (1250) |
| Additional Expenditure/ Financial Pressures | | | | |
| | Education | Increase Youth Provision across the City. | 1,250 | 0 |

The following amendments proposed to the Capital Programme

| Line | Narrative | Description | 2022/23 £'000 | 2023/24 £'000 | Total £'000 |
|----------------------------|-------------------------------|---|------------------|------------------|----------------|
| Deletion of Following Line | | | | | |
| 39 | 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. | (208) | (1,100) | (1,308) |
| Add in Following Line | | | | | |
| | Waungron Road | To reinstate Household Waste Recycling Centre | 208 | 1,100 | 1,308 |
| Net Impact | | | 0 | 0 | 0 |

Proposed by Cllr Neil McEvoy

Seconded by Cllr Keith Parry

Statutory Officers Commentary on Cllr McEvoy (Propel) Budget Proposals 2022/23

Financial Implications

The proposal seeks to increase the level of Youth Provision across the City by £1.250 million. The investment in the Youth Service is funded through a combination of the reduction in the General Contingency Budget by £0.500 million in 2022/23 and a

drawdown from the Strategic Budget Reserve of £0.750 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 in the Strategic Budget Reserve of £0.750 million reduces the ability of the Council to respond to short term 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.

The proposal also highlights the removal of Line 39 in the Capital Programme and then replacing 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 undertaken 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 abortive costs will arise in both the Housing Revenue Account and the General Capital Fund in the event of the Transport Interchange project being abandoned and these costs will 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 2022/23 and then identified for the full year operation in 2023/24. Any revenue costs (presumed to be for a few months maximum) arising in 2022/23 will need to be found from within the budgetary allocation for the Directorate thus potentially impacting on its ability to deliver services within such financial 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; '*Increase Youth Provision across the City*' by £1.250 million, to be funded by £0.500 million reduction of General Contingency budget plus £0.750 million reduction of the 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 and consideration 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.

Budget Summary – Propel Proposal 2022/23

Budget Summary - Propel

| Resources Available:- | £000 | £000 |
|------------------------------|----------------|----------------|
| Welsh Government | 544,726 | |
| Use of Reserves | 739 | |
| Council Tax at 1.9% increase | <u>199,020</u> | |
| | | 744,485 |

| Resources Needed:- | |
|--|---------|
| 2021/22 Base Budget B/f | 686,734 |
| Commitments, inflation and realignments | 44,796 |
| New Financial Pressures & Covid Recovery | 14,413 |
| Policy Growth | 6,750 |
| Transfer to Reserves | 0 |

| Less: | |
|-------------------------------------|----------------|
| Savings & Reductions in Contingency | <u>(8,208)</u> |
| | 744,485 |

RECOMMENDATIONS - PROPEL

(a) Recommendations to Council

The Propel 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 increasing the Council Tax by 1.9% 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).
£1,169,940,086
- b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c).
£426,099,000
- 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.
£743,841,086
- 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.
£1,338.07
- 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.
£1,334.75

- 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 | 1,357.37 |
| Pentyrch | 1,387.35 |
| Radyr | 1,367.62 |
| St. Fagans | 1,357.40 |
| Old St. Mellons | 1,357.01 |
| Tongwynlais | 1,364.56 |

- 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 | 904.91 | 1,055.73 | 1,206.55 | 1,357.37 | 1,659.01 | 1,960.64 | 2,262.28 | 2,714.74 | 3,167.20 |
| Pentyrch | 924.90 | 1,079.05 | 1,233.20 | 1,387.35 | 1,695.65 | 2,003.95 | 2,312.25 | 2,774.70 | 3,237.15 |
| Radyr | 911.74 | 1,063.71 | 1,215.66 | 1,367.62 | 1,671.53 | 1,975.45 | 2,279.36 | 2,735.24 | 3,191.12 |
| St. Fagans | 904.93 | 1,055.76 | 1,206.57 | 1,357.40 | 1,659.04 | 1,960.69 | 2,262.33 | 2,714.80 | 3,167.27 |
| Old St. Mellons | 904.67 | 1,055.45 | 1,206.23 | 1,357.01 | 1,658.57 | 1,960.12 | 2,261.68 | 2,714.02 | 3,166.36 |
| Tongwynlais | 909.70 | 1,061.33 | 1,212.94 | 1,364.56 | 1,667.79 | 1,971.03 | 2,274.26 | 2,729.12 | 3,183.98 |
| All other parts of the Council's Area | 889.83 | 1,038.14 | 1,186.44 | 1,334.75 | 1,631.36 | 1,927.97 | 2,224.58 | 2,669.50 | 3,114.42 |

- 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 | 1,106.32 | 1,290.70 | 1,475.10 | 1,659.48 | 2,028.26 | 2,397.02 | 2,765.80 | 3,318.96 | 3,872.12 |
| Pentyrch | 1,126.31 | 1,314.02 | 1,501.75 | 1,689.46 | 2,064.90 | 2,440.33 | 2,815.77 | 3,378.92 | 3,942.07 |
| Radyr | 1,113.15 | 1,298.68 | 1,484.21 | 1,669.73 | 2,040.78 | 2,411.83 | 2,782.88 | 3,339.46 | 3,896.04 |
| St. Fagans | 1,106.34 | 1,290.73 | 1,475.12 | 1,659.51 | 2,028.29 | 2,397.07 | 2,765.85 | 3,319.02 | 3,872.19 |
| Old St. Mellons | 1,106.08 | 1,290.42 | 1,474.78 | 1,659.12 | 2,027.82 | 2,396.50 | 2,765.20 | 3,318.24 | 3,871.28 |
| Tongwynlais | 1,111.11 | 1,296.30 | 1,481.49 | 1,666.67 | 2,037.04 | 2,407.41 | 2,777.78 | 3,333.34 | 3,888.90 |
| All other parts of the Council's Area | 1,091.24 | 1,273.11 | 1,454.99 | 1,636.86 | 2,000.61 | 2,364.35 | 2,728.10 | 3,273.72 | 3,819.34 |

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 Neil McEvoy – Propel Group
2 March 2022