

Fy Nghyf / My Ref: CM31073

Eich Cyf / Your Ref:

Dyddiad / Date: 16th July 2015

Councillor Nigel Howells
Chair of Policy Review & Performance Committee
Cardiff County Council
Atlantic Wharf
Cardiff
CF10 4UW

Annwyl / Dear Nigel

Prap - Financial Resilience

Thank you for your letter in respect of the Financial Resilience item considered by the Policy Review and Performance Scrutiny Committee on 12 May 2015. As you know, I attended that meeting in the absence of the Cabinet Member for Corporate Services and Performance, but I am pleased to provide the following responses to the specific points set out in your letter:

1. *Members suggest the Council asks its customers what services they need free of charge, and what they are prepared to pay for, with a view to increasing the Council's income from services.*

As part of the Budget Strategy 2016/17, which was agreed by the Cabinet on 16 July 2015, a fourth savings driver in respect of income generation has been introduced. This will encourage focus on the need to generate more income through the development of new income streams or enhancement of current arrangements. The current Ask Cardiff Survey 2015 also includes two questions that are relevant to this topic:

- Q10: Would you support the Council charging more for some services if it means that they could be continued?

Yes / No / Not sure. If 'yes', please state which service(s).

- Q11: Do you support the Council in the greater implementation of fines for non-compliance? e.g. littering, parking, failing to adhere to recycling rules etc.

Yes / No / Not sure.

Answers will be collated and used as evidence as part of the Cardiff Debate analysis.

2. *Members ask that you place on record that libraries will be protected in the 2016/17 budget round, as agreed at the 2015/16 budget meeting.*

ATEBWCH I / PLEASE REPLY TO:

Swyddfa'r Arweinydd, Ystafell 525, Neuadd y Sir, Glanfa'r Iwerydd, Caerdydd CF10 4UW
Ffôn (029) 2087 2500 Ffacs (029) 2087 2599

Office of the Leader, Room 525, County Hall, Atlantic Wharf, Cardiff CF10 4UW
Tel (029) 2087 2500 Fax (029) 2087 2599



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088



I can confirm that the budget decision in respect of libraries that was made by the Council on 26 February 2015 included the commitment to continue to fund branch library services until the end of the Council term unless and/or until alternative delivery arrangements are operational. This commitment remains in place and, as you will be aware, it was further reaffirmed as part of a related motion that was passed by the Council on 23 July 2015.

3. *Should there be a proposal to close Roath Library; Members ask that the proposal be presented to Full Council.*

You will be aware that the Cabinet considered a report on library services in Roath/Adamsdown on 16 July 2015 and agreed that:

1. The condition of the Roath Library building means that alternative temporary provision needs to be delivered in the area and that paragraphs 23 to 27 of the report are implemented.
2. The existing building be advertised for Community Asset Transfer with the condition that a bid from an organisation will provide revised library services as per the Libraries Strategy. Acceptance of a preferred bid shall be undertaken by the Director of Economic Development in consultation with the Director of Communities, Housing & Customer Services.
3. Alternative permanent options should be explored to mitigate the risk that no Community Asset Transfer solution can be found.
4. In the event that no Community Asset Transfer solution is found, a future Cabinet Report be required for the long term library provision in the area.

4. *In light of the ongoing work around Alternative Delivery Models, Members urge that you build in realistic timescales for budgeting purposes.*

As part of the process of determining potential budget savings, proposals are tested for achievability and planning preparedness. It is acknowledged that, as the Council's proposals become more complex, then planning and delivery timescales become even more crucial. In order to manage this increasing complexity, it is agreed that delivery timescales need to be robustly challenged.

The Comprehensive Spending Review (CSR) is due to be published on 25 November 2015 and is expected to set out how the UK Government will deliver the further £20 billion savings required to eliminate the UK budget deficit by 2019/20. In preparation for the CSR, the Chief Secretary to the Treasury has written to UK Government departments asking them to draw up plans to contribute to the required £20 billion in savings and to model two scenarios of 25% and 40% of savings within their resource budgets by 2019/20 in real terms. The CSR is expected to reaffirm the UK Government's commitment to invest in the NHS and national security, while protecting schools. Clearly, in order to protect these areas of spend, large savings will be required in other areas of government.

Both the magnitude of ongoing cuts and the timing of the CSR are causes for concern and can only be expected to delay confirmation of the block grant funding devolved to Wales and, therefore, the local government settlement for 2016/17. The publication of the CSR in late November 2015 will be several weeks after the usual date of publication of a provisional settlement for local government in Wales. Factoring in the time for the Welsh Government to interpret the CSR and to make its own decisions regarding the allocation of the block grant to public services in Wales, confirmation of the Council's financial settlement for 2016/17 might realistically be expected to be significantly later than usual.

These timeframes will clearly add to what is already an extremely challenging budgetary position. Work will proceed on taking forward the recently approved Budget

Strategy 2016/17 to ensure that preparedness for the Council's base case Medium Term Financial Plan is as robust as possible by late autumn 2015. This will also enable any flex that may be required in order to respond to confirmed funding allocations to be addressed within, what are likely to be, extremely challenging timescales.

5. *Members would be interested to hear of an example where a co-operative solution has resulted in financial savings in service delivery.*

As was stated during the meeting, it is difficult to quantify savings from the investigatory work into Co-operative Councils as this is a value based approach. However, as a result of your interest in the matter, I will ensure that officers include this aspect in further discussions with such organisations. It is also important to point out that this approach does not always lead to financial savings. For example, the Cyd Cymru project is all about collective energy buying to secure a better deal for residents in terms of lower household energy bills. In addition, the Council's work with partner organisations on the proposed management of Flat Holm Island or the development of the new Welsh Language Cultural Centre in the Old Library are good examples of how existing assets can be maximised under new partnership arrangements, as well as potentially delivering cost savings.

6. *Members request that you bring a draft of any proposed Council support for the City Deal to Committee for pre-decision scrutiny.*

The potential City Deal is at a very early feasibility stage, but I agree that it would be useful to engage with the relevant scrutiny committee(s) at appropriate stages in the development of this initiative.

I trust that this information is helpful to you and the rest of the Committee.

Yn gywir,
Yours sincerely,



**CYNGHORYDD / COUNCILLOR PHIL BALE
ARWEINYDD, CYNGOR DINAS CAERDYDD
LEADER, THE CITY OF CARDIFF COUNCIL**

