

Budget Consultation Survey (Text Version for Approval)

Budget Context

Introduction

We are striving to build a Stronger, Fairer and Greener Cardiff.

A stronger city, with an economy offering well-paid jobs, an education system that allows young people to reach their potential, and where good, affordable housing in safe communities is available to all.

A fairer city, where the opportunities of living in Cardiff can be enjoyed by everyone, whatever their background. Where those suffering the effects of poverty will be supported and where a fair day's work receives a fair day's pay.

A greener city, responding to the climate emergency, promoting biodiversity and ensuring high-quality open spaces are available to everyone. All this will be accessible by convenient, safe and affordable, sustainable transport options.

But, like Local Authorities across the UK, Cardiff is once again facing a series of extraordinary pressures, driven by the cost-of-living crisis, the energy crisis, and the lasting impact of Covid-19.

This means that everything we do, every service we offer, now costs more to deliver to our residents. Next year, 2023/24, we estimate that delivering the day-to-day services you received this year – including schools and social services, waste collection and parks – will cost us an extra £75m because of price increases, inflation and demand pressures.

Despite an increase in funding from Welsh Government, that still leaves us with £23.5m we must find through savings and efficiencies, charges for services or by reducing or cutting services. It remains a significant budget gap and we know that, during difficult times, many of the city's residents will turn to the Council for support. We will not let them down.

That is why the savings proposals we are putting forward prioritise support for the most vulnerable, protect frontline services and ensure fair funding for education and social services. In fact, as we continue to prioritise education in Cardiff we are proposing, as part of this consultation, a growth in schools funding of £25 million.

To allow us to do this we have had to deliver a significant level of savings through back-office efficiencies. This has included driving down cost by reducing the use of our buildings and making better use of technology.

However, this alone is not enough to close the £23.5m budget gap and so the Council is considering a number of changes to our frontline services in order to balance the budget in 2023/24.

We want to know what you think of these proposals. So please, get involved, and respond to the questions contained in this consultation by noon on Sunday 29 January 2023.

Councillor Huw Thomas, Leader, Cardiff Council

Why is the Council Facing a Budget Gap?

The cost of delivering services has increased by almost £75m, which means that the Council is facing a projected funding gap of over £23.5 million. This is the gap between the projected cost of delivering our services and the amount of resources available. Despite Welsh Government providing funding which has increased the Council's budget for next year, it is not enough to cover the cost of delivering services, leaving a budget gap that needs to be closed.

There are a number of reasons why the Council is projecting such a large budget gap.

- **Increasing Demand for our Services:** As the cost-of-living crisis deepens, more and more people are turning to the Council for support, which means that the demand for our services is increasing. We know, for example, that the number of people claiming Universal Credit is almost double the pre-pandemic level, with the number of people accessing our advice service also having doubled since April last year. The amount of social services casework has also increased significantly over the past two years whilst free-school-meal caseloads have increased substantially. With more people seeking to access Council services, the cost of delivery is going up.
- **Inflationary Pressures:** With inflation now over 11%, the costs of delivering public services and investing in our buildings and infrastructure are all going up.
 - **Energy:** Soaring energy prices means that the Council is looking at paying an extra £13m next year to heat our buildings and light our streets.
 - **Pay:** We believe public sector employees – who deliver vital services across the city – should be paid fairly. Higher pay awards than were initially budgeted for are being agreed, although they are still significantly below the rate of inflation for a number of Council staff, and below the private sector pay increases that are being seen.
 - **Food, Fuel and Transport:** The costs of buying food, fuel and transport – to deliver school meals and school transport – are all going up
- **Legacy of Covid:** The lasting impact of Covid is still being felt, with some services experiencing an ongoing loss of income whilst others are facing greater challenges and more complex issues as they support recovery.

Even though Cardiff Council is due to receive an increase in Welsh Government support of 9% for next year, it is not enough to meet the additional costs the Council is now facing.

How We Propose to Close the Gap

The budget gap will need to be closed through a combination of:

- **Efficiency Savings and Service Change Proposals:** The Council is committed to protecting frontline services and is therefore looking to generate as much savings as possible through back-office efficiencies. This means driving down the running cost of our buildings, reducing the amount of office space we need, and using new technology where it can save us money. The scale of the financial challenges also means that the Council has been looking at a managed reduction in the number of staff employed, using voluntary severance to generate savings, whilst keeping compulsory redundancies to a minimum.

Taken together, these efficiency savings will make the biggest contribution to closing the budget gap. Unfortunately, they will not be enough, and some changes to services may be necessary to balance the books. That is why we want to know what the people of Cardiff think about some of the potential changes that we could make to save money.

- **Council Tax:** Council Tax accounts for only 27% of the Council's budget, with the remainder coming from the Welsh Government. Each increase of 1% in Council tax generates around £1.6m, therefore closing the budget gap through tax increases alone is not realistic, especially in a cost-of-living crisis.
- **Use of Reserves:** The Council has to be very careful when using its financial reserves, there is only a limited amount available and once they're gone, they're gone. The majority of the Council's reserves are earmarked for specific purposes and are therefore already committed in support of delivering services, for example funding one-off community initiatives and supporting Homelessness Prevention Services. The Council does maintain a level of General Balance totalling £14.2M to cover unforeseen costs and this equates to less than 2% of the Council's overall net budget.

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There is a legal duty on all Councils in England and Wales to deliver a balanced budget to fund the running of our services.

Councils across the UK are facing huge financial pressures driven by the lasting impact of Covid-19 and the cost-of-living and energy crises. Cardiff Council is no exception and is facing cost increases of over £75m.

These cost increases and delivery pressures are as great as anything the Council has experienced over the past 15 years. This means that public services must continue to identify every possible opportunity to deliver efficiencies, drive down cost and, in some cases, even reduce the level of service being delivered.

When we consulted on your service delivery priorities earlier this year, you made clear that your top three priorities were:

- Schools and Education including Youth Services.
- Supporting vulnerable children and families.
- Supporting vulnerable adults and older people.

That is why the budget proposals will protect schools, education and social services. It does mean, however, that more savings will need to be found elsewhere in the Council's budget.

We are doing all we can to save money and reduce the impact on frontline services through working more efficiently and we have identified significant back-office efficiency savings for the year ahead. However, this is not enough to close the budget gap and so the Council is considering a number of options to balance the budget in 2023/24.

We want to know what you think of these.

The Use of Council Buildings and Assets

1. Funding for Schools

The Council anticipates that schools will face cost increases of £25m in 2023/24 and we propose to fund this amount in full, without asking schools to make any savings.

Do you agree with this approach?

- Yes
- No
 - If no, please tell us why you disagree?
- Not sure

2. Hubs and Libraries

There are 20 Hubs & Libraries in Cardiff which provide and host a variety of highly valued services across the city, including free wi-fi, public PCs and, of course, library provision. Some of the services on offer include essential advice and support to help people manage their finances and find work.

Hubs and Libraries are also a focal point for hosting community activities which are essential to well-being, particularly for vulnerable groups of people. These activities include providing warm spaces for people to spend time and have a coffee and engage in group sessions such as singing, walking or gentle exercise classes. Specialised provision is also available, such as dementia cafes, as well as book clubs for adults and story time for children.

The Council is considering changes to Hubs and Libraries to help save money. Over 60 volunteers already support our Hubs and Libraries and we are considering a number of different options to help reduce the costs of running the service. These options include using more volunteers to run the Hubs and Libraries; reducing opening hours or closing Hubs and Libraries for additional day/s each week.

Which of these options do you prefer?

- Option 1: Remove a small number of vacant posts at Hubs and Libraries, and recruit more volunteers to help run the service, saving £90,000
- Option 2: Reduce opening hours at Hubs and Libraries by closing on a Saturday afternoon, saving up to £80,000
- Option 3: Reduce the number of days Hubs and Libraries are open by an additional day each week, saving £262,000
- Option 4: Maintain current service levels, meaning savings will have to be found elsewhere

Do you agree that services should be protected in areas with the highest levels of financial deprivation?

- Yes
- No
- Don't know

3. St David's Hall – Alternative Operating Model

St David's Hall currently costs the Council £689K to run. Whilst £8.7m of the £9.4m operating cost is realised through income, any shortfall is subsidised by the Council. A reduction in attendance since the pandemic, as well as the rising cost-of-living pressures, means the income generated by the Hall is likely to fall in 2023. If the Council continues to support the Hall, that subsidy is predicted to increase by £110,000 to a total of around £799,000.

The Council also needs to consider the condition of the building, now and in the future, and the tens of millions of pounds of investment in the building required to keep the venue open.

The Council does not think that ongoing support of the Hall in this way is financially sustainable. The Council is therefore proposing to secure a long-term lease arrangement with a tenant who would be responsible for carrying out works to keep the premises safe and operational. Under the proposed lease the tenant would also be required to maintain a classical and community programme, and will have a general obligation to keep the venue open. The proposed tenant has also indicated a willingness to invest in and enhance the venue as part of their plans. The Council would however, still own the building and associated land.

Do you support this proposal?

- Yes
- No
- Not sure
- Do you have any other comments on this proposal?

4. Cardiff International White Water – Alternative Operating Model

To meet the running costs of Cardiff International White Water, the Council currently provides a subsidy. In 2022/23 this was £238,000.

The Council would like to consider an alternative operating model including an arms-length arrangement or an external operator, to allow the Council to save money and ensure the Centre can continue to operate.

Would you support the Cardiff International White Water Centre being operated in a different way?

- Yes
- No
- Not sure

5. Museum of Cardiff

The Museum of Cardiff is located in The Old Library in the Hayes (and should not be confused with the National Museum of Wales in the Civic Centre). It tells the story of the history and heritage of the city through interactive displays and collections of artefacts representing Cardiff's communities, past and present.

Have you ever visited the Museum of Cardiff?

- Yes
- No
- Not sure

The Council has been planning to relocate the Museum out of the Old Library to an alternative more suitable venue. However, this would require a significant capital investment in addition to the revenue subsidy it receives of £498,000 per year.

The Council could close the Museum to save money but does not feel that this is the right option and instead proposes to take the Museum of Cardiff out of the Old Library and make it a mobile attraction. The Museum's displays and activities would move around Cardiff, and a small key team would be retained to continue with community engagement and manage the ongoing care of the collection. This would give a total saving of £266,000 per year and would allow the Council to re-open the museum in a permanent home in the future, if a suitable location was found, and funding secured.

Which of these potential options would you support?

- Option 1: Take the Museum of Cardiff out of the Old Library and make it a mobile attraction, saving £266,000 per year
- Option 2: Keep the Museum open and find the savings elsewhere

Do you have any other suggestions as to how the Council could save money on the running of the Museum of Cardiff?

Waste, Recycling and Street Cleansing

6. Have you used any of the Council's Recycling Centres in the last 12 months? Tick all that apply:

- Bessemer Road
- Lamby Way
- Commercial Recycling Centre at Bessemer Close
- None of these

7. Recycling centres – Reduce Operating Hours

The Council runs two Household Waste and Recycling Centres, which are free for Cardiff residents to use, with any visits to the centres requiring advance booking. Recycling centres operate at around 60% capacity, which means that 40% of booking slots are left unfilled each week.

The centres currently open between 7.30am-6.30pm in the summer, and 9am-6pm in the winter, seven-days-a-week. The Council could reduce the opening hours of these centres during the least busy periods, either by reducing the opening hours to between 9am and 5pm each day, or by closing the centres on Mondays.

Even with a reduction in operating hours, there would still be enough booking spaces to meet demand and recycling performance should not be affected. Either of these changes would save £60,000 per year.

Would you support:

- Option 1: Reducing the operating hours each day to between 9:00-17:00 seven days a week, saving £60,000.
- Option 2: Closing Household Waste Recycling Centres on Mondays, saving £60,000.
- Option 3: Maintaining the existing service levels and finding the savings elsewhere

Do you have any comments about this proposal?

Cost Recovery and Income Generation

8. School Meals

Cardiff Council's School Meals Service provides meals to almost every primary and secondary school in the city.

Does your family use the school meals service?

- Yes, I pay for my children's school meals
- Yes, my child is entitled to free school meals
- No, I provide my child with a packed lunch
- Not applicable

The Welsh Government will be rolling out free school meals for all primary school pupils in Wales by 2024 and will fund the Council to provide this service. Until then, the Council is required to fund the provision of school meals for primary as well as secondary school pupils. Inflation is at its highest level for decades, with the cost of buying and preparing the meals much more expensive than it was a year ago. The Council is therefore having to pay more to provide school meals.

This means that, without an increase in the cost of meals, the Council would face significant additional costs to deliver this service. For this year, meeting the full cost of delivering school meals may mean the Council providing a 25% subsidy, which is close to £2 million. The Council is therefore considering increasing the cost of school meals to meet this rising cost but thinks that passing on the increased cost in full would be too great a rise. In order to limit price rises to the options set out below, the Council would provide a subsidy to meet any additional cost for delivering the service.

The children eligible for Free School Meals (FSM) will continue to receive school meals for free.

Which of these options would you support:

- Limiting any increase to around 5% - meaning that the cost of primary school meals would go up from £2.60 to £2.75, and secondary school meals go up from £3.15 to £3.30
- Increasing the cost by around 10% - meaning that the cost of primary school meals would go up from £2.60 to £2.90, and secondary school meals go up from £3.15 to £3.50
- Increasing the cost by around 15% - meaning that the cost of primary school meals would go up from £2.60 to £3.00, and secondary school meals go up from £3.15 to £3.65
- No increase in the cost of school meals, meaning savings will need to be found elsewhere
- Do you have any other comments on this proposal?

9. Residential Parking Charges

Do you currently have a residential parking permit?

- Yes
- No
- Not sure

The Council offers parking permits as a service to residents in specific areas across the city. This service includes administering the relevant type and number of permits to applicants, and monitoring vehicles parking in restricted areas to ensure these areas are only used by permit holders.

Residents parking permits have not increased in cost since 2013 and the income generated by the permit charges does not meet the cost of delivering this service. The cost of parking permits in Cardiff are well below the average amount charged by similar local authorities across the UK, who charge an average of £42 for a first permit and £74 for additional permits. As local comparisons, Bristol charges up to £84 for a first permit whilst Newport charge £35.

The Council could increase the cost of a first permit from £7.50 to £24, and a second permit from £30 to £54, with similar proportional increases for visitors permits, generating around £481,000 per year to help meet the cost of managing the permit schemes across the city.

Do you think that increasing the cost of a first permit to £24 is

- Too high
- Too low
- About right

Do you think that increasing the cost of a second permit to £54 is

- Too high
- Too low
- About right

10. Pay & Display Charges

The average cost of parking in Cardiff is below that charged in a number of other cities.

The Council could increase the cost of on-street pay and display by, on average, 50p an hour, and for car parks, an increase of £1.00 for those parking longer than 2 hours:

ON STREET			CAR PARKS		
	Current	New		Current	New
1 hour	£2.10	£2.60	2 hours	Free	Free
2 hours	£3.40	£3.60	3 hours	£1.00	£2.00
3 hours	£4.20	£4.60	All day	£2.00	£3.00
4 hours	£5.10	£5.60			
5 hours	£6.10	£6.60			

This will generate an additional £740,000 in income.

Would you support an increase in the cost of parking?

- Yes
- No
- Not sure
- [If no] Why don't you support this proposal?

11. Council Owned Sports Pitches and Facilities in Parks

The Council currently spends £235,000 subsidising the cost for adults hiring sports pitches and changing facilities across the city. Fees vary by sport and whether changing rooms are included.

The Council does not charge for the hire of its pitches by mini and junior clubs and is the only local authority in Wales to provide free use of pitches to these groups.

The Council is not proposing to fully recover the costs of providing sports pitches and facilities but could increase prices by 10%, just under inflation, which would mean there would still be a subsidy of over £200,000. This would be a price increase of around £5-£8 per booking.

Would you support this increase?

- Yes
- No
- Not sure
- [If no] Why don't you support this proposal?

12. Asset Transfer of Municipal Sports Pitches

The Council is currently responsible for running a number of pitches and facilities used for community sports across the city. The Council could transfer the ownership of these pitches and sports facilities to the community groups that use them across the city.

Would you support transferring the ownership of Council owned pitches and sports facilities to the community groups that use them?

- Yes
- No
- Not sure
- [If no] Why don't you support this proposal?

13. Bereavement – Fees & Charges

The Council's Bereavement Service is responsible for undertaking over 4,000 funerals per year, as well as the upkeep and maintenance of nine sites across the city, including Thornhill Cemetery and Crematorium, Western Cemetery and Cathays Cemetery.

Cardiff Council charges less than most other UK cities for its cremation and burial services, however inflationary pressures have increased the cost of running this service. If the Council was to raise the price of the service to meet the additional cost, the price of cremation would increase by £40 (5.13%) and burials by £60 (6.82%).

Would you support increasing the price of the burials and cremation service to meet the cost of running the service?

- Yes
- No
- Not sure
- [If no] Why don't you support this proposal?