

Budget Consultation 2023/24

Reason for this Report

1. To update members on the Provisional Local Government Financial Settlement, brief the Committee on the budget consultation approach for 2023/24 and provide an opportunity for Members to contribute to the consultation as key stakeholders in the budget preparations for 2023/24.

Structure of the papers

2. Attached at **Appendix A** is a Cabinet report titled *2023/24 Budget Modelling Update and Consultation Requirements*, to which there are two appendices:
 - Appendix 1** – Provisional Local Government Financial Settlement 2023/24 – Statement and Key Data Table;
 - Appendix 2** – Budget Consultation 2023/24 details.

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 with Cardiff residents comprehensively targets all sectors, particularly minority, seldom heard, underrepresented and hard to reach sectors of the population.
4. Delivering the budget consultation in a timely manner to inform budget decision making is often a challenge because of its dependency on the UK Autumn

Statement in late October and the announcement of the Local Government Provisional Settlement by Welsh Government. The Provisional Settlement was received on 14th December 2022. 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 22nd December 2022 to agree the proposed approach to Budget Consultation for 2023/24, with a view to the formal budget consultation commencing on the 23rd December 2022 and running until 29th January 2023. The results of this consultation process will inform Cabinet discussion and debate in preparing their final 2023/24 budget proposals.
6. The Council's five Scrutiny Committees routinely scrutinise budget proposals in February/March prior to Cabinet agreeing the final budget and consideration by Full Council in March. Scrutiny Committee's also regularly monitor the Council's financial performance throughout the year. Each year the analysis of the results of the annual budget consultation is presented to Members alongside the budget proposals to inform the internal challenge.
7. The Final Settlement for 2023/24 will be received the first week of March 2023.

Issues

8. The report attached at **Appendix A** provides:
 - an update on the Council's budget preparations for 2023/24, 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 2023/24 budget, allowing Cabinet to lay before March Council, proposals, which if approved, would result in the adoption of a balanced budget for 2023/24. The public consultation proposed in this report will inform the preparation of Cabinet's final draft budget.
9. Cardiff Council will receive a +9% increase in Aggregate External Finance (AEF) in 2023/24, which equates to £48.165m in cash terms. Included within the settlement is an increase in Capital funding of £3.055million for 2023/24, with the

report drawing attention to significant cost pressures inherent in the existing capital programme.

10. With the announcement of the Provisional Settlement the Cabinet report updates the Council's budget modelling (*paragraphs 21-26*), It also states that, whilst the position for 2023/24 is more positive than previously reported, costs are estimated to increase by £74.998m for 2023/24 and at this point there is a budget gap between *resources available* (£795.247m) and *resources required* (£818.744m) of £23.497m. The gap will be addressed through service change proposals, consideration of schools' budgets (modelled on full growth requirement), efficiency proposals (modelled on a target of £8.5m), and the use of reserves (modelled on £1.5m). A Council Tax increase of 3% has been used for modelling purposes.

11. Members are specifically referred to the section of the report headlined **Consultation and Engagement** (*points 36 to 44*). The Budget Consultation runs from 23rd December 2022 to 29th January 2023. The report states that consultation on the 2023/24 budget commenced with the Ask Cardiff survey in autumn 2022, which revealed citizen budget priorities to be schools and youth services; supporting vulnerable children, supporting vulnerable adults, housing and homelessness services.

12. 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 rate.
- 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.
- Trade unions have been consulted in advance on the budget projections for 2023/24 and the impact on employees, particularly where posts are at risk of redundancy.

13. At **Appendix 2** to **Appendix A** Members will find the proposed online budget consultation survey. The narrative outlines the Council's budget challenges for 2023/24 and how the Council proposes to close the gap.

14. The 13 questions that make up the consultation focus on Funding for Schools, Hubs and Libraries, St David's Hall – Alternative Operating Model, Cardiff International White Water – Alternative Operating Model, Museum of Cardiff, Recycling centres – Reduce Operating Hours, School Meals, Residential Parking Charges, Pay & Display Charges, Council Owned Sports Pitches and Facilities in Parks, Asset Transfer of Municipal Sports Pitches, and Bereavement – Fees & Charges.

Scope of the Scrutiny

15. Members will have an opportunity to ask questions and contribute to the 2023/24 budget consultation.

16. To facilitate the scrutiny in attendance will be Cabinet Member for Finance, Modernisation & Performance, Councillor Chris Weaver; Corporate Director Resources, Christopher Lee; and Head of Performance and Partnerships, Gareth Newell.

Legal Implications

17. 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

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 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.

RECOMMENDATION

19. The Committee is recommended to:

- i. Note the proposed approach to the 2023/24 budget consultation;
- ii. Consider whether it wishes to relay any comments or observations to inform the consultation findings.

DAVINA FIORE

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11 January 2023