

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

Cllr Calum Davies (Conservative Group)

Line	Directorate	Description	(Savings)/ Costs £000	Cumulative £000
Directorate Cost/ (Savings)				
	Council Wide	Reduction in Agency & Consultancy Budget	(150)	(150)
	Council Wide	Regional Working	(300)	(450)
	Council Wide	Management Restructure	(750)	(1,200)
	Economic Development	Increased Income from Council Estate	(600)	(1,800)
	Council Wide	Reduction in sickness absence	(500)	(2,300)
	Economic Development	Outsource Waste Management	(500)	(2,800)
Total Directorate Savings			(2,800)	(2,800)
Additional Expenditure/Financial Pressures				
	Planning, Transport and Environment	Protect and Expand Bus Routes	100	(2,700)
	Council Wide	Additional measures to tackle sickness absence	80	(2,620)
	Economic Development	Reverse disposal of Mansion House	31	(2,589)
	Economic Development	Reverse Playground Management	31	(2,558)
	Economic Development	Reverse Playground Inspections	52	(2,506)

Economic Development	Reduce Community Park Rangers and Urban Rangers	83	(2,423)
Planning, Transport and Environment	Free Parking for Doctors and Carers	30	(2,393)
Planning, Transport and Environment	Reverse Operational Hours of Cemetery Service	49	(2,344)

FUNDING

In addition to the above adjustments to net expenditure, it is proposed to drawdown from the General Reserve an amount of £2.9 million to fund the budget. Collectively, the impact of all these proposals allows for a reduction in the proposed increase to the rate of Council Tax from 6% to the proposed 2.98%.

CAPITAL

Reduced Expenditure Commitments:

Planning, Transport and Environment	Strategic Cycleway Improvement Programme. Reduce by £600,000 and transfer to Bus Corridor Improvements	(600)	(600)
Economic Development	Following outsourcing of waste management, reduction in Waste Recycling and Collection Review	(275)	(875)

New/Increased Expenditure Commitments:

Planning, Transport and Environment	Bus Corridor Improvements. Additional sum for Bus Corridor Improvements, including technology to prioritise buses at traffic lights on key routes.	500	500
Planning, Transport and Environment	Carriageway Investment - Potholes	275	775
Planning, Transport and Environment	Footway Investment	100	875

TOTAL NET CAPITAL POSITION		0	0
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Proposed by Cllr Calum Davies
Seconded by Cllr John Lancaster

Statutory Officers Commentary on the Conservative Budget Proposals 2024/25

Financial Implications

The proposal from the Conservative Group includes the removal of five savings proposals, six additional savings proposal, three new expenditure commitments and a drawdown from the General Reserve. This would facilitate a reduction in the proposed increase to the rate of Council Tax, with the amendment proposing an increase of 2.98%.

The Conservative Budget proposal includes the removal of five savings proposals totalling £246,000. This will reinstate expenditure to Playground Management (£31,000) and Playground Inspections (£52,000). The disposal of Mansion House will be stopped thus reinstating expenditure of £31,000 along with maintaining the Cemetery service at existing operational hours (£49,000) and keeping the Park Ranger service at its current staffing levels (£83,000).

Given the limited time available, the savings proposals have not been subject to detailed discussions with directorates, consultation where necessary, nor have equality impact assessments or wellbeing evaluations been undertaken in respect of these. However, within this constraint, they have been reviewed as to their financial achievability and risk particularly in respect to timing.

The six savings proposals total £2.8 million and will require further detail in order to provide assurance that they will deliver the amount proposed but, at this stage, due to uncertainty and the amount being proposed, this must be seen as a red risk for achievability. The proposed savings include £750,000 for a management restructure at all tiers which, due to lack of detail, will be rated as a red risk for both achievability and impact. There is, in addition, a stretch target of £600,000 in order to deliver more income from the Council estate including County Hall, City Hall and Mansion House. This saving proposal will need to ensure that the £600,000 income is after any additional costs have been taken into account and, for that reason, the risk rating for achievability is red.

There is a savings proposal to outsource Waste Management delivering £500,000 which will deliver savings in a part year. The impact of this proposal on both the budget savings already proposed and the amount of time taken to establish the mechanism for delivering the appropriate vehicle for the service means that this proposal is also red risk for achievability.

There is also a £300,000 savings proposal in respect to further regional working across services, through either pooling services or providing a service for neighbouring councils. There will be a need for opportunities to be identified and agreements to be put in place, thus putting pressure on the level of saving being proposed. Therefore, this proposal must also be rated as red risk for achievability.

The remaining two savings look to deliver savings in staffing through sickness absence reduction (£500,000) and a reduction in agency and consultancy spend across the Council (£150,000). Whilst it is noted that the proposals provide an additional £80,000 to develop measures to address sickness absence, the sickness absence savings will need to show themselves as a reduction in headcount. This represents a risk in terms of timing considering the level of saving proposed and is therefore rated as red risk. The reduction in agency and consultancy spend is rated as amber/green for achievability but there would need to be an understanding of the impact on the services where this reduction is made.

Further to the additional expenditure proposed of £80,000 on sickness absence measures, there is an additional £100,000 financial pressure for the protection and expansion of bus routes and £30,000 to enable the provision of free parking permits for doctors and carers.

In addition, this proposal draws down £2.9 million from the General Reserve. The level of General Reserve currently stands at £14.255 million and thus the proposal is a substantial reduction on the level of General Reserve and must be seen as a significant weakening of the Council's overall financial resilience. The substantive budget being proposed to Council already includes a drawdown of £3.5 million from earmarked reserves and the overall balance on earmarked and General reserves is projected to reduce from £129.008 million to £86.335 million. It is within this context that a further drawdown from earmarked or General Reserve at this level must be seen as a red risk and of great concern.

In addition to the revenue proposals outlined above, proposals have also been put forward in relation to the Capital Programme. In total, there are two proposals for reductions to expenditure commitments, releasing related funding to increase the proposed expenditure commitment in relation to the Bus Corridor improvement scheme and for additional investment in Footways and in Carriageways. The total net effect on the Capital Programme is nil but any impacts on the proposed match funding arrangements and scheme deliverability would need to be determined.

In summary, if this proposal is accepted, due to the quantum of savings proposed, the number of red risks for achievability identified and the concerns as to the potential for a weakening of the Council's overall financial resilience, it will be necessary to implement a heightened process of early budget monitoring and appraisal and review of project development associated with the proposals. This will of necessity include earlier tracking and monitoring of savings delivery and a robust focus on the identification of appropriate mitigation measures to offset any shortfalls. If any significant issues in respect of the detail behind any savings proposals are identified, it may also be necessary to bring an urgent report to Council during the financial year.

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 them. As regards the proposals in respect of reductions in the General Contingency Budget and the drawdowns in budget reserves, 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 sets out this advice, including advice on financial resilience, reserves and contingencies.

Specific plans which are developed in relation to the proposals put forward will require evaluation in relation to the Council's wellbeing objectives, and may require consultation with the public, staff, and trade unions, as well as Equality Impact Assessments. Decisions taken in advance of this detailed work, can only be "in principle" decisions subject to the necessary consultation, equality impact assessments and wellbeing evaluations, and the results of these must be taken into account by the decision makers when considering any decision whether or not to implement. The time necessarily taken to follow these decision-making processes, is likely to result in these proposed savings not having a full year effect in 2024/5.

The proposals put forward to reduce agency and consultancy spend and put in place additional measures to tackle sickness absence mean that consideration must be given to whether consultation is appropriate and/or an equality impact assessment is 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.

The recommendations for a management restructure, and regional working via pooled services if approved, would require detailed advice (including legal advice) to be obtained on the process to be followed, financial implications such as redundancy costs, consultation and other requirements.

The recommendation to outsource the waste management service would require a project team to be assembled to produce a business case and if accepted, then work on the detail of the project. This would require detailed legal, HR and procurement advice, the evaluation of the proposals on existing contracts and shared working arrangements, and if the project were to progress, documentation such as specifications and contracts to be prepared. Under employment legislation (The Transfer of Undertaking Regulations) existing staff would be likely to transfer to the new service provider on their current terms and conditions of employment, limiting the ability to make any savings on staffing costs.

Please note that 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.

Resources Available: -	£000	£000
Welsh Government	623,158	
Use of Reserves	6,400	
Council Tax – 2.98%	<u>216,283</u>	
		845,841
 Resources Needed: -		
2023/24 Base Budget B/f	806,474	
Commitments, inflation and realignments	58,799	
 Less:		
Savings	<u>(19,432)</u>	
		845,841

RECOMMENDATIONS CONSERVATIVE GROUP

(a) Recommendations to Council

The Cabinet, 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 2.98% as set out in this report and that the Council resolve the following terms.

2.0 Note that at its meeting on 14 December 2023 Cabinet calculated the following amounts for the year 2024/25 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992:

a) 151,372 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.

Lisvane	3,068
Pentyrch	3,709
Radyr	4,090
St. Fagans	2,006
Old St. Mellons	2,512
Tongwynlais	830

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 2024/25 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 £568,735). £1,324,106,735

b) Aggregate of the amounts which the Council estimates for items set out in Section 32(3)(a) and (c). £484,497,000

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. £839,609,735

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. £623,157,566

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. £1,432.58

f) Aggregate amount of all special items referred to in Section 34(1). £568,735

- 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.

£1,428.82

- 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	1,452.45
Pentyrch	1,481.42
Radyr & Morganstown	1,469.23
St Fagans	1,454.59
St Mellons	1,450.82
Tongwynlais	1,463.64

- 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	968.30	1,129.68	1,291.06	1,452.45	1,775.22	2,097.98	2,420.75	2,904.90	3,389.05
Pentyrch	987.62	1,152.21	1,316.82	1,481.42	1,810.63	2,139.83	2,469.04	2,962.84	3,456.64
Radyr	979.49	1,142.73	1,305.98	1,469.23	1,795.73	2,122.22	2,448.72	2,938.46	3,428.20
St. Fagans	969.73	1,131.34	1,292.97	1,454.59	1,777.84	2,101.07	2,424.32	2,909.18	3,394.04
Old St. Mellons	967.22	1,128.41	1,289.62	1,450.82	1,773.23	2,095.63	2,418.04	2,901.64	3,385.24
Tongwynlais	975.76	1,138.38	1,301.01	1,463.64	1,788.90	2,114.15	2,439.40	2,927.28	3,415.16
All other parts of the Council's Area	952.55	1,111.30	1,270.06	1,428.82	1,746.34	2,063.85	2,381.37	2,857.64	3,333.91

- 2.2 Note that for the year 2024/25, 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 £
235.11	274.30	313.48	352.67	431.04	509.41	587.78	705.34	822.90

- 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 2024/25 for each of the categories of dwellings shown below: -

Part of Council's Area
VALUATION BANDS

Area	A £	B £	C £	D £	E £	F £	G £	H £	I £
Lisvane	1,203.41	1,403.98	1,604.54	1,805.12	2,206.26	2,607.39	3,008.53	3,610.24	4,211.95
Pentyrch	1,222.73	1,426.51	1,630.30	1,834.09	2,241.67	2,649.24	3,056.82	3,668.18	4,279.54
Radyr	1,214.60	1,417.03	1,619.46	1,821.90	2,226.77	2,631.63	3,036.50	3,643.80	4,251.10
St. Fagans Old St.	1,204.84	1,405.64	1,606.45	1,807.26	2,208.88	2,610.48	3,012.10	3,614.52	4,216.94
Mellons	1,202.33	1,402.71	1,603.10	1,803.49	2,204.27	2,605.04	3,005.82	3,606.98	4,208.14
Tongwynlais	1,210.87	1,412.68	1,614.49	1,816.31	2,219.94	2,623.56	3,027.18	3,632.62	4,238.06
All other parts of the Council's Area	1,187.66	1,385.60	1,583.54	1,781.49	2,177.38	2,573.26	2,969.15	3,562.98	4,156.81

- 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 2024 to March 2025 in respect of the precept levied by the Police and Crime Commissioner for South Wales in the sum of £53,384,363.

- 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 2024 to 31 March 2025 namely:

	£
County Council of the City and County of Cardiff	155,460
Vale of Glamorgan County Borough Council	17,620

- 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 2024/25.

- (b) Approve the Treasury Management Strategy 2024/25 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 2024/25 – 2028/29 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 2024/25.

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 Calum Davies Conservative Group
5 March 2024