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Governance & Audit Committee Financial Update

26th March 2024



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Month 9 2023/24



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Month 9 – Reported to Cabinet 29th February



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Directorate	£000
Corporate Management	(23)
Economic Development	2,234
Recycling & Neighbourhood	294
Education & Lifelong Learning	1,746
Housing, & Communities	(480)
Performance & Partnerships	(106)
Adult Services (after contingency allocation)	0
Children's Services (after contingency allocation)	3,633
Planning, Transport & Environment	106
Governance & Legal Services	624
Resources	(546)
Total Directorate Position	7,482
Capital Financing	(2,200)
General Contingency	(1,000)
Summary Revenue Account / Council Tax	(1,550)
TOTAL	2,732



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Budget Strategy 2024/25 And Medium-Term Challenge



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Revenue Budget 2024/25



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Resources Required	£000
Base Budget Brought Forward	806,474
Pay Award	7,671
Price Inflation	12,574
Commitments (including Capital Financing)	5,292
Realignments	12,421
Demographic Pressures	6,773
Schools Pressure	12,804
Sub Total Cost Pressures 2024/25	57,535
Impact on CTRS Budget of 6.0% Council Tax	2,183
Savings	(16,908)
Total Resources Required	849,284

Resources Available	£000
AEF	623,158
Council Tax – 2024/25 Tax Base and 2023/24 Rate	210,024
Council Tax (before impact on CTRS)	12,602
Base assumption for Use of Reserves	500
Additional use of Reserves as part of strategy	3,000
Total Resources Available	849,284

£32.307 million budget gap



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Savings



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Savings	£000
Efficiency Savings	(10,470)
Corporate Savings	(2,386)
Service Change Proposals	(4,052)
TOTAL	(16,908)

Efficiency Savings	£000
Review of Staffing Arrangements	(6,137)
Reduction in External Spend & Premises Costs	(2,615)
Increase in Income & grant maximisation	(1,718)
TOTAL	(10,470)

Efficiency Savings

- Achieving the same output (or more) for less resource, with no significant impact on the resident / customer.

Corporate Savings

- £1m removal of general contingency
- £0.5m reduction in Adult Services contingency (to £1.5m)
- £0.150m reduction in Children's Services contingency (to £2.0m)
- Cross cutting savings – supplies & services, hybrid mail, mobiles, car allowances - £0.736m

Service Change Proposals

- Range of savings agreed post consultation (*see next slide*)

Equality Impact Assessment (EqIA)

- All relevant budget proposals have been subject to a EqIA, the findings of which have informed the Council's consultation and engagement activity
- The Council engages directly with any groups identified as being disproportionately impacted



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Consultation



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Ask Cardiff

- Budget Priority Question - 3,187 responses
- Top three priorities both short and long term were
 - School & Education including Youth Services
 - Supporting vulnerable children & families
 - Supporting vulnerable adults & older people
- Revenue Budget and Capital Programme support these areas

Citywide Consultation - 9,001 responses

- Built on findings of Ask Cardiff
- Ran between 8th Jan 2024 to 4th Feb 2024
- Measures included in the 2024/25 Budget are consistent with the outcomes of citywide consultation as far as resources allow.

Reflection of Consultation Feedback in the 2024/25 Budget

- Cabinet did not take forward some proposals consulted upon at this time - these included proposals totalling £1.019 million in relation to ward-based cleaning and focussed placement of public bins.
- In addition, other proposals whilst taken forward were at a lower level to that consulted upon. These included proposals in relation to Community Park Rangers, Community Hubs, Local Action Teams and increases to some fees and charges including sports pitches and out of hours burials



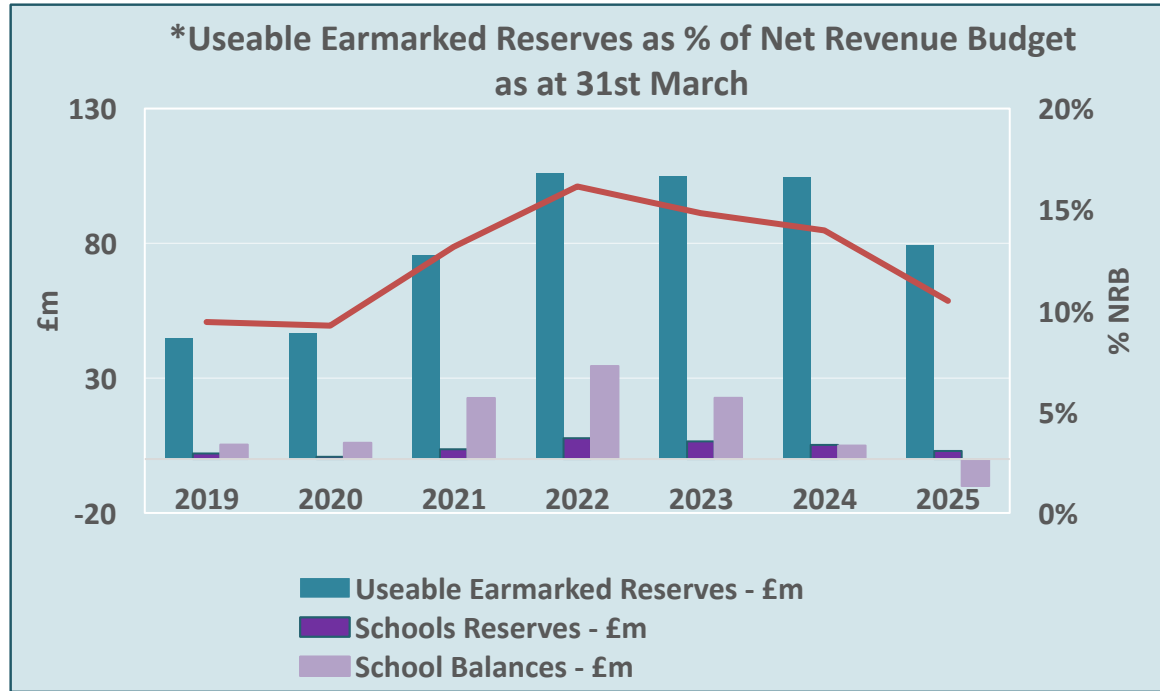
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Financial Resilience - Reserves



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	Projection at 31 March 2024 £000	Projection at 31 March 2025 £000
General Fund Reserve	14,255	14,255
General Fund Earmarked Reserves	108,752	81,179
Schools Balances	5,000	(10,000)
HRA General Reserves	15,502	15,502
HRA Earmarked Reserves	5,300	5,221



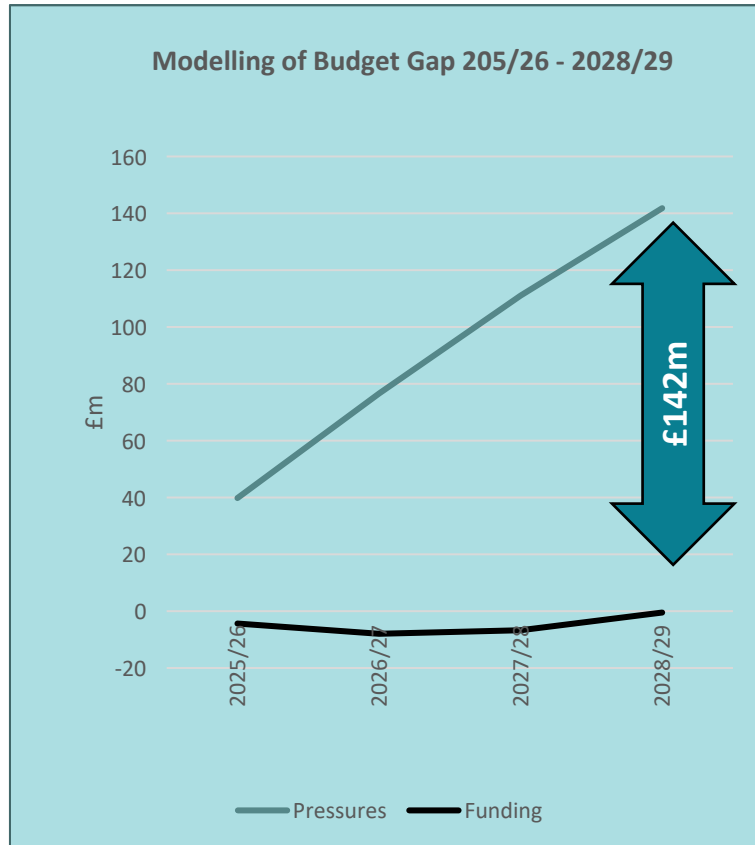
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Medium Term Financial Plan 2025/26 – 2028/29



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Directorate	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Total Pressures	39,948	36,777	34,427	30,723	141,875
Funding - AEF & Reserves	4,369	3,625	(1,256)	(6,269)	469
Total Budget Gap	44,317	40,402	33,171	24,454	142,344
Council Tax - Modelled at 3.95%	(7,382)	(7,674)	(7,977)	(8,292)	(31,325)
Savings	(36,935)	(32,728)	(25,194)	(16,162)	(111,019)
Budget Strategy Requirement	(44,317)	(40,402)	(33,171)	(24,454)	(142,344)

- C-Tax assumptions are used for modelling purposes only – reflect last 3 year’s average rate
- Above is a base case – other scenarios are considered in the MTFP
- MTFP also outlines several key risks to keep under review
- Will require review of budget-setting timescales to deliver savings on the levels required



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Housing Revenue Account – MTFP



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- Background, key objectives and service priorities
- Rent policy framework – average 2024/25 rent increase approved Dec 23
- +6.7% - £7.92 per week (£8.41 based on 49-week collection)
- Final year of current WG rent policy of CPI +1% - no confirmation beyond this year
- Revenue Budget and Capital Investment Programme
- Medium Term Financial Plan
- Additional capital investment to meet demand for new affordable housing and external/internal improvements including building safety and energy efficiency schemes
- Investment in new sheltered housing and specialist accommodation schemes
- Revenue budget impact of increased capital financing and operating costs of additional schemes in response to the housing emergency
- Key assumptions
- Affordability and Value for Money
- Cost Efficiencies
- Financial Resilience
- Key Risks and Uncertainties
- HRA 30-Year Business Plan to be sent to WG March 2024



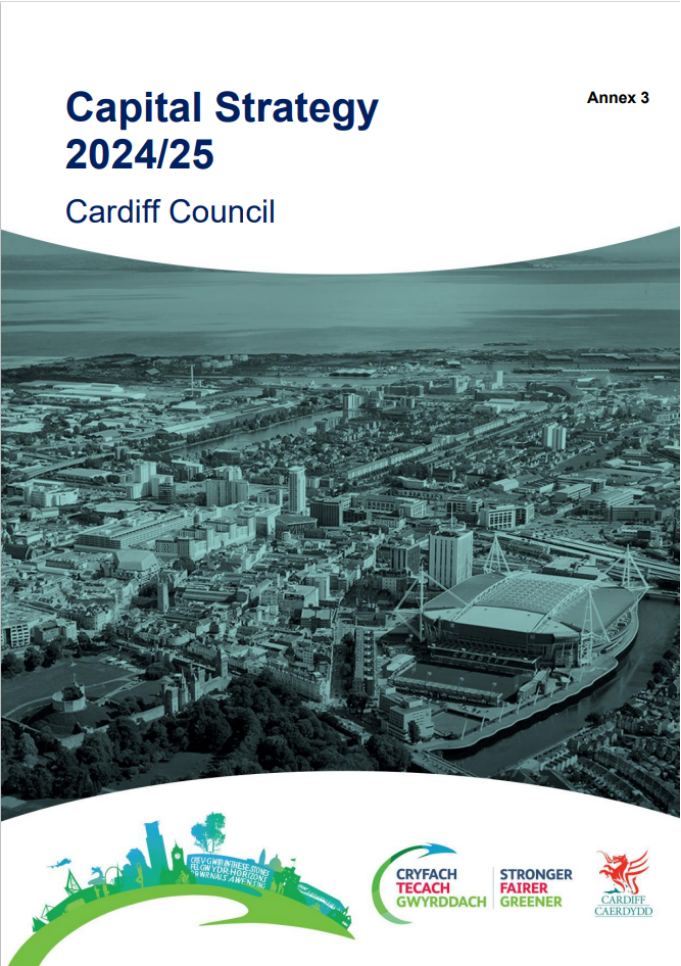
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Capital Strategy 2024/25



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Sets out Council’s approach to:

- Working with partners
- Asset Management Planning
- Risk Appetite
- Governance and decision-making
- Five Year Capital Investment Programme - General Fund and HRA
- Funding the strategy and investment programme
- Managing the borrowing requirement and link to the proposed Treasury Management Strategy
- Prudent Minimum Revenue Provision (MRP) Policy i.e approach to repayment of expenditure to be paid for by borrowing
- Affordability and Prudential indicators.

Additional investment includes in the following areas with detail in Annex 3
Disabled Adaptations
Schools Property Asset Renewal to continue to improve condition of existing schools
21 st Century Schools – Additional contribution to financial model
New Social Housing

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Treasury Management Strategy 2024/25



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Treasury Management Strategy 2024/25

Annex 4

Cardiff Council



Sets out Council's:

- Treasury position at 31 January 2024
- Economic Background
- Borrowing Policy and Strategy
- Treasury indicators and limits
- Investment Policy and Strategy

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Work Planned Into 2024/25



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Work Ongoing / Planned



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- Accounts and Audit 2022/23
- Accounts Closure 2023/24
- Delivery of a budget strategy 2024/25 including regular monitoring / budget management focus
- Consideration **NOW** of the challenge for 2025/26 and beyond:
 - Report an update this summer
 - Consideration of the Council's Operating Model going forward and the need to transform services to support delivery
- Ongoing review / focus on Financial Resilience and Assurance



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