
**DRAFT CORPORATE PLAN 2016 – 2018 and 2016-17 DRAFT BUDGET
PROPOSALS – including draft Strategy for Older People’s Day
Opportunities and Supporting People Spend Plan 2016/17**

Purpose of report

1. The Council’s Constitution allows for Scrutiny Committees to consider the draft Cabinet budget proposals prior to their consideration by the Cabinet and Full Council. This report provides Members with context for the scrutiny of those sections of the Council’s draft Corporate Plan 2016-2018 and draft 2016/17 Budget Proposals that relate to the portfolios and service areas that fall within the remit of this Committee.

2. The scope of the scrutiny is as follows:
 - the relevant sections of the Corporate Plan;
 - the relevant Budgetary Proposals re their alignment with the Corporate Plan – to test whether they support delivery of the aims and priorities detailed in the Corporate Plan;
 - the relevant Budgetary Proposals in terms of potential impact on service delivery, service users and citizens of Cardiff; and
 - the achievability and deliverability of the proposed savings.

3. The Scrutiny Committee’s comments or recommendations will be considered by the Cabinet prior to finalising their budget proposals. The draft Cabinet budget proposals will be taken to the Cabinet Meeting on 18 February 2016 for agreement, and at this meeting a formal decision will also be taken determining the Cabinet’s budget recommendations for consideration by Council, at its meeting on 25 February 2016.

Structure of Papers

4. Attached to this report, Members will find the following appendices, which contain information relevant to this Committee's terms of reference:

- a. Draft Corporate Plan 2016-2018 – **Appendix 1**
- b. Post Consultation Changes – **Appendix 2** , includes:
 - Summary of Post consultation changes - £14.095 million
 - Schedule of amended 2016/17 savings proposals
 - Post consultation changes – Financial Resilience Mechanisms and Additional Pressures
- c. 2016/17 Proposals Overview – **Appendix 3, includes:**
 - Overview of 2016/17 savings proposals
 - Council wide budget savings proposals 2016/17
 - Addressable Spend – budget savings proposals 2016/17
- d. Directorate Savings Proposals - **Appendix 4**
- e. Financial Pressures 2016/17 – **Appendix 5**
- f. Draft Capital Programme 2016/17 - 2020/21 – **Appendix 6**
- g. Employee Implications of Budget – **Appendix 7**
- h. Directorate Budgetary Analysis sheets – **Appendix 8**
- i. Draft Strategy for Older People Day Opportunities – **Appendix 9**
- j. Supporting People Spend Plan 2016-17 – **Appendix 10**
- k. Relevant extracts from the Cardiff Debate Report – **Appendix 11.**

5. The savings, financial pressures and capital programme documents have been colour- coded as follows:

- a. **Shaded rose pink** – Economic Development and Partnerships proposals that fall within this Committee's terms of reference
- b. **Shaded light green** – Community Development, Cooperatives and Social Enterprises proposals that fall within this Committee's terms of reference
- c. **Shaded pale yellow** – Health, Housing and Well Being proposals that fall within this Committee's terms of reference
- d. **Shaded pale blue** – Skills, Safety, Engagement and Democracy proposals that fall within this Committee's terms of reference
- e. **Shaded grey** - those which fall within the terms of reference of another scrutiny committee.

6. The Employee Implications of Budget, attached at **Appendix 7**, shows the posts to be deleted or created as a result of budget proposals. Those which fall within the terms of reference of another scrutiny committee are shaded grey; those within this Committee's terms of reference are shaded using the colours detailed at point 5.
7. The Directorate Budgetary Analysis sheets attached at **Appendix 8** provide current year information by service divisions within the Directorates. Each line is coded alphabetically (on the far left) and the letters correspond to the 'cross-reference' column on the Savings Proposals spreadsheet.

Structure of Meeting

8. The following Cabinet Member and officers have been invited to give a short presentation giving a corporate overview of the 2016-17 Budget Proposals as they impact on the Committee's terms of reference, and to answer any general questions arising:
 - Councillor Graham Hinchey, Cabinet Member (Corporate Services and Performance)
 - Christine Salter (Corporate Director - Resources)
 - Gareth Newell (Operational Manager, with responsibility for coordinating the production of the Corporate Plan 2016-18)
 - Edward Janes (Cardiff Research Centre, with responsibility for coordinating the production of the Budget Consultation Report 2016)
9. The meeting is then structured by Cabinet Member Portfolio area, as follows:
 - a. Cllr Phil Bale - Leader, Economic Development and Partnerships
 - b. Cllr Peter Bradbury - Community Development, Co-operatives and Social Enterprise
 - c. Cllr Elsmore - Health, Housing and Well Being
 - d. Cllr De'Ath – Skills, Safety, Engagement and Democracy.

10. Cabinet Members will be invited to give a short statement on sections of the draft Corporate Plan and budget proposals that are relevant to their Portfolio. Officers will be in attendance to answer Members' questions on these.

Draft Corporate Plan 2016-2018

11. The Corporate Plan 2016-2018 is attached in full at **Appendix 1**. This includes:

- a. Foreword by the Leader – page 4;
- b. Vision for Cardiff – page 5;
- c. Delivering the Vision – page 6;
- d. Pressures facing the City – page 8;
- e. The Need to Prioritise – page 10;
- f. Priorities and Improvement Objectives – page 12
- g. Appendix A – Performance Indicators and Targets 2016-18 - page 38.

12. The draft Corporate Plan 2016-18 identifies the following four priorities:

- a. Better Education and Skills for All;
- b. Supporting Vulnerable People;
- c. Creating more jobs and better paid jobs; and
- d. Working together to transform services.

13. The relevant priorities for this Committee are Priority 2 'Supporting vulnerable people' and Priority 4 'Working together to transform services'. Targets for 2016/17 are shown under each of the Improvement Objectives detailed in the draft Corporate Plan 2016 -18, under the heading 'Measuring Progress' at the end of each Improvement Objective section.

14. With regard to the Improvement Objective 'People at risk in Cardiff are safeguarded' – page 24 – the following commitments fall within the terms of reference of this Committee:

- a. Implement a fully re-commissioned domestic violence support service to meet the requirements of new legislation which ensures more integrated provision by March 2017
 - b. Work to make Cardiff a recognised Dementia Friendly City by March 2018
 - c. Complete roll out of the second phase of a specialist training programme regarding the Social Services and Well Being (Wales) Act 2014.

15. With regard to the Improvement Objective 'People in Cardiff have access to good quality housing' – page 25 – all of the commitments fall within the terms of reference of this Committee.

16. With regard to the Improvement Objective 'People in Cardiff are supported to live independently' – page 26 – all of the commitments fall within the terms of reference of this Committee.

17. With regard to the Improvement Objective 'Communities and partners are actively involved in the design, delivery and improvement of highly valued services' – page 35 – the commitment with regard to Hubs falls within the terms of reference of this Committee.

18. The Plan confirms that each Directorate will publish a Delivery Plan which will provide greater detail on how objectives contained in the Plan will be delivered. The Corporate Plan, Directorate Delivery Plans and Organisational Development Plan will together shape dialogue with external stakeholders.

19. The Plan clearly sets out the level of financial challenge facing the Administration, Council and City, coupled with the demographic pressures creating additional need. The Administration commits itself to working closely with staff and trades unions in maintaining strong and effective services during a time of austerity and uncertainty.

20. The draft Corporate Plan is specifically targeted to informed stakeholders, and a short, community facing version will be produced once the plan has been finalised. Completion of the Plan will take account of Scrutiny recommendations, the outcome of the Budget consultation, and feedback from the Member workshop.
21. Commenting on last year’s Corporate Plan 2015-17, the Wales Audit Office noted that *“the Council had made a step change in improving the quality of its 2015-16 Improvement Plan when compared to the previous year.”*¹

Summary of Budgetary Position

22. As at 12 February 2016, the Council finds itself with a funding shortfall of approximately £33,128 million for 2016/17 (before savings or Council Tax increase). The shortfall comprises of:

BUDGETARY GAP:-	£000
Resources Available	572,816
Resources Required	605,944
TOTAL GAP – to be found from Savings and Council Tax	33,128

23. The budgetary gap has decreased from the forecast gap of £45.6 million in December 2015. This is largely due to the Welsh Government provisional settlement resulting in an additional £11.56 Million for Cardiff Council, compared to the amount estimated for the Budget consultation as at December 2015. Due to the timings of the UK Government Comprehensive Spending Review, the Welsh Government Final Settlement to local authorities is not due to be announced until 9 March 2016.

¹ WAO Cardiff Council Annual Improvement Report 2014-15 (August 2015)

24. The resources available comprise £572,816 and are made up as follows:

Resources Available	£000
AEF – Aggregate External Finance	426,285
Council Tax (at nil increase)	144,461
Use of Reserves to support the budget	2,070
TOTAL GAP	572,816

25. The Provisional Settlement, coupled with consideration of the responses to the consultation undertaken on draft proposals, has led to revised proposals. A summary of the Post Consultation Changes is shown at **Appendix 2** , and includes:

- a. Summary of Post consultation changes - £14.095 million
- b. Schedule of amended 2016/17 savings proposals - £2,833 million
- c. Post consultation changes further details – Financial Resilience Mechanisms and Additional Pressures - £4,971 million.

26. Overall savings proposals have been identified, as shown in **Appendix 3**, as follows:

Funded by:-	£000
Directorate Savings (per consultation)	20,344
Council Wide Savings	2,895
Addressable Spend Savings	5,596
TOTAL SAVINGS	28,835
Net Income from Council Tax	4,293
Total from Savings and Council Tax	33,128

27. In terms of the Directorate savings proposals of **£20,344** million:

- a. **£5,326 million** are savings from **employee costs**;
- b. **£9,850 million** are saving from **other spend**;
- c. **£3,923 million** from increased **income**; and
- d. **£1,245 million** to be confirmed.

Total Savings by Directorate	Employee £000	Other £000	Income £000	TBC £000	Total £000	%
City Operations	1,820	3,013	1,903	850	7,586	37.3%
Communities, Housing and Customer Services	465	188	606	0	1,259	6.2%
Corporate Management	54	253	0	0	307	1.5%
Economic Development	273	263	355	395	1,286	6.3%
Education and Lifelong Learning	1,249	1,580	245	0	3,074	15.0%
Governance and Legal Services	50	10	65	0	125	0.6%
Resources	780	313	749	0	1,842	9.0%
Social Services	635	4,230	0	0	4,865	24.0%
Directorate Savings	5,326	9,850	3,923	1,245	20,344	100%

28. Details of the Directorate Savings Proposals are shown at **Appendix 4**.

These proposals provide risk analysis information in terms of residual risk, achievability and Equality Impact Assessment. Where a screening identifies a red or red/amber risk a full Equality Impact Assessment is undertaken. Members can view these at:

<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Pages/Equality-Impact-Assessment-Budget-2016-17.aspx>

Directorate Financial Pressures 2016-17

29. The sections of Directorate Financial Pressures that are relevant to this Committee's terms of reference are attached at **Appendix 5**. All of these fall within the Social Services Directorate, totalling **£343,000**. Further details are provided at point 33, below.

Council Capital Programme 2016-17 – 2020-21

30. The sections of the draft Capital Programme that are relevant to this Committee's terms of reference are attached at **Appendix 6**. The proposed 2016/17 budget outlines capital expenditure proposals of **£114,329** million for 2016/17 and an indicative **£300,114** million for the

2017/18 to 2020/21 financial years. Further details are provided below under each relevant Cabinet Member portfolio section.

Budget 2016/7 – Specific Proposals within CASSC terms of reference

31. This report provides the Committee with an opportunity to consider the draft Cabinet budgetary proposals and their alignment to the Corporate Plan 2016 - 2018, for the proposals which relate to this Committee's terms of reference. These are set out below in agenda order.

Economic Development and Partnerships

32. Councillor Phil Bale, Leader and Cabinet Member for this Portfolio, and Sarah McGill (Director of Communities, Housing and Customer Service) have been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendix 1 Corporate Plan** and **Appendices 4 and 6** in relation to the following proposals:

Savings Proposals - Appendix 4

- a. **Line 62** – Neighbourhood Regeneration - £142,000

Capital Programme- Appendix 6

- b. **Line 6** – Community Shopping Centre Regeneration
- c. **Line 12** – Neighbourhood Renewal Schemes
- d. **Line 37** – Maelfa Centre.

Community Development, Co-operatives and Social Enterprise

33. Councillor Peter Bradbury, Cabinet Member for this Portfolio, Sarah McGill (Director of Communities, Housing and Customer Service), Ken Poole (Head of Economic Development) and Kathryn Richards (Head of Culture, Venues and Events) have been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendix 1 Corporate Plan** and **Appendices 4, 6 and 7** in relation to the following proposals:

Corporate Plan – Appendix 1

- a. Progress the agreed Community Hubs development programme by delivering new Hubs – page 35

Savings Proposals - Appendix 4

- b. **Line 76** – Alternative model for the delivery of the Taxi Marshal services - £122,000
- c. **Line 77** – Increase in City Centre Management income - £45,000

Capital Programme- Appendix 6

- a. **Line 28** – Citizen Hubs
- b. **Line 45** – St Mellon’s Hub
- c. **Line 46** – STAR hub
- d. **Line 55** – Citizen Hubs

Employee Implications of Budget – Appendix 7

- a. Line 19 – Alternative model for delivery of taxi marshal – delete 3 FTE²

Health, Housing and Well Being

34. Councillor Susan Elsmore, Cabinet Member for this Portfolio, Sarah McGill, (Director of Communities, Housing and Customer Services), Tony Young (Director of Social Services), Jane Thomas (Assistant Director Communities and Housing) and Amanda Phillips (Assistant Director Adult Social Services) have been invited to give a presentation and answer Members questions’ on the draft Corporate Plan and budget proposals for this portfolio.

35. Members are asked to refer to **Appendix 1 Corporate Plan** and **Appendices 4, 5, 6 and 7** in relation to the following proposals:

² FTE stands for Full Time Equivalent posts

Corporate Plan – Appendix 1

- a. Work to make Cardiff a recognised Dementia Friendly City by March 2018 – page 24
- b. Complete roll out of the second phase of a specialist training programme regarding the Social Services and Well Being (Wales) Act 2014 – page 24
- c. Improvement Objective ‘People in Cardiff have access to good quality housing’ – page 25³
- d. Improvement Objective ‘People in Cardiff are supported to live independently’ – page 26 – all of the commitments.

Savings Proposals - Appendix 4

Communities, Housing and Customer Services

- e. **Line 54** – Refocusing Services from Hubs - £100,00
- f. **Line 55** – Alarm Receiving Centre additional income - £300,000
- g. **Line 59** – Recharging of management costs to appropriate funding streams - £65,000
- h. **Line 61** – Review of reablement services - £193,000

Social Services

- i. **Line 139** – Review of commissioned services - £1,000,000
- j. **Line 140** – Learning Disabilities Supported Living Contract - £350,000
- k. **Line 141** – Reshape Day Services for Older People - £250,000
- l. **Line 142** – Review of Continuing Health Care eligibility for Physical Disability care packages - £100,000
- m. **Line 143** – Review of Third Sector Grants - £75,000
- n. **Line 144** – Review of Commissioning within the Community Alcohol and Drug Team - £100,000
- o. **Line 145** – Review of administrative arrangements for Direct Payments - £200,000
- p. **Line 148** – Reduction in travel costs - £25,000
- q. **Line 149** – Efficiency savings due to integration of directorate’s central functions - £130,000
- r. **Line 150** – Review of staffing within Assessment and Care Management - £100,000

³ Please note that Councillor Derbyshire is the Lead Member for the Commitment with regard to Rent Smart Wales; Councillor Elsmore is the Lead Member for all other Commitments.

- s. **Line 151** – Demand Management – Signposted alternative provision - £250,000
- t. **Line 152** – Locality based service delivery - £250,000.

Financial Pressures – Appendix 5

- q. **Line 8** – Social Services and Well Being Act (Information, Assistance and Advice) - £143,000
- r. **Line 9** – Social Services and Well Being – Advocacy - £50,000
- s. **Line 10** – Families with no recourse to Public Funds - £150,000.

Capital Programme- Appendix 6

- t. **Line 7** – Disabled Adaptations Grants
- u. **Line 14** – Owner Occupied Costs – Housing Regeneration and External Cladding
- v. **Line 56** – Day Centre Opportunities Strategy
- w. **Line 57** – Disabled Adaptations Grants
- x. **Lines 79 – 85** - Public Housing Capital Programme (HRA).

Employee Implications of Budget – Appendix 7

- y. **Line 16** – Review of Reablement Services – delete 4 FTE
- z. **Line 42** – Reshape Day Services for Older People – delete 11.10 FTE
- aa. **Line 44** – Efficiency savings due to integration of Directorate’s central function – delete 4 FTE
- bb. **Line 45** – Review of staffing within Assessment and Care Management – delete 2 FTE
- cc. **Line 46** – Social Services and Well Being Act (information, Assistance and Advice – create 3.5 FTE
- dd. **Line 47** - Families with no recourse to public funds – create 2 FTE.

Draft Strategy for Older People’s Day Opportunities

36. The draft Strategy for Older Peoples Day Opportunities is attached at **Appendix 9**, along with the Older People’s Day Opportunities Strategy Report detailing the consultation process and findings. This Committee previously carried out policy development of the draft Strategy in November 2015 and heard from affected stakeholders at a special Committee Meeting held on 20 January 2016. Members have previously received the correspondence resulting from these scrutinies.

Supporting People Spend Plan 2016/17

37. The Supporting People Spend Plan 2016/17 is attached at **Appendix 10** and shows that, overall, £16,268,000 is proposed on Supporting People projects. Members received a briefing on progress regarding finalising the Supporting People Local Commissioning Plan 2016/17 at Committee in December 2015. The timings of the U.K. Government's comprehensive spending review have affected the timeline for the Welsh Government settlement to Welsh local authorities; this in turn has delayed the Supporting People Local Commissioning Plan 2016/19. It is now anticipated that the Plan will be ready for pre-decision scrutiny in March 2016.

Skills, Safety, Engagement and Democracy

38. Councillor Daniel De'Ath, Cabinet Member for this Portfolio, Christine Salter (Corporate Director – Resources, which includes Community Safety) and Dave Holland (Head of Regional Regulatory Services have been invited to answer Members' questions on the draft Corporate Plan and budget proposals for this portfolio. Members are asked to refer to **Appendix 1 Corporate Plan** and **Appendices 4 and 6** in relation to the following proposals:

Corporate Plan – Appendix 1

- a. Implement a fully re-commissioned domestic violence support service to meet the requirements of new legislation which ensures more integrated provision by March 2017 – page 24

Savings Proposals - Appendix 4

- b. **Line 42** – Regulatory Collaboration - £310,000
- c. **Line 133** – Reduction in Community Safety funding - £35,000

Capital Programme- Appendix 6

- d. **Line 1** – Alleygating
- e. **Line 41** – Regionalising Regulatory Services
- f. **Line 59** – Regionalising Regulatory Services.

Consultation & Engagement Process

39. A number of mechanisms are being used to consult and engage with citizens and stakeholders to gather their views regarding the budget proposals. These include:
- a. Cardiff Debate –
 - *Changes for Cardiff*, consisting of on line and hard copies of consultation survey re budget proposals, launched 11th December 2015 and running till 12th January 2016.
 - A series of drop in events in the city centre and each neighbourhood partnership area and with representative forum for young people, 50+ fora and Access Focus Group.
 - b. Links on the Cardiff Council website to the Council Budget, featuring links to the Cardiff Debate, a video explaining the budget position, links to the proposals, background papers, Equality Impact Assessments, details of how to have a say and the on-line survey and the timeline for the budget process⁴.
 - c. Engagement with Trade Unions.
 - d. Engagement with Cardiff Partnership.
 - e. Audit Committee.
 - f. Cardiff Third Sector Council.
 - g. Schools' Budget Forum.
 - h. Employee Consultation.

40. The timetable for the budget consultation process ran from the 11th December 2015 until 12th January 2016. Results have now been analysed and a full copy of the consultation document is available at :
<https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/2016-17/Documents/budget%20consultation%20report/Budget%20Consultation%20Report.pdf>

41. The Executive Summary and relevant sections of the Changes for Cardiff Budget Consultation report are attached at **Appendix 11**. This includes sections on Social Care and Community Safety.

⁴ These are available at: <https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Council-Budget/Pages/default.aspx>

Way Forward

42. Members have the opportunity to scrutinise the draft Corporate Plan 2016/18, the alignment of the draft budgetary proposals 2016/17 with the draft Corporate Plan, the potential impact of the draft budgetary proposals on service delivery, service users and citizens of Cardiff and the achievability and deliverability of the budget proposals.
43. Officers will make a presentation on the overall budget position, and issues falling within the terms of reference of this Committee. The relevant Cabinet Members and Officers will be available to answer Members' questions.
44. Following consideration of the budget proposals, presentations and answers to Member questions, the Committee may wish to provide its comments, observations and recommendations to the Cabinet for consideration at their meeting on 18 February 2016.

Legal Implications

45. 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

46. 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

The Committee is recommended to give consideration to the information attached to this report and received at this meeting and to submit any recommendations, observations or comments to the Cabinet.

Marie Rosenthal

Director of Governance and Legal Services

12 February 2016