

Date: 20 January 2022

Councillor Chris Weaver,
Cabinet Member, Finance, Modernisation & Performance,
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Neuadd y Sir
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Dear Chris,

Policy Review & Performance Scrutiny Committee 18 January 2022

Further to your attendance at Committee earlier this week to update us on budget modelling following the provisional settlement and the 2022/23 budget consultation. I am grateful for your time and ask that you pass on Member's appreciation to Chris Lee, Corporate Director Resources and Gareth Newell, Head of Performance and Partnerships for presenting the position and answering Members questions at the online meeting. I have been asked to pass on Members' comments and observations as follows.

Budget update

In considering the Council's budget position and financial strategy Members note:

- a more positive than expected provisional settlement at 10.7% (£52.6m), and indicative settlements of 3.5% and 2.4% for the following two years respectively.
- the closure of the Covid Hardship Fund on 1st April 2022, and that the budget settlement encompasses all ongoing costs of Covid recovery.
- that based on the modelling, available resources currently exceed resource requirements by £8.999 million.

This provisional settlement has clearly been predicated on the basis that society will need to live with Covid moving forward and indicates that the Council must factor in the ongoing costs required to deal with the resulting budget pressures it causes. The Committee sought an indication of the likelihood that Council Tax will need to increase to deal with pressures and, if so, by how much. You stated that this is presently being reviewed, with a Cabinet decision due shortly. Views were expressed

that with the cessation of the Hardship Fund, communication with Welsh Government should remain open should there be an unexpected further Covid wave.

Whilst you were unable to confirm the position in respect of Council Tax, we note there will be no changes to the Council's modelling assumptions set out in your presentation with nil use of reserves; 4% Council Tax increase to be reviewed, and £9.123m efficiency savings. Members note your clarification that efficiency savings are now also expected from schools' budgets and that in previous years schools' budgets have often been protected. We also note Welsh Government support for Council Tax Benefit.

The Committee was concerned about the costs of Covid to date and noted that expenditure in 2020/21 was £47.7m and income loss was £38.2m. To November 2021/22, expenditure has been £18.7m and income loss £9.9m. Both these claims having included lock down periods.

We therefore welcome news of the better-than-expected settlement and that it will allow the Council to focus on efficiency savings and we look forward to scrutinising the draft proposals at our February meeting.

Budget consultation

The Committee notes the priorities identified in Ask Cardiff for 2022/23 were education, vulnerable children, vulnerable adults, recycling and waste services, street cleansing, homelessness and housing. We note there will be some projects that are still considered of benefit to the public even though Ask Cardiff identifies them as low priority. You acknowledged the importance of hearing from young people in deciding final priorities for the City and that you need to look for different ways to connect with this key groups.

Scrutiny engagement in budget consultation

The Ask Cardiff consultation has clearly become an indicator of public priorities through which the budget might be influenced. Late settlements and other budget consultation can limit the opportunity and scope to make any substantial budget changes resulting from the Ask Cardiff consultation. Some feedback next year on

budget changes which do result from the Ask Cardiff consultation would clarify its status.

The Committee re-iterates its request that pre-decision scrutiny of the full Ask Cardiff consultation is a planned stage in the decision-making process prior to publication. Without that stage PRAP is unable to offer any meaningful input into the consultation process so that bringing budget consultation to committee as a topic in its present form, lacks validity.

Finally, on behalf of the Committee, thank you for your continued support for the internal challenge of the Council's financial planning. This letter captures the observations and comments of Members and, as there are no formal recommendations, it does not require a response.

Yours sincerely,

A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive, flowing style.

COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee;
Chris Lee, Corporate Director Resources;
Gareth Newell, Head of Performance and Partnerships; and
Mr David Hugh Thomas, Chair, Governance & Audit Committee
Chris Pyke, OM Governance & Audit
Tim Gordon, Head of Communications & External Relations
Jeremy Rhys, Assistant Head of Communications and External Affairs
Alison Taylor, Cabinet Support Officer
Joanne Watkins, Cabinet Business Manager;
Andrea Redmond, Committees Support Officer.