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Date: 8th November 2017

Dear Sir/Madam,

A meeting of the **Community Council Liaison Sub-Committee** will be held in the **Council Chamber, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 15th November, 2017** at **7.00 pm** to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

A pre-meeting will be held at 6.30p.m. for all **County Borough Members** in the **Ebbw Room** and all **Community Council Members** in the **Council Chamber**.

Members are reminded that if they have any specific issues they wish to raise at the meeting they should advise the Clerk prior to that date in order that a response can be made available.

Yours faithfully,

A handwritten signature in blue ink that reads 'Chris Burns'.

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

- 1 To receive apologies for absence.
- 2 Declarations of Interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

Pages

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Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



3 To approve and sign the following minutes: -

4 Community Council Liaison Sub-Committee held on 19th July 2017.

1 - 6

5 Matters Arising.

To discuss the following issues raised by the Town and Community Council Liaison Committee: -

6 Draft Budget Proposals 2018/19 (report to be presented to Cabinet attached) - Steve Harris (Interim Head of Corporate Finance) to attend.

7 - 22

7 Leisure Provision throughout the Borough - Mark Williams (Head of Community and Leisure Services) to attend.

8 A468/A469 Pwllpant Roundabout - Kate Dowdall (Senior Engineer) to attend.

9 Public Health Wales Bill.

Circulation:

Councillors A. Angel, C. Andrews, A. Farina-Childs, A. Gair, A.G. Higgs, L. Jeremiah, Ms P. Leonard, Mrs T. Parry, J. Pritchard, J. Ridgewell, Mrs M.E. Sargent, J. Taylor, C. Thomas, A. Whitcombe, R. Whiting and B. Zaplatynski

Cabinet Member: C.J. Cuss (Cabinet Member for Social Care and Wellbeing)

Community/Town Councillors

A Diblasi (Aber Valley Community Council), G. Lewis (Argoed Community Council), H. Llewellyn (Bargoed Town Council), Mrs J. Winslade (Bedwas, Trethomas and Machen Community Council), D. Davies (Blackwood Town Council), Mrs J. Hibbert (Caerphilly Town Council), P. Roberts (Darran Valley Town Council), T. Hall (Draethen, Waterloo and Rudry Community Council), J. A. Pritchard (Gelligaer Community Council), S. Taviner (Llanbradach and Pwllpant Community Council), Ms J. Rao (Maesycwmmmer Community Council), Mrs G. Davies (Nelson Community Council), D. Woodman (New Tredegar Community Council), B. Allen (Penyrheol, Trecenydd and Energlyn Community Council), D.T. Williams (Rhymney Community Council), J. Blackburn (Risca East Community Council), B. Hancock (Risca Town Council) and J. Leek (Van Community Council)

Clerks to all Community/Town Councils and Appropriate Officers



COMMUNITY COUNCIL LIAISON SUB-COMMITTEE

MINUTES OF THE MEETING HELD AT COUNCIL OFFICES, PENALLTA HOUSE, YSTRAD MYNACH ON 19TH JULY 2017 AT 7.00PM

PRESENT:

Community Councillor Ms J. Rao - Vice Chair - Presiding

Councillors:

A. Angel, C. Andrews, A. Farina-Childs, A. Gair, L. Jeremiah, Mrs T. Parry, J. Ridgewell, Mrs M.E. Sargent, C. Thomas, A. Whitcombe, R. Whiting, B. Zaplatynski

Cabinet Member for Social Care and Wellbeing - Councillor C. Cuss

Community/Town Council Representatives:

Aber Valley	- A. Diblas
Argoed	- S. Blakeman, Mrs S. Blakeman
Bargoed	- H. Llewellyn,
Bedwas, Trethomas and Machen	- Mrs J. Winslade, C. Morgan
Blackwood	- D. Davies
Caerphilly	- Mrs J. Hibbert. Mr. P. Davy (Clerk)
Darran Valley	- P. Roberts
Draethen, Waterloo and Rudry	- J. Garland
Gelligaer	- J.A. Pritchard, Ms. C. Mortimer (Clerk)
Llanbradach	- Mrs. A. Reed, Mr. W.M. Thompson (Clerk)
Maesycwmmmer	- Ms. J. Rao
Nelson	- Mrs. G. Davies, Mr. T. White (Clerk)
New Tredegar	-
Penyrheol, Trecenydd and Energlyn	-
Rhymney	- D.T. Williams
Risca East	- J. Blackburn
Risca Town	- B. Hancock, B. Campbell (Clerk)
Van	- J. Leek

Together with:-

C. Campbell (Transport Engineering Manager), L. James (Senior Planner, Communities), H.C. Morgan (Senior Committee Services Officer)

1. APOLOGIES

Apologies for absence were received from Councillors A. Higgs, Ms P. Leonard, J. Pritchard and J. Taylor, Community Councillors D. Woodman and Mrs. S. Hughes, Mr. G. James, Mrs. L. Tams, Mrs. J. Dalton, Mr. J. Hold, , Mr. G. Williams, Mrs H. Treherne, Ms. Mrs. G. Thomas and Mr. J. Dilworth (Clerks of Aber Valley, Argoed and Risca East,

Bargoed, Bedwas, Trethomas and Machen, Blackwood, Darran Valley and Rhymney, Draethen, Waterloo and Rudry and Penyrheol, Trecenydd and Energlyn, Maesycwmmmer and Van Community/Town Councils respectively).

2. APPOINTMENT OF CHAIR

Community Councillor Ms J. Rao was appointed Chair of the Sub Committee for the ensuing year.

3. APPOINTMENT OF VICE-CHAIR

Councillor J. Ridgewell was appointed Vice Chair of the Sub Committee for the ensuing year

4. MINUTES - 15TH MARCH 2017

The minutes of the meeting held on 15th March 2017 (a copy had been sent to each member) were received and noted.

MATTERS ARISING

3. Caerphilly Youth Service (minute no. 3)

Town Councillor Hancock was please to advise that there will be a scheme in Risca this year albeit that it will only be available for one day a week during the summer months.

4. Mill Street Car Park, Risca (minute no. 4)

Reference was made to the disposal of land at Mill Street car park, Risca to the POBL Group with a view to redeveloping the whole site with both affordable and supported housing. There had been consultation on the report that had been presented to Cabinet and the views expressed incorporated in its content. There will be consultation carried out as part of the planning process.

5. Civil Parking Enforcement (minute no. 5)

It was requested that information be sought on the progress made on discussion with Gwent Police in relation to civil parking enforcement.

TOWN AND COMMUNITY COUNCIL LIAISON COMMITTEE

Consideration was given to the following items raised by the Town and Community Council Liaison Committee

6. COMMUNITY INFRASTRUCTURE LEVY

Lisa James (Senior Planner) attended to give an update on the Community Infrastructure Levy (CIL) and gave an overview as to how it has been spent for community benefits to date and the cumulative total for the respective community/town council areas. Members

were reminded that CIL was introduced on 1st July 2014 and that it is a system of charges levied against new development within the county borough. It is a mandatory charge that is levied against all new qualifying development with a levy rate for different parts of the county borough.

The CIL charge is set by the council and the amount raised is based on a simple formula, which takes into account the size and type of development paying for it. Not all developments are liable for CIL. The rates are set locally by striking a balance between how much CIL can be raised to deliver new infrastructure projects and the impact of CIL on the viability of new development schemes. The schemes which are proposed to be funded by CIL are contained within the Infrastructure List Regulation. The revenue generated can be used to help deliver a wide range of infrastructure to support future development of the area and the levy includes a neighbourhood proportion to be passed to community/town councils which is required to be spent within 5 years.

It was reported that in line with the CIL Regulations, it has been agreed that the County Borough will pass 15% of the revenue raised to town and community councils in the county borough. Only those areas that experience new development will be eligible for their proportion of the CIL revenue. Where the CIL rate is £0 then no revenue will be raised and therefore no monies can be passed on to that community council. In that the county borough does not have 100% coverage by community/town councils, whilst it is not a requirement, the CIL Regulations allow the council to make an appropriate proportion of CIL receipts, available to fund appropriate infrastructure in those areas that do not have a community/town council.

As a further point of explanation, CIL revenue retained by the County Borough can be spent anywhere in the county borough and is not constrained to that area where the development occurs. Heads of Service are able to bid for this revenue and schemes submitted will be considered by a CIL Assessment Panel who will assess each bid against the standard criteria in order to prioritise schemes for funding. The results of the assessments will be reported to Cabinet for decision-making and then be reported through the council's annual budget report.

It was requested that Officers continue to work with community/town councils to advise on the schemes that can be funded by CIL. Lisa reiterated that the county borough will continue to work with individual community/town councils to ensure there is a good understanding of the types of schemes that CIL can be spent on, and to assist in the preparation of draft infrastructure lists and would attend individual meetings if requested to do so.

In the first instance community/town councils are required to complete a Community Infrastructure Levy Agreement and identify a list of schemes for consideration. Liaison will then be undertaken with other departments and costing obtained. In this way, if funding is made available the scheme will have been prepared and be ready to be progressed.

A query was raised in relation to Section 106 Agreements and it was explained that CIL is not intended to replace the current system of S106 Agreements. However when CIL is formally implemented, statutory restrictions will be applied to S106 Agreements which will restrict their use in addressing issues that are necessary to make developments acceptable in planning terms and for the provision of affordable housing. CIL will then be the vehicle for funding infrastructure to support development in accordance with the development plan.

It was confirmed that it had always been anticipated that CIL receipts would not be generated immediately following the introduction of CIL in 2014, and this has proved the case. The 2015/2016 financial year was the first that the Council received CIL payments.

Lisa was thanked for her update on CIL receipts and expenditures to date and for responding to questions and issues raised by the Sub-Committee during the course of the debate.

7. A468/A469 PWLLYPANT ROUNDABOUT HIGHWAY IMPROVEMENT SCHEME

Clive Campbell (Transportation Engineering Manager) attended to give an overview of the above highway improvement scheme and in providing an update referred to the report that was presented to Cabinet on 7th June 2017 (a copy had been sent to each member).

Members noted that the A468/A469 Caerphilly Northern Bypass is the main artery linking Caerphilly and settlements in the north of the borough to the trunk road network (A470, M4) and Cardiff. It is already heavily overloaded at peak periods and all junctions are at, or in excess of, capacity at peak times. The Pwllypant roundabout is the busiest node on this section of the strategic highway network and in the whole of the county borough. The proposed Pwllypant roundabout highway improvement will increase capacity on the roundabout, improve journey time reliability for bus services, encourage public transport use and reduce traffic travelling through Caerphilly town.

Concerns were expressed that there would be significant disruption, not only in Caerphilly but throughout the valley and a query was raised as to how the works will be publicised. Mr Campbell advised that the appointed Contractor will be required to develop and implement a communication strategy/plan (this was previously part of the quality submission for the tender), to proactively engage with the local community and keep them, and all road users, informed of progress and developments. Advance signing will be arranged at strategic points throughout the borough in order that motorists can choose to alter their route if need be.

There is a link to the dedicated webpage which will give updates as the scheme progresses (<http://www.caerphilly.gov.uk/News/News-Bulletin/June-2017/Pwll-y-Pant-roundabout-improvement-scheme-approved>)

It was accepted that depending on the contractors programme works there will be different types of disruption and it is intended that there will be suitable traffic management proposals to mitigate disruption as far as possible. Officers are in the middle of the procurement process and will be able to work up the detail once a contractor has been appointed.

A query was raised in relation to the delay of the project and the Sub-Committee were advised that this was as a result of the works programmed to the bridge in Abercynon. Consideration had been given to the knock on effect this would have on the traffic choosing to use Pwll-y-Pant roundabout as an alternative route to the A470 and as such, the scheme had been delayed to accommodate this. Reference was also made to improvements to the A467 Bassaleg Roundabout and Mr Campbell advised that Officers continue to liaise with neighbouring local authorities and WG to review ongoing and planned works and minimise any possible disruption.

In order to meet the WG requirement to spend the funding by April 2018, the works need to commence in September/October 2017. To meet this timescale, the construction contract needs to be progressed as soon as possible alongside advance preparatory and environmental works. It is intended that construction will take about twelve months to complete.

Reference was made to improvements which have been made in and around Caerphilly to mitigate against traffic generation for sites identified as having the potential for

development and specifically concerns were raised over the junction improvement to the A468/A469 Trecenydd Roundabout. Mr Campbell advised that this is under review and ward Members will be advised of the outcome of this.

Following a number of other queries, it was confirmed that the traffic lights will be full time and operate continuously. There are no changes proposed to the existing footbridge structure but there are plans to improve the footpath link to the roundabout and in to Pontywindy Road. The extract of the plan accompanying the report is available in full and in colour on the website, and shows that the bus stop will move slightly because of the extra width of lane and the pedestrian crossing moved to coincide with this change. In view of land constraints, there will not be traffic signals on the arm of the junction from Corbetts Lane as priority is to the main flow of traffic. However, signalisation provides more gaps in traffic which should allow improved egress from that junction.

Moving forward, an assurance was sought that improvements to this section of the strategic highway network has sufficient capacity to meet future needs. Mr Campbell advised that the proposed Pwllypant roundabout highway improvement will increase capacity on the roundabout such that it will not be overcapacity at the completion and will perform satisfactorily taking in to account known proposed developments (identified through the LDP review process) up to 2031.

Clive was thanked for his informative presentation and for responding to questions and issues raised by the Sub-Committee during the course of the debate. He undertook to provide an update for the next meeting.

8. SPECIAL EDUCATIONAL NEEDS

A request had been received for information on the future plans for Special Educational Needs in mainstream schools in Caerphilly (especially with regards to the proposed cut in funding). It was confirmed that the Directorate has no current plans to cut SEN provision for this or next financial years.

9. PUBLIC HEALTH WALES BILL

It was noted that at an official sealing ceremony on 3rd July 2017, the Public Health (Wales) Bill became an Act of the Assembly. The Act will extend smoke free areas to settings including school grounds and hospital grounds, and introduce a licensing scheme for procedures such as tattooing. It will also place a duty on local authorities to produce a toilets strategy, require public bodies to consider how their decisions will affect people's health, prohibit the intimate piercing of children, make pharmacy services more responsive to their communities and place a duty on the Welsh Government to produce a national strategy on preventing and reducing obesity.

Welsh Government will advise of the timetable for implementation, including consultation on regulations to support the Bill and, as there will be consultation on the Regulations, there will be an opportunity to respond as part of the consultation process

10. CONSULTATION PLANNING

As a result of a query in relation to consultation on planning applications, an assurance was given that in accordance with the subjects for consultation (as specified within the Charter), all applications are included on the weekly planning list that are circulated to all Clerks. This provides an opportunity for any comments or enquiries to be addressed to the Development Management Manager. Reference was also made to consultation

exercises during the pre-election period and it was noted that an exception is made when services need to undertake statutory consultation e.g. planning applications, or if the Council is required by an external organisation e.g. the Welsh Government to undertake consultation during this period.

It had been implied that some Managers do not appear to be adhering to the Charter and a request was made that any such instances be reported so that they can be investigated.

11. WHITE PAPER CONSULTATION DOCUMENT ' SERVICES FIT FOR THE FUTURE'

Reference was made to the consultation on the White Paper which sets out proposals to take forward health and care services, to put people at the centre of service delivery and enable organisations to work together and across boundaries which runs to 29th September 2017.

It was agreed that details of the document (and the response from the Aneurin Bevan Community Health Council) be forward to the representatives in order that all have the opportunity to respond.

The meeting closed at 8pm



CABINET – 15TH NOVEMBER 2017

SUBJECT: DRAFT BUDGET PROPOSALS FOR 2018/19

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151 OFFICER

1. PURPOSE OF REPORT

1.1 To present Cabinet with details of draft budget proposals for the 2018/19 financial year to allow for a period of consultation prior to a final decision in February 2018.

2. SUMMARY

2.1 The report provides details of draft budget proposals based on the Welsh Government (WG) Provisional 2018/19 Local Government Financial Settlement.

2.2 The report also provides details of draft savings proposals for 2018/19 totalling £7.205m.

3. LINKS TO STRATEGY

3.1 The budget setting process encompasses all the resources used by the Council to deliver services and meet priorities.

3.2 Effective financial planning and the setting of a balanced budget support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

4. THE REPORT

4.1 Headline Issues in the Provisional Settlement

4.1.1 Published on the 10th October 2017, the key points of the WG Provisional 2018/19 Local Government Financial Settlement are the following: -

- An overall net cash increase of 1.8% in the Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates) on an all-Wales basis. This cash increase includes specific grants totalling circa £92m that have been transferred into the RSG and £6m funding for new responsibilities in relation to the prevention of homelessness.

- After adjusting for the transfer in of the specific grants and new responsibilities there is an overall net decrease in the Aggregate External Finance of 0.5% on an all-Wales basis (comparing on a like-for-like basis with 2017/18). This varies by Authority due to the funding formula and ranges from minus 1% to plus 0.2%.
- For Caerphilly CBC there is a cash increase of £1.973m in the Aggregate External Finance. However, after adjusting for the transfer in of specific grants and new responsibilities this equates to a net cash reduction of £2.965m (1%) compared to the 2017/18 financial year.
- Caerphilly CBC's element of the £92m specific grants transferred into the Settlement and the £6m for new responsibilities totals £4.937m. Details are provided in paragraph 4.1.2.
- Changes to other passported grants in the Provisional Settlement result in a net reduction of £0.473m as detailed in paragraph 4.1.3.
- An all-Wales indicative reduction in Aggregate External Finance of minus 1.5% has been provided by WG for the 2019/20 financial year.
- The capital allocations available to Caerphilly CBC in the RSG and from the General Capital Grant have decreased by £64k from the 2017/18 financial year.

4.1.2 Table 1 provides details of transfers into the WG Financial Settlement and new responsibilities: -

Table 1 – Transfers In and New Responsibilities 2018/19

	£m
Transfers In: -	
Single Revenue Grant (waste element only)	1.818
Welsh Independent Living Grant	1.010
Social Care Workforce Grant	1.140
Carers' Respite Care Grant	0.180
Looked After Children: -	
• Expanding Edge of Care Service	0.342
• Support for Care Leavers	0.111
• Reflect	0.054
New Responsibilities: -	
Prevention of homelessness	0.282
TOTAL	4.937

4.1.3 Table 2 provides details of changes to other passported grants included in the WG Financial Settlement: -

Table 2 – Other Passported Grants 2018/19

	£m
Council Tax Reduction Scheme	(0.272)
Private Finance Initiative (PFI)	(0.201)
TOTAL	(0.473)

4.1.4 As in previous years, the adjustments in Tables 1 and 2 (both the increases and decreases in funding) will be passed directly to those services that they relate to.

4.2 2018/19 Draft Budget Proposals

4.2.1 The proposals contained within this report will deliver a balanced budget for 2018/19 on the basis that Council Tax is increased by 4.52%. Table 3 provides a summary: -

Table 3 – Summary

Paragraph	Description	£m	£m
4.2.3 – 4.2.9	Whole-Authority cost pressures	8.867	
4.2.10 – 4.2.18	Inescapable service pressures	2.310	
4.1.1	Increase in WG funding		1.973
4.3.1	Draft savings proposals 2018/19		7.205
4.3.3	Contingent sum/savings in advance	1.000	
4.4.1 – 4.4.2	Council Tax uplift (4.52%)		2.999
	TOTAL	12.177	12.177

4.2.2 Cabinet should note that the draft budget proposals assume no growth for Schools in 2018/19 i.e. a cash flat position. There is no requirement in the Provisional Settlement to protect Schools and they will therefore be required to manage their own pay and non-pay inflationary increases in 2018/19 along with other emerging cost pressures. This in effect equates to a real terms cut of £1.644m (1.68%). However, this needs to be considered alongside the need to deliver savings of £7.205m for other services across the Council, which equates to 3.24% of current budgets. This does therefore provide some relative protection to schools from the full extent of savings required to deliver a balanced budget.

4.2.3 The whole Authority cost pressures totalling £8.867m are set out in Table 4 below -

Table 4 – Whole Authority Cost Pressures

	£m
Pay – Weighted average increase of 1.2%	1.383
Living Wage	0.148
Employer pension contributions	0.249
Non-pay inflation at 2%	2.623
Transfers in and new responsibilities	4.937
Other passported grants	(0.473)
TOTAL	8.867

4.2.4 **Pay – Weighted average increase of 1.2%** - The pay award for the 2018/19 financial year is still subject to agreement so the draft budget proposals currently assume a pay award at 2017/18 levels. This presents a risk as the pay claim submitted by the Trade Unions significantly exceeds this sum. A further risk in relation to pay is that pay scale differentials may need to be reviewed as a result of annual increases in the National Living Wage which was introduced by the UK Government from April 2016. Work is ongoing in this area and the position is being kept under review.

4.2.5 **Living Wage** – Caerphilly CBC is a Living Wage Foundation employer so a sum is included in the draft budget proposals to allow for annual increases in the Living Wage hourly rate.

4.2.6 **Employer pension contributions** – Following the outcome of the most recent triennial valuation of the Pension Fund, Caerphilly CBC is required to increase its pension contribution by £249k (0.28%) for the 2018/19 financial year.

4.2.7 **Non-pay inflation at 2%** - The Consumer Prices Index (CPI) inflation rate is currently 3% against the Bank of England’s target rate of 2%. The draft budget proposals only allow for non-pay inflation at 2% so budget holders will need to manage the impact of any shortfall. This is sustainable for 2018/19 but in the longer-term additional funding may need to be set-aside if inflation continues to exceed the Bank of England target of 2%.

4.2.8 **Transfers in and new responsibilities** – As per the table in paragraph 4.1.2.

4.2.9 **Other passported grants** - As per the table in paragraph 4.1.3.

- 4.2.10 It is incumbent upon Council to set a realistic budget each year. Table 5 provides details of the 2018/19 inescapable service commitments/pressures that have been identified and require consideration in respect of funding: -

Table 5 – Inescapable Service Pressures and Other Service Commitments

	£m
Social Services cost pressures	1.500
City Deal partnership revenue contribution	0.060
City Deal debt charges	0.050
Private Finance Initiative (PFI) review	0.700
TOTAL	2.310

- 4.2.11 **Social Services cost pressures** - Cabinet will recall that the 2016/17 budget included additional funding of £2.5m for Social Services cost pressures and a further £3.5m was also set aside in 2017/18. This has been necessary to fund increases in fees for external care providers due in the main to the introduction of the National Living Wage, and additional costs arising from increasing demand for services in both Adult and Children's Services. It is proposed that a further sum of £1.5m should be allocated in the 2018/19 budget to meet ongoing financial pressures for Social Services.
- 4.2.12 **City Deal partnership revenue contribution** – At its meeting on the 31st January 2017, Council agreed an annual revenue contribution of £120k towards the support structure for the City Deal Regional Cabinet. For 2017/18 the contribution was only expected to be £60k due to underspends being carried forward from 2016/17 so £60k was included in the base budget. From 2018/19 onwards there will need to be provision in the base budget to meet the full £120k annual commitment therefore a further £60k will need to be included in the 2018/19 budget.
- 4.2.13 **City Deal Debt Charges** – The City Deal includes a borrowing requirement of £120m for the ten partner Local Authorities. £50k has been included in the 2018/19 draft budget proposals to meet the current anticipated cost for Caerphilly CBC's share of potential early borrowing that may be undertaken during the year. This is being kept under review and will be updated in the final budget 2018/19 budget proposals report that will be presented to Cabinet and Council in February 2018.
- 4.2.14 **Private Finance Initiative (PFI) review** – A review of the Council's PFI contracts is currently being undertaken. These contracts relate to Fleur de Lys (Ysgol Gyfun Cwm Rhymini) and Pengam (Lewis Boys) Secondary Schools, and Sirhowy Enterprise Way (SEW). To assist with this review the services of a company called Local Partnerships have been commissioned. This organisation has a proven track record in relation to supporting public sector bodies through reviews of operational PFI contracts and was recommended by WG.
- 4.2.15 The PFI Schemes are financially managed through two Sinking Funds which profile the anticipated costs and financial contributions over the life of the contracts. At the outset of the contracts the Sinking Funds showed a projected balanced position based on a range of assumptions at that time.
- 4.2.16 Based on updated financial projections completed as part of the ongoing review process the SEW Sinking Fund remains fully funded over the life of the project. However, the latest financial projections for the Schools PFI reveal an anticipated shortfall of circa £22m on the Schools PFI Sinking Fund. The main reasons for this are the following: -
- Financial impact of additional services agreed through the contract benchmarking process i.e. £3.3m.
 - There appears to have been a 'double count' from the outset in relation to the treatment of Free School Meals, with a cost implication of circa £3.5m.
 - Interest on balances is projected to be circa £7.1m less than originally anticipated due to changes in the payment profile and the impact on balances held.

- The remaining balance of £8.1m is due in the main to actual inflationary pressures compared to original assumptions.

4.2.17 To address this anticipated shortfall budgetary growth of circa £700k will need to be built into the Education & Lifelong Learning base budget from 2018/19 to ensure that a balanced position can be achieved for the Schools PFI Sinking Fund. This figure may reduce as part of the ongoing work being undertaken with Local Partnerships as discussions are continuing with the service provider regarding the potential for savings on services such as catering and cleaning.

4.2.18 A separate detailed report on the PFI review will be scheduled for Cabinet prior to final 2018/19 budget proposals being presented to both Cabinet and Council in February 2018.

4.3 2018/19 Draft Savings Proposals

4.3.1 Draft savings proposals have been identified for the 2018/19 financial year totalling £7.205m as summarised in Table 6: -

Table 6 – Draft Savings Proposals 2018/19

Description	2018/19 Saving £m
Savings proposals with no public impact	4.682
Savings proposals with a public impact: -	
• Low impact	1.218
• Medium impact	1.305
TOTAL	7.205

4.3.2 A summary of savings proposals by Directorate/Service Area is provided in Appendix 1 and Appendix 2 provides further details of the savings proposals that are likely to have an impact on the public. As in previous years, those savings proposals that are not expected to have an impact on the public have been consolidated into a single line for each service area. These 'nil impact' savings consist in the main of vacancy management, budget realignment and minor changes to service provision.

4.3.3 The proposed savings of £7.205m along with the proposed Council Tax increase of 4.52% will allow for a contingent sum of £1m to be set aside to meet additional cost pressures that may arise from the final pay award for the 2018/19 financial year and potential changes to pay scale differentials. If this contingent sum is not required in full or in part to meet these potential cost pressures then it is recommended that any balance should be treated as savings in advance to assist with further financial pressures that will need to be managed in future financial years.

4.4 Council Tax Implications 2018/19

4.4.1 The draft budget proposals within this report include a proposed increase of 4.52% in Council Tax for the 2018/19 financial year. This will increase the Caerphilly CBC Band D precept from £1,011.96 to £1,057.70 i.e. an annual increase of £45.74 or weekly increase of £0.88.

4.4.2 The proposed increase of 4.52% for 2018/19 will result in the following totals for the Caerphilly CBC element of the Council Tax (the Police & Crime Commissioner and Town/Community Council precepts would be added to these totals when confirmed at a later date): -

Table 7 – 2018/19 Council Tax (CCBC Element) at 4.52% Increase

Band	Council Tax (CCBC Element) £	Weekly Increase £
A	705.13	0.59
B	822.66	0.68
C	940.18	0.78
D	1,057.70	0.88
E	1,292.75	1.08
F	1,527.79	1.27
G	1,762.83	1.47
H	2,115.40	1.76
I	2,467.97	2.05

4.5 Financial Outlook for Future Years

- 4.5.1 The Medium-Term Financial Plan presented to Council in February 2017 showed a potential savings requirement of £22.161m for the three-year period 2019/20 to 2021/22. This assumed a cash flat position in terms of the WG Financial Settlement for each of the three years. As mentioned in paragraph 4.1.1, WG has provided an all-Wales indicative reduction in Aggregate External Finance of minus 1.5% for the 2019/20 financial year. This would increase Caerphilly CBC's savings requirement by a further £3.984m for 2019/20 alone. If this was replicated in 2020/21 and 2021/22 then further savings of £7.789m would be required. This would result in a total savings requirement of circa £34m for the three-year period 2019/20 to 2021/22.
- 4.5.2 The indicative reduction of 1.5% provided by WG for the 2019/20 financial year is based on a current assumption that a proportion of unallocated UK Government savings totalling circa £3.5bn will flow through to WG. The Chancellor of the Exchequer will present his Autumn Budget Statement on the 22nd November 2017 and this will provide further clarity on any unallocated savings that may impact on WG. Details of the Final 2018/19 Local Government Financial Settlement will be issued on the 20th December 2017 and this will include a revised indicative figure for 2019/20 based on the implications of the Autumn Statement.
- 4.5.3 An updated Medium-Term Financial Plan covering the period 2018/19 to 2022/23 will be presented to both Cabinet and Council in February 2018.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 Effective financial planning is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

- 6.1 An equalities impact assessment will be completed for all of the 2018/19 savings proposals that are expected to have an impact on the public. This is to ensure that decisions that affect different individuals and groups are assessed at an appropriate and relevant level and at the correct stage in the process.
- 6.2 Consultation with residents, when done in accordance with the Council's Public Engagement Strategy and the Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision-making process.

7. FINANCIAL IMPLICATIONS

7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

8.1 Where staff reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through 'natural wastage' and not filling vacancies. However, where this is not possible then every opportunity will be taken to find alternative employment through the Council's redeployment policy. The Council will also utilise other policies as appropriate e.g. voluntary severance.

9. CONSULTATIONS

9.1 Cabinet is asked to agree that the draft budget proposals for 2018/19 should now be subject to a period of consultation prior to final 2018/19 budget proposals being presented to Cabinet on the 14th February 2018 and then Council on the 20th February 2018. The consultation process will run from the 13th November 2017 to the 8th January 2018 and will consist of the following: -

- Online and paper consultation.
- Articles in Newslines.
- Use of Social Media.
- Drop-In Sessions at locations across the County Borough.
- Meetings with the Viewpoint Panel, 50+ Forum, Youth Forum etc.
- Engagement with employees and the Trade Unions.
- Consultation with Town and Community Councils.
- Consultation with the Voluntary Sector.
- Posters at affected establishments.
- Other targeted stakeholder engagement as appropriate.

9.2 As part of the consultation process there will also be a series of Special Scrutiny Committees to focus on the savings proposals. In addition to considering the content of this Cabinet report the Scrutiny Committees will receive further reports providing more detail on the savings proposals that are expected to have an impact on the public. The dates of the Special Scrutiny Committee meetings are as follows: -

- 04/12/17 – Policy & Resources.
- 07/12/17 – Education for Life.
- 11/12/17 – Health, Social Care & Wellbeing.
- 13/12/17 – Regeneration & Environment.

10. RECOMMENDATIONS

10.1 Cabinet is asked to: -

10.1.1 Endorse the draft 2018/19 budget proposals including the proposed savings totalling £7.205m.

10.1.2 Support the proposal to increase Council Tax by 4.52% for the 2018/19 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,057.70).

10.1.3 Agree that the draft budget proposals should now be subject to consultation prior to final 2018/19 budget proposals being presented to Cabinet and Council in February 2018.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 Council is required annually to approve proposals to set a balanced budget and agree a Council Tax rate.
- 11.2 Council is required to put in place a sound and prudent financial framework to support service delivery.

12. STATUTORY POWER

- 12.1 The Local Government Acts 1998 and 2003.

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Consultees: Corporate Management Team
Andrew Southcombe, Finance Manager, Corporate Finance
Richard Harris, Internal Audit Manager & Acting Monitoring Officer
Cllr Dave Poole, Leader
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance

Background Papers:

WG Provisional 2018/19 Local Government Financial Settlement (10th October 2017)
Council (22/02/17) - Budget Proposals 2017/18 and Medium-Term Financial Strategy 2017/2022

Appendices:

Appendix 1 - Summary of 2018/19 Savings Proposals
Appendix 2 - 2018/19 Savings Proposals

Summary of 2018/19 Savings Proposals

Directorate/Service Division	Public Impact				Total Proposed Savings £000's
	Nil £000's	Low £000's	Medium £000's	High £000's	
Education & Lifelong Learning					
- Planning & Strategy	341	0	333	0	674
- Learning, Education & Inclusion	353	0	186	0	539
- Lifelong Learning	108	25	35	0	168
Sub-Total: -	802	25	554	0	1,381
Social Services/Public Protection/Policy					
- Children's Services	385	0	0	0	385
- Adult Services	330	563	0	0	893
- Service Strategy & Business Support	50	0	0	0	50
- Public Protection	134	151	86	0	370
- Corporate Policy	79	14	0	0	93
Sub-Total: -	978	728	86	0	1,791
Communities					
- Regeneration and Planning	288	166	0	0	454
- Engineering	175	180	534	0	888
- Community & Leisure Services	646	40	131	0	817
- Housing Services	117	0	0	0	117
Sub-Total: -	1,226	386	665	0	2,276
Corporate Services					
- Corporate Finance	80	0	0	0	80
- Procurement & Customer Services	85	80	0	0	165
- Information Technology	340	0	0	0	340
- Corporate Property	197	0	0	0	197
- Human Resources & Communications	140	0	0	0	140
- Health & Safety	70	0	0	0	70
Sub-Total: -	912	80	0	0	992
Miscellaneous Finance	765	0	0	0	765
Grand Total: -	4,682	1,218	1,305	0	7,205

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2018/19 Savings Proposals

Savings Proposal	£000's	Comments	Public Impact
EDUCATION & LIFELONG LEARNING			
PLANNING & STRATEGY			
Savings proposals with no public impact.	341.00		Nil
Maintenance of School Buildings - Withdrawal of budget for 50/50 schemes.	333.00	LMS Contingency balances to be used initially. However, In the medium to long-term this would have a significant impact on repairs and maintenance spend on our schools.	Medium
Sub-Total: -	674.00		
LEARNING, EDUCATION & INCLUSION			
Savings proposals with no public impact.	353.00		Nil
Language Support Primary - Vacant posts.	66.00	2 postholders retired end of Summer Term 2017. No impact on statutory provision but some impact for Schools on discretionary provision.	Medium
School Improvement Initiatives - Budget reduction.	120.00	Initially low impact on Schools if Chief Education Officer is able to access Education balances. However, this is not a long-term solution so will rise to medium impact.	Medium
Sub-Total: -	539.00		
LIFELONG LEARNING			
Savings proposals with no public impact.	108.00		Nil
Libraries - Reduction in Book Fund.	25.00	Public unlikely to notice any significant impact, budget currently circa £380k.	Low
Libraries - Reduction in newspapers	20.00	Reduced Open Access provision within our libraries.	Medium
Youth Service - Removal of payment to GAVO for Holiday Scheme Co-ordinator.	15.00	The medium impact assessment is not in relation to the impact on service users but on the potential impact to GAVO. There would be minimal impact on service users as the Youth Service would take up any shortfall in capacity. GAVO would continue to be supported to the value of £25k.	Medium
Sub-Total: -	168.00		
TOTAL: -	1,381.00		
SOCIAL SERVICES, PUBLIC PROTECTION & POLICY			
CHILDREN'S SERVICES			
Savings proposals with no public impact.	385.00		Nil
Sub-Total: -	385.00		
ADULT SERVICES			
Savings proposals with no public impact.	330.00		Nil
Decommission Age Concern Hospital Discharge contract	46.00	Decommissioning of contract for relatively low numbers of people receiving low level non-statutory services for a short period. Links to Information, Advice & Assistance and implementation of the Social Services & Well-Being (Wales) Act 2014 re. promoting independence.	Low

Savings Proposal	£000's	Comments	Public Impact
Decommission 2 Luncheon Clubs contract.	12.00	A small number of people attend these 2 Luncheon Clubs. The service may need to cease or different arrangements will need to be put in place if an alternative funding stream cannot be found.	Low
Domiciliary Care Client Income - Realign budget to reflect outcomes from Members Task & Finish Group and Welsh Government Cap.	75.00	There is an expectation that WG will gradually increase the weekly cap on service users contributions for non-residential care which will translate into a small increase in income each year.	Low
Small reduction in externally commissioned Respite Care for older people and adults with physical disabilities.	30.00	The small reduction will be offset by alternative respite arrangements that can be provided through the Carers Respite Grant.	Low
Decommission DEWIS advocacy contract (residential homes).	12.00	Decommissioning of contract with £45k budget retained for spot purchase. Spot contract is more reflective of the level of service demand.	Low
Decommission Care & Repair (Safety at Home) contract.	13.00	Other schemes are available that provide this service.	Low
Decommission GAVO and MENCAP contracts.	57.00	MENCAP contract ended some time ago and the GAVO contract relates to GAVO's central costs.	Low
Decommission Stroke Association contract.	18.00	Alternative services available through the NHS.	Low
Reduce Crossroads (Advocacy) contract by 50%.	36.00	Advocacy services are available from other agencies.	Low
Implications of Social Services & Well-Being (Wales) Act 2014.	264.00	Potential service users for some services to be signposted to alternative low or nil cost services.	Low
Sub-Total: -	893.00		
SERVICE STRATEGY/BUSINESS SUPPORT			
Savings proposals with no public impact.	50.00		Nil
Sub-Total: -	50.00		
PUBLIC PROTECTION			
Savings proposals with no public impact.	133.50		Nil
Meals Direct - Removal of 1 Van Helper post.	7.50	Will require a severance payment.	Low
Schools Catering - Increase price of Secondary School meals by 10p from April 2018 i.e. from £2.15 to £2.25.	50.00	Will not impact on the most vulnerable families due to Free School Meal eligibility.	Low
Schools Catering - Increase price of Primary School meals by 10p from April 2018 i.e. from £1.90 to £2.00.	54.00	Will not impact on the most vulnerable families due to Free School Meal eligibility.	Low
Registrar's - Increase in ceremony fees in line with cost of providing the service.	10.00	To ensure costs of service provision are fully recovered.	Low
Environmental Health - Pest Control/Animal Trespass post	29.00	Vacant post.	Low
Meals Direct - Increase in charge for Meals on Wheels.	11.00	Proposed increase of 20p per meal.	Medium
Environmental Health - Rat Treatment Fees	20.00	Introduction of a £20 charge for household rat treatments.	Medium
Environmental Health - Deletion of vacant Community Safety Warden posts.	40.00	2 vacant posts to be deleted.	Medium
Environmental Health - Reduce Air Quality & Contaminated Land Monitoring & Contractors	15.00	Will result in reduced activity in these areas.	Medium
Sub-Total: -	370.00		
CORPORATE POLICY			
Savings proposals with no public impact.	79.00		Nil

Savings Proposal	£000's	Comments	Public Impact
Voluntary Sector - Reduction in Technical Assistance Budget.	4.00	Reduction in grants available to Voluntary Sector (total budget is currently £19k).	Low
Policy - Reduction in Well-being budget.	10.00	Reduction in grants available (total budget is currently £41k).	Low
Sub-Total: -	93.00		
TOTAL: -	1,791.00		
COMMUNITIES			
REGENERATION & PLANNING			
Savings proposals with no public impact.	288.00		Nil
Business Support & Funding - Reduction in Community Regeneration Fund.	137.00	Community Regeneration Fund underspend of £115k in 2016/17. Budget for 2017/18 is £232k.	Low
Business Support & Funding - Reduction in Business Grants Budget.	12.00	Business Grants underspend of £4k in 2016/17. Budget for 2017/18 is £62k.	Low
Destinations & Events - Review of events at Llancaiach Fawr.	10.00	A review of events will be undertaken and some of those which are financially unviable will not be hosted in the future.	Low
Urban Renewal - Reduction in Publicity & Promotion budget.	7.00	Reduced frequency of Town Centre banner replacement and change-over and reduced expenditure on "Choose the High Street" campaigns.	Low
Sub-Total: -	454.00		
ENGINEERING			
Savings proposals with no public impact.	174.50		Nil
Highways Operations - Traffic Management minor works budget reduction.	6.00	Reduced programme and maximising grant applications for main schemes.	Low
Highways Operations - Reduction in Winter Maintenance budget.	35.50	This represents a 3.1% reduction in the budget and will be achieved through a review of gritting routes.	Low
Highways Operations - Street Lighting non-routine maintenance budget reduction.	5.00	New contract with external provider provides some efficiency with an increased fixed element, but with more items included in fixed element the non-routine can be reduced.	Low
Highways Operations - Consultancy/road survey budget reduction	4.00	Reduce the frequency of road condition reports	Low
Highways Operations - Reduction in Structures Service Level Agreement (SLA) budget.	20.00	Requires a new programme of inspection on a risk basis.	Low
Transportation - Road Safety salary budget reduction	25.00	Restructure of Team resulting in removal of 1 Road Safety post that transfers to School Crossing Patrol Supervisor (based on retirement).	Low
Transportation - School Crossing Patrol salary budget reduction.	38.00	Based on current vacant posts accumulated over time due to not meeting the ROSPA criteria when sites assessed after employee leaves/retires.	Low
Transportation - Accident Studies budget reduction.	10.00	New contract with external provider reduces the minimum fixed contract element and gives more flexibility to use as and when. This does reduce the detailed information across the whole borough but focus can be on target/risk areas.	Low
Transportation - Traffic Signal maintenance budget reduction.	11.00	Efficiency savings on existing maintenance contract (£4k). Reduction in planned works (£7k) which will reduce ability to replace life expired equipment.	Low

Savings Proposal	£000's	Comments	Public Impact
Transportation - Highways Act S38 etc. fee increase in income budget.	15.00	Due to economic improvement in recent years increased scope to improve external fees. Risks relate to sustainability of existing developments and economic climate.	Low
Transportation - Concessionary Fare Grant support service element increased income budget.	10.00	Due to planned regional collaboration, Caerphilly CBC will look after smaller operator reimbursement for all SE Wales. As we won't have to process large operators this should be maintained within existing support costs but produce more income.	Low
Highways Operations - Reduction in Highways Maintenance budget.	524.00	This represents a 11.3% reduction in the budget and will be achieved through a range of measures including a reduction in the carriageway surface dressing programme and a reduction in the frequency of gully cleansing.	Medium
Transportation - Bus shelter maintenance budget reduction.	10.00	Reduced maintenance programme, assisted by recent Capital grant in Caerphilly Basin. Assets replacement will be affected in the long-term.	Medium
Sub-Total: -	888.00		
COMMUNITY & LEISURE SERVICES			
Savings proposals with no public impact.	646.00		Nil
Caerphilly Adventures Service - increase in income.	20.00	This will be achieved through a review of the pricing structure for the service.	Low
Waste Strategy & Operations - Introduction of "admin" fee for Duty of Care Transfer notes for Commercial Waste Customers.	20.00		Low
Sport & Leisure Services - Closure of Pontllanfraith Leisure Centre.	81.00	This proposal is currently subject to consultation.	Medium
Waste Strategy & Operations - Review of charges for bulky waste.	50.00	Charge of £16 for 1 to 3 items with each item thereafter being charged at £5 per item. This will apply to all items other than fixtures and fittings.	Medium
Sub-Total: -	817.00		
HOUSING SERVICES			
Savings proposals with no public impact.	117.00		Nil
Sub-Total: -	117.00		
TOTAL: -	2,276.00		
CORPORATE SERVICES			
CORPORATE FINANCE			
Savings proposals with no public impact.	80.00		Nil
Sub-Total: -	80.00		
PROCUREMENT & CUSTOMER SERVICES			
Savings proposals with no public impact.	85.00		Nil
Customer First - Staffing reductions.	80.00	This will be achieved through vacancy management linked to the delivery of the approved Customer Services Strategy.	Low
Sub-Total: -	165.00		
INFORMATION TECHNOLOGY			
Savings proposals with no public impact.	340.00		Nil
Sub-Total: -	340.00		

Savings Proposal	£000's	Comments	Public Impact
<i>CORPORATE PROPERTY</i>			
Savings proposals with no public impact.	197.00		Nil
Sub-Total: -	197.00		
<i>HUMAN RESOURCES & COMMUNICATIONS</i>			
Savings proposals with no public impact.	140.00		Nil
Sub-Total: -	140.00		
<i>HEALTH & SAFETY</i>			
Savings proposals with no public impact.	70.00		Nil
Sub-Total: -	70.00		
TOTAL: -	992.00		
<i>MISCELLANEOUS FINANCE</i>			
Savings proposals with no public impact.	765.00		Nil
TOTAL: -	765.00		
TOTAL 2018/19 PROPOSED SAVINGS: -	7,205.00		

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