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Date: 6th February 2019

Dear Sir/Madam,

A meeting of the **Cabinet** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 13th February, 2019** at **10.30 am** 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.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meeting and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CHARRY'.

Christina HARRY
INTERIM CHIEF EXECUTIVE

A G E N D A

Pages

- 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 the agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

A greener place Man gwyrddach



To approve and sign the following minutes: -

- 3 Cabinet held on the 30th January 2019. 1 - 8

To receive and consider the following reports on which executive decisions are required: -

- 4 Budget Proposals for 2019/20 and Medium Term Financial Plan 2019/20 to 2023/2024. 9 - 46
- 5 Wales Stalled Sites Fund, the Self-Build Fund and Plot Shop. 47 - 54
- 6 Regeneration Board Update. 55 - 66
- 7 Review of CCBC Regeneration Grants. 67 - 94
- 8 To receive and consider the following report which in the opinion of the Proper Officer may be discussed when the meeting is not open to the public and first to consider whether the public interest requires that the meeting should be closed to the public for consideration of this item. 95 - 96
- 9 Bryn Brithdir, Oakdale Business Park Renewal of CCBC and WG Joint Venture Agreement. (EXEMPT ITEM) 97 - 104

Circulation:

Councillors C.J. Cuss, N. George, C.J. Gordon, Mrs B. A. Jones, P.A. Marsden, S. Morgan, L. Phipps, D.V. Poole and Mrs E. Stenner.

And Appropriate Officers.

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CABINET

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 30TH JANUARY 2019 AT 10.30 A.M.

PRESENT:

Councillor D. Poole – Chair

Councillors:

C. Cuss (Social Care and Wellbeing), N. George (Neighbourhood Services), C.J. Gordon (Corporate Services), Mrs B.A. Jones (Finance, Performance and Governance), P. Marsden (Education and Achievement), S. Morgan (Economy, Infrastructure and Sustainability), L. Phipps (Homes and Places) and E. Stenner (Environment and Public Protection).

Together with:

C. Harry (Interim Chief Executive), D. Street (Corporate Director - Social Services and Housing), M. S. Williams (Interim Corporate Director - Communities) and R. Edmunds (Corporate Director – Education and Corporate Services).

Also in Attendance:

S. Couzens (Chief Housing Officer), P. Smythe (Housing Technical Manager), L. Allen (Group Accountant - Housing), N. Scammell (Head of Corporate Finance and S151), S. Pugh (Communications Manager), H. Lancaster (Senior Communications Officer) and A. Dredge (Committee Services Officer).

Wales Audit Office – N. Jenkins and G. Jones.

1. **APOLOGIES FOR ABSENCE**

Apologies for absence had been received from M. S. Williams (Interim Corporate Director – Communities).

2. **DECLARATIONS OF INTEREST**

Councillors B. A. Jones and N. George declared personal interests in relation to agenda item 6 - Housing Revenue Account Charges 2019-2020, at the commencement of the meeting. They were not required to leave the meeting when the report was presented and could take part in the debate and vote. Details of which are recorded with the respective item.

3. **CABINET – 16TH JANUARY 2019**

RESOLVED that the minutes of the meeting held on the 16th January 2019 (minute nos. 1 - 8) be approved and signed as a correct record.

MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED

4. WALES AUDIT OFFICE WHQS REVIEW

The report updated Cabinet on the outcome of the follow up review by the Wales Audit Office (WAO) on the Welsh Housing Quality Standard (WHQS) delivery programme. This follows the previous report which had been presented to Cabinet on the 1st November 2017. Cabinet were reminded that during March and April 2017, as part of the WAO performance audit plan, the WAO undertook a review of the Council's arrangements to deliver the WHQS by 2020. At the time of the review, the WAO concluded that the *"majority of tenants' homes remain below the WHQS standard due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020"*. The WAO have now completed their follow up review which was undertaken between April and October 2018 and have now concluded that *"the Council has responded positively to our June 2017 WHQS report and statutory recommendations by making significant improvements and as a result we now conclude that it is likely to meet the WHQS by December 2020"*.

Ms N. Jenkins and Mr G. Jones from the WAO summarised the report and confirmed that the follow up review has been undertaken in two parts. A Service User Perspective Review – which focussed on the views from 489 tenants and 25 leaseholders in relation to the delivery of the WHQS programme. A Follow Up Review – to determine whether the Council is meeting its commitments and making satisfactory progress to meet the WHQS by the WG deadline of December 2020. The follow up reports provided by the WAO provide a far more positive picture on the current position of the WHQS programme and also provides independent confidence that Caerphilly Homes are on track to deliver the full programme by December 2020.

The Service User Perspective Review (appended to the report) refers to 3 proposals for improvement. Officers confirmed that they accept the proposals and will address the same in moving forward. It was accepted that improvements and consistency is required in the way performance information is presented and this has been addressed within the report. In addition, the Local Housing Strategy will be developed during 2019 and EIAs on key policy reports will be carried out at the appropriate time. Officers were pleased to note the progress made has been acknowledged by the WAO.

Cabinet discussed the report and highlighted the benefits and importance of working with tenants through this process. Members thanked the WAO for the balanced and thorough report and advised that this can be used as a working document in moving forward. Representatives from the WAO thanked Officers in turn for their assistance throughout the process.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, the WAO reports and the Officers responses to the reports and the proposals for improvement, be noted.

5. WHQS PROGRESS REPORT – FINAL STAGES

The report provided Cabinet with an overview of the performance of the Welsh Housing Quality Standard (WHQS) Team to date and also sets out the anticipated projected performance up to December 2020. Details of the capital expenditure for 2018/19 for WHQS works are also included, together with an overview of the many achievements that have been made as part of the wider commitments and benefits delivered by the WHQS programme.

Officers summarised the progress of the WHQS programme to date, with further details set out in the report and its appendices. The Committee noted details of the background to the WHQS, the contracts established across internal and external works and the timeframes for the delivery of works and survey and compliance completion rates. They also included tenant satisfaction levels for the quality of both internal and external works and for standards met.

Cabinet were advised that the current cumulative level of compliance is 80% for internal works and 62% for external works. Tenant satisfaction levels are 88% across internal works and 71% across external works. Total spend projected to March 2019 is £200m and borrowing of £20m will be required for this year. It is anticipated that the £220m estimate to deliver the WHQS programme is likely to be exceeded, although Officers confirmed that at this time no increase in borrowing would be required. Although full compliance is projected for 15th May 2020 for internal works and 10th April 2020 for external works, it is hoped that these can be brought forward to March 2020 to allow for any unforeseen contingencies and for full WHQS compliance to be achieved prior to the December 2020 deadline.

Cabinet discussed the report and the many benefits that have been created from the WHQS Programme. This included the amount of jobs and apprenticeships that have been created as part of the successful process. Officers confirmed that it is intended that the apprenticeship roles will continue and be built in to the structure when people retire etc. In addition, there is a need to heavily invest in the workforce and it was noted that the in-house workforce has achieved higher satisfaction levels when compared with external providers. Officers also confirmed that the Programme must be maintained post 2020. Members also discussed recharges and if this is still applied to any damages caused to Council properties. Officers advised that this is both a Council and Tenant responsibility. When Officers undertake visits they have a duty to make observations as to the state of properties and also promote and encourage the benefits of taking out home insurance.

The report had been presented to the Caerphilly Homes Task Group on 6th December 2018 and the Policy and Resources Scrutiny Committee 16th January 2019, both of which unanimously supported the recommendations contained therein.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, the Welsh Housing Quality Standard Progress Report – Final Stages, be noted.

6. HOUSING REVENUE ACCOUNT CHARGES – 2019/2020

Councillors B. A. Jones (Council House Tenant) and N. George (Garage Leaseholder) declared personal interests in relation to this item at the commencement of the meeting. They were not required to leave the meeting when the report was presented and could take part in the debate and vote.

The report provided details of the proposed rent charges which predominantly focus on council house rents and are intended to be effective for the Housing Revenue Account (HRA) for the 2019/20 financial year.

Officers summarised the process involved in preparing the Housing Revenue Account (HRA) budget. Cabinet were reminded that Welsh Government's (WG) Policy for Social Housing Rents sets a target rent band for each Authority whereby councils have to adjust average rents for their properties in line with this banding. The uplift on the rent policy is fixed for five years and uses the previous September Consumer Price Index (CPI) inflation figure (as opposed to the RPI inflation figure). It also applies a 1.5% real increase to the average local authority rent and an additional £2 per week discretion for social landlords meeting certain criteria. 2018/19 was the final year of the existing five year agreement and following ministerial pressures in comparing Welsh rents to those in England, WG have agreed that the

increase should be CPI only for 2019/20. The discretion to apply up to £2 per week has been removed for those social landlords whose average weekly rent is within or above their Target Rent Band. This decision will apply for one year only whilst WG are awaiting the outcome of the Affordable Housing Supply Review.

The previous September CPI inflation figure was 2.4% and the Business Plan assumed a rent increase of 3%. Applying 2.4% to the average rent means that Caerphilly Council are just below the Target Rent Band, and therefore this can be increased up to a maximum of £2 to ensure inclusion within the envelope range. In order to be at the minimum of the Target Band Range, a minimum increase of 2.7% is required, and in order to meet the requirement of the Housings Business Plan, an increase of 3% is necessary. The maximum rent increase that can be applied by the Authority is 4.74%. All relevant charges were highlighted within the report and detailed the amount of additional income that would be generated (excluding voids) for each of the proposed levels of increase, together with the percentage of service users receiving housing benefit. The increased income is required to offset other inflationary increases within the service area and support the delivery of all housing-related services, including the delivery of the WHQS programme.

The report had been presented to the Policy and Resources Scrutiny Committee on the 15th January 2018, where Members recommended (by the majority present) that for the reasons set out in the report, the increase of 3% per property to comply with the Housing Business Plan be applied from April 2019. Cabinet discussed the recommendations in the report and Officers clarified that should the 2.7% (the minimum increase to set rents at the absolute bottom of the rent envelope) level be approved then this would result in the department having to borrow money to achieve its budget. Also there is uncertainty in future rent levels and Officers advised that it is prudent to approve the 3% increase at this time.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, the increase of 3% per property to comply with the Welsh Government's Rent Policy and Housing Business Plan be applied from April 2019.

7. WHOLE AUTHORITY REVENUE BUDGET MONITORING REPORT 2018/19

This report provided Cabinet with an updated position of the whole-authority in respect of revenue budget monitoring for 2018/19. Detailed budget monitoring reports are prepared for Scrutiny Committees throughout the financial year. Consideration has been given to actual expenditure and income trends and projections have been made of the likely year-end outturn position. Where variations from budget have been identified these are commented upon throughout the report. The report was circulated to the Policy and Resources Scrutiny Committee as an information item ahead of its meeting on 15th January 2019. There were no comments arising from the Policy and Resources Scrutiny Committee.

Cabinet were reminded of the ongoing challenging financial outlook for Local Government and the need to identify significant savings to support the Council's Medium-Term Financial Plan (MTFP). Officers have been mindful of this and consequently expenditure has been curtailed in a number of areas in recent years with the aim of identifying savings in advance to support the MTFP. This prudent approach has resulted in a trend of reported year-end underspends for some Directorates. Members were referred to paragraph 4.2. in the report that provides a comparison between the original 2018/19 budget, a revised budget (where approved changes have been made in year), and the projected outturn. The details in respect of each service area is set out in Appendices 2 to 5. The total projected revenue budget underspend for the Authority for 2018/19 is £1,899k. The Officer advised that this is a positive picture and the projection is smaller than in previous years. Members noted that in moving forward robust

decisions may have to be made in terms of budget monitoring and that underspends that have been experienced previously are now disappearing.

Cabinet thanked the Officer for the factual report. Thanks were extended to the staff within Social Services for turning around an earlier projected overspend. Reference was made to the increase in local Foster Care Fee Packages which has resulted in the Department no longer using independent Foster Carers and Caerphilly is now being looked at on a National level as a result of this progress.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, Directors and Heads of Service continue to review expenditure and income levels in order to ensure that annual budgets and in-year savings are achieved.

8. UPDATE ON RESERVES

The report provided Cabinet with details of the usable reserves held by the Authority and included proposals for use as at 1st April 2018 of £109.796m, which is £10.8m lower than the level held the previous year. The report also included proposals for the use of Service reserves in respect of the Directorate for Education and Corporate Services, along with a proposed release of reserves across a number of areas for one-off spend. Members were reminded that these reserves can only be used once (typically for capital expenditure and contingent sums for potential unforeseen liabilities) and that it is strongly advisable that these are not used to fill the gaps where savings are required in respect of MTFP proposals.

Cabinet noted the balance position on the General Fund (currently projected to be £10m as at 31st March 2019), details of HRA usable reserves (£5.090m as at 1st April 2018) and Capital Reserves (£39.808m as of 1st April 2018). It was noted that the use of these particular reserves are ring-fenced for specific purposes as set out in the report. The report also detailed the usable reserves for each Directorate (£31.605m for Corporate Services, £4.679m for Communities, £8.419m for Education and Lifelong Learning and £6.995m for Social Services). Work has been carried out to establish Directorate reserves which have the potential for release, and where identified, these were set out in bold throughout Sections 4.5-4.8 of the report.

Additionally, the report set out details of service underspends for each Directorate, and it was explained that in line with the Reserves Strategy agreed by Cabinet in July 2016, a 3% cap has been placed on the cumulative amount that can be held by Directorates in service underspend reserves. As Corporate Services and Education and Lifelong Learning had exceeded this cap, the report therefore summarised proposals to utilise this excess accumulated underspend (totalling £0.764m). These proposals included support for the Capital Programme 21st Century Band B match funding, Post 16/Single Sec Review Resourcing, Digital Strategy Implementation, and Caerphilly 2022 Leadership Training and Development.

The report which is presented annually was considered by the Policy and Resources Scrutiny Committee on the 15th January 2019. The Authority is open and transparent regarding the Authority's reserves. Officers have attended many sessions with the Leader and Deputy Leader for Finance going through the balance sheet. Members were advised that the sum of £110m reserve is proportionate for the size of this Local Authority. In terms of the uncertainty surrounding Brexit and other funding streams, the Officer explained that there could be significant implications for the Authority. This could result in less funding available for goods and services, there could be job losses and the Authority may find itself funding its own growth for its Council Tax Reduction Scheme. In relation to Band B match funding it was confirmed that the Corporate Director for Education and Corporate Services will meet with

Welsh Government on the 15th February 2019 where it is hoped that clarification will be provided regarding future funding and changes to terms and conditions.

Due to the level of uncertainty Cabinet agreed to amend paragraph 10.1.4. and that funding totalling £16m rather than the £20.08m (minus the £1m approved by Council as a contingency for the outcome of the Brexit process and £3m to hold back due to uncertainties around Brexit and Band B terms and conditions) be released from the various reserves as detailed throughout the report and set aside in the balance sheet for one-off expenditure. And an additional recommendation to include that £6.2m be allocated from the £16m towards, £5m Band B 21st Century Schools Programme, £1.2m Regeneration Board Projects and the remaining £9.8m be subject to detailed reports to the relevant Committees.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that subject to an amendment at paragraph 10.1.4. to now read *funding totalling £16m rather than the £20.08m (minus the £1m approved by Council as a contingency for the outcome of the Brexit process and £3m to hold back due to uncertainties around Brexit and Band B terms and conditions) be released from the various reserves as detailed throughout the report and set aside in the balance sheet for one-off expenditure* and an additional recommendation to include *that £6.2m be allocated from the £16m towards, £5m Band B 21st Century Schools Programme, £1.2m Regeneration Board Projects and the remaining £9.8m be subject to detailed reports to the relevant Committees* and for the reasons contained in the Officer's report: -

- (i) the contents of the report be noted;
- (ii) the accumulated underspend reserves above the 3% cap for Corporate Services and Education and Lifelong Learning be utilised as detailed in 4.9.2 of the report;
- (iii) specific reserves relating to the Directorate of Education and Corporate Services totalling £1.5m be released and allocated towards 21st Century Schools Band B match funding;
- (iv) funding totalling £16m rather than the £20.08m (minus the £1m approved by Council as a contingency for the outcome of the Brexit process and £3m to hold back due to uncertainties around Brexit and Band B terms and conditions) be released from the various reserves as detailed throughout the report and set aside in the balance sheet for one-off expenditure;
- (v) that £6.2m be allocated from the £16m towards, £5m Band B 21st Century School Programme, £1.2m Regeneration Board Projects and the remaining £9.8m be subject to detailed reports to the relevant Committees.

9. **CCBC COMMUNICATION AND ENGAGEMENT STRATEGY**

The report sought Cabinet's endorsement of the draft CCBC Communication and Engagement Strategy 2019 – 2022.

Cabinet were advised that the council is committed to ensuring that the whole organisation communicates effectively and efficiently with stakeholders from all sections of the community. Effective Communication and engagement is critical if Officers are to deliver quality services and develop a two way flow of information between the council and key audiences. The new Communication and Engagement Strategy has been developed which sets out the council's approach to delivering its communications activity and outlines the principles which will

underpin this work. Officers explained that the Strategy will run from 2019 to 2022 and sets us from the reality of where the Council is now to the aspirations of the future and is backed up by a detailed action plan. The strategy sets out the principles of how the Council will communicate with openness and transparency, in a simple, non-technical way that people will be able to understand. It also sets out the various communication channels and tools we will use to reach as many people as possible with our key messages.

Local authorities across Wales are facing unprecedented financial challenges and this position is unlikely to change over the next 3-4 years so effective communication, along with extensive community engagement, will form a key part of managing this difficult process. There is also a need to reflect the ever changing communications landscape – particularly with regards to the increasing popularity of digital and social media channels. The way people receive, digest and share information is changing, so it is vitally important that the authority keeps up with this agenda. The Strategy will enable the organisation to adopt a more joined up approach to communications and will help position effective communications at the core of all the authority's work.

The Strategy will be delivered by the corporate Communications Unit, based at Penallta House and Tredomen House (design and print teams). Their key services are set out in paragraph 4.7. in the report. Officers provided an overview of the New Campaign-based approach to Communications. This includes a strategic approach to the communications activity, which will support the corporate priorities, help enable more focus on strategic activities and champion the organisation's objectives. It will help give the organisation a clear voice - a strong narrative with a few overarching key messages, which are what the organisation wants residents, businesses and visitors to 'think' when thinking of Caerphilly County Borough Council. The new campaign themes were summarised in paragraph 11 in the report.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, the draft Communications and Engagement Strategy 2019 –2022, be approved.

10. EXEMPT MATTER

Members considered the public interest test certificate from the Proper Officer and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and it was

RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as identified in paragraph(s) 14 and 16 of Part 4 of Schedule 12A of the Local Government Act 1972.

11. FUNDING FOR SETTLEMENT OF CONTRACT CLAIM

The report sought Cabinet approval for one off funding in respect of the settlement of a contractual dispute between Caerphilly County Council and Heron Brothers Limited.

Following consideration and discussion it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, the recommendations at paragraph 10.1. be endorsed.

The meeting closed at 12.20pm.

Approved and signed as a correct record subject to any corrections made at the meeting held on 13th February 2019.

CHAIR



CABINET - 13TH FEBRUARY 2019

SUBJECT: BUDGET PROPOSALS FOR 2019/20 AND MEDIUM TERM FINANCIAL PLAN 2019/20 TO 2023/2024

REPORT BY: DIRECTOR OF EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To seek cabinet endorsement of the 2019/20 budget proposals contained within this report prior to final determination at Council on the 21st February 2019.
- 1.2 To receive and note an updated Medium –Term Financial Plan (MTFP) covering the five year period 2019/20 to 2023/24.

2. SUMMARY

- 2.1 Cabinet on the 14th November 2018 received a report providing details of draft budget proposals based on the Welsh Government (WG) Provisional 2019/20 Local Government Financial Settlement.
- 2.2 The cabinet report of the 14th November 2018 also provided details of draft savings proposals along with a higher than forecast council tax rise, that provided a set of proposals to cover a savings target of £15.6m for 2019/20 to enable the Authority to set a balanced budget.
- 2.3 This report provides an updated position based on the Final 2019/20 Local Government Financial Settlement announced by WG on the 19th December 2018.
- 2.4 This report details those savings that after assessing consultation responses and considering changes contained in the Final settlement cabinet propose should be removed for the 2019/20 financial year.
- 2.5 This report presents a balanced budget for consideration and approval at Council on the 21st February 2019.

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 2019/20 Provisional Settlement

4.1.1 Published on the 9th October 2018, the key points of the WG Provisional 2019/20 Local Government Financial Settlement were the following: -

- An overall net cash decrease of 0.3% in the Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates) on an all-Wales basis compared to 2018/19. This included additional funding for Free School Meals of £7m, Social Care of £20m and Teachers Pay of £13.7m. These are all cost pressures that need to be funded.
- The headline All Wales average Aggregate External Finance (AEF) reduction included a range across authorities. This is due to the funding formula. There was a range from a 1% decrease to a 0.4% increase for 2019/20.
- For Caerphilly CBC there was a cash decrease of £560k which was a 0.21% reduction in the AEF compared to the 2018/19 financial year.
- WG did not provide an all-Wales indicative percentage reduction/increase in AEF for the 2020/21 financial year.
- The Capital allocations available to Caerphilly CBC in the RSG and from the General Capital Grant was decreased by £23k from the 2018/19 financial year.

4.1.2 The Final 2019/20 Local Government Financial Settlement announced on the 19th December 2018 showed:-

- an overall cash increase in CCBC's AEF compared to the Provisional Financial Settlement of the equivalent of £1.9m of cash funding. This set against the original cash reduction in AEF of £560k, gives £1.37m of funding towards all of the Authority's pay, non-pay and growth pressures for 2019/20
- after adjusting for the transfer in of new responsibilities, along with other RSG transfers in/out the available funds reduce to £549k.

Table 1 – Adjusted Cash Position for Caerphilly CBC

	£m
2018/19 Aggregate External Finance	267.240
2019/20 Aggregate External Finance	268.614
Cash Increase in Final Settlement	1.374
Funding in Settlement for New Responsibilities	(0.380)
Transfers In/Out of the Settlement	(0.445)
EFFECTIVE CASH INCREASE	0.549

4.2 Updated 2019/20 Budget Proposals

4.2.1 The proposals contained within this report will deliver a balanced budget for 2019/20, along with some savings in advance, on the basis that Council Tax is increased by 6.95%. Table 2 provides a summary: -

Table 2 – Summary

Paragraph	Description	£m	£m
4.2.3 – 4.2.10	Whole-Authority cost pressures	14.992	
4.2.12 – 4.2.18	Inescapable service pressures	4.156	
4.1.2	Increase in WG funding		1.374
4.3.1	Savings proposals 2019/20		13.921
4.3.4 – 4.3.5	Savings in advance	0.475	
4.5.1 – 4.5.2	Council Tax uplift (6.95%)		4.678
	Council Tax Surplus adjustment		(0.350)
	TOTAL	19.623	19.623

4.2.2 Cabinet should note that the budget proposals include growth for Schools in 2019/20 to cover all pay related, non-pay and demographic growth pressures. There is no longer a requirement in the Final Settlement to protect Schools. Appendix 2 proposes a savings target for schools of £2.1m. This in effect equates to a real terms cut of circa 2%. However, this needs to be considered alongside the need to deliver savings of £13.4m for 2019/20. Schools spend is approximately 30% of net available budgetary spend. Hence the £2.1m savings proposal i.e. 15% of the total savings required, does provide 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 £14.992m are set out in Table 3 below -

Table 3 – Whole Authority Cost Pressures

	£m
Pay – APT&C and Teachers	5.331
Foundation Living Wage	0.065
Employer pension contributions – APT&C, Teachers and Fire Service	4.416
Non-pay inflation at 2.4%	3.526
School service pressures(including schools new pay and grading)	1.031
Transfers In / New Responsibilities	0.623
TOTAL	14.992

4.2.4 **Pay – 2.2% APT&C and 3.5% Teachers** - The pay award for the 2019/20 financial year has been fully funded as a growth pressure for both APT&C staff and Teachers. The increased costs are split in Appendix 6 between Schools and General Fund. A grant will be made available from WG to fund the increase in Teachers pay from 1st September 2018 to 31st March 2019, this grant funding has then been transferred into the RSG for 2019/20.

4.2.5 **Foundation Living Wage** – Caerphilly CBC is a Living Wage Foundation employer so a sum is included in the budget proposals to allow for annual increases in the Foundation Living Wage hourly rate compared to the National Living Wage hourly rate that is now factored into the new Pay and Grading's growth detailed below in para 4.2.17.

4.2.6 **Employer pension contributions(APT&C staff)**– Following the outcome of the most recent triennial valuation of the Pension Fund, Caerphilly CBC is required to increase its pension contribution by £1,007k (1.0%) for the 2019/20 financial year.

- 4.2.7 **Employer pension contributions (Teachers and Fire Service)** – A significant additional growth pressure has presented itself in the last six months in respect of increased employer pension contributions for Teachers (£3,205k) and the Fire Service (£204k). These are ‘unfunded’ schemes, the Authority has no choice but to pay over the increase in employers costs in accordance with the rate as determined by Central Government. There may be a ‘one off’ payment made by Treasury to cover these 2019/20 costs, albeit that this has not been confirmed. Furthermore there is no certainty(if there is any ‘one-off’ funding) that this funding will cover the actual costs for 2019/20. The overall total increased costs in respect of these employer pension contribution increases will then roll into 2020/21 and be considered for funding by Central Government as part of the comprehensive spending review in 2019. It must be emphasised that there is much uncertainty around the funding of this significant growth pressure both for 2019/20 and on-going. If ‘one off funding’ is made available to the Authority after the Budget has been set, a further report will be presented to a future Council meeting giving Council the opportunity to determine how that ‘one off funding’ is allocated. It must be emphasised that this Authority can set a balanced budget without this ‘one off’ funding, and ‘one-off’ funding should not be used to reinstate permanent savings proposals.
- 4.2.8 **Non-pay inflation at 2.4%** - The Consumer Prices Index (CPI) inflation rate was 2.4% in August 2018, in September it fell to 2.2%. The situation will remain under review prior to final budget proposals, but members are reminded that this area was not fully funded for 2018/19. There are also potential emerging pressures in respect of energy prices and the impact of any Brexit arrangements.
- 4.2.9 **Schools Service Pressures** – this includes funding for mainstream pupil demographic growth, along with growth in respect of an increase in pupil numbers at Trinity Fields school. Formula funding growth is also required in the main for premises related costs. The increase in pupil numbers at Trinity Fields will lead to an increase in the costs associated with Home to School transport costs for those pupils. Finally for schools there is also an amount of £230k for growth for the new Pay and Grading’s structure in respect of school based staff.
- 4.2.10 **Other Passported Grants/Transfers In and Out** –There is a transfer in of £302k that represents anticipated growth in free school meal numbers as a consequence of changes to eligibility criteria as a result of the introduction of Universal Credit. There is a reduction of £202k primarily relating to PFI funding that was anticipated. The Final settlement provided funds for extra responsibilities in respect of increasing capital limits for Residential care(£380k) and discretionary business rate relief(£143k)
- 4.2.11 It is incumbent upon Council to set a realistic budget each year. Table 4 provides details of the 2019/20 inescapable service commitments/pressures that have been identified and require consideration in respect of funding: -

Table 4 – Inescapable Service Pressures and Other Service Commitments

	£M
CTRS Additional Liability	0.958
Social Services cost pressures	1.500
City Deal partnership revenue contribution & Debt charges	0.067
Levies	0.026
EOTAS	0.800
Dry Recycling	0.400
New pay and Grading’s Structure	0.405
TOTAL	4.156

- 4.2.12 **CTRS Additional Liability** – the Authority is required to fund a Council Tax Reduction Scheme (CTRS).This replaced Council Tax Benefit a few years ago. The CTRS is a means tested benefit that assists in full or part towards a resident’s council tax bills.

- 4.2.13 **Social Services cost pressures** - Cabinet will recall that the 2018/19 budget included additional funding of £1.5m for Social Services cost pressures. 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 2019/20 budget to meet ongoing financial pressures for Social Services.
- 4.2.14 **City Deal partnership revenue contribution and City Deal Debt Charges** – There is a small increase required for 2019/20 in respect of the revenue contribution of £6k for the City Deal Partnership. The City Deal includes a borrowing requirement of £120m for the ten partner Local Authorities. An additional £61k is required for 2019/20 to meet the current anticipated cost for Caerphilly CBC's share of potential borrowing that may be undertaken during the 2019/20 financial year.
- 4.2.15 **Education Other Than At School (EOTAS)** – Members will be aware of a continuing overspend in respect of costs relating to EOTAS. These have been regularly reported to Education for Life Scrutiny as part of Budget Monitoring arrangements. The spend has been reviewed and is unlikely to reduce in the short term without a thorough review of service areas that comprise EOTAS. Hence growth has been proposed of £800k to deal with the on-going pressures.
- 4.2.16 **Dry Recycling increased costs** - Members will again be aware of the increased costs relating to dry recycling reprocessing. These have been previously reported to Cabinet and Scrutiny. It was hoped that the costs associated with the contracts to reprocess dry recycling tonnage would reduce. An earmarked reserve, previously approved by Council, was utilised while contracts were renegotiated and the market monitored. Unfortunately this area continues to be a growth pressure, hence growth is proposed of £800k spread evenly across 2019/20 and 2020/21. This has been possible due to the fact that there is an estimated £400k of previously agreed earmarked reserve available for 2019/20.
- 4.2.17 **New Pay and Grading Structure** - The Council as part of National Terms and conditions for APT&C staff will be required to use a new range of salary scale points from April 2019. This will mean that some grades of staff will see an increase in their salaries. The increases are predominately in the lower grade ranges. It is estimated that growth is required of £230k for schools and £405k for other services to accommodate these changes. There will be a separate report presented to Cabinet/Council on these new proposals
- 4.2.18 **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. Officers anticipate that an options appraisal in respect of these contracts will be presented to Policy and Resources Scrutiny committee prior to consideration by cabinet in the Summer 2019. In the meantime this is very much work in progress, hence the estimated growth required has been moved to the 2020/21 financial year when it will be dealt with in the report to Cabinet.
- 4.3 2019/20 Savings Proposals**
- 4.3.1 Savings proposals have been identified for the 2019/20 financial year totalling £13.921m as summarised in Table 5: -

Table 5 – Savings Proposals 2019/20

Description	2019/20 Saving £m
Savings proposals with no public impact	4.557
Savings proposals with a public impact: -	
• Low impact	5.344
• Medium impact	3.502
• High impact	0.518
TOTAL	13.921

- 4.3.2 The updated 2019/20 savings proposal include total proposed savings of £13.921m. These comprise £10.649m of permanent savings and £3.272m of temporary savings. The changes from the draft position are summarised in Table 6 below;

Table 6 - Changes to 2019-20 Draft Savings Proposals

	£m	£m
2019-20 draft savings proposals (Cabinet 14 th Nov 2018)		14.660
Savings to be deferred following consultation process:		
Partial reinstatement of Temporary RCCO Waste Vehicles	(0.090)	
Partial reinstatement of Community Safety Wardens (9 FTE's to 6 FTE's)	(0.247)	
Meals Direct (deferred pending wider review of the Catering Service)	(0.141)	
Defer the introduction of charges for rat treatments	(0.020)	
Defer the closure of 2 Civic Amenity sites pending outcome of waste review	(0.098)	
Community Centres – Defer withdrawal of funding for 2 Centres not in CCBC ownership (see Note 1 below).	(0.013)	
Community Centres - Defer reduction of 1 hour Caretaker support across all Centres (see Note 1 below).	(0.018)	
Community Centres - Defer reduction of all Caretaker support across all Centres from October 2019 (see Note 1 below).	(0.079)	
Community Centres – Defer the closure of Tirphil, Phillipstown and Channel View Community Centres (see Note 1 below).	(0.018)	
Match Funding for Community Schemes - Bargoed Ice Rink and Senghenydd Splash Pad to be funded for 2019/20 only (see Note 1 below).	(0.015)	
		(0.739)
Total		13.921

Note 1

The proposed savings in respect of Community Centres, the Bargoed Ice Rink and the Senghenydd Splash Pad will be deferred for 2019/20 only. This allows a period of time for the Community Centres and the groups involved with the events to find alternative funding or consider alternative delivery models that do not involve funding by CCBC. Failure to secure additional funds (outside of CCBC) may result in the closure of Centres and the cessation of the events from April 2020.

- 4.3.3 A summary of the updated savings proposals are included in Appendix 2 and Appendix 3.

- 4.3.4 The proposed savings in Appendix 2 of £10.649m along with the proposed temporary savings in Appendix 3 of £3.272m, with a proposed Council Tax increase of 6.95% will allow for savings in advance of £475k and provide a balanced budget position for 2019/20.

- 4.3.5 The savings in advance of £475k presents an opportunity to create a ‘one off’ revenue contribution to capital. It is proposed that the £475k is allocated for Band B match funding for the 21st century schools programme. This will lead to £1.4m of spend on the programme.
- 4.3.6 The Head of Finance and S151 officer’s advice to Council in the light of the significant savings required in future years as detailed in the revised MTFP, would be to take as many savings as possible to generate savings in advance.

4.4 General Fund Balances

- 4.4.1 Details of the projected movement on General Fund balances are provided in Appendix 4.
- 4.4.2 As previously agreed by Council the Council Tax surplus each year is channelled through the General Fund to support the base budget in the following financial year
- 4.4.3 A total of £1.8m has been transferred from the General Fund during the 2018/19 financial year in accordance with previous approvals. These are shown in Appendix 4.
- 4.4.4 Cabinet will note that projected underspends for 2018/19 will result in £1.6m being transferred into General Fund balances.
- 4.4.5 The Councils Section 151 officer is advising that in light of the worsening financial outlook, that General Fund balances are retained at a higher level than in previous years. This position can be reviewed when the provisional settlement is announced for 2020/21 in October 2019.

4.5 Council Tax Implications 2019/20

- 4.5.1 The draft budget proposals within this report include a proposed increase of 6.95% in Council Tax for the 2019/20 financial year. This will increase the Caerphilly CBC Band D precept from £1,057.70 to £1131.21 i.e. an annual increase of £73.51 or weekly increase of £1.41.
- 4.5.2 The proposed increase of 6.95% for 2019/20 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 – 2019/20 Council Tax (CCBC Element) at 6.95% Increase

Band	Council Tax (CCBC Element) £	Weekly Increase £
A	754.14	0.94
B	879.83	1.10
C	1005.52	1.26
D	1131.21	1.41
E	1382.59	1.73
F	1633.97	2.04
G	1885.35	2.36
H	2262.42	2.83
I	2639.49	3.30

4.6 Capital Programme 2019/20 to 2021/22

- 4.6.1 The proposed Capital Programme for the three-year period 2019/20 to 2021/22 is detailed in Appendix 5 of this report and summarised in Table 8.

Table 8 – Summary of Capital Programme 2019/20 to 2021/22

	2019/20	2020/21	2021/22
	£m	£m	£m
Capital Programme proposals	14.530	11.124	9,649
WG funding available	(7.943)	(7.943)	(7,943)
Capital funding gap	6.587	3.181	1,706
Funded by: -			
Surplus/(Deficit) b/fwd	0	0	0
Capital Underspends from previous years	0.326	0.306	0
One-Off funding from MRP Policy Review	1.700	1.640	1.578
RCCO budget (Miscellaneous Finance)	0.128	0.128	0.128
Additional General Capital Grant (Final Settlement) -18-19	2.794	0	0
Additional General Capital Grant (Final Settlement)	1.639	1.107	0
Total Additional Funding	6.587	3.181	1.706
Surplus/(Deficit) carried forward	0	0	0

- 4.6.2 Members are advised that the Final settlement for 2019/20 identified additional capital grant for 2018/19 of £2.794m, 2019/20 of £1.639m and 2020/21 of £1.107m.
- 4.6.3 Cabinet considered on the 30th January 2019 a Use of Reserves report presented by the Head of Finance and S151 Officer. Following consideration of that report Cabinet proposed that unallocated reserves of £16m could be released and used for capital expenditure. Of this £16m it was proposed by cabinet that £5m be allocated towards the Band B 21st Century schools programme where £27m of match funding is required. A further proposal was made to allocate a further £1.2m to the Regeneration Project Board (£300k had been previously agreed by Cabinet). The remaining £9.8m to be earmarked for future capital schemes.
- 4.6.4 Further reports will need to be prepared and presented to Cabinet in respect of options to allocate the additional capital grant (referred to in paragraph 4.6.2) along with the £9.8m of unallocated capital earmarked reserves.

4.7 Financial Outlook for Future Years and the Medium Term Financial Strategy

- 4.7.1 The revised Medium-Term Financial Plan has been updated and detailed in Appendix 6. There is currently no indicative allocation for 2020/21 provided by WG. Hence it has been assumed that the AEF will reduce by 0.5% for the following 4 years after 2019/20. The revised MTFP assumptions now require savings to be achieved of £44m from 2020/21 to 2023/24, with £15.7m required for 2020/21.
- 4.7.2 In looking to develop proposals to address the significant financial challenges going forward it is widely accepted that the Council cannot continue as it is. There is a need to examine the way in which we use our resources to deliver services required by our communities across the county borough.

- 4.7.3 The Corporate Management Team is currently working with the Cabinet to establish a vision for 'Caerphilly 2022' and this will form the basis of a report to Cabinet at the end of March 2019 and then Council in April. The report will set out details of a programme to examine how services are prioritised, how they can become more business efficient through a series of service reviews, exploring opportunities for greater customer focus, digital delivery, alternative delivery models, and commercial opportunities; whilst looking at preventative measures that will encourage early intervention that will ultimately allow the demand for certain services to be better controlled.

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 (EIA) has been completed for all of the 2019/20 savings proposals that have a public impact. 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. These EIA's are available on the council's website..
- 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.
- 8.2 Expressions of interest recently received from employees to leave the employment of the Council via the workforce flexibilities policies have been and will continue to be considered to determine whether they can assist service areas to achieve savings and to avoid compulsory redundancy situations. Any requests supported will require robust business cases confirming the savings and impact on service delivery. Any savings that are achieved from this workforce planning exercise, that occur after the budget has been set, will be reported as part of the budget monitoring exercises to the relevant Scrutiny meetings. These savings can then be taken for 2020/21.

9. CONSULTATIONS

- 9.1 Following Cabinet endorsement of the draft 2019/20 budget proposal on 14th November 2018 a period of extensive consultation has been undertaken over a period of eight weeks, Appendix 7 provides a summary of the feedback from the consultation process. The full detail is available on the Council's website.

- 9.2 As part of the consultation process Special Scrutiny Committees were held during December 2018 to focus on the savings proposals. The Special scrutiny reports presented to these meetings along with the minutes of these meetings are available on the Councils website.
- 9.3 Feedback from the consultation process has been used and taken into consideration when finalising the proposed increase in council tax for 2019/20 and savings that are being proposed that could be deferred for 2019/20.

10. RECOMMENDATIONS

- 10.1 Prior to consideration and determination at Council on 21st February 2019. Cabinet is asked: -
- 10.1.1 To support the proposal that the grants transferred/passported into the Financial Settlement and the funding for new responsibilities are passed directly to those services that they relate to see para 4.2.10.
- 10.1.2 To endorse the proposed savings for 2019/20 totaling £13.921m as set out in para 4.3.1 and 4.3.2 and Appendix 2 and Appendix 3 of this report.
- 10.1.3 To endorse the Revenue Budget proposals for 2019/20 of £337.745m as set out in this report and summarised in Appendix 1.
- 10.1.4 To support the proposal to allocate £5m to 21st Century schools match funding, see paragraph 4.6.3.
- 10.1.5 To support the proposal to allocate £1.2m to the Regeneration Project Board, see paragraph 4.6.3.
- 10.1.6 To support the proposal to allocate the £475k savings in advance to the 21st Century schools Band B programme, see paragraph 4.3.5.
- 10.1.7 To endorse the proposed Capital Programme for the period 2019/20 to 2021/22, see Appendix 5.
- 10.1.8 To note the Updated Medium-Term-Financial Plan detailed in Appendix 6 of this report and the indicative savings requirement of £44m for the following 4 financial years (2020/21 to 2023/2024)
- 10.1.9 To support the proposal to increase Council Tax by 6.95% for the 2019/20 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1131.21).

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
Steve Harris, Interim Head of Business Improvement Services
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services and Monitoring Officer
Andrew Southcombe, Finance Manager, Corporate Finance
Cllr Dave Poole, Leader
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance

Background Papers:

WG Provisional 2019/20 Local Government Financial Settlement (9th October 2018)
WG Final 2019/20 Local Government Financial Settlement (19th December 2018)
Medium-Term Financial Strategy 2019/20 to 2023/24

Appendices:

Appendix 1 Net Revenue Budget 2019/20
Appendix 2 2019/20 Permanent savings Proposals
Appendix 3 2019/20 Temporary Savings Proposals
Appendix 4 Movements on General Fund
Appendix 5 Capital Programme 2019/20 to 2021/22
Appendix 6 Updated Medium Term Financial Plan 2019/20 to 2023/2024
Appendix 7 Budget Consultation Feedback 2019/20

APPENDIX 1**NET REVENUE BUDGET 2019/20**

	£'000	£'000
Base Budget 2018-19		332,043
2019-20 Transfers In	0	<u>302</u>
		302
2019-20 Transfers Out		0
Other passported grants		
Private Finance Initiative (Asset Financing)	<u>-202</u>	<u>-202</u>
New Responsibilities		
Increased Capital Limit for Residential Care	380	
Targeted Business Relief	<u>143</u>	<u>523</u>
		523
Whole Authority Cost Pressures		
Pay Inflation	5,331	
Living Wage (assumed increase of 20p per hour)	65	
Non-pay inflation at 2.4 %	3,526	
Superannuation Increase (LGPS 1 %, Teachers 7.12%)	4,212	
Fire Service Levy	204	
Schools Service Pressures	391	
Trinity Fields Demographic Growth	290	
Trinity Fields Transport Costs (Democratic Growth)	120	
Schools New Pay and Grading Structure	<u>230</u>	<u>14,369</u>
		14,369
Inescapable Service Pressures		
Social Services Cost Pressures	1,500	
EOTAS	800	
Dry Recycling	400	
City Deal - Partnership Revenue	6	
City Deal - Debt Charges	61	
General Fund New Pay and Grading Structure	405	
Council Tax Reduction Scheme	958	
Levies Net Additional Contribution	<u>26</u>	<u>4,156</u>
		4,156
Savings In Advance		475
Savings Proposals 2018-19		-13,921
Proposed Expenditure		337,745
Funding		
WG Support		-268,614
Council Tax (6.95 %)		-68,081
Council Tax Surplus		-1,050
Total Funding		-337,745

2019-20 Permanent Savings Proposals

Proposed Saving	£000's	Comments	Public Impact
EDUCATION & LIFELONG LEARNING			
Planning and Strategy			
Full-year impact of closure of Cwmcarn High School	221	Closure of Cwmcarn High in October 2018. Balance of lump sum funding. £200k reduction in 2018/19, £221k is the balance following closure. Pupil related funding remains within the formula.	Nil
Reduction in Local Management of Schools (LMS) Contingency budget to reflect actual spend	40	Reduce budget based on prior years spend. If a formula issue arises in year will need to consider the use of LMS Contingency balances - subject to formal approval for use of balances.	Low
Outdoor Education - support for FSM pupils attending courses (fund through grants instead)	17	Removal of full budget - was set up many years ago to support FSM pupils in accessing outdoor education activities. In 2017-18 only 8 (out of 86) schools accessed this funding and all but 1 have an SRB. Consequently the impact will not be felt across all schools in the Authority. Other schools are using PDG funding and where the impact is linked to those in danger of an exclusion this will be picked up as part of the SRB Review.	Low
1/3rd Reduction in the School Meal Admin. Utility & Telephone Budget	10	Schools collecting significant levels of Catering income for Auth. & not funded for Catering utility costs on site. Significant staff time commitment within Schools to support this process. £10k relates to saving on telephone lines in most schools for Catering - as now using mobiles. Budget split - £252k Admin. Reimb. To Primary Schools; £162k Utilities Reimb. to Primary Schools; £10k Reimb. to Primary Schools.	Nil
5% Efficiency target P&S Mgt & Support Services	29	Opportunities with regards to additional income generation – most notably linked to grant funding	Nil
	317		
Learning, Education and Inclusion			
Rising 3's - budget realignment	50	Budget Realignment / Vacancy Management	Nil
Reduction in School Improvement Initiatives budget	243	Proposal to remove the funding set aside to support schools in difficulty from a school improvement perspective. These situations are normally linked to inspection outcomes and more recently to national categorisation. As a result of a decreasing number of schools in higher risk categories this level of reduction is achievable at this time. There would need to be an understanding that should "emergency" funds be required, there is a potential to access funding from reserves (subject to the appropriate approval for use of balances).	Medium
Visually Impaired Service - 4.4% reduction in contribution	17	Service hosted by Torfaen CBC. The Authority will need to progress with the Lead Authority..	Medium
Education Achievement Service (EAS) - 2% reduction in contribution	48	Budget Realignment / Vacancy Management	Nil
Education Improvement Grant (EIG) - Reduction in match-funding contribution	27	Budget Realignment / Vacancy Management	Nil
14-19 Transport Initiative - budget realignment	10	Budget Realignment / Vacancy Management	Nil
Early Years (Central Team) - budget realignment	20	Budget Realignment / Vacancy Management	Nil
Education Welfare Service - vacancy management	46	Saving will be in place for 2019/20. Follows a re-modelling of the Service from September 2018 - EWO's compliment of 11.24 FTE's reduced to 8.45 FTE's but with a new Administrative Post to support the Team. The new model is designed to increase the flexibility of staff in the Team to support schools and to not be rigidly fixed to designated schools. Posts already vacant.	Low
Reduction in Music Service	50	Workforce requests received in the recent "letters". Need to review & work this through to establish the position going forward in respect of staff reductions.	Low
	511		
Lifelong Learning			
Community Education (Youth Service) - premises, vacant posts etc.	100	Budget Realignment / Vacancy Management	Nil
Community Education (Adult Service) - budget realignment	50	Budget Realignment / Vacancy Management	Nil
Libraries - Reduction in premises costs, staff and books	85	Current resources budget is £355k. Reduction of £85k in Book Fund. Proposals include : Top slicing sections of the book fund to mitigate the impact of the reduction on key customer categories including children, older residents & learners; Remove 50% of the allocated funding for DVD's with the remaining allocation ring-fenced for popular customer interest areas such as children's titles; Significantly increase the proportion of paperback titles to increase the efficiency in resource spend and number of titles available; Increase use of South Wales Books4U scheme; Review free request service with the intention of reintroducing charges for rare non fiction titles which are not cost effective to elect to buy.	Medium
Libraries - Reduction in premises costs, staff and books	15	Budget Realignment / Vacancy Management	Nil
Library Service (Additional £30k to the £100k = £130k)	30	Budget Realignment / Vacancy Management	Nil
GAVO (Youth Service) - Remove contribution as service can be provided by CCBC	25	Removal of full contribution to GAVO - relating to Holiday Scheme Co-Ordinator. Implications for GAVO as this funding links to a post. No implications for public as the advice will continue to be provided through the Youth Service. [Function is to provide advice & support to any groups considering the provision of school holiday period-specific activity for children & young people between the age of 8 to 18 years].	Medium
Review of Staffing model in Libraries	50	Need to reference recent workforce requests in respect of the letter.	Low
	355		
Schools - MTFP shortfall	2,126	Schools will be required under their delegated powers to balance their own individual budgets, hence they will be required to identify their savings to cover the £2.1m. School budgets are typically 80 % staff related hence there will be a reduction in staff in schools	Medium
TOTAL Education and Lifelong Learning	3,309		

COMMUNITIES			
Regeneration and Planning			
Reduction in Community Regeneration Fund	50	Impact on Voluntary Organisations	Low
Business Support & Funding - vacancy management	25	Budget Realignment / Vacancy Management	Nil
Business Support & Funding - budget realignment	10	Budget Realignment / Vacancy Management	Nil
Cwmcam Visitor Centre - increase in income	10	Budget Realignment / Vacancy Management	Nil
Events & Marketing - budget realignment	10	Budget Realignment / Vacancy Management	Nil
Blackwood Miners Institute - budget realignment	20	Budget Realignment / Vacancy Management	Nil
Realignment of staffing budgets at the Winding House	67	To reduce opening hours and staff resource	Low
Urban Renewal - budget realignment	4	Budget Realignment / Vacancy Management	Nil
Reduction in Town Centre budget	5	Reduction in works in Town Centres	Low
Planning Division - vacancy management	42	Budget Realignment / Vacancy Management	Nil
Staffing restructure in Regeneration and Planning	125	Mainly Vacant Posts	Nil
2% efficiency target for Arts Development budget	3	Budget Realignment / Vacancy Management	Nil
Reduction in Events Budgets	47	Reduction in some Events in Town Centres	Low
Total Regeneration and Planning	418		
Infrastructure			
Introduction of bus station departure charges	100	Impact on providers but could result in increase in public charges. Proposed increase 35p per departure	Low
32% reduction in Carriageway Resurfacing RCCO (capital budget = £750k)	53	Deterioration in road quality, increased risk insurance claims	Medium
7% reduction in Carriageway Surface Dressing budget	60	Deterioration in road quality, increased risk insurance claims	Medium
4% reduction in Highways Reactive Maintenance budget through use of Technology (Jetpatcher)	55	New technology providing efficiency	Nil
7% reduction in Highways Structures budget	36	Deterioration in infrastructure	Low
14% reduction in Traffic Management Maintenance budget	5	Reduction in maintenance and budget efficiency	Low
2% reduction in Street Lighting Non-Routine Maintenance budget	9	Reduction in maintenance as a result of new LED technology	Nil
8% reduction in other Highways Maintenance budgets	66	Deterioration in infrastructure	Medium
Reduction in other miscellaneous Highway/Land Drainage budgets	21	Increased flood risk	Medium
Reduction in Risca Canal budget	10	offset by capital enhancement	Low
Gully Cleansing - 1 jetter to be funded from SLA agreement with Another Authority	64	MTCBC SLA Agreement if agreed	Nil
Deletion of Community Response Team budget - retirements/non-essential work	100	Service removed - minor maintenance works	Nil
Public Transport - review of contracts with highest subsidy per passenger	68	Reduction/termination of some bus routes	Medium
Vacancy management (part of wider £200k restructure proposal)	34	Budget Realignment / Vacancy Management	Nil
Highways Operations additional income	6	More focussed pursuit of highway recharges	Nil
Lunchtime School Crossing Patrols	36	Removal of Lunch Patrol	High
9% reduction in Traffic Signal Routine Maintenance budget	11	Contract Efficiency	Nil
Reduction in Accident Studies due to contract review	10	Contract Efficiency	Nil
Increase in road closure fee income	30	Charge to contractors for all closures with no further event subsidies	Nil
Passenger Transport - increase in income	3	Increase in replacement bus pass cards - Change in price (new charge £10 per replacement of lost card)	Low
Increase in Car Park charges	40	First increase in 8 Years and possible charging on Sunday, proposed increase 20p per tariff	Low
Introduction of a charge for residential parking permits	30	Introducing an annual charge in accordance with policy. Recommending £15.00 per permit.	Low
Integrated Transport Unit	50	Better utilisation of authority fleet when external contracts are due for renewal	Nil
Staffing restructure in Infrastructure Division	166	Budget Realignment / Vacancy Management	Nil
Total Infrastructure	1,063		
Public Protection			
Provision of Meals Direct Service to Section 117 clients only (Deferred Saving)	0	Cease meals on wheels service except for clients eligible under Section 117 aftercare, currently just 1 individual. Part year saving to allow for implementation.	High
Increase price of secondary school meals by 10p from April 2019 (£2.25 to £2.35)	50	Price increase	Low
Increase price of primary school meals by 10p from April 2019 (£2.00 to £2.10)	54	Price increase	Low
Increase price of civic meals by 5%	3	Price increase E.g. • carvery set menu would raise from £4.70 to £4.95 • daily special choice would raise from £4.10 to £4.30 • sandwich would raise from £2.45 to £2.60	Low
Increased catering income from Secondary Schools - budget realignment	20	Budget Realignment / Vacancy Management	Nil
Cessation of the Community Safety Warden Service	108	Reconfiguration of Service	High
Increase in fee for retrieving stray dogs from Pound	3	Price increase to £75 from £44.	Low
Introduction of charges for rat treatments (Deferred Saving)	0	New Charge - £20 (plus VAT) per treatment reducing to £10 (plus VAT) for those on means tested benefits.	Low
Environmental Health - budget realignment	15	Budget Realignment / Vacancy Management	Nil
Registrars - increase in ceremony fees	10	Increase in fees which range from 7.5% to 20% depending on day of the week and the venue.	Low
Trading Standards - vacancy management	40	Delete Fair Trading Officer post	Low
CCTV - reduction in line rental costs	40	Budget Realignment / Vacancy Management	Nil
Reduction in CCTV overtime budget	8	Budget Realignment / Vacancy Management	Nil
5% efficiency target for Health Division budgets	12	Budget Realignment / Vacancy Management	Nil
5% efficiency target for Pollution budgets & Emergency Planning budgets	26	Delete 0.5 fte Environmental Health Officer post	Medium
Total Public Protection	389		

Community and Leisure Services			
Sport & Leisure - changes in VAT for leisure pricing	50	Some clubs may have to pay more for the service	Low
Sport & Leisure - reduction in sport & leisure tutor budgets (budget realignment)	75	Budget Realignment / Vacancy Management	Nil
Sport & Leisure - reduction in Smart Rewards budget	15	Budget Realignment / Vacancy Management	Nil
Sport & Leisure - reduction in Supplies budget including uniforms and smartcards	8	Budget Realignment / Vacancy Management	Nil
Sport & Leisure - reduction in Caerphilly Adventures budget	12	Budget Realignment / Vacancy Management	Nil
Fleet Management - cease use of external diagnostic services and provide in-house	10	Budget Realignment / Vacancy Management	Nil
Building Cleaning - increase in income	15	Budget Realignment / Vacancy Management	Nil
Building Cleaning - budget realignment	31	Budget Realignment / Vacancy Management	Nil
Community Centres - withdrawal of funding for 2 Centres (Rudry & Glan y Nant) not in CCBC ownership (Deferred Saving)	0	Reduces subsidy to user centre ownership. Glan-y-Nant and Rudry	Low
Community Centres - reduction of 1 hour Caretaker support across all Centres (Deferred Saving)	0	additional charge from community centres committees	Low
Community Centres - reduction of all Caretaker support across all Centres from October (Deferred Saving)	0	additional charge from community centres committees needed to fund the caretakers salary. Part Year from 1st October 2019	High
Community Centres - closure of 4 Centres (Tirphil, Phillipstown, Channel View & Lower Rhymney* (*already closed)) Deferred Saving - Tirphil, Phillipstown, Channel View	5	Loss of community centre to users	Medium
Parks & Countryside- Bowling Green rationalisation programme	10	Ongoing phased removal of the grants to bowls clubs as previously agreed by Cabinet	Nil
Parks & Countryside - review of Pavilion Attendant provision	30	Reduction of pavilion attendant hours.	Nil
Parks & Countryside - reduction in Community Asset budget	54	Cessation of minor infrastructure maintenance and upgrades; examples of works include the installation of knee rails, gates and barriers etc.	Low
Parks & Countryside - vacancy management	18	Budget Realignment / Vacancy Management	Nil
Parks & Countryside - reduction in machinery budget	20	Reduced budget to invest in new machinery.	Low
Parks & Countryside - reduction in playground maintenance budget	10	Reduced ability to replace play equipment and ultimately could lead to the closure / removal of facilities.	Low
Parks & Countryside - staffing restructure	44	Reduction in Area Parks staff	Low
Parks & Countryside - removal of one application of the weed spraying contract	32	Reduced service	Low
Green Spaces/Cemeteries - staff restructure	100	Potential redundancy of staff	Low
Green Spaces/Cemeteries - reduction in Cemeteries maintenance budget	25	Budget Realignment / Vacancy Management	Nil
Green Spaces/Cemeteries - reduction in War Memorial maintenance budget	15	Budget Realignment / Vacancy Management	Nil
Green Spaces/Cemeteries - reduction in Allotments budget	3	Budget Realignment / Vacancy Management	Nil
Green Spaces/Cemeteries - increase in Cemeteries income (budget realignment)	40	Budget Realignment / Vacancy Management	Nil
Waste Management - Cleansing staffing reductions	166	filling the vacant posts will increase standard of street cleanliness and would improve resilience of service'	Medium
Waste Management - introduction of new scheme of charging for bulky waste collections	50	New charge of a charge of £16 for 1 to 3 items (for all items other than fixtures and fittings).	Low
Waste Management - rationalisation of farm round waste collection service	53	reduced service	Low
Waste Management - reduction in mechanical sweeping	193	Reduced service	Medium
Waste Management - closure of 2 Civic Amenity Sites (Deferred Saving)	0	2 CA sites are Penallta and Aberbargoed	Medium
Waste Management - staffing restructure	34	Budget Realignment / Vacancy Management	Low
Waste Management - reduction in Proactives Initiatives budget	50	Budget Realignment / Vacancy Management	Low
Waste Management - Civic Amenity Sites to shut an additional day (assumes 4 remain open)	38	Reduced service	Medium
Waste Management - development of an electronic Commercial Waste System	5	Budget Realignment / Vacancy Management	Nil
Waste Management - closure of all 5 Public Conveniences	74	Closure in all towns (Twyn to stay open as managed within TIC)	High
Waste Management - reduction in the level of weekend cleansing	34	Reduces service	Medium
Waste Management - off-hire one Supervisor van	6	Budget Realignment / Vacancy Management	Nil
Further reduction in Parks and Playing Fields budgets	30	Budget Realignment / Vacancy Management	Nil
Total Community and Leisure Services	1,354		
Corporate Property			
Ty Duffryn - standing charges and lease income	394	New lease agreed with Third Party Operators	Nil
Enterprise House - termination of lease	67	Staff moving to Tredomen	Nil
Reduction in Corporate Property DDA budget	50	Reduced Budget availability	Nil
Energy savings from LED lights in Ty Penallta	20	Budget Realignment / Vacancy Management	Nil
Reduction in cleaning of Corporate Buildings	15	Budget Realignment / Vacancy Management	Nil
Total Corporate Property	546		
Total Communities	3,770		

SOCIAL SERVICES & HOUSING			
Children's Services			
4C's rebate - joint commissioning of children's placements	35	Realignment of budget with no public impact	Nil
Review of admin support	186	Details to be confirmed but could be back office restructure with little or no public impact	Low
Review of Barnardo's contract	189	Potential reduction in Family Support Services	Medium
Families First - deletion of admin post	23	Deletion of vacant back office post with no public impact	Nil
Customer Services restructure	20	Back office restructure with no public impact	Nil
Total Children's Services	453		
Adult Services			
Review of staffing budgets in Adult Services	550	Details to be confirmed but could be back office restructure with little or no public impact	Low
Review of non Residential Charging Policy	100	Propose changes to the current non residential charging policy to ensure equity for all service users to include: charging for support element of domiciliary care, charging for day opportunities in a community setting, and charging for day opportunities provided by the independent and third sector.	Low
Retender of Shared Care Respite Contract currently held by Action for Children	50	All of these savings could be achieved through a re-design of services including closure of a day base Twyn Carn) with little impact on service users. E.g. Service users could receive a similar service but in a different location. Promotion of independence to enable people to meet their own outcomes.	Low
Review of Day Services to achieve a budget reduction of 6%	300		Low
Implications of Social Services & Wellbeing Act 2014	150		Low
Review of external day care	205		Low
Cap inflationary uplifts on external contracts	3	Minor reductions could be achieved through efficiencies within the provider organisation	Nil
Domiciliary Care client income - budget realignment	25	Realignment of budget with no public impact	Nil
Non renewal of Mental Health Carers Support contract	34	Full year effect of not renewing the contract that ends on 31/03/19. Consultation currently ongoing	Low
Income generation - Ty Hapus	25	Will offer for use by other local authorities and ABUHB	Nil
Cease contribution to SEWIC	15	Regional agreement has been reached to cease a back office function with no public impact	Nil
Extra Care - budget realignment	20	Realignment of budget with no public impact	Nil
Adult Services	1,477		
Service Strategy and Business Support			
Dissolution of South East Wales IT Consortium	22	Full year effect of termination of a regional arrangement for back office IT Support in 2018/19. This support is now provided through the Regional WCCIS Service.	Nil
5% efficiency target for Office Expenses	9	Back Office efficiencies	Nil
Total Service Strategy and Business Support	31		
Housing Services			
Private Housing - staffing restructure	34	Budget Realignment / Vacancy Management	Nil
Removal of Homeless Prevention Fund budget - to be funded through growth in RSG	46	Nil effect	Nil
Revise staff apportionments between General Fund and HRA	50	Budget Realignment / Vacancy Management	Nil
Llamau grant reduction	3	Reduced service already being provided	Nil
Total Housing Services	133		
Total Social Services & Housing	2,094		
CORPORATE SERVICES			
Corporate Finance			
Housing Benefits - vacant post	27	Could increase performance if post filled	Low
Environment Finance - vacant post	24	Budget Realignment / Vacancy Management	Nil
Environment Finance - restructure	33	Budget Realignment / Vacancy Management	Nil
Housing Benefits - New Burdens funding	42	Could increase performance if post filled	Low
Additional grant and fees and charges income	67	Budget Realignment / Vacancy Management	Nil
Total Corporate Finance	193		
Procurement and Customer Services			
Customer Services - management/team leader restructure	108	Front line service but no impact on service delivery due to revised working practices.	Low
Customer Services - potential retirement	26	Front line service but no impact on service delivery due to revised working practices.	Low
Total Procurement and Customer Services	134		
Corporate Policy			
Reduction in voluntary sector Service Level Agreements (SLAs)	42	Directly impact Voluntary Sector SLA payments.	Medium
Reduction in Technical Assistance budget	5	Reduction in budget which is used to provide technical advice and guidance to Voluntary sector to allow them to access external grant programmes.	Low
Reduction in Well-being budget	10	Reduction in budget used to support well-being activities.	Low
Deletion of former Outcome Agreement budget	40	Budget Realignment / Vacancy Management	Nil
Equalities Team - reduction in publicity and promotion budgets	4	Budget Realignment / Vacancy Management	Nil
Reduction in Welsh Language Translation budget	10	Budget Realignment / Vacancy Management	Nil
Cease the use of Flynnon	12	New ways of working	Nil
Service Review	67	Budget Realignment / Vacancy Management	Nil
Total Corporate Policy	190		
Information Technology			
Staff restructure / workforce planning	150	Staffing Restructure	Nil
Reduction in PSBA charges	132	Budget Realignment / Vacancy Management	Nil
Reduction in telephony costs and line rentals	35	Budget Realignment / Vacancy Management	Nil
Staffing restructure in Central Services	33	Vacant Posts	Nil
Reduce to a single van (mailroom)	4	Budget Realignment / Vacancy Management	Nil
Agenda distribution - cessation of delivery of papers to Members	5	Budget Realignment / Vacancy Management	Nil
Total Information Technology	358		

Human Resources and Communications			
Human Resources - restructure	120	Vacant posts	Nil
Total Human Resources and Communications	120		
Health and Safety			
Health & Safety - restructure	83	Vacant posts	Nil
Total Health and Safety	83		
MISCELLANEOUS FINANCE			
Pension contributions former Authorities - budget realignment	50	Budget Realignment / Vacancy Management	Nil
External Audit fees - budget realignment	50	Budget Realignment / Vacancy Management	Nil
Welsh language - budget realignment	53	Budget Realignment / Vacancy Management	Nil
NNDR on empty properties	131	Budget Realignment / Vacancy Management	Nil
Rent Allowances, War Widow Concessions - budget realignment	10	Budget Realignment / Vacancy Management	Nil
Reduction in Careline budget	20	Budget Realignment / Vacancy Management	Nil
Reduction in Carbon Management Scheme budget	25	Budget Realignment / Vacancy Management	Nil
PV Panels income	15	Budget Realignment / Vacancy Management	Nil
Class 1A NI Contributions (Tusker)	40	Budget Realignment / Vacancy Management	Nil
Reduction in miscellaneous items budget	4	Budget Realignment / Vacancy Management	Nil
Communities Match Funding Pot (Deferred Saving)	0	Could impact on Communities to organise these 2 events. Community council/sponsorship funding would be needed to continue with the events.	Low
Total MISCELLANEOUS FINANCE	398		
Total Corporate Services and Miscellaneous Finance	1,476		
Total 2019-20 Proposed Savings	10,649		

2019-20 Temporary Savings Proposals

Proposed Saving	£000's	Comments	Public Impact
EDUCATION & LIFELONG LEARNING			
LMS Contingency - 23% Reduction	45	Current budget is £193k, this will reduce to £153k prior to this £45k proposed reduction. This leaves just £108k to deal with in year formula issues. Consequently if an issue arises will need to consider the use of LMS Contingency balances - subject to formal approval.	Medium
TOTAL Education and Lifelong Learning	45		
COMMUNITIES			
Regeneration and Planning			
Community Regeneration Community Projects - 53% Reduction	35	Impact on ability to fund small projects that do not have specific funding	Low
Business Grants - 50% Reduction	25	Reduced funding for Businesses.	Low
Community Regeneration Fund - 100% Reduction	50	Impact on Voluntary Organisations. This is the remaining budget.	Low
Total Regeneration and Planning	110		
Infrastructure			
Winter Maintenance - 54% Reduction	500	Alternative funding via winter maintenance reserve	Nil
Public Rights of way -50% Reduction	31	Deterioration in Public Rights of Way	Low
Maintenance of Land - 50 % Reduction	15	Deterioration in maintenance of land	Low
Temporary reduction in Carriageway Resurfacing RCCO	110	Alternative funding sort WG	Low
Temporary reduction in Carriageway Surface Dressing	800	Alternative funding sort WG	Low
Temporary reduction in Structures Maintenance budget	40	Alternative funding sort WG	Low
Temporary reduction in Highways Reactive Maintenance budget	43	Alternative funding sort WG	Low
Temporary reduction in Risca Canal Maintenance budget	40	Reliant on capital project	Low
Total Infrastructure	1,579		
Community and Leisure Services			
RCCO Waste Vehicles - 77% Reduction	300	Risk to vehicle availability/reliability	Low
Total Community and Leisure Services	300		
Corporate Property			
Property Maintenance - 20% Reduction	309	Reduced funding available for discretionary work.	Low
Total Corporate Property	309		
Total Communities	2,298		

SOCIAL SERVICES & HOUSING			
Reduce Growth provision	300	Would only meet existing need but does not allow for any demographic increases from August 2018 or for any fee increases in excess of inflation.	High
Total Social Services & Housing	300		
CORPORATE SERVICES			
Information Technology			
PC Refresh -100% Reduction	129	Replacement PC and MFP capacity Budget £132k	Nil
Total Information Technology	129		
Miscellaneous Finance			
Deferred Borrowing - 4.4% Reduction	500	Reduces opportunity to use as a one off underspend on capital schemes.	Low
Total MISCELLANEOUS FINANCE	500		
Total Corporate Services and Miscellaneous Finance	629		
Total 2019-20 Temporary Savings Proposals	3,272		

APPENDIX 4**MOVEMENT ON GENERAL FUND**

	£'000	£'000
Opening Balance 01/04/2018		13,200
2017-18 Council Tax Surplus to support 2018-19 Budget		-1,400
Take From General Fund Agreed by Council		
MTFP Savings Delivery Fund	-1,800	
		<hr/>
		-1,800
Projected Take to General Fund from 2018-19 Underspends :-		
Education and Corporate Services	158	
Social Services & Housing	494	
Communities	0	
Miscellaneous Finance	1,008	
		<hr/>
		1,660
Estimated 2018-19 Council Tax Surplus		1,400
Approved Transfers to General Fund from Earmarked Reserves	0	
		<hr/>
		0
Proposed Transfer to Capital Earmarked Reserve		0
2018-19 Council Tax Surplus to support 2019-20 Budget		-1,400
Projected Balance 31/03/2019		<hr/> <hr/> 11,660

Capital Programme 2019/20 to 2021/22

Scheme	2019/20 £000's	Indicative 2020/21 £000's	2021/22 £000's
<u>Education and Lifelong Learning</u>			
Health & Safety Regulations Works	296	296	290
Basic Needs Accommodation	221	221	220
School Security	62	62	62
Asset Management	591	591	590
School Boiler Replacement Programme	253	253	253
Total Education & Lifelong Learning	1,423	1,423	1,415
<u>Communities</u>			
Sport Pitches	30	30	30
Total Community & Leisure Services	30	30	30
Environmental Schemes	228	228	0
Total Countryside	228	228	0
Voluntary Sector Capital Grants	98	98	80
Total Economic Development	98	98	80
Infrastructure Retaining Walls	314	314	314
Street Lighting	50	50	50
Land Purchase-Future Schemes	41	41	40
Major Highway Reconstruction	739	739	739
Bridge Strengthening	441	441	441
Land Drainage- Corporate	123	123	123
Land Drainage - Non Corporate	123	123	123
Vehicle Restraint Systems	148	148	148
Corporate Maintenance - Tips Mines Spoils	246	246	246
Monmouth & Brecon Canal.	208	208	200
Footway Reconstruction	148	148	148
Total Engineers	2,581	2,581	2,572
Commercial And Industrial Grants	50	50	40
Town Centres	20	20	18
Navigation Colliery Site Regeneration	19	0	0
Total Urban Renewal	89	70	58
CCTV Replacement	74	74	74
Kitchen Refurbishments	419	419	419
Total Public Protection	493	493	493
Total Communities	3,519	3,500	3,233

Social Services & Housing

Condition Surveys	345	344	340
Total Social Services	345	344	340
Disabled Facility Grants	1,133	1,133	1,130
Home Imp Grants/Miscellaneous	246	246	240
Home Repair Grant	788	788	780
Total Private Housing	2,167	2,167	2,150
Total Social Services & Housing	2,512	2,511	2,490
<u>Corporate Services</u>			
IT Hardware & Software	230	230	220
Total ICT	230	230	220
Corporate Asset Management	690	690	690
Total Property	690	690	690
Total Corporate Services	920	920	910
Capital Earmarked Reserve	1,723	1,663	1,601
Unallocated General Capital Grant	4,433	1,107	0
Total Capital Programme	14,530	11,124	9,649

Updated Medium Term Financial Plan 2019/20 to 2023/2024

Description	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
AEF (0.51 % ,-0.50 %,-0.50%, -0.50%,-0.5%)	1,374	(1,343)	(1,336)	(1,329)	(1,323)
Less:					
New Responsibilities - Increase in Capital Limits for Residential Care	380	0	0	0	0
Transfer In - Free Schools Meals	302	0	0	0	0
Transfer In - WG specific funding discretionary rate relief.	143	0	0	0	0
Net Welsh Government Funding available	549	(1,343)	(1,336)	(1,329)	(1,323)
Council Tax (6.95 % then 4.52 % each year)	4,678	3,077	3,216	3,362	3,514
Council Tax Surplus adjustment	(350)	0	0	0	0
Net Council Tax Funding Available	4,328	3,077	3,216	3,362	3,514
Total Funding to support budget	4,877	1,734	1,880	2,033	2,191
Schools					
Teachers Pay (3.5 % , then 2% each year)	2,431	1,502	1,572	1,603	1,635
Living Wage	16	16	16	16	16
Teachers Employers Pension Contributions (7.12 %)	2,984	2,272	0	0	0
APT&C Pay (2.2% ,2%, 2% 2%)	271	262	269	278	287
APT&C Employers Pension Contributions (1 % , 1%, 1%, 1%)	126	133	137	141	145
New Pay and Grading Structure	230	0	0	0	0
Non-Pay Inflation (2.4%)	454	439	423	432	441
Schools Service Pressures	391	181	301	364	274
Trinity Fields Demographic Growth	290	0	0	0	0
Trinity Fields Transport Costs (Democratic Growth)	120	0	0	0	0
Total Schools	7,313	4,805	2,718	2,834	2,798
General Fund Services					
Pay (2.2% ,2%, 2% 2%)	2,629	2,249	2,294	2,340	2,387
Living Wage	49	49	49	49	49
Employers Pension Contributions (1 % , 1%, 1%, 1%)	881	890	899	908	917
Teachers Employers Pension Contributions (7.21 %)	221	0	0	0	0
Non-Pay Inflation (2.4% 2.2 % 2.1%, 2.1%)	3,072	2,809	2,905	3,005	3,111
Fire Service Levy (Unfunded Pension Increase - Additional Contribution)	204	0	0	0	0
Reduction in PFI funding transferred into RSG	(202)	0	0	0	0
Total General Fund Services	6,854	5,997	6,147	6,302	6,464
Sub-Total	14,167	10,802	8,865	9,136	9,262
CTRS Additional Liability (6.95 % then 4.52% each year)	958	667	697	728	761
EOTAS	800	0	0	0	0
Dry Recycling	400	400	0	0	0
New Pay and Grading Structure	405	0	0	0	0
Social Services Cost Pressures Contingency	1,500	1,500	1,500	1,500	1,500
City Deal (Partnership Revenue Contribution)	6	7	6	8	8
City Deal (Debt Charges)	61	44	89	122	171
PFI Review	0	700	0	0	0
Levies net additional contributions	26	0	0	0	0
Sub-Total	4,156	3,318	2,292	2,358	2,440
Reinstatement of 2019-20 temporary budget reductions	0	3,272	0	0	
Annual Shortfall	13,446	15,658	9,277	9,461	9,511
Cumulative Shortfall	13,446	29,104	38,381	47,842	57,353

Caerphilly County Borough Council Budget Consultation 2019/20 Summary Report

Introduction

In October 2018, Welsh Government announced its provisional budget settlement, which outlined how much money will go into public services across Wales for the next financial year (2019/20). Under the settlement, Caerphilly County Borough Council faced a funding reduction of 0.3%.

This coupled with inescapable pressures that the Council has to fund, means that the Council needed to find savings of over £15.6 million for the next year alone.

A series of draft budget proposals totalling almost £14.7 million were considered by Cabinet on 14th November 2018 alongside a proposed Council Tax rise of 6.95% to cover the remaining shortfall.

The views of residents and stakeholders views were sought on the draft proposals over a period of 6 weeks from **19th November 2018 to 11th January 2019**, with views expressed as part of this consultation to be fed back to and considered by elected Members prior to the final budget for 2018/19 being agreed at a special meeting of full Council in **February 2019**.

Annexes relating to this report can be found at
<https://www.caerphilly.gov.uk/thecaerphillyconversation>

Methodology

An extensive period of engagement with residents and stakeholders began prior to and during a formal consultation on the draft savings proposals. The formal consultation period ran **between 19th November 2018 and 11th January 2019**. Key elements of the engagement were:

- Media and digital media campaign
- Awareness raising and engagement in the 5 main town centres
- Face to face drop in sessions held at venues across the county borough
- A survey distributed via the Council's newsletter "Newsliner", made available on the Council's website and at all main Council buildings and libraries.
- Written communication with stakeholder groups (including Councillors, Town and Community Councils)
- Face to face "Viewpoint Panel" meeting held on 28th November 2018
- Additional face-to-face meetings with Trade Unions and other stakeholder groups
 - Voluntary Sector Liaison Committee meeting
 - Special Scrutiny Committee Meetings

The main elements of the engagement and consultation process are outlined below. Further details of each element of the public and stakeholder engagement can be found in the appendices.

Media and Digital Media Campaign

In the months prior to the launch of the consultation and throughout the consultation period, a range of web, media and social media activity was carried out to raise awareness of the financial situation facing the Council and to promote and encourage residents to take part and have their say in the consultation process.

A key element of the activity prior to and during the consultation period focussed on increasing understanding of the unprecedented financial situation and the reasons why the Council is faced with having to make such difficult financial decisions.

It highlighted areas such as the inescapable financial pressures that the Council must fund, the significant (but relatively small in the grand scheme) role that Council Tax has in funding council services and the rationale for the Council needing to ask residents to pay a little more, through Council Tax, for the services they receive.

Activities carried out as part of this work included:

- Video
- Web content
- Infographic/information leaflet
- Media releases
- Digital media including Facebook, Twitter and NewsOnline (see **Annex 7**)

These and a range of other communication channels were also used throughout the consultation period to remind and encourage residents to give their views.

Town Centre Engagement and Public Drop in sessions

During the first week of the consultation period (20th – 23rd November 2018), Cabinet members and supporting officers visited each of the 5 main town centres across the county borough - Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach.

Located in areas of high footfall, the purpose of these visits was to raise awareness of the financial pressures facing the Council and to encourage residents to take part and inform them of how they could have their say on the proposed budget savings through providing details of the online survey and forthcoming face to face drop in sessions.

Face to face drop in sessions were held at 9 venues across the county borough between 26th November and 13th December 2018 as shown in **Table 1**.

Each of these drop-in sessions was attended by a member of the senior management team, staff from the Communications and Corporate Finance team and at least one Cabinet member. The sessions were publicised widely at the venues

and at the main Council premises across the county borough. Local Councillors were asked to encourage attendance and regular reminders were sent out via social media. Residents were encouraged to come in and chat to officers and Cabinet members and to find out more about the proposals and provide feedback through completing a questionnaire. This approach allowed face to face interaction with individuals and encouraged debate and discussion.

In total **121 people** attended the drop in sessions across the nine venues with New Tredegar and Nelson seeing the greatest footfall. All who attended viewed the information and engaged in discussion with most taking away a copy of the survey to complete. The demographic composition of attendees was skewed towards the older age groups however, there was a good cross section of male and female attendees.

Table 1: Face to Face Session

Date and time	Venue	Attendees
26/11/18 (10am - 1pm)	Rhymney Library	7
27/11/18 (2pm – 5.45pm)	Bargoed Library	16
29/11/18 (2pm – 6pm)	Caerphilly Library	7
30/11/18 (10.30am – 1.30pm)	New Tredegar, Whiterose Centre	23
3/12/18 (10.30am – 2.30pm)	Risca Palace	14
6/12/18 (10am – 12.30pm)	Ystrad Mynach Library	11
11/12/18 (10.30am – 1.30pm)	Newbridge “Tabernacle”	8
12/12/18 (3pm – 6pm)	Nelson Library	20
13/12/18 (10.30am – 2.30pm)	Blackwood Library	15

Survey

A short open ended questionnaire was developed to seek views on the draft budget proposal. A copy of the questionnaire can be found in **Annex 1**.

The questionnaire asked respondents to give their views on the savings proposals outlined indicating whether they strongly agree or disagree with any of the cuts listed and to give reasons for their views. Respondents were also asked to provide any ideas they may have about how we can limit the impact of any of these proposals on our communities.

The questionnaire then asked respondents to identify whether they feel that budget cuts in a specific area will affect them as an individual (positively or negatively) because of their ethnic origin, gender, age, marital status, sexual orientation, disability, gender reassignment, religious beliefs or non-belief, use of Welsh language, BSL or other languages, nationality or responsibility for any dependents.

Looking forward to 2020 and beyond, the questionnaire then prompted respondents to suggest areas of spending that be reduced, removed or that service users could be charged for.

The survey and supporting consultation information (draft proposals and completed Equality Impact Assessments for each proposal) was included on the CCBC website for the duration of the consultation period (19th November 2018 to 11th January 2019) with a prominent front page banner and a link directly to the survey.

Details of draft budget proposals were highlighted on the front page of the December 2018 edition of the Council's newsletter "Newslines" with further information and the questionnaire included in a central pull out section of the publication. "Newslines" is delivered to every household within the county borough.

The survey was also shared with a wide range of key stakeholders and groups (as outlined in **Annex 2**) via e-mail and/or in printed format as appropriate.

"Viewpoint Panel" Meeting

On Wednesday 28th November 2018, 37 residents from across the county borough attended a meeting at 6pm in Penallta House. Groups represented included the Caerphilly County Borough Viewpoint Panel, Caerphilly Parent Network, Caerphilly 50+ Forum and the Welsh speaking community through Menter Iaith Caerffili. Of these, 23 were male and 14 were female.

In addition, 15 members of Caerphilly Youth Forum, aged 12 to 24, attended the meeting. Of these 3 were boys and 12 were girls.

Prior to the meeting, attendees were provided with details of the proposals and on arrival, were welcomed by Councillor David Poole, Leader of Caerphilly County Borough Council. After listening to a presentation by the Head of Corporate Finance in the Council Chamber, attendees were then split into smaller groups where they were invited to discuss the draft proposals in more detail.

The discussion sessions focussed on identifying how attendees felt the impact of the proposals could be limited for them as individuals and on their communities. The discussion then moved to identifying suggestions for areas of spending that could be reduced, removed, or that service users could be charged for looking forward to 2020. The discussion topics closely reflected the questionnaire included in the survey but allowed for a more in depth discussion and debate of the options identified.

One group was conducted through the medium of Welsh (this included 3 adults and 3 young people) and another group was led by the Youth Service to ensure that young people had an opportunity to have their say. Throughout the discussion, senior officers and Cabinet members were available to clarify the draft proposals and provide context where needed.

Additional Stakeholder Consultation

In addition to the written correspondence with stakeholders noted above, additional face to face discussions were held at the Voluntary Sector Liaison Committee on 5th December (See **Annex 5**). Meetings were held with the trade unions and the following Special Scrutiny Committee Meetings were held:

- Special, **Policy and Resources** Scrutiny Committee - Monday, 3rd December, 2018
- Special, **Health Social Care and Wellbeing** Scrutiny Committee - Thursday, 6th December, 2018
- Special, **Education for Life** Scrutiny Committee - Monday, 17th December, 2018
- Special, **Regeneration and Environment** Scrutiny Committee - Tuesday, 18th December, 2018

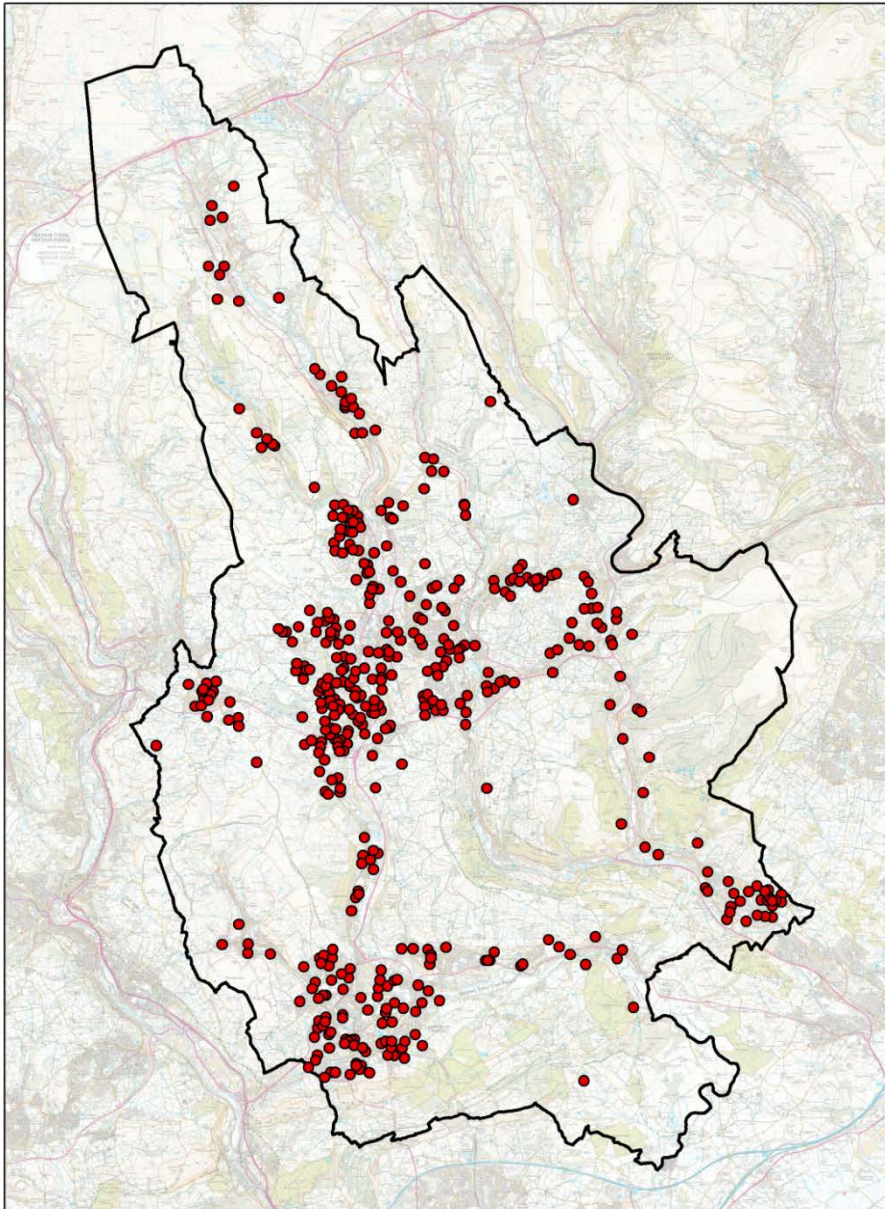
The details of these discussions are recorded outside of this report and are available on the Council's website www.caerphilly.gov.uk .

Responses

The total number of responses received to the survey was **708** (2 were completed in Welsh). 94% of respondents were residents of the county borough and as shown in **Map 1**, there was a good geographical distribution from across the area. 43% of respondents were male whilst 22% indicated that they have a disability. A full respondent profile can be found in **Annex 3**. A digest of comments received via the survey can be found in **Annex 4**.

Map 1: Postcode distribution of survey respondents (n=559)

MTFP 2019-20 Survey Responses by Postcode



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A further 19 responses were received from residents via e-mail, letter and the Council's website. In addition, written responses were received from the following elected representatives/groups/organisations:

- Agape Church
- Barnardo's, Bargoed (re Phillipstown Community Centre)
- Bedwas, Trethomas and Machen Ward Labour Party
- Cllr K Etheridge
- Cllr R Gough
- Future Generations Commissioner

- Gelligaer Community Centre
- Gelligaer Community Council
- Gerald Jones MP
- Hefin David AM
- Llanbradach and Pwll-y-pant Community Council
- Nelson Community Council
- Pen-y-bryn Community Centre
- Rhymney Community Council
- Tir y Berth Village Hall Management Committee
- Voluntary Sector Liaison Committee (meeting on 5th December 2018)
- Stakeholder responses relating to subsidised bus services (extended period)

The full digest of the responses received is included in **Annex 5**.

A transcript of the Viewpoint Panel meeting discussion can be found in **Annex 6**.

A selection of social media response is included in **Annex 7**.

Responses received after the closing date have not been included in the analysis.

Petitions

A number of petitions have been received and will be presented and considered alongside the consultation findings:

1. Pen y Bryn Community Centre – Petition against CCBC proposed cut backs regarding payment of Caretaker wages.
2. Gelligaer Community Council – Petition in relation to the proposed cessation of the Community Safety Warden Service through the Borough in the CCBC Budget Consultation
3. Gelligaer Community Council – Petition in relation to the proposed closure of Penallta Civic Amenity Site CCBC Budget Consultation 2019/20
4. Cllr Lyndon Binding – Petition against the removal of funding for the Children’s Splash Park
5. Cllr Eluned Stenner - Petition against the closure of Phillipstown Community Centre

Key Findings and Themes

A large number of comments received made reference to the ongoing investigation relating to senior officer pay. These comments have been noted and are included in the appendices to this report but do not fall within the remit of the consultation. A number of other issues were raised that fall outside control of the Council, namely:

- The number of Councillors and Councillor pay/expenses
- Prescription charges, free bus passes and Welsh language provision
- Town centre flowers and stand-alone firework displays

Key themes emerging from the survey were reflected in responses from other sources and as such, the key themes highlighted below reflect all consultation responses and not just those from the survey.

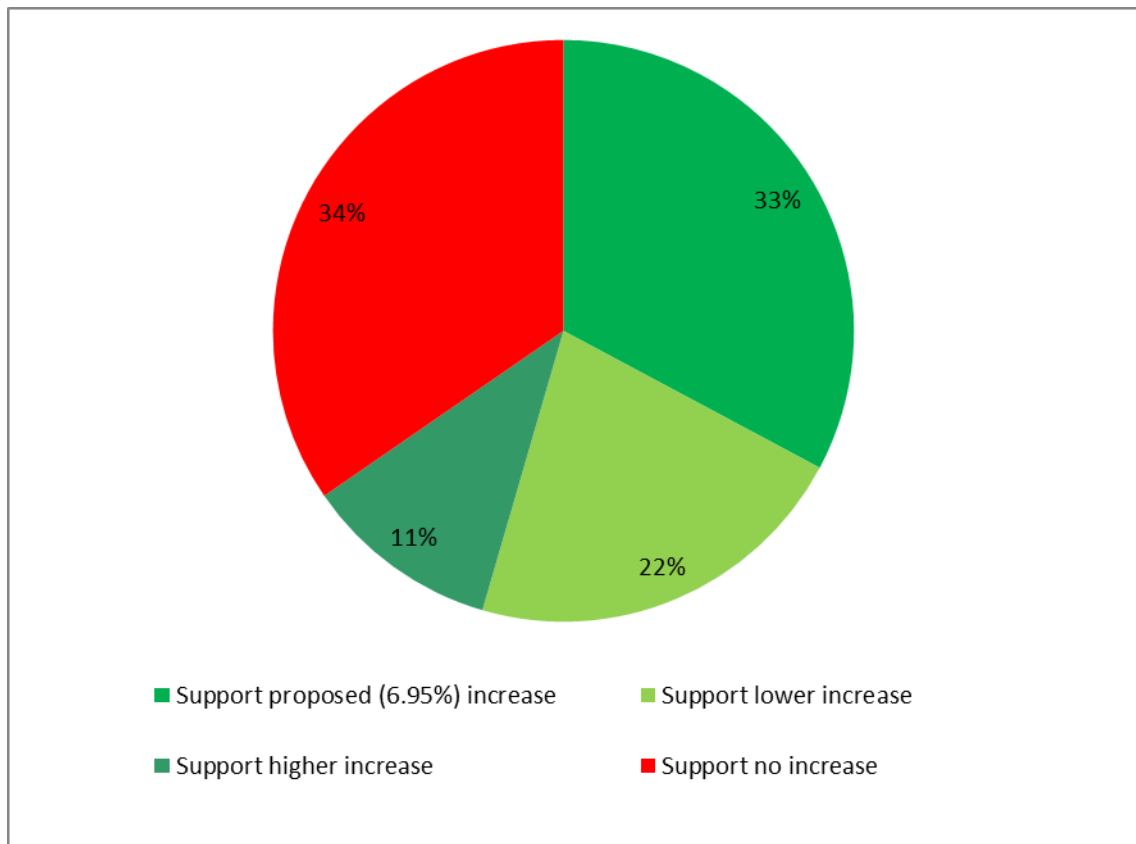
Council Tax Increase

In relation to the proposed increase in Council Tax, survey respondents were asked to choose from 4 options:

1. I support the proposed increase in Council tax (6.95%) which would mean an increase of £1.41 per week for a Band D property
2. I support a lower increase in Council Tax. (Every 1% reduction from the proposed 6.95% would mean having to find a further £496k of savings)
3. I support a greater increase in Council Tax. (Every 1% increase above the proposed 6.95% would mean having to find £496k less savings)
4. I do not support an increase in Council Tax and understand that this would mean having to find further savings to balance the budget.

As highlighted in **Graph 1**, 34% of those who responded to the question were in favour of no increase in Council Tax. A similar proportion (33%) supported the proposed rise in Council Tax of 6.95%, whilst 11% indicated that they would be prepared to support an even greater increase.

Graph 1: Preference for Council Tax Increase (n= 668)



An analysis of the text responses highlighted some reasons behind preferences for the proposed Council Tax increases given. For those who did not support any increase in Council Tax, a key factor was the unfairness of a “pay more, get less” scenario where, despite an increase in Council Tax, fewer services can be provided. A number also made reference to the need to save money in other ways (increased efficiency and less waste, a reduction in senior management salaries).

Of those in support of an increase in Council Tax, some indicated that they did so reluctantly whilst others indicated that they understood the necessity for such increases. A key reason for supporting an increase was to help ensure that key services to support the most vulnerable in the community could be maintained.

Views on the savings proposals

Whilst some respondents felt that the proposals were balanced, there was strong disagreement with a number of key areas within the savings proposals:

- Provision of Meals Direct Service to Section 117 clients only (High Impact).

With little exception, there were strong feelings that this service should be retained and that the removal of this service would impact on a vulnerable sector of the community. It was felt by many that no appropriate alternative is available and that the service provides more than simply a hot meal to clients.

- Waste Management – Closure of 2 Civic Amenity sites at Penallta and Aberbargoed (Medium Impact).

Particular concerns were raised about the impact on the cleanliness of local area and specifically to the impact on illegal fly tipping. The choice of the proposed sites, particularly the site at Penallta was questioned as these sites considered to be well located and well used by those residents who responded to the survey.

- Community Centres – reduction in all Caretaker support across all Centres from October 2019 (High Impact)

Whilst a number of respondents disagreed with the closure of specific Community Centres, there was more concern with the wide impact of removing funding for caretaker support across all centres. Community Centres are seen to be key in providing services to local communities and it was felt that their use should be encouraged.

Other areas of concern that were raised by a number of respondents were:

- Cessation of the Community Safety Warden Service – Removal of the Service (High)

There were some mixed views on the provision of community safety wardens. Whilst some strongly supported retaining these roles and were concerned about the impact on the safety of local community, a number felt that community safety should be the responsibility of the Police Service or indicated that they had never seen a Community Safety Warden in their area.

- Highways Maintenance – various budgets

Comments related to the possible increase in damage to vehicles and increased costs that could result from a poorly maintained road network in the longer term.

- Waste Management

Many felt that reduced levels of cleansing have already led to a decline in town centres and local communities and that this should not be reduced further. Introduction of rat treatment fees was not welcomed as it was felt this would discourage use of the service, exacerbate the problem and not bring in a large income.

- Closure of all 5 Public Conveniences – Closure in all towns (High)

Comments related to the need to maintain provision in town centres and at transport hubs as it was felt those who need them most would be discouraged from visiting local town centres. Alternative means of provision (e.g. using private businesses) was mentioned by a few respondents as was the need to consider this proposal in light of the Local Toilet Strategy.

- Social Services

A number of comments made reference to the need to protect the most vulnerable in society and felt that cuts to services within Social Services would have a big impact on certain sectors in our communities.

- In relation to cuts to the Voluntary Sector

Care should be taken to ensure that introducing alternative ways of providing services does not impact on the quality and level of service received. A number of comments suggested that there is a need to increase the use of voluntary sector providers to plug the gaps in services that can no longer be provided by the Council.

- Events

There were mixed views relating to events. Whilst some felt they encourage tourism, others felt them to be a poor use of resources.

- Transport

It was felt by some that removing bus routes and increasing charges for use of public transport could be counter productive at a time when residents are being encouraged to move away from using cars.

- Schools and Education

A reduction in funding for schools and education was considered, by a number of people, to be detrimental on young people and it was felt that these proposed cuts would have longer term implications for the community.

- Libraries

Libraries are considered by some to be a key service and full use should be made of library buildings, whilst others felt that some library services could be charged for and smaller branches could be shut.

Reduce Impact

Groups considered to be impacted more by the proposals were older people, younger people and those with disabilities. The cumulative impact of savings on these vulnerable sectors of the community was noted by a number of respondents.

It was also noted by some respondents that those in work but on low incomes may be disproportionately disadvantaged and that the cumulative impact would be felt by some geographical communities more than others.

Suggestions for reducing the impact of savings included suggestions to simply not remove some services at all, with particular reference to those services highlighted in the previous section, and finding ways of saving money elsewhere through improved efficiency and less waste.

A number of comments made reference to short term savings having wider and longer term impact on other services, which could in turn result in additional financial burden on the Council and impact on other services such as the health service and Police. For example, it was felt that the removal of the Meals Direct service could have implications for carers, other social services provision and the health service. Closure of Civic Amenity sites could have implications for fly tipping and increased pressure on cleansing services.

Looking forward to 2020 and beyond

Looking forward to 2020 and beyond, suggestions were sought for areas of spending that could be reduced, removed completely or that could be charged for.

Reduce spending on/Remove spending completely

There was a wide range of responses in relation to how the Council could reduce spending or suggestions for areas that spending could be completely removed with some suggesting that all non-essential services should be cut whilst others indicating that no services should be cut.

There were many comments relating to reducing waste and inefficiency – e.g. reducing corporate spending on catering, vehicles. A number suggested a review of management structures and looking at the costs associated with staffing.

Buildings – a number suggested that Council buildings should be rationalised to save money and that those buildings that remain are utilised fully and could be used as a source of income through hire and rental.

Charge for

Many of the comments under this section related to the generation of income through increased enforcement and penalty charges for litter, dog fouling, fly tipping and illegal car parking.

Where not already noted above, other areas that respondents felt could be charged for include:

- Staff meals
- Public Toilets
- Meals Direct
- Bulky Waste/Garden Waste (mixed views)

A greater increase in Council Tax was felt appropriate by some - rather than the introduction of numerous small charges elsewhere.



CABINET - 13TH FEBRUARY 2019

SUBJECT: WALES STALLED SITES FUND, THE SELF-BUILD FUND AND PLOT SHOP

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet of the Welsh Government Stalled Sites Fund, which provides loans to unlock stalled sites that are suitable for housing development;
- 1.2 To advise Cabinet of Welsh Government's Self-Build Fund and Plot Shop, which seeks to encourage self-build housing development;
- 1.3 To advise Cabinet that once appropriate sites have been identified a further report will be submitted to seek approval to progress the sites and obtain outline planning permission for them;
- 1.4 To seek Cabinet's approval for the principle of capital receipts from the sale of plots to be paid back into a ring-fenced budget that can be used to bring further sites forward, with the exception of HRA land.

2. SUMMARY

- 2.1 Insufficient housing is being built in Wales (and in Britain generally) and the need for new housing is now more acute than it has ever been. Reflecting this, the Welsh Government has committed to developing 20,000 new affordable homes by the end of the current term of Government. In addition to this an increase in the numbers of market houses is also required to address the housing shortfall. Whilst the volume house builders can assist in increasing housing numbers, it will also require an increase in Small and Medium Sized Builders (SME Builders) housing developments. Welsh Government is seeking an increase in house building through 2 separate schemes.
- 2.2 Firstly Welsh Government has introduced the Stalled Sites Fund, which provides loans to SME Builders. This could potentially help unlock around 400 stalled sites, and provide up to 7,600 new dwellings. The Development Bank of Wales will offer SME Builders loans of up to £4 million over a period up to 4 years with the loan repaid at the end of the period. The loans are aimed at providing finance to address the issues that SME Builders have in obtaining appropriate finance for such sites.
- 2.3 Secondly Welsh Government recently announced that they were introducing a Self-Build Fund, which provides loans to facilitate local people building their own home. This would be supported by a database of housing sites suitable for self build development called the Plot Shop. The Self-Build fund will be administered by the Development Bank of Wales who will provide loans that will cover the majority of land and build costs for the proposed self build dwelling with the loan being repaid once the self builder has mortgaged the completed dwelling at the end of the loan period.

- 2.4 Initially the Plot Shop is for local authority owned sites. To include sites on the Plot Shop, local authorities will need to identify sites suitable for self-build housing and make them ready for development. Welsh Government has announced that part of the self build fund is being made available to local authorities, on an interest free basis, to fund bringing forward the sites.
- 2.5 The report advises cabinet of the Stalled Sites Fund and the Self Build Fund and is seeking the agreement of Cabinet to the principle of progressing sites for the Plot Shop initiative. The report is also seeking Cabinet approval for the principle of capital receipts raised in respect of the sale of plots on Plot Shop sites being placed back into a ring-fenced budget to provide a rolling programme of funding to bring further sites forward and pay back any initial loan payment that the council may seek. The exception to this is Housing Revenue Account sites, where there is a requirement for the capital receipt to be paid back into the Housing Revenue Account to support the council house building programme. The financial implications of progressing HRA sites will also be considered in the subsequent report.

3. LINKS TO STRATEGY

- 3.1 The Well-being of Future Generations Act (Wales) 2015 comprises seven well being goals as follows:
- 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
- 3.2 The Stalled Sites Fund and the Self-Build Fund/Plot Shop are aimed at increasing housing delivery to provide much-needed housing within Wales. These schemes specifically contribute towards three of the Well-being Goals, namely 'A healthier Wales', 'A more Equal Wales' and 'A Wales of Cohesive Communities' by providing housing on sites that would otherwise not realise it.
- 3.3 The contribution that the schemes will make toward increasing housing provision would also assist in delivering the strategy of the Adopted Caerphilly County Borough Local Development Plan up to 2021 (LDP). The 2018 Annual Monitoring Report in respect of the LDP found that, as in previous years, the delivery of housing is falling short of the LDP strategy target. Any increase in housing provision resulting from these schemes would be a positive step towards addressing this issue.

4. THE REPORT

Background

- 4.1 There is insufficient housing being built in Wales (and in Britain generally) and the need for new housing is more acute than it has ever been. Reflecting this, the Welsh Government has committed to developing 20,000 new affordable homes by the end of the current term. In addition to this an increase in the number of market houses is also required to address the housing shortfall.
- 4.2 Promoting additional housing development is also an objective of the Cardiff Capital Region City Deal. In February 2018, the CCR Cabinet agreed the Regional Housing Investment Fund, which recognises the need for more homes to be built in the region, and aims to support house building, ranging from: larger builders and developers on stalled housing sites on former industrial sites; through to small builders, community builders, custom builders and regeneration specialists, on small sites across the region. The Regional Housing Investment

Fund will be a flexible source of funding that will maximise the use of other aligned funding schemes which are available, such as those offered by Welsh Government and the Development Bank of Wales.

- 4.3 Market house building in Wales, and throughout Britain, is dominated by a small number of large volume house builders. Whilst these house builders can assist in delivering increased numbers of dwellings, it is not feasible for them to deliver all of the necessary dwellings, due to the numbers required. Welsh Government has acknowledged that small and medium sized builders (SME Builders) could contribute significantly towards delivering the necessary number of new homes and as a result increased development from this sector is needed. However, between 2007 and 2014 the numbers of dwellings built by SME Builders halved and has not made any significant recovery to the previous level. Since 2013, Welsh Government has been supporting SME home builders with access to affordable development finance through the Wales Property Development Fund, which has subsequently been expanded to provide a rolling funding resource for 15 years.
- 4.4 However, whilst SME Builder house-building has increased it is still not at the levels it needs to be to address the housing shortfall. Recent research identified that there were 4 barriers that prevent SME Builders from increasing their contribution to house building:
- Access to land;
 - Availability of appropriate finance;
 - The planning process; and
 - Bureaucracy and red tape.
- 4.5 In order to increase SME Builder house building activity these 4 barriers need to be addressed. To reflect this Welsh Government have identified two schemes that will assist with finance and with accessibility to land.

Stalled Sites Fund

- 4.6 Research in 2015 suggested there were potentially 7,600 homes on nearly 400 sites across Wales, where progression has been halted for a wide range of reasons, from pre-development works and economic viability, to challenges in securing affordable funding. These are known as stalled sites.
- 4.7 Most stalled sites are considered to be suitable for SME Builders to develop and could be unlocked through investment and support at an early stage, to address issues such as groundwork, infrastructure improvement or simply assisting with cash flow. As a result Welsh Government has introduced a multi-million pound loan fund to assist in unlocking these sites.
- 4.8 The Stalled Sites fund is a £40 million pound fund providing loans to SME Builders to unlock stalled sites and bring them forward for housing. The fund will provide loans of up to £4 million for a period of up to 4 years, with the loan being paid at the end of the term.
- 4.9 The Stalled Sites Fund has been set up for a period of 17 years, with the aim of recycling the fund at least 4 times to realise a total £160m of investment in bringing forward housing on stalled sites. Welsh Government has also set up The Development Bank of Wales (DBW) with the remit of supporting businesses and encouraging economic growth through the use of dedicated funds and loan. The Stalled Sites Fund will be administered through the DBW and SME Builders can apply for loans directly through them.

Self Build Fund and Plot Shop

- 4.10 In 2011, the Building Societies Association published a report that suggested that 53% of people in Britain would consider building their own home if the opportunity was there to do so. Currently self-build development (individuals, or groups of people collectively, building their own homes) amounts to between 7% and 10% of total house building. However this rate is significantly behind other countries such as USA (50%), Canada (55%), Australia and New

Zealand (40%). When compared to other European countries the comparison is even more stark with Austria having 80% of its total house building as self-build, whilst the Republic of Ireland, France, Germany, Norway, Italy, Sweden, and Belgium all have self-build sectors that deliver around 60% of their total house building.

- 4.11 There are significant benefits associated with self-build development and one of the key drivers is that self-build housing saves money, as it cuts out the developer profit associated with volume developers. The average self-build house costs only 59% of its final market value, although this figure is exaggerated because current self-build houses are bespoke designs that increase the end value of the house. Even acknowledging that volume builders will benefit from cost savings due to scale and supply chains, the self build option still provides cost savings over volume built housing.
- 4.12 Recent research identified that the four factors that deter SME Builder house-building also deter self-build developments. In order to stimulate self-build housing development Welsh Government announced, on 12 January 2019, that it is introducing a £40 million fund to assist in the delivery of self build housing. £30 million of the fund will be used to assist self builders in developing their homes and will be called the Self Build Fund, whilst the other £10 million will be available to local authorities to assist in bringing self build sites forward for development which will be included on the Plot Shop.

Self-Build Fund

- 4.13 Research by the Joseph Roundtree Foundation found that the demographic of those self-building their homes has changed:
- It is more prevalent in less urban areas or where speculative housebuilding market is relatively small.
 - Whilst there has been growth in self-build, it has been driven by:
 - relatively well-off households seeking more individual homes;
 - financing becoming more straightforward for secured funding; and
 - more publicity for the concept of building dream homes by self-build.
 - This has resulted in a shift to those who want an individual property or a particular location.
 - The average age and income of self builders has also raised significantly with more people self building their 'dream home'.
- 4.14 Given this Welsh Government are looking to stimulate self-build housing more generally and have introduced the Self Build Fund to assist potential self builders with accessible finance. The fund will be administered through the Development Bank of Wales (DBW).
- 4.15 The fund will provide a development loan that will cover the majority of land acquisition and build costs. The self-build applicant will need to secure a plot of land by providing a deposit of 25% of the cost of the land. The self-build loan will cover both the remainder of the land value and the total build costs. The loan will be for a period of up to 2 years, with the loan being repaid from the mortgage that the self-build applicant takes out on the completed dwelling. As a result the dwelling will need to be built strictly in accordance with building regulations to ensure that the house is insurable and can be mortgaged. Welsh Government is also in the process of designing a range of house types suitable for self builders in a pattern book. Self builders will be able to choose a suitable house type from the pattern book and customise it within the scope of the limits of the self-build loan.
- 4.16 Self-build loans will be subject to similar criteria used for finance through the Help to Buy Wales scheme, namely:
- It must be the self-builders only, or main, residence; and
 - The dwelling cannot be rented or sold for a period of 5 years.

- 4.17 The scheme would not support the current typical self-builder due to the restriction placed on it by the sites available on plot shop and the house types in the pattern book.
- 4.18 The self build fund seeks to address the issues of accessibility to finance, planning and general red tape by providing finance and by having the pattern book of house types that have already been designed. To complement the Self Build Fund, Welsh Government is also introducing the plot shop, which addresses the issue of accessibility to land.

Plot Shop

- 4.19 Welsh Government is introducing a national database of sites suitable for self-build housing development. This database of sites is called the Plot Shop. Welsh Government is looking for local authorities to identify sites in their ownership that are suitable for self-build housing development. Sites will need to be relatively small, although large sites may be suitable if they are brought forward in small phases.
- 4.20 In order for sites to be suitable for the Plot Shop they will need to be ready for self-build development to take place. The minimum for this would be for each site to have outline planning consent, but in some cases it may require sites to be fully serviced for development. This will require local authorities to invest in these sites to bring sites forward in a suitable form for Plot Shop.
- 4.21 To assist local authorities in bringing sites forward for Plot Shop, Welsh Government has included £10 million as part of the Self Build Fund finance to make loans available for local authorities to cover the costs of bringing forward the sites. The loans are interest and repayment free until the end of the self build period (15 years). At the end of the period the Council will only need to repay the amount loaned back to the BDW, which the Council can recoup from the sales of the plots.
- 4.22 Local authorities will be responsible for establishing their own processes for identifying and approving sites to be included in the Plot Shop. In addition to this the sites in the Plot Shop will remain in local authority ownership and each local authority would be responsible for establishing procedures for the sale of their sites, including the assessment of purchasers to ensure they meet Plot Shop requirements and for selecting a purchaser where more than one purchaser applies for the same site.

Pilot Scheme

- 4.23 Rhondda Cynon Taf County Borough Council (RCT), in conjunction with Welsh Government, is looking to commence a pilot scheme for the Plot Shop and Self-Build Fund in the very near future. RCT has identified a total of 7 sites, with a combined total of 20 plots, for the Pilot. RCT have selected sites that are located adjacent to existing highways that have services located in highways adjacent to the plots, reducing the necessary servicing costs.
- 4.24 As part of the process of identifying the sites and setting up the Pilot, RCT appointed consultants to draw up a small pattern book of dwelling types that would be suitable to develop on the Plot Shop sites. RCT is seeking outline consent for the sites prior to including them on the Plot Shop.
- 4.25 Once the sites have outline consent, it would be a simple task to get full permission for one of the plots, as the dwelling types have already been designed to be acceptable on the plots.
- 4.26 As a result the servicing of the sites, together with the pattern book of acceptable dwelling types, means that the Self-Build Fund and Plot shop should address all 4 of the barriers for self-build development.

Moving Forward

- 4.27 The Stalled Sites Fund will be operated by the DBW, and will be directly accessed by SME Builders looking to develop sites. As such the only involvement the Council will have is through the normal planning application process.
- 4.28 Similarly the Self-Build Fund will also be operated by the DBW and as such there would be little local authority involvement in that process, other than through the release of land through the Plot Shop.
- 4.29 In order to be involved with the Plot Shop, the Council will need to identify appropriate sites and invest in those sites to provide plots that are ready for development. There are, in effect, three parts to this process:
1. Identifying appropriate sites;
 2. Ensuring the sites are suitable for residential development (through obtaining outline planning permission for each site); and
 3. Investing further in the sites by fully servicing them (if required)
- 4.30 Caerphilly county borough council has also expressed the wish to bring forward sites for the Plot Shop with Welsh Government. In order to do this the Council will need to identify suitable sites and then progress them so that they are ready for development. Given the scale of the pilot in RCT, it would be appropriate to identify sites that would deliver a limited number of self build plots, approximately 20, in various locations within the county borough to test the appetite for self build housing in the county borough.
- 4.31 The first part of the work has commenced and sites are currently being considered and assessed for suitability for being included on Plot Shop. This work has focussed on identifying relevant council land and identifying any constraints to development that may restrict or preclude development on them. Once the assessment work on the sites has been completed and the most appropriate sites have been identified, a further report will be presented to Cabinet to seek agreement for the sites to be progressed for Plot Shop.
- 4.32 Consideration will then need to be given to whether the sites will require full servicing and additional investment to make them 'oven-ready' for self-build development. If the sites require further investment then the Cabinet Report will consider this also.
- 4.33 The identification of sites and obtaining outline planning permission will necessitate committing officer time and will require joint working between the Planning, Property and land holding service areas. In addition to this the Council will need to invest in the sites in order to make them 'oven ready' for development and suitable for Plot Shop. Unfortunately the cost of obtaining such consent varies with each individual application and, as a result, it is not possible to specifically identify the overall cost of this process at this time. However, part of the assessment of the sites is to identify future costs in bringing the sites forward for development and this can also be outlined in the subsequent Cabinet Report.
- 4.34 The Cabinet Report will identify the cost of bringing the sites forward for Plot Shop and may also seek Cabinet approval to request a loan through DBW to cover the that cost (including the finance expended to that point). The report will also address any additional financial implications and outline any risks that may arise from any loan.
- 4.35 If a loan is sought, the costs of bringing the sites forward can subsequently be reclaimed from the sale of plots to self-builders, although there is likely to be a time lag between incurring the costs and reclaiming them from plot sales. In order to ensure that the loan can be repaid at the end of the scheme, the agreement of Cabinet is being sought to agree the principle that all capital receipts from the sale of Plot Shop sites be paid back into a ring-fenced budget. This also affords the opportunity of recycling any original loan to bring further sites forward for Plot Shop, establishing a rolling programme for the sites.

- 4.36 There is one exception to the principle of paying the capital receipts back into the ring-fenced budget and that relates to Housing Revenue Account sites. The capital receipt for HRA sites is required to be paid back into the Housing Revenue Account to support the council house building programme and, as such, cannot be returned to the ring-fenced budget. If, following the assessment process, any HRA sites are being recommended for progress onto Plot Shop, the subsequent Cabinet report will consider the financial implications associated with their progression. The report will also address the reasons why the HRA sites are being proposed for Plot Shop rather than retained for the council house building programme.
- 4.37 Once the sites have the necessary outline planning permission they will be included on the Plot Shop and the Council will dispose of the plots in accordance with its disposal process set out in Part 4 of the Council's constitution and in accordance with the eligibility requirements of the Plot Shop.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 The aim of the Well-Being of Future Generations (Wales) Act is to improve the social, economic, environmental and cultural well-being of Wales by changing the way local authorities and public bodies think, act and make decisions with the overall objective being to create a Wales where we want to live, both now and in the future. The Act also sets a duty on public bodies to ensure that everything that they do is in accordance with the sustainable development principle (the needs of the present are met without compromising the ability of future generations to meet their own needs).
- 5.2 The Stalled Sites Fund and the Self-Build Fund/Plot Shop are aimed at increasing housing delivery to provide much-needed housing within Wales. These schemes specifically contribute towards the social and economic well being of Wales. Further to this the schemes are looking to bring forward sites that would otherwise not be developed, which is providing the best use of land, in accordance with the sustainable development principle.

6. EQUALITIES IMPLICATIONS

- 6.1 There are no direct equalities implications in respect of this report.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications arising from this report.
- 7.2 Whilst there are no direct implications from this report, if the Council wishes to progress sites for Plot Shop it will need to invest in the sites to bring them forward ready for development. As a result it is intended to submit a further report to Cabinet that will: identify the sites recommended for progression to Plot Shop; identify the costs of progressing them' recommend how the costs are to be accounted for and outline any additional costs or risks the recommended approach may give rise to.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no direct personnel implications associated with this report.

9. CONSULTATIONS

- 9.1 All responses from consultations have been incorporated in the report.

10. RECOMMENDATIONS

It is recommended that Cabinet:

- 10.1 Note the information in the report in respect of the Stalled Sites Fund.
- 10.2 Note the information in the report in respect of the Welsh Government Self-Build Fund/Plot Shop and agrees the principle of bringing sites forward for the Plot Shop under the Self Build Fund.
- 10.3 Note that a further report will be presented to Cabinet, once the relevant sites have been identified, seeking approval to take them forward for Plot Shop and to address the financial implications associated with it.
- 10.4 Approve the principle that the capital receipts from the sale of plots on Plot Shop be paid into a ring-fenced budget to provide a rolling fund to cover the cost of bringing further sites forward and to repay any potential loan at the end of the scheme, with the exception of Housing Revenue Account sites.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To raise awareness of the range of WG programmes aimed at assisting with housing growth and to ensure that Caerphilly plays an active part in these programmes to assist with the County Borough's own housing need.

12. STATUTORY POWER

- 12.1 The Planning and Compulsory Purchase Act 2004.
Local Government Acts.
This is a Cabinet function.

Author: Dave Lucas, Team Leader, Strategic & Development Plans
Consultees: Cllr David Poole, Leader
Cllr Sean Morgan, Cabinet Member for Economy, Infrastructure, Sustainability & Wellbeing
Cllr. Eluned Stenner, Cabinet Member for Environment & Public Protection
Cllr Lisa Phipps, Cabinet Member for Homes and Places
Mark S Williams, Interim Director of Communities
Stephen Harris, Interim Head of Business Improvement Services
Rhian Kyte, Head of Planning & Regeneration
Allan Dallimore, Team Leader, Urban Renewal
Mark Williams, Interim Head of Property
Shaun Couzens Chief Housing Officer
Mike Eedy, Finance Manager
Nicole Scammel, Head of Corporate Finance/Sec 151 Officer



CABINET - 13TH FEBRUARY 2019

SUBJECT: REGENERATION BOARD UPDATE

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with an update on the work of the newly constituted Regeneration Project Board.
- 1.2 To recommended an initial list of priority schemes for Development Funding to Cabinet.

2. SUMMARY

- 2.1 At its meeting on 30th May 2018 – Cabinet agreed that a Regeneration Project Board would be set up with a cross party political representation of Councillors plus key officers.
- 2.2 The Regeneration Project Board terms of reference were also approved by the Cabinet on 30th May 2018. The Board is chaired by the Cabinet Member for Economy, Infrastructure, and Sustainability & Well Being of Future Generations Champion.
- 2.3 The Project Assessment Panel met on the 3rd October and agreed the Membership and Terms of Conditions of the Panel. The first formal Assessment Panel was held in January 2019 where they considered the first suite of projects which have been identified by the Board to move to Assessment Stage.
- 2.4 This report sets out the progress that the Regeneration Project Board has made as at January 2019 and seeks agreement for the initial project list to be funded through the Regeneration Board Development Fund.

3. LINKS TO STRATEGY

- 3.1 The Wellbeing of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. It requires public bodies to think more about the long term, working with people and communities, looking to prevent problems and take a more joined up approach. This will create a Wales that we all want to live in, now and in the future. The Act puts in place seven wellbeing goals and the contents of this report which will hopefully contribute to significant levels of community regeneration and infrastructure development potentially links into all seven wellbeing goals.
- 3.2 A Foundation for Success 2018-2023 (Approved July 2018) is the Regeneration Strategy for Caerphilly County Borough which sets out the strategic priorities for the regeneration and enhancement of Caerphilly County Borough which identifies four strategic themes on which regeneration efforts should be focussed namely: Supporting People; Supporting Business; Supporting Quality of Life and Connecting People and Places.

3.3 The Caerphilly Basin Masterplan (Approved July 2018) is the first of a number of area-specific strategies that identify projects that will help deliver on the Aims and Objectives set out within A Foundation for Success 2018-2023

4. THE REPORT

4.1 Considerable work has been undertaken over the last nine months to better position the Authority in order to take advantage of funding opportunities arising from the City Deal, Metro, the Valleys Task Force and the Welsh Government (WG) Targeted Regeneration Programme Initiative.

4.2 On the 30th May 2018, Cabinet agreed that a Regeneration Project Board be set up. The Terms of Reference of the Board were approved by Cabinet at the same meeting.

4.3 The Regeneration Project Board's remit is to provide clear strategic direction in relation to the Regeneration Project Team (officers) on regeneration projects to enable the Authority to react to calls for expressions of interest in short timescales. Further the Project Board:

- Can agree the range of projects to be developed by the project team in order to take advantage of regeneration investment opportunities.
- Must provide periodic updates on project development to Regeneration and Environment Scrutiny Committee and Cabinet.
- Agree that officers sitting on the Board can submit expressions of interest (EOI's) for project funding streams as long as the EOI's do not bind the Authority to any financial commitment.
- Recommend the formal submission of projects to the Authority's Cabinet so that submission to external funding bodies can be made and/or Authority budgets can be committed accordingly.

4.4 In June 2018 the inaugural meeting of the Regeneration Project Board (the Board) was held. The Board comprises a politically balanced membership and includes:

- Councillor Sean Morgan – Cabinet Member for Economy, Infrastructure, Sustainability & Wellbeing of Future Generations Champion (Chair);
- Councillor Eluned Stenner – Cabinet Member for Environment & Public Protection;
- Councillor Brenda Miles – Labour Ward Member;
- Councillor Kevin Etheridge – Independent Ward Member;
- Councillor Rob Gough – Plaid Cymru Ward Member.

4.5 At the June meeting a Project Prioritisation Toolkit was approved for the Board to prioritise projects and this was subsequently agreed by Council on 17th July 2018 as part of the Council's consideration of A Foundation for Success 2018-2023.

4.6 At its June meeting the Board had a detailed discussion concerning the Council's priorities for the Welsh Government Targeted Regeneration Investment (TRI) Programme. WG has identified Caerphilly and Ystrad Mynach as Strategic Hubs for the Valleys Task Force Initiative and it is these areas that will be targeted for WG TRI funding. It was therefore agreed that the first tranche of TRI funding bids should be targeted at these important Strategic Hubs.

4.7 The Board also agreed that a report should be prepared to capture all the existing (in construction) and proposed regeneration schemes across the County Borough, in order to provide a clear indication in terms of the value of the projects being proposed; their spatial distribution; and the likely timescales for delivery. Officers were tasked with preparing this Capital Projects List for consideration by the Board at its second meeting in September 2018.

- 4.8 £300k has been set aside as a Development Fund to work up projects in readiness for any calls for funding. The appropriateness of this level of Development Fund will be kept under review over the coming months as project work develops. However it is firmly the view of the Board that this level of funding is insufficient and that further funds need to be allocated to the Development Fund.
- 4.9 A second meeting of the Project Board was held on the 11th September 2018 at which the Draft Caerphilly Capital Projects List (CCPL) was presented. The CCPL sought to capture all key existing (in construction) and proposed capital projects across the County Borough, in order to provide an indication of value, spatial distribution, likely timescales for delivery and internal resource/lead.
- 4.10 The CCPL was divided into various section headings and sub sections such as “Physical Infrastructure” – “Transport”. Each sub section was further sub-divided to ascertain whether a project was: Small (less than £1m); Medium (£1m - £5m); or Large (greater than £5m); and the anticipated delivery timeframe. Each project was considered in turn and the Board identified a number of projects to be moved to formal assessment stage for 2019/2020.
- 4.11 An Assessment Panel has been set up to assess each of the projects using the agreed Project Prioritisation Toolkit. The Assessment Panel is an internal officer panel from a wide range of service areas set up specifically to assess strategic regeneration schemes.
- 4.12 The first meeting of the Assessment Panel took place on 3rd October 2018 where the Terms of Reference of the Group were discussed and agreed. A series of meetings were then held in December 2018 and January 2019 to assess the projects that were progressed to assessment stage by the Board at their Meeting on 23rd October 2018 as follows:
- T1 Ystrad Mynach Park & Ride;
 - T5 Llanbradach Park & Ride;
 - T6 Caerphilly Interchange;
 - Gen 19 Oakdale Business Park;
 - Gen22 Cwmcarn Forest Drive;
 - Gen23 Park Lane, Caerphilly;
 - Gen24 Pentrebane Street, Caerphilly.
- 4.13 The Caerphilly Interchange has secured £180k of development funding already and therefore at this stage there is no call on the Board’s Development Fund for this project. A project group has been set up for this project comprising CCBC/Welsh Government and Transport for Wales Officers to progress the feasibility work.
- 4.14 A number of other projects are already in development either by the Council or in partnership with the Private Sector and /or Welsh Government and therefore these are not required to move to Assessment e.g. The Lawns, Rhymney; Ty Du, Nelson; Caerphilly Business Park; Penallta Colliery; Monmouthshire and Brecon Adventure Triangle; Longbridge Baths; Brooklands Risca. However officers will work closely with the relevant partners and provide any necessary additional support/intervention to ensure that these important projects are realised.
- 4.15 Further to assessment of projects in December 2018 and January 2019, an initial list of priority schemes is now recommended to Cabinet for Development Funding as follows:

Development Funding Tranche 1 – Total £290,000

T5 Llanbradach Park & Ride

TOTAL PROJECT COST ESTIMATE (£): £300,000 budget required for feasibility works.
£150,000 is being requested to act as match to Local Transport Funding.

Gen23 Park Lane, Caerphilly

TOTAL PROJECT COST ESTIMATE (£): **£10million. £40,000 is being requested to act as match to TRI grant for purchase of No. 25 Cardiff Rd.**

Gen 19 Oakdale Business Park

TOTAL PROJECT COST ESTIMATE (£): Unknown. **£100,000 is being requested to undertake feasibility work.** In the short term this will not lever in external match funding towards feasibility, however it will provide a budget to allow the Council to work up costed proposals that can then be used to target external funding mechanisms to unlock private sector investment which is anticipated to run into millions of pounds.

(The RPB Assessment Panel – Project Information Forms for the Tranche 1 projects are attached at Appendix 1).

Development Funding Tranche 2 – Residual £15,000 (Awaiting assessment)

- T1 Ystrad Mynach P& R
- Gen22 a Cwmcarn
- Gen24 Pentrebane Street

4.16 If agreed, this will result in a pipeline of prioritised projects that will be the focus of the Council's initial regeneration priorities in the short to medium term. The pipeline of projects will be reported to Cabinet on a six monthly basis and be updated accordingly as schemes progress.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 This report potentially contributes to all seven wellbeing goals as set out in the Links to Strategy section above. These include:-

- A globally responsible Wales
- 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.

6. EQUALITIES IMPLICATIONS

6.1 There are no specific equalities implications associated with this report for any specific groups or individuals therefore a full equalities impact assessment has not been carried out.

7. FINANCIAL IMPLICATIONS

7.1 As stated above an initial project development fund of £300,000 has been approved and will allow a project team of officers to develop projects ready for implementation once funding becomes available.

7.2 If approved, the Tranche 1 projects would utilise £290,000 of the £300,000 Development Fund leaving £10,000 for Tranche 2.

8. PERSONNEL IMPLICATIONS

8.1 There are no direct personnel implications associated with this report.

9. CONSULTATIONS

9.1 All consultation responses are reflected in the report.

10. RECOMMENDATIONS

10.1 That Cabinet agree that £290,000 of the Regeneration Project Board Development Fund of £300,000 be allocated to the Tranche 1 Priority schemes identified by the Regeneration Project Board as outlined in paragraph 4.15 above.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To progress feasibility works in respect of those priority regeneration schemes identified by the Regeneration Project Board.

12. STATUTORY POWER

12.1 The Planning and Compulsory Purchase Act 2004.
Local Government Acts.

Author: Rhian Kyte, Head of Regeneration and Planning
Consultees: Cllr Sean Morgan, Cabinet Member for Economy, Infrastructure, Sustainability & Wellbeing of Future Generations Champion (Chair)
Mark S. Williams, Interim Corporate Director Communities
Stephen Harris, Interim Head of Business Improvement Services
Marcus Lloyd, Head of Infrastructure
Nicole Scammell, Head of Corporate Finance and Section 151 Officer

Appendices:

Appendix 1: RPB Assessment Panel – Project Information Forms for the Tranche 1 projects

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APPENDIX 1

RPB Assessment Panel – Project Information Forms for the Tranche 1 projects

RPB ASSESSMENT PANEL – PROJECT INFORMATION FORM (PIF)

PROJECT NAME: Llanbradach Strategic Park and Ride

SECTION/TEAM SUBMITTING PROJECT: Head of Infrastructure

LOCATION AND WARD: Llanbradach Village, Llanbradach

DESCRIPTION:

This project proposes a new park and ride facility in Llanbradach that would accommodate up to 500 spaces. The existing station only has 10 P&R spaces which is deemed totally unsuitable for the introduction of a much better and frequent rail service under Transport for Wales. The availability of an accessible public transport network is critical to service these areas within the county borough and a P&R at this location would remove traffic and reduce congestion on the strategic highway network.

The location of the new park and ride would be located some distance from the existing rail station and as such the scheme would require a new rail halt to be constructed.

Residual land at this location could accommodate employment growth

Overall benefits include

- Increasing levels of public transport use
- Reducing car usage on heavily congested networks
- Improve modal interchange
- Create employment opportunities by improving connectivity to a larger catchment
- Allowing those who cannot afford their own cars to access more employment/training opportunities
- Make good use of derelict land and stimulate local employment opportunities and local land assets becomes more attractive to investors.

Programme timeframe of 2023 is achievable for feasibility /design and implementation. WG and Transport for Wales are aware of this project and have been supportive.

This bid seeks £150k to match fund a Regional Transport Bid for resources to undertake further feasibility/design work on this project in 2019/20. This work will provide a robustly costed project which will prove beneficial when seeking funding to implement the scheme.

STRATEGIC FIT (SF) ASSESSMENT (R A G):

R A G Status
60%

Notes:

TOTAL PROJECT COST ESTIMATE (£): £300,000 budget required for feasibility works. £150,000 is being requested to act as match

DELIVERABILITY ASSESSMENT (R A G):

R A G Status
60%

Notes:

<p>CCBC REGENERATION BOARD RECOMMENDATION: APPROVAL</p> <p>The provision of a large, strategic park and ride facility at Llanbradach will help to absorb the excess park and ride demand and also create new demand at a station that does not currently benefit from a notable park and ride facility. It will encourage greater use of the rail service on the Rhymney Valley line for those in the Mid Valleys area and offer a more accessible rail network that will enable car users to switch to rail for their everyday journeys. The proposed scheme will increase levels of public transport use, reduce levels of car use, and improve modal interchange by providing a new strategic park and ride facility.</p> <p>Identifying the necessary match for the Local Transport Fund bid is critical to feasibility/design work being conducted in 2019.</p> <p>The proposals contribute to the following themes within the CCBC Regeneration Strategy:</p> <ul style="list-style-type: none">• Supporting people• Supporting Business• Supporting Quality of Life• Connecting People and Places <p><i>DATE: 15th January 2019</i></p>	<p>CHAIR'S SIGNATURE</p>
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RPB ASSESSMENT PANEL – PROJECT INFORMATION FORM (PIF)

PROJECT NAME: Park Lane Hotel Development

SECTION/TEAM SUBMITTING PROJECT: Head of Regeneration and Planning

LOCATION AND WARD: Caerphilly Town Centre, Morgan Jones ward.

DESCRIPTION:

This project is aimed at stimulating the visitor economy in Caerphilly. It is acknowledged that to date, the town and Caerphilly castle are not attracting the visitor numbers they should. As a response, the Council has cleared 0.2 hectares of Council owned land at Park Lane in order to accommodate a use that would bolster the town's current visitor offer. In addition, Cadw have recently produced a masterplan that they hope to implement over the next 5 years to double the visitors to the castle and turn it into a Tier One destination

Plans are in place to develop a quality 4 star hotel at the Park lane site. A preferred developer has been secured and there is interest from the Accor Hotel group to take up residency at this site.

- Welsh Government's Visit Wales Team have indicated that they are willing to support the scheme financially through grant aid to ensure that a prestigious building and hotel operator are secured.
- At present the preliminary designs for the site show a 70plus bedroomed hotel development over 4 floors with a strong food and beverage offer – consisting of restaurant and banqueting/conference facilities.
- Although the scheme has stunning views over the castle, it is somewhat hidden and out of the way of the main commercial strip on Cardiff Road.
- An opportunity has presented itself to purchase the currently empty No.25 Cardiff Road and add it into the red line boundary of the site. This would give the site much better visibility and presence.
- The owner of the property is keen to sell and the preferred developer is keen to add this land into the red line boundary and will be willing to increase his annual premium on the proposed long lease if this can be achieved.
- WG have agreed in principle to a mixture of loan and Targeted Regeneration Investment grant allow the Council to purchase the building. It is then intended that the developer will demolish the building when he commences his hotel build. The WG loan element could be repaid with the annual income from the developer whilst the Council need to find match funding to secure the grant element.
- This bid seeks a capital contribution of £40,000 to be used as match to secure TRI grant.
- Overall benefits include:
 - Beneficial use of brownfield site in the heart of the town centre
 - Bolstering visitor offer in town and therefore increase spend and dwell times in the town.
 - Opportunity for local supply chains - both in construction and running of venue
 - Opportunities for local people to gain employment
 - Act as a catalyst to further investment in the visitor, evening and wedding/conference economy
 - A small outlay of £30k could secure up to £10m of hotel development

STRATEGIC FIT (SF) ASSESSMENT (R A G):

R A G Status
42.5%

Notes:

TOTAL PROJECT COST ESTIMATE (£): £10million. £40,000 request to act as match to TRI grant for purchase of No. 25 Cardiff Rd.

DELIVERABILITY ASSESSMENT (R A G):

R A G Status
70%

Notes:

<p>CCBC REGENERATION BOARD RECOMMENDATION: APPROVAL</p> <p>This is identified as a strategic project in the recently adopted Caerphilly Basin Masterplan and is one of the key schemes identified for the regeneration of Caerphilly Town Centre and the development of its visitor economy. The small financial requirement from the Council will help towards bringing a town centre brownfield site back into beneficial use and will help ensure up to £10m is invested in a quality hotel at Park Lane.</p> <p>The time envelope for purchasing No. 25 is very short, so it is imperative that the Council establishes the match funding required for the TRI application for financial support</p> <p>The proposals contribute to the following themes within the CCBC Regeneration Strategy:</p> <ul style="list-style-type: none"> • Supporting people • Supporting People • Supporting Quality of Life <p><i>DATE: 15th January 2019</i></p>	<p>CHAIR'S SIGNATURE</p>
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RPB ASSESSMENT PANEL – PROJECT INFORMATION FORM (PIF)

PROJECT NAME: Oakdale Business Park Expansion

SECTION/TEAM SUBMITTING PROJECT: Head of Regeneration and Planning

LOCATION AND WARD: Oakdale Plateaux, Penmaen ward.

DESCRIPTION:

Oakdale business park is the largest employment site in the County Borough and consist of a number of distinct plateaux. There are still substantive amounts of undeveloped employment zoned land on Plateau 1, 2 and 4.

The Council is currently working with Welsh Government (WG) to develop out Plateau One. Fifteen Hectares will be unlocked when Welsh Government invest up to £3m towards introducing the necessary infrastructure to the plateau to make it attractive to investors.

On a smaller scale, land next to General Dynamics on Plateau 2 is being sold to Senior Flexonics who will build a hi- tech research facility there. A core component of this scheme is a WG funded access road that will provide access to Senior Flexonic's new facility and will also provide spinal access to the remaining 7 hectares of undeveloped land.

Plateau 4 at Foxes Lane has residual undeveloped land of circa 2 hectares that is currently lying dormant at the northern most part of the plateau.

The current momentum with Plateau 1 and 2 needs to be maximised and it is proposed that feasibility work be undertaken to establish costs of providing the necessary infrastructure to the remainder of Plateau 2 and Plateau 4.

Although the Council are unlikely to fund any infrastructural works from internal budgets, there should be opportunities to bid into WG or other funding vehicles to implement spinal infrastructural works to open up these sites for development.

£100,000 is being bid for to undertake this feasibility work. At present, this will not lever in any external match funding towards feasibility but it will provide a budget to allow the Council to appoint consultants to work up costed proposals that can then be used to target external funding mechanisms which may unlock millions.

The benefits of the proposals are set out below:

- Land is owned by the council which makes it easier to undertake feasibility study
- A strong feasibility study and skeleton layout would allow the Council to market the plateaux more actively.
- Costed proposals and preliminary layouts will make any applications for external funding more coherent
- It will allow the private sector to better understand the upfront costs of putting the infrastructure in themselves (should external funding not become available)
- It will hopefully lead to the infrastructure being provided which in turn will stimulate further investment from the private sector employment

STRATEGIC FIT (SF) ASSESSMENT (R A G):

R A G Status
38.75%

Notes:

TOTAL PROJECT COST ESTIMATE (£): feasibility £100,000 with no match funding identified. Project implementation £2million plus.

DELIVERABILITY ASSESSMENT (R A G):

R A G Status
50%

Notes:

<p>CCBC REGENERATION BOARD RECOMMENDATION: APPROVAL</p> <p>This is CCBC’s largest council owned undeveloped employment site and has regional significance. It has been identified as a Cardiff Capital Region Strategic Site and therefore every opportunity should be taken to maximise its potential and fulfil its purpose of creating local jobs. Providing infrastructure on the plateaux will makes the sites more attractive to investors and stimulates the local economy, hopefully attracting millions of pounds worth of private investment.</p> <p>It is critical that these feasibility works are undertaken to continue the momentum being experienced on Plateau 1.</p> <p>The proposals contribute to the following themes within the CCBC Regeneration Strategy:</p> <ul style="list-style-type: none">• Supporting people• Supporting Business• Supporting Quality of Life <p><i>DATE: 15th January 2018</i></p>	<p>CHAIR’S SIGNATURE</p>
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CABINET – 13TH FEBRUARY 2018

SUBJECT: REVIEW OF CCBC REGENERATION GRANTS

REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 Following a review undertaken on the revenue and capital grant schemes currently administered by the Council's Regeneration Division, it is recommended that existing grants be amalgamated into a combined "**Caerphilly Enterprise Fund**" that focuses delivery on developing business growth and creating employment opportunities. To accommodate this officers propose merging several grant programmes including the Community Regeneration Fund and focusing their budgets into the Caerphilly Enterprise Fund. Approval to consult more widely on these proposals is being sought from Cabinet.

2. SUMMARY

- 2.1 The current grant schemes are administered by both the Urban Renewal and the Business Support & Funding Teams within the Regeneration Division and offer financial support to both the commercial/business sectors and community/voluntary sectors. The current grant schemes are as follows:

Business Grants

- Commercial Improvement Grant (CIG)
- Business Development Grant (BDG)
- Business Start Up Grant (BSUG)

Administered By

Urban Renewal Team
Business Support & Funding Team
Business Support & Funding Team

Community / Voluntary Grants

- Community Regeneration Fund (CRF) Business Support & Funding Team
- Oakdale Community Benefit Fund (OCBF) Business Support & Funding Team

- 2.2 The above are a mixture of revenue and capital funded grants and as such there is a requirement to manage and keep them separate.
- 2.3 This Report provides an evaluation of the current grant schemes and outlines the potential to combine the grants into a single "**Caerphilly Enterprise Fund**" with a refocus towards offering improved support to start up businesses, stimulating economic growth, filling identified supply chain voids and supporting job creation.

3. LINKS TO STRATEGY

- 3.1 The scheme supports the Well-being Objectives set out in the Caerphilly County Borough Council Corporate Plan 2018-2023, specifically “Enabling Employment”.
- 3.2 The scheme supports the Council’s Anti Poverty Strategy, whilst supporting and encouraging economic growth and business development which are themes running through the Council’s Regeneration Strategy entitled ‘A Foundation for Success 2018-2023’.
- 3.3 The grants programme will have a positive impact upon the social, economic and environmental well-being of the area and community it serves. In particular the grants contribute to the following goals within the Well-being of Future Generations Act (Wales) 2015:
- A resilient Wales
 - A sustainable Wales
 - A prosperous Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and thriving Welsh Language

4. THE REPORT

Background

- 4.1 Grants are administered by the Urban Renewal Team and Business Support & Funding Team within the Regeneration and Planning Division. Urban Renewal administers a Commercial Improvement Grant Scheme (CIG), which is a capital budget targeted towards retail and commercial property improvements in towns and villages within the County Borough. The Business Support and Funding Team administer the Business Start Up Grant (BSUG) which is revenue funded and Business Development Grant (BDG) to the business sector which is made up of a capital and revenue budget.
- 4.2 Two additional grants are aimed at the community/voluntary sector, namely: the Community Regeneration Fund (CRF) which is a mixture of capital and revenue funding along with the Oakdale Community Benefit Fund (OCBF) which also consists of revenue and capital monies.
- 4.3 Officers have undertaken a comprehensive review of the current regeneration grant regimes, including the option to merge the grants into a single, targeted grant with the aim of offering a greater focus on: supporting start up businesses; encouraging economic growth; filling identified supply chain voids and stimulating and supporting job creation within the County Borough.

Overview of current Regeneration Grant Schemes

- 4.4 The following existing grant schemes are funded by the Council’s internal capital and revenue annual budget allocations. There are no conditions which would preclude changes or mergers of the Commercial Improvement Grants or Business Support Grants. However, the Community Grants Programmes will require Cabinet Approval to revise (see also paragraph 7.6).

Commercial Improvement Grants (Urban Renewal Team)

- 4.5 Financial assistance is offered for improvements to commercial, retail and industrial premises located in town and village centres within the County Borough. Eligible works include the

conversion, extension, improvement or modification of existing commercial buildings, and the conversion of other buildings into commercial, industrial or community use. The scheme offers a grant rate of up to 50%, with the maximum amount of grant offered to any one property not exceeding £15,000. In recent years the annual budget allocation for the CIG scheme has been £50,000 per annum. There are currently over 50 expressions of interest for this fund.

Business Support Grants- (Business Support & Funding Team)

4.6 Targeted at both existing businesses and new start ups. **The Business Development Grant (BDG)** currently supports established businesses to purchase capital equipment, IT equipment, software, marketing and web site development and some internal building works to upgrade their premises. Grant funding of up to 45% of the project cost is offered to a maximum of £2,000 per project. The annual budget for 2018/19 is £51,251 although it is expected to reduce by £25,000 for one year only in 2019/20.

4.7 **The Business Start Up Grant (BSUG)** is designed to help residents of the County Borough set up a full time business for the first time. Grant funding of up to 50% of the eligible project costs, to a maximum of £500 is offered. The annual budget for 2018/19 is £5,000. Applications are invited all year round for both BDGs and BSUGs subject to budget availability and are assessed with a recommendation for grant award or refusal as and when the full assessment has been completed by the case officer. This is not a CCBC core budget and is funded by TATA steel who provides the Council with this benefit fund.

Community Regeneration Fund (Business Support & Funding)

4.8 This fund enables community and voluntary sector organisations in the County Borough to bid for capital and/or revenue funding to take forward initiatives they have developed as part of the community planning process. Funding is available up to a maximum of 80% of the total project costs. Applicants can apply for a maximum of £25,000 in capital. Revenue funding for one year can be offered, subject to the availability of resources, up to a maximum of £30,000. The annual budget for 2018/19 is £199,057 (£100,057 revenue and £99,000 Capital). This allocation will reduce in 2019/20 due to the need to establish MTFP savings.

4.9 Applications are invited up to five times a year, subject to the availability of resources where applications are discussed and assessed at a Grants Panel meeting.

Oakdale Community Benefit Fund (OCBF)

4.10 The Oakdale Community Benefit Fund was established during the development of two 2MW wind turbines amounting to circa £10,000 per annum for the duration of the lease period (25 years). The purpose of the OCBF is to support and benefit viable and sustainable communities within 1.5 miles of the turbines, which comprises the communities of Argoed, Croespenmaen, Kendon, Oakdale, Penmaen, Pentwyn and Trinant. A grant of up to 80% of total project costs is available with the maximum grant available limited to £3,000 capital and/or £3,000 revenue in a single year. It should be noted that this is not a CCBC core budget and as such it will be restricted to the terms and condition imposed by the developer who provides the Council with the benefit fund.

Evidence of Impact

4.11 This section outlines how the grants have been used over the last 3 years, identifies the positive impact of the various programmes and considers the appropriate level of funding support under the proposed "Caerphilly Enterprise Fund":

Commercial Improvement Grants (CIG)

4.12 In the financial 5 year period between 2013 and 2018 a total of 16 CIG were awarded for improvement works to properties in towns and villages throughout the County Borough. Although the maximum grant award is £15,000 under this programme, the average grant

award was £9,100. Evidence therefore suggests that reducing the maximum grant approval to £10,000 will still stimulate economic activity and will also allow more applications to be processed per annum.

Business Grants (BDG & BSUG)

- 4.13 Evidence from the 3 previous years suggests that BDG grants at a maximum of £2,000 do help create jobs in small businesses. When compared against the recent LIF programme, (which had an average grant rate of nearly £6,000) the evidence shows that the BDG regime appear to be better value for money. Although it could be argued that a more targeted approach with a maximum grant to £10,000 would help deliver greater impact to fewer businesses, the facts show that awards at a lower level do help business growth and create more jobs overall than a more targeted approach.
- 4.14 Small BSUG grants have been offered at a maximum rate of £500 per application. Feedback from officers administrating the grant suggests that this level of support is ideal to help start lifestyle micro businesses. With a small budget of £5,000 which is derived from an annual donation from TATA Steel, it appears illogical to increase the grant level as this would dramatically reduce the number of new businesses that could be supported. Also by retaining the core elements of the grant this will also help any future awards to comply with the terms and conditions imposed by TATA Steel.

Community Regeneration Grants

- 4.15 This fund enables community and voluntary sector organisations in the County Borough to take forward valuable projects that have a positive impact on the community. Since 2011 a wide range of groups have received grant aid at up to 80% intervention rate. Churches, sports clubs, scout groups, OAP groups and local community partnerships are regular recipients of the grant with bigger organisations such as GAVO and Inside Out also receiving monies from the fund.
- 4.16 The Voluntary sector and community organisations play a large and critical role in helping local communities develop and grow. They are able to access external funding that the Council cannot bid into and have been very successful in the Caerphilly county borough council area at securing external funding for a myriad of projects. It must be noted that large numbers of local people have and do currently benefit from projects supported by the Community Regeneration Fund. The Voluntary Sector and community organisations have traditionally utilised this budget to add value to the community. The Community Regeneration Fund has enabled third sector organisations to grow and thrive. Significant match funding has been levered in from other sources: between 2011/12 and 2016/17 a total of £1,897,312 was awarded via the Community Regeneration Fund, which levered in match funding of £3,351,769 from a variety of sources. However, the projects do not have an economic focus and the review of past spend shows that only a small proportion were targeted at employment, training, skills or personal development.
- 4.17 With an underlying climate of financial cut backs to the Regeneration service area, officers would recommend that Cabinet consider refocusing the Community Regeneration Grant budget towards projects with an economic focus. In an age of austerity, it is imperative that the resources that the Council has available to it are channelled to give the greatest long-term sustainable impact.

Oakdale Community Benefit Fund

- 4.18 This fund derives from an annual contribution from the private company who operate wind turbines in the area. It enables community and voluntary sector organisations in the Oakdale area (as defined in paragraph 4.10 above) to bid for funding to take forward projects delivering a social, economic or environmental impact on the area or community concerned. Since

2014, many small community groups have benefited from the Fund, receiving grant aid at up to 80% intervention rate.

- 4.19 As with the Community Regeneration Fund, although valuable to communities, most of the funding does not have a demonstrable impact on the local economy. However, if changes are made that impact on the Community Regeneration Fund budget, then it will be desirable to continue with this fund and possibly extend the geographic reach to provide wider community benefits.

Proposed New Grant Regime

- 4.20 It is proposed that a new grants regime should concentrate more activity on developing business growth and creating employment opportunities within the County Borough. It is recommended that the primary focus of a new **Caerphilly Enterprise Fund** should be on:
- Business Start Ups in all sectors (less than 12 months trading);
 - Underutilised/empty town centre commercial properties
 - Small and Medium Sized Enterprises (e.g. those with less than 250 employees, with turnover not exceeding €50 million (approx. £45 million) and / or a balance sheet not exceeding €43 million (approx. £38.7 million);
 - Established Community Groups or Social Enterprises;
 - Filling identified supply chain voids identified by CCBC Procurement;
 - Projects that help create or safeguard jobs - contributing to the Council's Well Being Goals.
- 4.21 The Council's Corporate Plan 2018-2023 outlines a number of core Well Being objectives that the Council will strive to deliver. Objective Two is Enabling Employment. The new grant regime outlined in this report will be a key tool that will allow the Council to influence / improve the levels of employment in the county borough. It is therefore considered appropriate to re focus the 'grant' budget allocated to Regeneration and Planning towards business growth and job provision in the county borough.
- 4.22 Following a review and critical appraisal of the current grant regimes, it is clear that there is scope to amalgamate the existing business-focused grant schemes, based on the clear commonality of their main economic objectives and administrative processes. If Cabinet are minded to progress with a standardisation of current regeneration grants, it is recommended that the three business focused grants (CIG; BSUG and BDG) are combined into a single fund, namely the **Caerphilly Enterprise Fund** with the OCDF continuing to be administered separately.
- 4.23 More radically, officers propose discontinuing the Community Regeneration Fund programme and focusing it's budget into the Caerphilly Enterprise fund. The good work that the voluntary sector and community groups undertake is fully recognised and greatly appreciated but it is apparent that there are a number of external funding mechanisms that they are able to bid into to secure monies for localised community projects. Larger funding bodies such as the Big Lottery, Garfield Weston Trust and Coalfields Community Grants offer substantial grants to such groups. At this current moment in time, It has been established that there are upwards of twenty external grants available to these groups (See Appendix 1) and even though it is proposed that the CRF fund is closed, officers will continue to offer support and guidance to groups looking for funding and will actively signpost them to suitable available external grants.
- 4.24 The proposed new **Caerphilly Enterprise Fund** will prioritise those projects that can demonstrate job creation, safeguarding of existing jobs and which can lever in private sector investment. It will be aimed predominantly at businesses looking to grow within the county

borough. Although the grant regime will be open for community groups and social enterprises they will need to evidence that their projects focus on economic activity.

4.25 It is proposed that from 2019/20, the new Caerphilly Enterprise Fund will offer funding support under two categories; the first being Business Support and the second being Property Improvement:

- **Fund 1 – Business Support Grants** that will operate in a very similar manner to the BDG and BSUG and will utilise the Council's core revenue allocation to offer grants of up to £500 to micro businesses and up to £2,000 to help create jobs and economic growth in small businesses, social enterprises and community groups. As this is predominantly targeted at supporting small businesses it is intended to offer grant to businesses that can prove they require it. There are concerns that small grants are being awarded to businesses with very large turnovers and that the grants have little impact on such large companies. Therefore grant applicants will need to provide financial evidence of the 'need' of the grant based on turnover, cashflow and the liquidity of the business.

The Council's Procurement Division have identified that there are opportunities for business growth to fill voids in the Council's supply chain. It is envisaged that this fund will be used as a tool to try and encourage the local business community to fill these gaps in provision.

This fund will be open to community businesses, in particular social enterprises to bid into.

- **Fund 2 – Property Improvement Grants** that will operate in a very similar manner to the existing CIG regime outlined above, with a focus on bringing empty or underutilised buildings back into beneficial use. This thematic will operate using a capital allocation and will offer capital grants of up to £10,000.

4.26 It is proposed that the existing Business Development Grant budget will form the core of the Fund 1 budget. The annual budget for 2018/19 is £51,251 with a similar budget allocation in 20/21.

Please note that under the current budget proposals, this budget is expected to reduce by £25,000 for one year only in 2019/20.

4.27 As part of the MTFP savings for 2019/20 it is proposed that the indicative Community Regeneration Grant **revenue** budget allocation is reduced from £100,000 to £50,000. It is further proposed that the remaining indicative £50,000 be allocated from the CRF to the Caerphilly Enterprise Fund to be refocused on economic outputs under Theme 1 – Business Support.

Please note that under the current budget proposals the residual £50k outlined above has been identified as a temporary 'one year only' cut in order to balance the budget for 2019/20.

4.28 Likewise it is recommended that the 2019/20 £99k indicative **capital** allocation for the Community Regeneration fund be vired to the Caerphilly Enterprise Fund Theme 2 – Property Improvements. This would result in the Community Regeneration Fund having a zero budget which would therefore effectively end that programme.

4.29 Section 7 of this report sets out in more detail the proposed allocations to be made to the new Caerphilly Enterprise fund and its two sub-categories for 2019/20.

- 4.30 With extreme pressure on senior managers to make savings for MTFP, it is likely that these grants programmes will come under scrutiny. It is therefore imperative that available resources are aligned to make the greatest impact and help take forward the Council's Corporate Objectives.
- 4.31 The Evidence of Impact section (4.11 – 4.19 above) outlines key evidence that has led officers to propose the maximum grant available under each of the priority funding categories as outlined in Table 1 below:

Table 1: Proposed Grant Limits and Intervention Rates

Fund	Proposed Grant Available	Intervention Rate
Caerphilly Enterprise Fund - Theme 1 "Business Support"	£200- £2,000 revenue	Up to 45%
Caerphilly Enterprise Fund - Theme 2 "Property Improvement"	Up to £10,000 capital	Up to 50%
Oakdale Community Benefit Fund	Up to £3,000 capital Up to £3,000 revenue	Up to 80%

- 4.32 It is further recommended that any grant funded project would need to demonstrate that it will contribute to improving the economic, social, environmental and cultural well being of the County Borough:

Economic

There will need to be evidence of job creation (at least one job) where grants of up to £5,000 are awarded. Where larger grants are awarded additional job creation will need to be evidenced.

Environmental

Property Improvement Grants must deliver environmental enhancements. Projects to refurbish empty, vacant or underutilised commercial premises will be prioritised.

Social/Cultural

Social enterprises/businesses must demonstrate how their project will contribute to their future growth and development.

- 4.33 It is proposed that the existing geographical boundary for the Oakdale Community Benefit Fund is extended from 1.5 miles to 2 miles. This would add the communities of Markham, Cefn Fforest, Blackwood, part of Newbridge and Crumlin to the existing eligible communities of Argoed, Croespenmaen, Kendon, Oakdale, Penmaen, Pentwyn and Trinant. It also brings in the communities of Llanhilleth, Brynithel and Aberbeeg in Blaenau Gwent and it should be noted that a number of similar schemes across the UK cut across local boundaries. However it is not suggested that communities outside Caerphilly CBC should have access to this fund. As this fund is provided from a contribution from a private company then they would need to agree to the expansion of the boundary.

Approval Process – Options

- 4.34 Two options for the grants approval process have been considered as part of this review:
- **Written Procedure** via Case Officer Grants Approval Report (Report certified by Case Officer, Line Manager, Grants Manager, Head of Service in consultation with Cabinet Member)
 - **Panel Meeting and Assessment** – Case Officer Recommendations discussed at regular Panel meetings with designated Panel members (including Case Officer, Grants Manager, Head of Service, minimum quorum required)
- 4.35 On balance, it is recommended that the current written procedure process is retained for all new business grants under the Caerphilly Enterprise Fund that require grant funding of less than £5,000. This approach has worked for a number of years and has been effective and more responsive to business focused grants, as it allows projects to be assessed in a timely manner, on a rolling basis as they are received. It should also be noted that this process has been subjected to detailed external audits when the EU supported Local Investment Fund was delivered (up to April 2015).
- 4.36 It is acknowledged, however, that more scrutiny may be required for grant awards above £5,000. It is therefore recommended that a grants panel is established to assess grant applications over this £5,000 threshold both for revenue and capital bids. Grant panel membership would consist of:
- Project Officer presenting report
 - Section/Team Manager
 - Grants Manager, Corporate Finance
 - Cabinet Member for Economy, Infrastructure, Sustainability & Wellbeing of Future Generations
 - Head of Regeneration and Planning
- 4.37 All grant applications will undergo a stringent review, both those that go to panel and those under £5,000 that will be awarded directly. There are already review procedures in place for the existing grants and officers have developed these to be applicable for the grant regime.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This proposal contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act and is aimed at improving the economic well being of the County Borough.
- 5.2 As such the proposals align with the following well being goals:
- **A Prosperous Wales** – financial contributions to targeted business sectors will support opportunities for development of a skilled population in an economy which generates wealth and employment opportunities;
 - **A resilient Wales** – targeted grant support will foster social, economic resilience and the capacity to adapt to change;
 - **A more Equal Wales** – the grant programmes encourage applications from a wide range of sectors and organisations, community, voluntary or business, and reflect a broad opportunity for participation.
 - **A Wales of cohesive communities** – the grant programmes support measures to provide attractive and well connected communities through financial support to community based

projects and environmental improvements.

- **A globally responsible Wales** – the grant programmes support measures which improve the economic, social and environmental well being of the County Borough.

6. EQUALITIES IMPLICATIONS

- 6.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance and some potential negative impact has been identified affecting one or more of the target equality groups.
- 6.2 A full EQLA has been carried out and is appended to the report. Please see Appendix 2.

7. FINANCIAL IMPLICATIONS

- 7.1 The review has highlighted that up until 2018/19 that community focused grants have had an overall budget of nearly **three** times that of the funding targeted at the business community. Even the latest 2018/19 budget is nearly twice that of business orientated grants. This report seeks to alter this balance. Proposed budget allocations for 2019/20 are set out in table 2 below.
- 7.2 In order to meet MTFP targets it has been proposed that several of the grant allocations are reduced from 2019/20 onwards and amalgamated into the two Enterprise Funds identified in section 4.25. Table 2 outlines those proposed for 2019/20.
- 7.3 The 2018/19 approved budgets for CRF are £100,057 revenue and £99K capital. The proposal in this report is that the CRF be closed and the £100K revenue budget be split between a £50K MTFP saving and a £50K virement into the Caerphilly Enterprise Fund Thematic 1.
As noted above, under the current budget proposals, the residual £50k has been identified as a temporary 'one year only' cut in order to balance the budget for 2019/20. Likewise there will be a 'one year only' £25k reduction in the BDG allocation.
- 7.4 The Community Regeneration capital budget of £99k will be redirected towards the property focused category of the proposed Caerphilly Enterprise Fund.
- 7.5 These proposals are reflected in Table 2 below. In short, this report recommends the closure of the Community Regeneration Fund, with monies being refocused towards delivering tangible economic outputs.

Table 2: Proposed Grant Structure and Core Allocations

Proposed Grant Regime	Proposed Core Allocations		
	Revenue	Capital	Total
Caerphilly Enterprise Fund - Fund 1 Small businesses	£101,251 £26,251 for 19/20	£0	£101,251 £26,251 for 19/20
Caerphilly Enterprise Fund - Fund 1 Micro businesses	£5,000	£0	£5,000
Caerphilly Enterprise Fund - Fund 2 Property Grants	£0	£149,000	£149,000

Proposed Grant Regime	Proposed Core Allocations		
	Revenue	Capital	Total
Total for Business Grants	£106,251 <i>£31,251 for 19/20</i>	£149,000	£255,251 <i>£180,251 for 19/20</i>
Community Regeneration Grant	£0	£0	£0
Oakdale Community Benefit Fund	£10,000	£0	£10,000
Total for Community Grants	£10,000	£0	£10,000

7.6 It should be noted that any decisions relating to the CRF grants programme, will need to be viewed against the existing relationship between the Council and the Voluntary Sector. The Compact / Partnership Agreement is currently being renewed and will be presented in its final form to the Voluntary Sector Liaison Committee. Via the Compact Agreement, the Voluntary Sector Liaison Committee is a consultee on changes to third sector funding and should be included in the consultation process. It is therefore suggested that the recommendations in this report be presented to the voluntary sector and community groups (probably through consultation with the Voluntary Sector Liaison Committee) as part of a consultation process before implementation.

8. PERSONNEL IMPLICATIONS

- 8.1 Currently Business Support and Funding Team officers are the primary contact for the business growth grants with enquires relating to property improvements directed to the Urban Renewal team.
- 8.2 The restructuring of the Regeneration and Planning Department will identify roles and responsibilities for officers with regards to this new grants model, should it be implemented.

9. CONSULTATIONS

- 9.1 A wider consultation process is proposed with the voluntary sector and community organisations before implementation of the new grants programme. The results of this consultation will be reported back to Cabinet. The views and comments of consultees to date have been reflected in the report and certain concerns are outlined below. A response to each concern is outlined in italics below each bullet point.
- 9.2 The Community Regeneration Fund was previously administered by the Council's Policy Section. They are extremely concerned at the proposals to amalgamate the funds and refocus all of them on enterprise and job creation/employment. So rather than reflect their views and comments within the body of the report, it is considered prudent to summarise their views on the proposed refocusing of the current grant regime below.
- The Community Regeneration Fund has enabled third sector organisations to grow and thrive. The report fails to mention the significant match funding that the community grant programmes lever in from other sources. Between 2011/12 and 2016/17 a total of £1,897,312 was awarded via the Community Regeneration Fund, which levered in match funding of £3,351,769 from a variety of sources, which is a massive amount of economic benefit for the county borough as a whole.

Regeneration Officer Comments - *The proposed grant regime is not being established to deter community groups from applying but with the overall budget being cut year on year the grant regime needs to have a clear focus. This focus, as outlined in the report, will be on stimulating the local economy and as such the grants regime will concentrate on more defined economic outcomes. The voluntary sector and community groups do have access to a range of alternative funding bodies outside of this grants programme that they can apply to and expertise exists within the Council to continue to help signpost organisations and groups to these funding sources.*

- It appears very unjust that the focus is moving from supporting our local communities to only supporting businesses. The proposals in the report will make the majority of third sector organisation ineligible for the funding and, those that are will have to compete with the business sector. External grant sources such as EU funding were used to top up Council budgets to great effect. Many of the projects funded via the community grant schemes also included employing staff, so to suggest that the proposed changes will give a greater economic focus is not fully accurate.

Regeneration Officer Comments - *The recommendations in this report must be viewed in the wider context. Budgets for discretionary grants have seen severe cutbacks and although it is acknowledged that the CRF has had some positive economic benefits, its primary focus has always been around supporting community orientated projects. With dwindling resources, there is a need to make the process more competitive and it has been determined that there should be a refocus on projects that bolster the local economy. Groups who have traditionally accessed the CRF fund will still be able to bid into the fund but with more focused projects. Again it is worth re-iterating that all voluntary and community groups would acknowledge that there are numerous alternative funding mechanisms for community group support. Circa twenty alternative funding sources exist that these groups will still have access too and officers will signpost towards. Although budgets are being cut there will still exist a very strong and well staffed Community Regeneration Team offering support to these communities on a daily basis.*

- The report suggests that most of the CRF funding does not have a demonstrable impact on the local economy, and this is not the case. Had it not been for the seed funding provided by the Community Regeneration Fund, development projects like Newbridge Memo, Van Road Church in Caerphilly, Rudry Village Hall and many others simply may not have happened.

Regeneration Officer Comments - *This report does acknowledge the positive impact that the grants have had over time, but it also clearly argues that the Council must prioritise its reducing resources. It is believed that the best return on this budget will be to take a more focused economic approach to its distribution in order to bolster the robustness of local communities.*

- There is a need to consult with the voluntary sector in relation to the proposed changes. This is enshrined in the Compact agreement, which the Council is a primary signatory to. The Compact / Partnership Agreement is currently being renewed, having been approved in principle by the Public Services Board in September and will be presented in its final form to the Voluntary Sector Liaison Committee in due course. CCBC is a prime signatory to the Compact and the Funding Code of Practice. Via the Compact Agreement, the Voluntary Sector Liaison Committee is a consultee on changes to third sector funding and should be included in your consultation. It is suggested that this report be presented to the Voluntary Sector Liaison Committee as part of the consultation process

Regeneration Officer Comments - A full consultation process with the voluntary sector and community groups will be undertaken as part of the wider consultation process before the new grants regime goes live. This engagement will also allow the Council to highlight replacement funding opportunities available to these groups.

- The report makes reference to the Well-being of Future Generations Act. The Act requires that all public bodies consider the social, economic, environmental and cultural benefits of everything that they do, so a focus purely on economic benefits would not be in keeping with the spirit of the Act. The vast majority of the projects previously funded via the CRF have impacts on multiple benefits, including economic.
- **Regeneration Officer Comments** - The Well Being of Future Generations Act has been considered in delivering this report. Focusing the impact of grants towards maximising local economic activity will, it is believed, have the most profound effect on local communities well being. Stimulating more favourable economic conditions and new employment opportunities will have a plethora of positive outputs and outcomes on the local community as people's overall financial security/stability and well-being improves.
- The report requires a full EQLA be carried out as many CRF funded projects are aimed specifically at these targeted groups. These target groups need to be fully consulted before the report is approved by Cabinet.

Regeneration Officer Comments - This has been undertaken as part of the Cabinet report consultation mechanism. The full EQLA is attached at Appendix 2.

- In a wider context Community Asset Transfer is becoming more of a focus for the Council in the current financial climate. With ever diminishing resources it is unlikely that Council will be able to maintain the range of community venues within the county borough such as community centres, sporting facilities, changing rooms etc. It will be difficult to expect community organisations to take on these sorts of facilities if the Council cannot offer financial support with grant funding. External funding sources that they can be signposted to and offered support.

Regeneration Officer Comments - The CRF is a discretionary grants regime. Community and voluntary groups would be advised not to look to build support from this funding source into their building management or financial management models as further cuts are very probable.

10. SUMMARY

- 10.1 The report advocates the merging of the current Commercial Improvement Grant, the Business Development Grant, the Business Start Up Grant and the Community Regeneration Fund into the Caerphilly Enterprise Fund which will concentrate more activity on developing business growth and creating employment opportunities within the County Borough. The proposals will simplify the grants application process and seek to standardise grants administration throughout the Regeneration Division. Officers will undertake a consultation exercise with community groups and the voluntary sector over the proposals, in particular the recommendation to effectively discontinue the Community Regeneration Fund and refocus its budget into delivering this new grants programme.

11. RECOMMENDATIONS

- 11.1 To seek approval for officers to conduct a thorough consultation process with the voluntary sector and community groups on the recommendation set out below (11.2 – 11.6) before bringing a further report back to Cabinet.
- 11.2 That the existing grants (CIG, BDG, BSUG and CRF) are amalgamated to provide a new **Caerphilly Enterprise Fund** to be launched in April 2019.
- 11.3 That the existing core grant allocations are re-aligned as set out in paragraphs 4.20 to 4.32 to provide greater economic outputs within the county borough under the Caerphilly Enterprise Fund umbrella.
- 11.4 That the existing Community Regeneration Fund be discontinued.
- 11.5 That officers request to the developer who provides the funding, that the geographic boundary for the Oakdale Community Benefit Fund be increased from 1.5 miles to 2 miles but should not be available outside of the county borough.
- 11.6 That Cabinet considers and endorses the protocols outlined within the report for determining grant applications.

12. REASONS FOR THE RECOMMENDATIONS

- 12.1 Primarily to offer improved support to businesses and to maximise economic growth. In addition, the proposals will standardise the process for grants administration throughout the Regeneration Division and to improve the systems by which the Regeneration and Planning Division controls and administers grants to businesses.

13. STATUTORY POWER

- 13.1 Sections 70 and 71(1) of the Government of Wales Act 2006 and sections 126-128 of the Housing Grants, Construction and Regeneration Act 1996.

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Mark S Williams, Interim Corporate Director (Communities)
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Alison Palmer, Community Planning Co-Ordinator
Vicki Doyle, Policy Officer, Statistics and Funding
Anwen Cullinane, Senior Policy Officer – Equalities and Welsh Language
Shaun Watkins, Principal Personnel Officer

Apendices:

Appendix 1 – Voluntary Sector/Community Group: Sources of External Grants

Appendix 2 – Equalities Impact Assessment

Appendix 1

GRANT SCHEME NAME	PROVIDER	GRANT DESCRIPTION	WHO CAN APPLY	CAPITAL / REVENUE	GRANT AMOUNT	MATCH FUNDING REQUIRED
Technical Assistant Grant	CCBC	To support charities and voluntary organisations in Caerphilly undertaking a capital project with costs associated with technical assistance	Voluntary or Charitable organisations in Caerphilly	Capital	Up to £4800 including VAT	Not stated
Welsh Church Fund	CCBC	To promote the activities of voluntary organisations that benefit the people of Caerphilly and enrich local communities	Registered voluntary charities, movements and institutions which contribute towards community life, community organisations, community based projects, churches and chapels	Capital	Smaller Projects up to £5,000 or larger projects up to a maximum of £10,000	Up to £5000 fully funded for larger projects of over £5000, the remaining amount will be subject to a grant rate of 75% up to a maximum grant of £10,000
Health & Wellbeing Grant	Aneurin Bevan University Health Board	The purpose of the Health, Social Care and Wellbeing Grant is to support voluntary organisations working within the Caerphilly County Borough area on projects related to improving the health and wellbeing of residents.	Voluntary or community organisation, charity, community interest company or social enterprise operating in Caerphilly County Borough	Capital & Revenue	Max £4000	fully funded or match funded
GAVO Cash 4 U Grant	GwirVol Partnership	The purpose of the Cash 4 U Grant is to fund exciting and worthwhile projects that create more Volunteering opportunities for young people aged 14-25.	Voluntary organisations	Capital & Revenue		

Garfield Weston Foundation	Garfield Weston Foundation	Supports a wide range of charitable activity in the UK in areas such as arts, community, education, environment, youth, faith, health, welfare, museums and heritage	UK registered charities, Charitable Incorporated Organisations, Educational establishments including schools & universities, Churches, Housing Associations, Museums and Galleries	Capital & Revenue	Regular grants of up to £100,000 or Major Grants of £100,000 and above	Match Funding required. Capital projects 10% of total project cost. Revenue projects 10-20% of organisations total income/salary. Like to see evidence of 50% funding before applying for grant
Coalfields Community Grants - Wales	The Coalfields Regeneration Trust	The programme is for community and voluntary organisations that can clearly demonstrate that a grant will impact positively on people living in the former Coalfield Communities of Wales	Community & Voluntary Organisations	Capital & Revenue	From £500 up to £7000	Fully funded up to £7,000 or can be used to match fund
Gwent High Sheriffs' Community Fund	Community Foundation in Wales	Funding is available for community-based initiatives and projects that reduce crime and improve community safety in Gwent. The fund aims to provide a safer and better quality of life for the people of Gwent	Community groups, voluntary organisations and local charities in Gwent, ie the local authority areas of Newport, Blaenau Gwent, Torfaen, Monmouthshire and Caerphilly.	Capital	Max £5000	
National Lottery Awards for All - Wales	Big Lottery Fund	Grants are available for community organisations, schools and statutory bodies in Wales to help improve local communities and the lives of people most in need	Voluntary and community organisations, including: registered charities, constituted groups and clubs, not-for-profit companies and community interest companies, social enterprises, schools, statutory bodies including town, parish, and community council.	Capital & Revenue	Grants between £300 and £10,000	Fully funded up to £10,000 or match funded

Wales - People and Places	Big Lottery Fund	People and Places aims to support people and communities working together and using their strengths to make positive impacts on the things that matter to them the most	Voluntary or community organisation, registered charities, constituted groups or clubs, community interest companies, social enterprises, schools, statutory bodies including town, parish or community council	Capital & Revenue	Medium grant offers from £10,001 to £100,000 for projects lasting up to 5 years and Large grant offers from £100,001 to £500,000 for projects lasting up to 5 years	Funding is available for all eligible costs of the project but applicants are encouraged to seek funding from other sources
People's Postcode Trust	People's Postcode Lottery	Provides project based funding for up to 12 months in length ranging from £500 - £20,000 to organisations within Great Britain. The current themes of the Trust are: Poverty Prevention, Employability Programmes and Human Rights through combatting discrimination	Registered charity, CIO/SCIO, Constituted voluntary or community group, social enterprise, community interest company, not-for-profit organisation, local club or other constituted community group	Capital & Revenue	£500 - £20,000	
Tesco Bags of Help	Tesco / Groundwork	Bags of Help is Tesco's local community grant scheme where the money raised by the carrier bag charge in tesco stores is being used to fund thousands of community projects across the UK. The projects must meet the criteria of bringing benefits to the community.	voluntary or community organisations including registered charities/companies, schools, health bodies, NHS Hospital Trust, Foundation Trust, Parish/Town Councils, Local authorities and social housing providers	Capital	From £1000 to £4000 can be awarded	Fully funded or match funded if larger project
Tudor Trust	Tudor Trust	Core funding, unrestricted funding, project grants, capital grants	organisations/charities seeking support for work that has a charitable purpose	Capital & Revenue	No limit set	Fully funded

Local Community Projects Fund	Greggs Foundation	The Local Community Projects Fund awards grants of up to £2000 to enable not for profit organisations to do something they otherwise couldn't afford to.	Organisations supporting people in need. Any not for profit organisation can apply, however larger organisations with a turnover in excess of £300,000 will be unsuccessful	Capital	£2,000	Fully funded
Esmee Fairbairn Foundation	Esmee Fairbairn Foundation	Grants available to organisations doing legally charitable work in the UK that focuses on the Foundation's funding priorities in the arts, children and young people, the environment, food or social change	Charities and not-for-profit organisations with a regular annual turnover of at least £50,000	Capital & Revenue	Max £500,000	Match funding is not required however, it may help to have funding commitments from other sources and a credible investment raising plan
Tampon Tax Community Fund	Department for Digital, Culture, Media and Sport	Grants are available to local not-for-profit organisations for local projects that improve the lives of disadvantaged women and girls in local communities across the UK	Registered UK charities, constituted community groups, companies limited by guaranteed with charitable aims, community interest companies, co-operatives, credit unions, social enterprises	Revenue	£10,000	Fully funded or match funded
Trusthouse Charitable Foundation	The Trusthouse Charitable Foundation	Grants are available to smaller charitable and not-for-profit organisations in the UK to fund community support, arts, education and heritage projects in areas of extreme urban deprivation or remote, socio-economically deprived rural areas	Established charitable organisations including CICs, social enterprises, not-for-profit registered companies, voluntary organisations	Capital & Revenue	Max £60,000	Applicants must have secured a minimum of 50% of the total project cost before applying for both capital & revenue projects

Co-op Local Community fund	Co-op Membership	Helps pay for local projects that co-op members care about through 1% of own brand sales and carrier bag charges	Charities, local community groups or not-for-profit organisations	Capital & Revenue		
ACT Foundation (ACT)	ACT Foundation	Provides grants to individuals and other UK charities with the aim of enhancing the quality of life for people in need, specifically the mentally and physically disabled and the aged.	UK registered charities	Not specified	No upper limit but most grant awards are for under £10,000	
Armed Forces Covenant Fund Trust - Veterans Community Centres Programme	Ministry of Defence	The funding is to be used to improve existing community centres used by veterans.	Registered charity or CIC that already supports the Armed Forces Community	Capital	£30,000	Fully Funded
Baily Thomas Charitable Fund	Baily Thomas Charitable Fund	The Charity aims to support work for the aid and relief of those affected by learning disability	Voluntary organisations which are registered charities or are associated with a registered charity	Capital or Revenue	two grant schemes - small grants from £250 up to £10,000 or general grants over £10,000	Can be match funded
Improving Lives Grant Programme	The Henry Smith Charity	Grants for small and medium sized organisations in the UK to support projects and the running costs of organisations	Charities and not-for-profit organisations including social enterprises	Capital & Revenue	£20k - £60k	

EQUALITY IMPACT ASSESSMENT FORM

October 2018

THE COUNCIL'S EQUALITIES STATEMENT

This Council recognises that people have different needs, requirements and goals and we will work actively against all forms of discrimination by promoting good relations and mutual respect within and between our communities, residents, elected members, job applicants and workforce.

We will also work to create equal access for everyone to our services, irrespective of ethnic origin, sex, age, marital status, sexual orientation, disability, gender reassignment, religious beliefs or non-belief, use of Welsh language, BSL or other languages, nationality, responsibility for any dependents or any other reason which cannot be shown to be justified.

The Council is required to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having due regard for advancing equality involves:

- removing or minimising disadvantages experienced by people due to their protected characteristics
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people
- encouraging people with protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

The protected characteristics are:

- | | |
|----------------------------------|----------------------------------|
| • Age | • Race |
| • Disability | • Religion, Belief or Non-Belief |
| • Gender Re-assignment | • Sex |
| • Marriage and Civil Partnership | • Sexual Orientation |
| • Pregnancy and Maternity | • Welsh Language* |

* The Welsh language is not identified as a protected characteristic under the Equality Act 2010, however in Wales we also have to treat Welsh and English on an equal basis as well as promoting and facilitating the use of the Welsh language.

Further advice on completing impact assessments can be found on the equalities pages of Corporate Policy Unit Portal.

THE EQUALITY IMPACT ASSESSMENT

NAME OF NEW OR REVISED PROPOSAL*	Establishment of a new Caerphilly Enterprise Fund which combines all of the current grant funding programmes run under the Regeneration Department.
DIRECTORATE	Communities
SERVICE AREA	Regeneration & Planning – Urban Renewal and Business Support & Funding Teams
CONTACT OFFICER	Allan Dallimore Urban Renewal Team Leader dallia@caerphilly.gov.uk 01443 866441
DATE FOR NEXT REVIEW OR REVISION	N/A

***Throughout this Equalities Impact Assessment Form, ‘proposal’ is used to refer to what is being assessed, and therefore includes policies, strategies, functions, procedures, practices, initiatives, projects and savings proposals.**

The aim of an Equality Impact Assessment (EIA) is to ensure that Equalities and Welsh Language issues have been proactively considered throughout the decision making processes governing work undertaken by every service area in the Council as well as work done at a corporate level.

The Council’s work across Equalities, Welsh Language and Human Rights is covered in more detail through the [Equalities and Welsh Language Objectives and Action Plan 2016-2020](#).

When carrying out an EIA you should consider both the positive and negative consequences of your proposals. If a project is designed for a specific group e.g. disabled people, you also need to think about what potential effects it could have on other areas e.g. young people with a disability, BME people with a disability.

There are a number of supporting guidance documents available on the [Corporate Policy Unit Portal](#) and the Council’s Equalities and Welsh Language team can provide advice as the EIA is being developed. Please note that the team does not write EIAs on behalf of service areas, the support offered is in the form of advice, suggestions and in effect, quality control.

Contact equalities@caerphilly.gov.uk for assistance.

PURPOSE OF THE PROPOSAL

1	<p>What is the proposal intended to achieve? <i>(Please give a brief description and outline the purpose of the new or updated proposal by way of introduction.)</i></p> <p>A draft cabinet report presents a proposal to combine the existing regeneration grants into a single “Caerphilly Enterprise Fund” with a refocus towards offering improved support to start up businesses, stimulating economic growth, filling identified supply chain voids and supporting job creation. Officers have undertaken a review of the current regeneration grant regimes, and have recommended merging the grants into a single, targeted grant regime with an economic output focus. This Caerphilly Enterprise Fund will look to streamline the existing grants processes and have one point of access, making it easier to navigate for applicants.</p> <p>The Cabinet report proposes the refocusing of all regeneration grants towards economic outputs under a streamlined grants protocol. The report advocates that part of the Community Regeneration Fund (CRF) budget be identified as a possible MTFP saving and the remainder re-focused towards supporting business and property grants that the department operates. The current 2018/19 approved budgets for CRF are £100,057 revenue and £100,000 capital. Likewise, it is proposed that the Community Regeneration Fund capital budget be re-directed towards the property focused category of the proposed Caerphilly Enterprise Fund.</p> <p>Effectively the report recommends the closure of the current CRF programme of grant funding as it operates at present. Whilst the purpose of the Community Regeneration Fund (CRF) has been to foster and enhance viable and sustainable communities within Caerphilly county borough, it is acknowledged that with reduced internal resources, the focus of grant activity should be focused on economic outputs. It is further acknowledged that there are external grants bodies who offer similar funding for local projects. The new Caerphilly Enterprise Fund will not exclude community groups from bidding into it, but the focus of the grants will be much narrower. It is acknowledged that the new grant regime may mean that some community groups will no longer be able to bid in for funding.</p>
2	<p>Who are the service users affected by the proposal? <i>(Who will be affected by the delivery of this proposal? e.g. staff members, the public generally, or specific sections of the public i.e. youth groups, carers, road users, people using country parks, people on benefits etc. Are there any data gaps?)</i></p> <p>The proposed Caerphilly Enterprise Fund will offer improved support to start up businesses and will offer a streamlined grants application process to existing SME's that will be easier to access, be more responsive to the needs of the business community and help stimulate economic growth. Local businesses and entrepreneurs will benefit from a more focused and better funded grants programme.</p> <p>The Enterprise fund will harmonise the existing Regeneration grants processes under one umbrella. The current CRF is used by voluntary and community groups to deliver community based projects that must have one of more of the following aims:</p> <ul style="list-style-type: none">• they will enhance employment prospects and skills of local people, particularly the young and those at a disadvantage, and promote equality of opportunity• they will protect and improve the local environment and infrastructure, and bring land and buildings into effective use• they will enhance the quality of life of people through social, cultural and recreational opportunities• they will promote and encourage local people to secure a sustainable future for local communities and/or encourage regeneration.

	<p>With the proposed new regime, community groups and social enterprises will only be able to submit bids aimed at the first of the bullet points above, specifically at economic outputs</p> <p>In 2017-18, £129K revenue and £167K capital was allocated to 17 projects in 5 bidding rounds. The ability to fund third sector projects for anything other than economically focused projects would be lost if the current funding levels were identified as MTFP savings or vired to the new Caerphilly Enterprise Fund.</p> <p>The existing CRF Fund has traditionally enabled community and voluntary sector organisations in the county borough to bid for funding to take forward initiatives they have developed for the benefit of the local community or service users. Since its inception in 2011 a wide range of groups have received grant aid at up to 80% intervention rate. Churches, sports clubs, scout groups, Older people groups and local community partnerships are regular recipients of the grant with bigger organisations such as GAVO and Inside Out also receiving monies from the fund. These groups will still be able to bid into the enterprise fund but will need to have more focused projects. In addition, Council officers will continue to work with these groups to signpost them to the various external grant bodies that they can access</p> <p>A wider consultation process will be conducted as part of the implementation process</p>
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IMPACT ON THE PUBLIC AND STAFF

3	<p>Does the proposal ensure that everyone has an equal access to all the services available or proposed, or benefits equally from the proposed changes, or does not lose out in greater or more severe ways due to the proposals? <i>(What has been done to examine whether or not these groups have equal access to the service, or whether they need to receive the service in a different way from other people?)</i></p> <p>The proposed Caerphilly Enterprise Fund will be delivered using protocols and processes that comply with the Council’s Strategic Equality Plan and the Welsh Language Measure. All documentation will be bi-lingual.</p> <p>The application will include questions regarding Welsh language and equalities and how the grantee will pay due regard to both.</p> <p>The application process will be easier to navigate for potential grant applicants. The programme will be open, transparent and more streamlined</p> <p>The creation of the Caerphilly Enterprise Fund will effectively bring a single application process for applicants to bid into for projects. The Voluntary Sector and community groups will be advised on how best to bid under this fund and will also be signposted to other funding opportunities for projects</p>
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4	Is your proposal going to affect any people or groups of people with protected characteristics? <i>(Has the service delivery been examined to assess if there is any indirect effect on any groups? Could the consequences of the policy or savings proposal differ dependent upon people's protected characteristics?)</i>	
Protected Characteristic	Positive, Negative, Neutral	Relevance of the Policy or Practice
Age	negative	Some grants have been awarded to help these groups. Possible negative impact if they are discontinued
Disability	negative	Some grants have been awarded to help these groups. Possible negative impact if they are discontinued
Gender Reassignment	neutral	
Marriage & Civil Partnership	neutral	
Pregnancy and Maternity	neutral	
Race	neutral	
Religion & Belief	negative	Some grants have been awarded to help these groups. Possible negative impact if they are discontinued
Sex	neutral	
Sexual Orientation	neutral	

5	<p>In line with the requirements of the Welsh Language Standards. (No.1) Regulations 2015, please note below what effects, if any (whether positive or adverse), the proposal would have on opportunities for persons to use the Welsh language, and treating the Welsh language no less favourably than the English language.</p> <p><i>(The specific Policy Making Standards requirements are Standard numbers 88, 89, 90, 91, 92 and 93. The full detail of each Standard is available on the Corporate Policy Unit Portal. Although it is important that what is outlined in the proposal is available in Welsh and English, please consider wider impacts on Welsh speakers.)</i></p> <p>Consideration has been given to the how the project will be delivered having due regard for the Welsh language.</p> <p>All information and promotional material made available to the public will be in line with the requirements of the Welsh Language Standards and is produced bilingually. All application forms under the proposed Caerphilly Enterprise Fund will also be available bilingually. Officers will ensure that the Welsh Language Standards which relate to Grants are adhered to as part of the process.</p>
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INFORMATION COLLECTION

6	<p>Please outline any evidence and / or research you have collected which supports the proposal? This can include an analysis of service users. <i>(Is this service effectively engaging with all its potential users or is there higher or lower participation of uptake by one or more protected characteristic groups? If so, what has been done to address any difference in take up of the service? Does any savings proposal include an analysis of those affected?)</i></p> <p>Commercial Improvement Grants In the financial 5 year period between 2013 and 2018 a total of 16 CIG were awarded for improvement works to properties in towns and villages throughout the County Borough. Although the maximum grant award is £15,000 under this programme, the average grant award was £9,100. Evidence therefore suggests that reducing the maximum grant approval to £10,000 will still stimulate economic activity and will also allow more applications to be processed per annum. The Council holds a very large database for property owners who have submitted an Expression of Interest. To date there are over 60 expressions of interest,</p> <p>Business Grants (BDG & BSUG) Evidence from the 3 previous years suggests that BDG grants at a maximum of £2,000 do help create jobs in small businesses. When compared against the recent LIF programme, (which had an average grant rate of nearly £6,000) the evidence shows that the BDG regime appear to be better value for money. Although it could be argued that a more targeted approach with a maximum grant to £10,000 would help deliver greater impact to fewer businesses, the facts show that awards at a lower level do help business growth and create more jobs overall than a more targeted approach. Evidence shows that the full budget is fully expended 'year on year' with strong demand for the grants programme.</p> <p>Small BSUG grants have been offered at a maximum rate of £500 per application. Feedback from officers administrating the grant suggests that this level of support is ideal to help start lifestyle micro businesses. With a small budget of £5,000 which is derived from an annual donation from TATA Steel, it appears illogical to increase the grant level as this would dramatically reduce the number of new businesses that could be supported. Also by retaining the core elements of the grant this will also help any future awards to comply with the terms and conditions imposed by TATA Steel.</p> <p>Current Community Regeneration Fund Since 2011 a wide range of groups have received grant aid at up to 80% intervention rate. Churches, sports clubs, scout groups, OAP groups and local community partnerships have been regular recipients of the grant with bigger organisations such as GAVO and Inside Out also receiving monies from the fund. Between 2011/12 and 2016/17 a total of £1,897,312 was awarded via the Community Regeneration Fund, which levered in match funding of £3,351,769 from a variety of sources, However in 2017/18 the fund was under-subscribed.</p> <p>It has been established that there are circa twenty external bodies who offer grant support to the voluntary sector and community groups and it is proposed that CCBC groups use these to a greater extent than they have to date.</p>
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CONSULTATION

7	<p>Please outline the consultation / engagement process and outline any key findings. <i>(Include method of consultation, objectives and target audience. What steps have been taken to ensure that people from various groups have been consulted during the development of this proposal? Have you referred to the Equalities Consultation and Monitoring Guidance?)</i></p> <p>Before implementing the move towards an overarching Caerphilly Enterprise Fund that concentrates on economic outputs it is proposed that the new grants protocol will go to the Voluntary Sector Liaison Committee (and or the voluntary sector/community groups individually). The VSLC is a consultee on changes to third sector funding and as such will have a chance to comment on the proposals from this stance.</p>
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MONITORING AND REVIEW

8	<p>How will the proposal be monitored? <i>(What monitoring process has been set up to assess the extent that the service is being used by all sections of the community, or that the savings proposals are achieving the intended outcomes with no adverse impact? Are comments or complaints systems set up to record issues by Equalities category to be able analyse responses from particular groups?)</i></p> <p>The Caerphilly Enterprise Fund grants, like the current business grants, will have an inbuilt monitoring protocol.</p> <p>Officers within the Regeneration team will have the specific role of monitoring not only who grants have been awarded to but also the impact off the grants on those businesses/organisations who they are awarded to.</p>
9	<p>How will the monitoring be evaluated? <i>(What methods will be used to ensure that the needs of all sections of the community are being met?)</i></p> <p>Officers monitor the grants and evaluate them using a set of criteria that the grants are awarded against. The criteria currently do not include for impact on protected characteristics.</p> <p>However the Council will ensure that residents of Caerphilly are potentially able to benefit from the economic impacts of grant award and that grant applications are encouraged from all geographic locations.</p>
10	<p>Have any support / guidance / training requirements been identified? <i>(Has the EIA or consultation process shown a need for awareness raising amongst staff, or identified the need for Equalities or Welsh Language training of some sort?)</i></p> <p>Officers need to encourage collaborative working and encourage all grant applicants and recipients to work to sustainable development principles (I-CLIP – involvement, collaboration, long term, integration, prevention) and use the medium of Welsh where possible and practicable.</p>

Officers from within the Council's Community Regeneration and Economic Development section will continue to offer support and advice to community and voluntary groups as to how best to take projects forward and benefit from external grant bodies

11 If any adverse impact has been identified, please outline any mitigation action.

Officers will ensure that all partners and local organisations are aware of the new Caerphilly Enterprise Fund and are encouraged to submit applications.

There are a large number of external community and voluntary sector grants programmes and vehicles that the Council can help signpost groups to, that will help alleviate any negative impact of the CRF fund being withdrawn

12 What wider use will you make of this Equality Impact Assessment?
(What use will you make of this document i.e. as a consultation response, appendix to approval reports, publicity etc. in addition to the mandatory action shown below?)

The assessment will underpin delivery of the Caerphilly Enterprise fund to ensure that all communities, groups, their protected characteristics are given the same opportunity to access the funding.

The EIA will be appended to the Cabinet report

13 An equality impact assessment may have four possible outcomes, through more than one may apply to a single proposal. Please indicate the relevant outcome(s) of the impact assessment below.

Please tick as appropriate:

No major change – the impact assessment demonstrated that the proposal was robust; there was no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.

Adjust the proposal – the impact assessment identified potential problems or missed opportunities. The proposal was adjusted to remove barriers or better promote equality.

Continue the proposal – the impact assessment identified the potential problems or missed opportunities to promote equality. The justification(s) for continuing with it have been clearly set out. (The justification must be included in the impact assessment and must be in line with the duty to have due regard. Compelling reasons will be needed for the most important relevant proposals.)

Stop and remove the proposal – the impact assessment identified actual or potential unlawful discrimination. The proposal was stopped and removed, or changed.

Completed by:	Allan Dallimore
Date:	20.11.18
Position:	Team Leader, Urban Renewal
Name of Head of Service:	Rhian Kyte – Head of Regeneration and Planning



CABINET – 13TH FEBRUARY 2019

PUBLIC INTEREST TEST – EXEMPTION FROM DISCLOSURE OF DOCUMENTS PARAGRAPH 14 SCHEDULE 12A LOCAL GOVERNMENT ACT 1972

**SUBJECT: BRYN BRITHDIR, OAKDALE BUSINESS PARK – RENEWAL OF CCBC AND
WG JOINT VENTURE AGREEMENT FOR FIVE YEARS**

REPORT BY: DEPUTY MONITORING OFFICER

I have considered grounds for exemption of information contained in the report referred to above and make the following recommendations to the Proper Officer:-

EXEMPTIONS APPLYING TO THE REPORT:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information) (paragraph 14).

FACTORS IN FAVOUR OF DISCLOSURE:

There is a public interest in the way in which the Council enters into contractual arrangements and manages its financial affairs.

PREJUDICE WHICH WOULD RESULT IF THE INFORMATION WERE DISCLOSED:

The report contains detailed information about the current negotiations and information regarding the renewal of a joint venture agreement between the Council and Welsh Government and includes financial information which may be of commercial benefit to other tenants and their advisers, property developers and speculators if it were to be made public.

MY VIEW ON THE PUBLIC INTEREST TEST IS AS FOLLOWS:

That paragraph 14 should apply. I am mindful of the need to ensure the transparency and accountability of public authorities for decisions taken. However disclosure of the information contained in the report could prejudice the Council's longer term proposals should this information be made public.

On that basis I feel that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider these factors when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.

RECOMMENDED DECISION ON EXEMPTION FROM DISCLOSURE:

On the basis set out above I feel that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and that the report should be exempt.

Signed: 

Dated: 1st February 2019

Post: DEPUTY MONITORING OFFICER

I accept/~~do not~~ the recommendation made above.

Signed: 
Proper Officer

Date: 5/2/19

Agenda Item 9

By virtue of paragraph(s) 12, 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 12, 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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