



## **SPECIAL REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 1ST OCTOBER 2014**

**SUBJECT: MEDIUM TERM FINANCIAL PLAN – SAVINGS FROM REGENERATION  
AND PLANNING SERVICES – ITEMS FOR CONSIDERATION**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To consider Medium Term Financial contributions from Regeneration and Planning Services in accordance with the Cabinet Report – next stages of MTFP 2015/16 and 2016/17, dated 16th April 2014.

### **2. SUMMARY**

- 2.1 The Medium-Term Financial Plan (MTFP) agreed by Council on the 26<sup>th</sup> February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in Welsh Government (WG) funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 The budget strategy agreed by Council for 2015/16 and 2016/17 is currently being taken forward via two main strands. The first of these is further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets require savings of circa £5m and will be applied to those statutory and essential services that the Authority has to deliver. The second strand of the agreed budget strategy is a review of the discretionary services, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m.
- 2.3 This report outlines savings options for the Regeneration and Planning Division to support the agreed budget strategy. The first set of appendices offer savings with no compulsory redundancies, the second set of appendices details savings options from minimal impact to cutting the entire service, including details of financial, legal and service implications.
- 2.4 Appendices 1 to 2 provide further details of each option.
- 2.5 Members of the Scrutiny Committee will be aware of the letter from the Minister for Local Government on the 24<sup>th</sup> June 2014 informing Local Authorities that due to a range of emerging cost pressures, particularly in the NHS, further significant reductions in the Local Government financial settlement are now anticipated for 2015/16 and beyond. This has serious consequences as WG is now asking Local Authorities to consider how they would respond to funding reductions of up to 4.5%. A report was presented to Cabinet on the 16<sup>th</sup> July 2014 which identified that a cut in WG funding of 3% would increase the required savings

for 2015/16 and 2016/17 from the current planning figure of £13.4m to £22.2m. A cut of 4.5% will increase the savings target to £30.1m. A further report will be presented to Cabinet early in the autumn when the position has been examined in more detail.

### 3. LINKS TO STRATEGY

- 3.1 Budget decisions impact on all Council strategies. This report relates to the Authority's Medium Term Financial Plan and the resultant efficient and effective use of revenue and capital resources moving forward.

### 4. THE REPORT

- 4.1 Regeneration and Planning operates a range of statutory and discretionary services. These are: Strategic and Development Management Planning, Building Control, Rights of Way, Street Naming and Numbering, Local Land Charges (Statutory) and Countryside and Landscape Services, including country parks, Arts and Tourism venues, Industrial and Business property portfolio, Business Support, Urban Renewal, Town Centre Management, Events and Marketing and EU Funding (all non-statutory). The service also delivers the Communities First Programme and the Rural Development Programme. The latter two are not included (apart from a match-funding saving) as they are almost entirely externally funded and so efficiencies would offer no financial saving to the authority. In many cases the discretionary services add value/contribute to the statutory ones. This is explained in the appendices to the report. Moreover, many discretionary services operate within legal and funding constraints which would have to be considered if Members wished to further explore savings in these areas. For example, in areas such as Countryside the statutory/discretionary split is not clear cut and total "closure" is not a realistic option.
- 4.2 The first table below lists savings which can be delivered without the option of redeployment/ compulsory redundancies – and whilst maintaining a service across both statutory and non-statutory services. The £151,000 proposed savings from statutory services is 14% of the statutory budgets which is greatly in excess of the 3% efficiencies proposed. However, as these are considered achievable whilst still delivering services and with no compulsory redundancies, it is felt important to put these before Members for consideration. Details of the savings without redundancies are all covered in detail in the first set of appendices (proforma numbers 1-21). The total saving from these proposals in 2015/2016 is £608,014 which is 12.6% of the Regeneration and Planning Services net budget. (These are put forward for consideration on top of the 12% saving of £715,000 which the Service delivered for 14/15.) In some services additional savings have been explored for 16/17 onwards as well. These savings are presented to Members as the first option.
- 4.3 The second set of appendices in table 2 (proformas 1-12) list net costs of all discretionary services. Members are where possible given details of some "medium" options – i.e. between the "no redundancy and total removal of the service options. Where it is either impractical to totally 'close' a discretionary service, the issues and constraints are explained – including where it is technically possible to close a service but where penalties such as grant repayments and legal responsibilities would negate any savings achieved for a considerable period. In addition some background information about what the services actually entail is provided. This is to ensure that Scrutiny Members are able to make fully informed comments/suggestions regarding any savings proposals.

**TABLE 1**

| <b><u>Proposed Savings – (Without Redeployment/Compulsory Redundancies)</u></b> |  |  |
|---|--|--|
| <b>Details are in Appendix 1</b>  |  |  |
|   | <b><u>Statutory Services</u></b>   |  |
| Proforma 1  | Reorganise Building Control  | £10,000  |
| Proforma 2  | Reorganise Development Management  | £96,000  |
| Proforma 3  | Delete Trainee Planner Post  | £20,821  |
| Proforma 4  | Rights of Way, Budget Realignment  | £25,000  |
|   | <b>Sub Total:</b>  | <b><u>£151,821</u></b><br>(14% of statutory budgets) |
|   | <b><u>Non-Statutory</u></b>  |  |
|   | <b><u>Countryside &amp; Landscape Services</u></b>                           |  |
| Proforma 5  | Reorganise Ecology Team  | £ 3,000  |
| Proforma 6  | Derelict Land Maintenance Budget Realignment                                 | £10,000  |
| Proforma 7  | Country Parks – Income and Budget Realignment                                | £15,000  |
| Proforma 8  | Rural Development Team and Budget Realignment                                | £11,000  |
| Proforma 9  | Sustainable Development Team Budget Realignment                              | £13,000  |
| Proforma 10   | Section 106 Income   | £13,000  |
|   | <b><u>Arts and Tourism Venues</u></b>  |  |
| Proforma 11   | Theatre and Arts and the Blackwood Miners’ Institute Budget Realignment      | £ 5,000  |
| Proforma 12   | Cwmcarn Forest Budget Realignment  | £15,000  |
| Proforma 13   | Winding House Budget Realignment   | £15,000  |
| Proforma 14   | Visit Caerphilly Centre – Budget Realignment                                 | £16,000  |
| Proforma 15   | Llancaiach Fawr – Budget Realignment   | £14,000  |
| Proforma 16   | <b><u>Industrial Property and Business Centres</u></b><br>Budget realignment | £50,000<br>(15/16)                                   |
| Proforma 17   | <b><u>Business Support</u></b> – Vacancy Management/Budget Realignment       | £60,000  |
| Proforma 18   | <b><u>Urban Renewal</u></b> – Vacancy Management                             | £41,000  |
| Proforma 19   | <b><u>Events and Marketing</u></b> – Vacancy Management /Budget Realignment  | £109,693   |
| Proforma 20   | <b><u>EU/Funding</u></b> – Budget Realignment                                | £ 7,500  |
| Proforma 21   | <b><u>Area Forum Budget</u></b> – Cease Provision                            | £72,000  |
|   | <b><u>Total Savings with no compulsory redundancies</u></b>                  | <b><u>£622,014</u></b>                               |

**TABLE 2**

| <b><u>DISCRETIONARY SERVICES</u></b>  |  | <b>APPENDI X 1</b>                                    | <b>APPENDIX 2</b>  |
|---|--|---|--|
| <p>(Although several areas have statutory responsibilities and support statutory services such as Planning – therefore the statutory/discretionary split is not clear cut</p> <p><b>Details are in Appendix 2</b></p> |  | Table 1 (No Redundancies /Retain Service) Min. Option | Max. Total Service Cost – before any deductions for redundancies, disposals, security etc. – details of areas which will have to be taken into account as part of any decision to close or cease are included in the proformas |
| Proforma 1  | Urban Renewal                                  | £41,000   | £222,514   |
| Proforma 2  | Town Centre Management                         | -   | £115,994   |
| Proforma 3  | Business Support                               | £60,000   | £483,638   |
| Proforma 4  | Events and Marketing                           | £109,693  | £482,638   |
| Proforma 5  | Theatre and Arts & Blackwood Miners' Institute | -   | £143,198   |
| Proforma 6  | Visit Caerphilly Centre                        | £5,000  | £297,842   |
| Proforma 7  | Visit Caerphilly Centre                        | £16,000   | £ 88,753   |
| Proforma 8  | Cwmcarn Forest Drive – Toursim Venue           | £15,000   | £280,974   |
| Proforma 9  | Winding House Museum & Heritage Service        | £15,000   | £283,328   |
| Proforma 10   | Llancaiach Fawr                                | £14,000   | £381,845   |
| Proforma 11   | Country Parks and Ranger Services              | £38,000   | £311,623   |
| Proforma 12   | Countryside & Landscape (Support) Service      | £ 3,000   | £331,238   |
|   | Sustainable Development & Living Environment   | £13,000   | £130,620   |

## 5. EQUALITIES IMPLICATIONS

- 5.1 There are Equalities implications to options listed in Section 4 that must be recognised in order for proper consideration of the options to be made. It is likely that despite these issues, difficult decision will have to be made due to the current need to make such significant savings, however these implications must be recognised and understood as part of the process, otherwise decisions made could be open to challenge.
- 5.2 This report contains wide ranging proposals for savings within the Regeneration and Planning Services Division and represents the first stage of a longer process which will involve consultation with relevant groups and stakeholders. Any consultation on service reductions will have to be made in line with the Council's approved Public Engagement Strategy and the guidance in the Equalities Consultation and Monitoring document to ensure that the views of those potentially affected are taken into account.
- 5.3 The equality issues will need to be addressed as part of this consultation process, as any reduction in provision will potentially have a greater risk for those people in minority groups in the community, as service reductions could potentially increase their sense of isolation and vulnerability, by reducing their ability to interact with young people from different backgrounds.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The financial implications are dealt with in the main body of the report and the relevant implication notes.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 The relevant personnel implications have been identified in the main body of the report and the relevant implication notes.
- 7.2 Non-statutory areas will require further consultation with staff and trade unions if they are to be implemented. Consultation will be undertaken with staff and their designated representatives as appropriate.

## **8. CONSULTATIONS**

- 8.1 The report reflects the views of the listed consultees.

## **9. RECOMMENDATIONS**

- 9.1 The views of the Scrutiny Committee are sought in relation to the suggested savings from the Regeneration and Planning service.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure that Scrutiny Members' views are taken into account in the future budget setting process.

## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1972 and 2000.

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Consultees: Councillor Ken James – Cabinet Member (Regeneration, Planning & Sustainable Development)

Sandra Aspinall – Acting Deputy Chief Executive

Tim Stephens – Development Control Manager

Rhian Kyte – Team Leader (Strategic & Development Plans)

Paul Cooke – Team Leader (Sustainable Dev/Living Environment)

Phil Griffiths – Acting Countryside & Landscape Services Manager

Helen Hotchkiss – Principal Admin Officer

Ian MacVicar – Group Manager, Operations

Tina McMahon – Community Regeneration Manager

Jan Bennett – Group Manager, Business Enterprise Services

Antony Bolter – Group Manager (Strategy & Funding)

Allan Dallimore – Team Leader (Urban Renewal)

Paul Hudson – Marketing and Events Manager

Mike Eedy – Finance Manager

Nicole Scammell – Acting Director of Corporate Services

Gal Williams – Acting Head of Legal Services & Monitoring Officer  
Sian Phillips – HR Manager  
David A Thomas – Senior Policy Officer (Equalities & Welsh Language)

Appendices:

Appendix 1 Savings with no compulsory redundancies

Appendix 2 Non-statutory services where cuts will involve compulsory redundancies, details of total costs and other savings options/constraints