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**Date: 17th September 2014**

Dear Sir/Madam,

A **Special** meeting of the **Policy and Resources Scrutiny Committee** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 24th September, 2014** at **5.30 pm** to consider the matters contained in the following agenda.

Yours faithfully,

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

**Chris Burns**  
INTERIM CHIEF EXECUTIVE

## A G E N D A

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

To receive and consider the following reports:-

- 3 Mileage Expenses - Options Appraisals on Savings.
- 4 Property (Building) Rationalisation.
- 5 Help For Pensioners With Their Council Tax.

**A greener place Man gwyrdach**

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



- 6 Investment Strategy.
- 7 Other Proposed Savings - Corporate Services and Miscellaneous Finance.

**Circulation:**

Councillors L.J. Binding, C.J. Cuss, H.W. David (Chair), Miss E. Forehead, J.E. Fussell, D.M. Gray, C. Hawker, Ms J.G. Jones, G. Kirby, A. Lewis, C.P. Mann, S. Morgan (Vice Chair), D. Rees, R. Saralis, Mrs J. Summers and J. Taylor

And Appropriate Officers



## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 24TH SEPTEMBER 2014**

**SUBJECT: MILEAGE EXPENSES – OPTIONS APPRAISAL ON SAVINGS**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

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

- 1.1 To seek views from Scrutiny on considering the potential budget savings that may be achieved from amending the Council's Expenses Payments for employees, as part of the Medium Term Financial Planning (MTFP) arrangements.

### **2. SUMMARY**

- 2.1 On the 26th February 2014 Council approved a reduction in the Casual User Mileage rate from 55p to 50p per mile as part of the agreed budget for the 2014/15 financial year. Cabinet had originally proposed a reduction to 45p per mile in line with the approved rate for Her Majesty's Revenue & Customs (HMRC).
- 2.2 This report reconsiders whether it would be appropriate to review this position and bring the mileage rate in line with the HMRC approved arrangements, in light of worsening Medium-Term Financial Plan (MTFP) projections.

### **3. LINKS TO STRATEGY**

- 3.1 The budget strategy agreed by Council in February 2014 required estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17. This estimate has since been revised following advice from the Minister for Local Government that we should model scenarios based on a cut in Welsh Government funding of up to 4.5%, rather than the previously notified indicative cut of 1.5%. This has the potential to increase the savings requirement to £15.1m for 2015/16 and £15.0m for 2016/17.

### **4. THE REPORT**

#### **4.1 BACKGROUND**

- 4.1.1 As part of the 2014/15 budget approved by Council in February 2014 the Casual User Mileage rate was reduced from 55p to 50p per mile. Cabinet had originally proposed a reduction to 45p per mile in line with the approved HMRC rate. However, in light of representations raised by the Trades Unions on behalf of their members a reduction to 50p was considered more appropriate at that time.

- 4.1.2 Members may wish to note that research conducted on behalf of the Society of Welsh Treasurers (SWT) has identified that Caerphilly is one of only 5 Welsh Local Authorities that have not currently adopted the HMRC rate of 45p per mile.
- 4.1.3 This analysis has identified that 17 Welsh LA's have adopted the approved HMRC rate. Of the remaining 5 LA's that have not adopted the approved HMRC rate, 3 are reviewing this for 2015/16 (separate to Caerphilly).
- 4.1.4 Members may wish to note that any expense payments above the approved HMRC rate (45p) will create an individual tax liability for each employee claiming at the 50p rate.

## **4.2 POTENTIAL OPTIONS**

- 4.2.1 3 options are listed below for consideration: -
- a. Preserve the Status Quo - carry on funding the expenses at the current level of 50p per mile. This would not deliver any contribution to the MTFP savings target.
  - b. Amend the mileage rates to the approved HMRC rate with effect from the 1st April 2015. This would deliver a projected ongoing saving of circa £135k per annum excluding Schools and the Housing Revenue Account).
  - c. Amend the mileage rates to any other rate that members may wish to propose.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 An Equalities Impact Assessment has identified that certain groups of staff are affected to varying degrees by the proposed changes (Options b & c above), based on their current need to claim expenses. The Equalities Impact Assessment is attached as Appendix A for information.
- 5.2 It is likely that despite these issues, difficult decisions will have to be made due to the current need to deliver savings against the MTFP, however these implications must be recognised and understood as part of the decision-making process.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The Authority will need to deliver estimated savings of up to £30.1m during the 2015/16 and 2016/17 financial years.
- 6.2 The indicative potential saving from the proposals in this report if they are adopted is £135k per annum. It should be noted that due to the financial planning cycle and the likelihood that we would need to issue contractual notice, there may be a 12 week delay in the full saving being realised.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 If we are unable to reach a collective agreement with the Trades Unions to achieve an agreed implementation date, we will be required to issue notice of the contractual change to individual employees. This will require a lead in period of 12 weeks to allow for the contractual notice to be served.
- 7.2 If Option C in 4.2.1 is approved, this will allow a period of time for employees to review their vehicular arrangements to mitigate any reduction in payments.

7.3 Members should be aware that the Council operates a Green Car Lease Scheme that encourages employees to access environmentally friendly vehicles that are fuel efficient.

## **8. CONSULTATIONS**

8.1 The Trades Unions remain opposed to any changes to employees Terms & Conditions that would worsen their current position. It is highly unlikely therefore that the Trades Unions would support the proposal to reduce the mileage rate payments to employees. This will lead to potential employee relations issues if members decide to adopt either proposals b or c in 4.2.1 above.

8.2 There are no consultation responses that have not been reflected in this report.

## **9. RECOMMENDATIONS**

9.1 Members of the Scrutiny Committee are asked to consider and comment upon the options set out in paragraph 4.2.1 of the report.

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

10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

## **11. STATUTORY POWER**

11.1 Local Government Acts 1972 and 2000.

Author: G. Hardacre, Head of Workforce & OD  
Consultees: Corporate Management Team  
Cllr Christine Forehead, Cabinet Member for Human Resources  
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services  
Stephen Harris, Acting Head of Corporate Finance  
Gail Williams, Interim Head of Legal Services & Monitoring Officer  
David Thomas, Senior Policy Officer (Equalities & Welsh Language)

Appendix A – Analysis of Breakdown of Mileage Payments

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## Appendix A –Analysis of Breakdown of Mileage Payments

	Number	Mileage	Savings	% of Total Savings	Male	Female
Grade 1	12	10461	£523.05	0.33%	0	12
Grade 2	1	37	£1.85	0.00%	0	1
Grade 3	28	14065	£703.25	0.45%	9	19
Grade 4	63	38527	£1,926.35	1.23%	18	45
Grade 5	381	745768	£37,568.60	24.05%	37	344
Grade 6	230	436319	£22,126.35	14.17%	66	164
Grade 7	228	355449	£17,772.45	11.38%	79	149
Grade 8	211	313033	£15,651.65	10.02%	101	110
Grade 9	301	460859	£23,042.95	14.75%	94	207
Grade 10	218	357994	£17,899.70	14.75%	70	148
Grade 11	63	62782	£3,139.10	2.01%	23	40
Grade 12	89	106677	£5,333.85	3.41%	37	52
Teacher	119	84888	£4,244.40	2.72%	30	89
Head teacher	17	9766	£488.30	0.31%	10	7
Deputy Head teacher	9	2059	£102.95	0.07%	4	5
Assistant Head teacher	8	1346	£67.30	0.04%	3	5
HAY A	11	9452	£472.60	0.30%	10	1
HAY B	1	1584	£79.20	0.05%	0	1
HAY C	18	23922	£1,196.10	0.77%	8	10
HAY D	12	11652	£582.60	0.37%	9	3
HAY E	0	0	£0.00	0.00%	0	0
Director	4	8492	£424.60	0.27%	3	1
Chief Executive	1	1614	£80.70	0.05%	1	0
Soulbury	25	33609	£1,680.45	1.08%	3	22
Yth Worker Rate	9	19307	£965.35	0.62%	4	5
Adult Tutor	5	2427	£121.35	0.08%	0	5
<b>Total</b>	<b>2064</b>	<b>3112089</b>	<b>£156,195.05</b>		<b>619</b>	<b>1445</b>

Section	Savings
Housing - Mileage	£11,802.40
WHQS - Mileage	£3,879.15
Schools Mileage	£3,166.25
2012 - 13 Mileage	£136,493.40
Soulbury - Mileage	£853.85
<b>Total</b>	<b>£156,195.05</b>

This is based on a complete financial years data for 2012-13.

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## SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 24TH SEPTEMBER 2014

**SUBJECT: PROPERTY (BUILDING) RATIONALISATION**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 To propose the disposal of approximately 50 of the most inefficient council owned or managed buildings as part of the council's Land and Buildings Asset rationalisation programme.

### 2. SUMMARY

- 2.1 In response to actual and forecasted budget settlement reductions the council has identified the development of a programme of Land and Building rationalisation to:

- reduce the number and cost of buildings it has to run and maintain
- be able to invest into a smaller number of properties to improve visitor and occupier experience
- reduce Health & Safety risks to personnel
- aid regeneration, wherever possible

- 2.2 The council owns and maintains approximately 885 corporate and public buildings on 411 sites. As at 31/03/2014, it has a total outstanding building maintenance liability of £48,248,489, of which £1,268,935 is required for Priority 1 repairs. These repairs are classified as "work defined as that of the highest importance and, unless undertaken, may lead to closure of the building or a serious breach of H&S legislation".

- 2.3 The culture of the authority has traditionally been to keep and maintain its property portfolio and encourage its uses via council services, community uses, leisure provision etc. When situations have arisen by buildings being declared surplus the council has often taken advantage of this to dispose of property but it is very much a reactive rather than planned process.

- 2.4 This report attempts to "kickstart" a change in the established culture by challenging the continued retention of buildings that impose the highest liability on the council and encouraging their disposal. This approach will be a driver for changes in historical working practices demanded by the poor financial outlook for public services.

### 3. LINKS TO STRATEGY

- 3.1 The council's Medium Term Financial Plan has identified the closure programme as a **potential** saving for 2015/16 and 2016/17 with estimated revenue savings of £75k allocated to each year, a total of £150k over the two-year period.

- 3.2 The Council aims to manage its land and buildings effectively, efficiently, economically and provide a safe, sustainable and accessible living and working environment for all users.

#### **4. THE REPORT**

- 4.1 Property Services has put together a schedule of “candidate” properties for consideration for disposal (see appendix A). The schedule has been constructed without consideration of external factors such as community impact, service delivery, public useage/access etc and is therefore simply based on hard data. It is recognised that disposal of property cannot be based purely upon hard data but it should be the basis from which challenging discussions are started.
- 4.2 Appendix A demonstrates that if all candidate properties were disposed of the council could realise revenue savings of £1.072m and cost avoidance savings totalling £4.508m. Potential capital receipt costs total £2.301m but these are indicative figures only, arrived at by making broad assumptions and hence should only be relied upon for budget purposes.
- 4.3 These figures put into context the impact a planned rationalisation programme could have on the council’s finances and far exceed the saving targets identified in the draft MTFP. If these savings were to be made in full then that could ease budget pressures elsewhere.
- 4.4 It is planned that over the coming months discussions will be held with the various Directorates via the Asset Management Group aimed at securing a first phase list of agreed properties, to be ratified by Scrutiny, whose disposal will meet the draft MTFP targets for 2015/16 & 2016/17.
- 4.5 Subsequent phases will focus on the remaining properties, identifying those that should for various reasons be deleted as a candidate site and those more contentious sites that should remain but will require extensive debate.
- 4.6 In identifying the poorly performing buildings, condition, suitability and utilisation/sufficiency data where available has been considered. We have identified an initial 50, or so, buildings out of an estate over 800 properties. As this is a low figure in comparison to the total estate, it should be achievable. The process would be extended in time to the next 50 and the next 50 etc until a complete and challenging review of the property base has been completed with the expectation that potential savings are more than significant.
- 4.7 There is no doubt that the process described above will present Members with difficult options and decisions to make and there will be times when they will be torn between wishing to retain the historic presence of council buildings in communities and the realisation that the council is currently running and maintaining buildings it cannot afford, buildings that are often under utilised, and buildings that may not be fit for purpose.

#### **5. EQUALITIES IMPLICATIONS**

- 5.1 Not considered as part of this report

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 The financial implications can be grouped into three categories: -

- Revenue budget savings.
- Capital Receipts (these cannot be converted to Revenue but can be used to support the Council’s Capital Programme).
- Cost avoidance.

6.2 For the benefit of the planned MTFP savings the focus of this report will be around Revenue budget savings although any subsequent capital receipt and cost avoidance impacts should not be ignored.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications considered as part of this initial report.

## **8. CONSULTATIONS**

8.1 If this report is approved in principle then a full consultation will be undertaken and incorporated into detailed future reports.

## **9. RECOMMENDATIONS**

9.1 Scrutiny Committee is asked to consider this report and comment.

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

10.1 To further discussions on this proposal in accordance with the DRAFT Medium Term Financial Plan 2015/17.

## **11. STATUTORY POWER**

11.1 Local Government Act 2000

Author: Colin Jones: Head of Performance & Property Services  
Consultees: Corporate Management Team  
S. Harris: Head of Corporate Finance  
Cllr David Hardacre: Cabinet Member for Performance, Property & Asset Management

Appendices:  
Appendix A Asset Management Review – Property Performance

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Building Name	Tenure	Actual/Potential Capital Receipt	Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale		
<b>Parks Bereavements and Maintenance Services</b>											
Abercarn Welfare Ground	Freehold	Due to location, unlikely to achieve a capital receipt, in addition, possibly Trust issues - nominal value.			-	-	-	-	<b>Condition/utilisation</b> - Numerous buildings on site, It may be possible to consider rationalisation of buildings on site as there are a number of buildings within the same location. Abercarn RFC are constructing their own changing facility.		
Pontlottyn Recreation Pavilion	Freehold	Due to location, unlikely to achieve a capital receipt, in addition, possibly Trust issues - nominal value.			£ 1,127.39	04/04/12	C	£ 15,690.00	<b>Condition/utilisation</b> - Park Service investigating whether site can be reinstated as it has been out of use due to drainage issues. If local team return to field, Service will consider condition of changing facilities at this time.		
Ty Isaf Recreation Ground Bowls Pavilion, Risca	Freehold	Due to location, unlikely to achieve a capital receipt, in addition, possibly Trust issues - nominal value.			£ 556.54	13/04/12	C	£ 43,795.00	<b>Condition/utilisation</b> - It may be possible to consider rationalisation of buildings on site as there are a number of buildings within the same location.		
<b>Total</b>	<b>3</b>	nil			<b>£ 1,683.93</b>			<b>£ 59,485.00</b>			
<b>Corporate/Strategic Considerations</b>											
Bargoed Citizens Advice Bureau	Leasehold		nil	£ 27,000.00		15 yrs from 23/09/09 breaks at 5th and 10th anniversaries. Lease terminated, rental saving to be achieved 15/16	N/A	09/09/08	C	£ 27,097.00	<b>Condition and lease.</b> Leased in and sublet to CAB, who are due to vacate and surrender lease due to poor condition. These costs are not fully reflected in the condition survey costs. Dilapidations to be agreed.
Former Risca Library (Brooklands site)	Freehold	Part of potential redevelopment site, the whole value of the site is likely to exceed the sum of the individual properties.			£ 23,557.33			06/05/14	D	£ 267,546.00	<b>Condition/utilisation.</b> Library Services currently using ground floor on an ad hoc basis and first floor is vacant with Service continuing to pay running costs. The building forms part of the Brooklands site. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment. Potential Community Education use could be costly due to outstanding condition costs and conversion costs.
Risca Basic Skills (former Housing office, Brooklands site)	Freehold	Part of potential redevelopment site, the whole value of the site is likely to exceed the sum of the individual properties.			N/A			07/05/14	B	£ 70,162.00	<b>Strategic consideration.</b> Currently utilised by Adult Education on a temporary basis (were occupying first floor of former Risca Library listed above). The building forms part of the Brooklands site. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment.

Building Name	Tenure	Actual/Potential Capital Receipt	Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Brooklands Adult Day Centre	Freehold	Part of potential redevelopment site, the whole value of the site is likely to exceed the sum of the individual properties.			£ 94,724.00	07/04/12	B	£ 219,819.00	<b>Suitability and strategic considerations.</b> Currently utilised by Social Services. The building forms part of the Brooklands site. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment.
Risca Adult Re-ablement team - Brooklands Bungalow	Freehold	Part of potential redevelopment site, the whole value of the site is likely to exceed the sum of the individual properties.			£ 3,745.00	16/05/12	C	£ 48,506.00	<b>Utilisation and strategic considerations.</b> Currently utilised intermittently by Social Services. The building forms part of the Brooklands site. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment.
Page 12 Risca Brooklands Family Centre	Freehold	Part of potential redevelopment site, the whole value of the site is likely to exceed the sum of the individual properties.			£ 1,837.00	12/02/14	C	£ 51,408.00	<b>Strategic considerations.</b> Currently utilised by Social Services. The building forms part of the Brooklands site. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment. The building is currently leased to Barnardos who are contracted via Social Services to deliver a service. Lease has expired. however contract extended to October 2014, therefore, tenancy at will in place. Service are currently going through tender process for a further 3 year contract and building is offered as part of the contract terms.
Brooklands (old Gym/ youth centre)	Freehold	Part of potential redevelopment site, the whole value of the site is likely to exceed the sum of the individual properties.			no data	no data	D	no data	<b>Condition and strategic considerations.</b> Currently vacant and in very poor condition. The building forms part of the Brooklands site. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment.
Enterprise House Corporate Services	Leasehold	Property is over rented - nil potential receipt. CCBC need to consider potential dilapidations at end of Lease.	£ 20,000.00	Rear part of building remains, lease ends 15/10/2016.	£ 123,468.00	07/04/12	B	£ 61,488.00	<b>Lease/costs.</b> Back part of building utilised by IT and lease for front part has been surrendered. Condition costs cover remaining part only. Determine if there is an on going requirement to retain the remainder of the accommodation. Consider alternative locations such as possible space within NCS House, Penmaen.
Oxford House	Freehold	Some issues with title. Constraints with listed building (see entry below) and possible Trust issues, if issues resolved, possible value if issues can be resolved.			£ 56,867.82	17/06/14	C	£ 350,904.00	<b>Condition, fitness for purpose and suitability.</b> Future service delivery options to be considered as part of the wider strategic plans for the Risca area. The future service delivery options are to be considered and a strategic plan to be implemented following completion of the flood alleviation assessment.

Building Name	Tenure	Actual/Potential Capital Receipt	Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Oxford House - Institute building	Freehold	constraints with listed building					C	£ 206,082.00	<b>Condition, fitness for purpose and utilisation.</b> Building is listed with outstanding condition issues. Service is in process of decanting first floor use and relocating to Oxford House. The Industrial History Society remain in occupation of ground floor at nil rent. Running costs included in entry above.
<b>Total</b>	10	-	£ 47,000.00		£ 304,199.15			£ 1,096,930.00	
<b>Community Education</b>									
Bargoed Community Centre	Freehold	Demand for alternative use is anticipated to be poor. Potential re-development site, but poor location. Nil value in this market.			£ 17,110.00	09/05/14	C	£ 136,839.00	<b>Utilisation and condition.</b> The 2013 utilisation figures provided by the Service show that the use appears to be below average at 15 hours per week plus ad hoc use for parties on weekends. Condition costs include £80k for car park improvements.
Page 13 Bedwas Arts Centre (Workman's Hall)	Leasehold	N/A - Need to be aware of potential dilapidations claim at the end of the lease.	£ 21,375.00	10 year internal repairing lease covers ground floor only. Repair includes windows and external door and pay 50% towards heating costs for whole building and towards maintenance of system, <b>lease expires 14/10/2015, cannot assign or underlet without consent.</b>	£ 75,577.48	23/06/14	D	£ 184,698.00	<b>Lease/Condition</b> - Community Education lease ground floor, remainder of building is retained/used by Landlord. Lease is due to expire in 2015. Consider service delivery options and determine if there is an ongoing requirement to retain the accommodation. Overall condition of building is poor - within C-D category which is under Landlord's control. <b>Note that condition costs include some items that may be Landlords responsibility/</b>
Cefn Hengoed Community Centre	Freehold	site is within settlement boundary - 1.4A, potential redevelopment, subject to planning. Say	£ 150,000.00		£ 13,990.00	16/05/14	D	£ 106,780.00	<b>Condition &amp; utilisation.</b> There may be a future rationalisation opportunity as there are a number of alternative venues in close proximity. The 2013 utilisation figures provided by the Service show that the use appears to be below average at 15 -23 hours per week plus ad hoc parties at weekends.
Channel View Community Centre	Freehold	Possible alternative use for community/leisure/nursery. residential plot may be considered if can satisfy Planning policy requirements, possibly higher if residential permitted. Say	£ 30,000.00		£ 6,492.00	13/05/14	D	£ 109,527.00	<b>Condition, suitability &amp; utilisation</b> - not fit for purpose. Condition costs include £38k for car park improvements. Facilities and building design are limited. The utilisation figures provided by Service show that the use appears to be below average at 18 hours per week. Figures are based on 2009 usage returns as current figures are unavailable.

Building Name	Tenure	Actual/Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Crosskeys Youth Centre	Freehold	Possible alternative use for community leisure / nursery, say	£ 50,000.00			£ 8,762.00	07/04/12	B	£ 71,004.00	<b>Utilisation</b> - Facility is fit for purpose following recent investment, but under-utilised at time of review. Use includes youth club 3 nights per week. The building could support use from other projects/services as part of the wider strategic review of the Risca area. Service may have future plans for increasing utilisation following the development of Youth Services strategy.
Deri Institute	Freehold	Nil	-			no data	09/12/13	D	£ 443,672.00	<b>Poor condition, utilisation and suitability.</b> Major part is unoccupied as it is surplus to operational requirements. Lower floor occupied by local rugby club, lease has expired recently.
Deri Library	Freehold	Possible redevelopment for 2 dwellings, say	£ 40,000.00			£ 10,411.00	05/05/14	C	£ 68,891.00	<b>Some issues with layout/suitability/space.</b> The service operates on a part time basis in a fairly isolated community. Service delivery options should be considered to determine if the service could be delivered in an alternative format/location e.g. local community centre rather than operating a stand-alone service.
Page 14										
Fochriw Community Centre	Freehold	Nil value in this market	-			£ 11,793.00	27/06/14	C	£ 61,553.00	<b>Utilisation/Strategic.</b> Operates within a fairly isolated community and supports Flying Start (separate dedicated space and access) and Youth Service. Under future 21st Century proposals there may be an option to consider part use of Fochriw Primary School. The 2013 utilisation figures provided by the Service show that the weekly use appears to be below average at 17 hours per week, plus ad hoc use for parties at weekends.
Graig y rhacca Community Centre and Youth Club	Freehold	Alternative use for existing property anticipated to be poor. potential 0.75a redevelopment site, say	£ 45,000.00			£ 16,654.00	12/05/14	C	£ 102,293.00	<b>Utilisation and condition.</b> The 2013 utilisation figures provided by the Service show that the use appears to be below average at 23 hours per week plus ad hoc use for parties at weekends.
Infoquest, Pontllanfraith	Freehold	Possible conversion to residential use or community leisure use. Say	£ 30,000.00			£ 22,081.00	07/05/14	C	£ 122,238.00	<b>Surplus to requirements.</b> To be declared surplus by the holding service as not fit for purpose. (awaiting notification). Tie in disposal with adjacent site (surplus cleared site of former youth centre).
Pentwynmawr Community Centre	Freehold	Likely potential for community leisure use only, say	£ 20,000.00			£ 7,046.00	27/06/14	C	£ 69,731.00	<b>Utilisation.</b> The 2013 utilisation figures provided by Service show that the use appears to be below average at 19 hours per week plus ad hoc use for parties at weekends..



Building Name	Tenure	Actual/Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Phillipstown Community Centre	Freehold	Likely potential for community leisure use only. Location is poor and so is anticipated demand. Nil value in this market.	-			£ 6,934.00	15/05/14	C	£ 61,157.00	<b>Condition and utilisation</b> - tired facilities/fixtures and the condition survey costs are not fully representative of the level of investment required. There are additional facilities in the locality which may impact on utilisation (Community House). The 2013 utilisation figures provided by Service show that the use appears to be below average at 13.5 hours per week for parties at weekends.
The Hangar Youth and Community Centre	Freehold	Likely potential for community leisure use only. Allocated site in UPD no residential, say	£ 25,000.00			£ 30,636.00	08/05/14	D	£ 133,314.00	<b>Utilisation &amp; condition</b> - The accommodation is used by Youth, Adult and Park Services. It is generally fit for purpose, however, there are ongoing condition issues within the main hall. Condition costs include sum for replacement floor surface within hall. Adult Education use fluctuates depending on WAG funding. At time of review, Inclusion Services had recently relocated to Ty Graddfa and other projects had also moved on.
Tir y Beth Community Centre	Freehold	Potential conversion to residential, Need to rectify title, possessory claim? say	£ 20,000.00			£ 12,303.00	15/05/14	C	£ 25,124.00	<b>Utilisation and suitability/fitness for purpose</b> as facilities limited. The 2013 utilisation figures provided by Service show that the use appears to be well below average at 7 hours per week plus ad hoc parties at weekends.
Tir y Beth Community Centre	Freehold	Leased to Management Committee who are to rebuild facility.	-			£ 7,100.00	02/04/12	C	£ 19,522.00	<b>Facility to be replaced via external funding.</b> Management Committee progressing plans to replace facility. External funding secured, original building now demolished and works underway for new build. The 2013 utilisation figures provided by service indicate that the use appears to be below average at 23 hours per week plus ad hoc parties at weekends.
<b>Total</b>	15		£ 410,000.00	£ 21,375.00		£ 246,889.48			£ 1,716,343.00	
<b>Leisure Services</b>										
Cwmcarn Leisure Centre	Freehold	site - potential alternative uses likely to conflict, nil value.	-			£ 24,916.00	12/06/14	C	£ 337,538.00	<b>Condition &amp; utilisation</b> , Service currently proposing/discussing possible transfer to school.
<b>Total</b>	1		nil			£ 24,916.00			£ 337,538.00	
<b>Social Services</b>										
Blackwood Adult Services, 54 High Street	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease		£ 22,000.00	Further information required from SS, copy agreement is not available .	£ 26,552.00	16/04/12	C	£ 26,022.00	<b>Lease &amp; utilisation</b> - further information required from Service, however, understand that service has vacated but lease is still in place.

Building Name	Tenure	Actual/Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Caerphilly Social Services, Mill Road	Freehold	Former school premises, potential to sell as an office or conversion to residential. retaining structures will reduce likely demand, say	£ 60,000.00			£ 30,879.00	01/05/12	C	£ 49,225.00	<b>Utilisation / condition/ suitability</b> - Until recently, the facility was under utilised, however, a recent opportunity for relocation of current service has enabled increased utilisation with alternative project. Notwithstanding joint service issues, service could be relocated to alternative accommodation. The site should be considered for disposal as attractive development site.
Cameron House Social Services Office	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease		£ 26,250.00	Revised lease 2011 - 2016, £133k paid upfront, rent paid covers period from 2011 to lease expiry August 2016.	£ 17,152.00	16/05/12	C	£ 32,736.00	<b>Leased in</b> , and rent paid up to August 2016, Consider the future service delivery requirements and determine if there is an ongoing requirement beyond the current lease term. Running costs are inclusive of the up front rental payment. Social Services currently occupy the majority of the building, whilst the Landlord has retained a small area on the top floor. Lease has been excluded from provisions of Landlord & Tenants Act 1954. (this means tenant does not have the benefit of the right to renew the Lease following the expiry date, will be up to Landlord).
Coed y cwm Adult Day Centre, Wylie	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease		£ 80,236.00	35 year lease expires 22/07/2042 at £1,543 per week. Restrictive user clause - day centre use.	£ 101,973.00	17/04/12	B	£ 8,790.00	<b>Lease/costs</b> - Social Services occupy for the purposes of a Day Care Centre for learning difficulties (Autism). Consider the benefits of purchasing freehold against continued renting if there is an opportunity to negotiate with Landlord. Ongoing condition issues with water ingress and heating system. Running costs include rent. Purpose built accommodation with little scope for alternative use in current format.
Pentrabane Drop in Centre, Caerphilly	Freehold	RV is £9,400*5YP, say	£ 45,000.00			£ 5,609.00	15/05/12	C	£ 17,737.00	<b>Suitability/fitness for purpose and utilisation..</b> Used by Social Services Mental Health Team as drop in centre for service users. Until recently, it accommodated staff on full time basis, however, staff have now relocated and service is operated on a reduced basis at set times. Understand that Service may be considering possible relocation as accommodation is not fit for purpose.
Pontypool Adult Services - SE Emergency Team,	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease		£ 28,250.00	5 year lease from 16/11/2010.	£ 34,181.00	15/05/12	B	£ 3,115.00	<b>Lease</b> - determine if ongoing requirement. Service Finance returns did not include a sum for rental this year 2013-14
Ystrad Mynach Day Centre for Adults	Freehold	Alternative as office, demand not anticipated to be great, say £1 psf and capitalise at 20%, say	£ 75,000.00			£ 57,798.00	22/04/12	B	£ 254,343.00	<b>Condition and fitness for purpose.</b> Social Services occupy 50% as day care centre and 50% utilised as archive facility. Consideration should be given to future service delivery requirements and options for relocation.

Building Name	Tenure	Actual/Potential Capital Receipt	Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Ystrad Mynach Day Care Centre	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease	£ 2,600.00	1990 licence from Wales & West Housing Association - no other details on Terrier.	checking data	11/02/14	C	£ 43,961.00	<b>Leased in</b> , Consider if there is an ongoing requirement to retain the accommodation? Service has advised that the service is currently operating below it's maximum capacity/numbers and that the budget allocation for the rent is £7,259, but that the actual expenditure against the budget for the 13/14 financial year was £7,567.
<b>Total</b>	<b>8</b>	<b>£ 180,000.00</b>	<b>£ 159,336.00</b>		<b>£ 274,144.00</b>			<b>£ 435,929.00</b>	
<b>Education - Future 21st Century agenda</b>									
<b>Total</b>	<b>0</b>	<b>nil</b>							
<b>Housing Services</b>									
Former LR Valley Housing Office - Unit 6A De Gwylle Court	Leasehold	Property is over rented, nil value - Need to be aware of potential dilapidations claim at the end of the lease.	£ 31,296.00	15 year lease expires 08/10/2021.	£ 55,402.00	no survey	no data	no data	<b>Leased in and vacant</b> . It is possible to sublet, however, unlikely to recoup full rent as levels have fallen since time of agreement. If no alternative operational use, accommodation should be marketed externally to recoup partial costs until lease end.
<b>Total</b>	<b>1</b>	<b>nil</b>	<b>£ 31,296.00</b>		<b>£ 55,402.00</b>			<b>£ -</b>	
<b>Refuse and Cleansing - Community and Leisure Services</b>									
Fleur de lys Public Toilets	Freehold	speculative sale at auction could raise say	£ 10,000.00		£ 7,408.10	18/06/09	C	£ 7,531.00	<b>Surplus to requirements</b> - To be declared surplus by the holding service as per recent report to cabinet which identified closure as part of the MTFP cost savings exercise. (Awaiting confirmation from Service).
Nelson Public Toilets	Freehold	speculative sale at auction could raise say	£ 10,000.00		£ 6,154.93	09/09/08	B	£ 1,355.00	<b>Surplus to requirements</b> - To be declared surplus by the holding service as per recent report to cabinet which identified closure as part of the MTFP cost savings exercise. (Awaiting confirmation from Service). Understand that it has been agreed that the Community Council will assume control and continue to operate.
Risca Commercial Street Toilets (Closed)	Freehold	nil value, requires demolition.	-		no data	no survey	no data	no data	<b>Surplus to requirements</b> , consider if there is there a requirement to retain or alternatively, consideration should be given to demolition to reduce ongoing liabilities.
<b>Total</b>	<b>3</b>	<b>£ 20,000.00</b>			<b>£ 13,563.03</b>			<b>£ 8,886.00</b>	
<b>Planning, Economic Development and Regeneration</b>									
Cefn Y Brithdir Farm	Freehold	capitalisation of passing rent say, £3,000 per annum income	£ 30,000.00	Leased out - £3,000 PA income	no data	no survey	no data	no data	Agricultural lease, need to consult Legal re options for disposal.

Building Name	Tenure	Actual/Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Ty Fry Farm	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease		£ 10,750.00	2 x Lease for the grasslands 13 years from 1/1/2005 £1,750 pa and £1,485 pa, and farm house 3 year lease from 2008 £9,000 pa, plus a 20 year lease from 2005 £630 pa.	£ 19,515.00	28/11/12	C	£ 49,338.00	<b>Leased in/utilisation</b> - the buildings are used as a ranger base for 2 officers and office accommodation for 7 Economic Development officers. The wider site is managed as part of SSI requirements. Consideration should be given to the ongoing service delivery requirements and whether there is a need to retain the accommodation. Conversion costs back to residential are circa £20k. Service advise accommodation is almost cost neutral. (the other leases includes 33 acres of pasture land)
Ty Fry Farm Educational Unit	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease		Peppercorn	15 year lease expires 26/03/2024.	£ 1,015.00	27/11/12	C	£ 2,270.00	<b>Leased in/utilisation</b> - as above, educational use in relation to the above site, leased from Welsh Water.
Sirhowy Valley Country Park - Full Moon Cottage	Freehold	£ 40,000.00	Potential conversion back into residential, say			£ 4,327.00	09/06/08	C	£ 38,539.00	<b>Utilisation</b> - The building is a stone cottage set on 2 levels which provides accommodation for the rangers and incorporates public toilets. Running cost total may not be fully representative as some entries missing. Service to consider service delivery options.
Sirhowy Farm, Ynys Hywel Countryside Park	Freehold		Valuation to advise, need extent of area to be considered.			£ 1,686.00	16/06/09	B	£ 13,684.88	<b>Utilisation</b> - Service advise that the service is cost neutral with educational value. Accommodation includes education room, barn and office / restroom facilities. Service advise that the site is cost neutral and has educational value
Visit Caerphilly (Tourist Information Centre)	Freehold		Valuation to advise, currently undertaking valuation.				13/03/08	C	£ 25,851.00	<b>Utilisation/fitness for purpose</b> - accommodation set over two floors with lower ground floor leased to third party on short term agreement. Limited space and layout restricts alternative uses. Upper ground floor operated mainly as cafe and information centre, access and space issues.
<b>Total</b>	<b>6</b>	<b>£ 70,000.00</b>		<b>£ 10,750.00</b>		<b>£ 26,543.00</b>			<b>£ 129,682.88</b>	
<b>Environmental Services</b>										
Tir Trosnant Farm - Animal Pound.	Freehold	£ 100,000.00	Farm house in 4 acres, say.... If LDP changed, could be a redevelopment say in excess of £0.5m.			£ 2,984.00	13/07/09	B	£ 13,699.38	<b>Leased out/utilisation</b> - utilised by Animal Trespass officer who has a service tenancy. This runs week to week for as long as in employment. Consider service delivery options and need to retain accommodation. Nothing significant re condition survey 07/09. Running cost total may not be fully representative as some entries missing.
<b>Total</b>	<b>1</b>	<b>£ 100,000.00</b>	<b>£ 100,000.00</b>			<b>£ 2,984.00</b>			<b>£ 13,699.38</b>	

Building Name	Tenure	Actual/Potential Capital Receipt	Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale	
<b>ICT &amp; Customer Services</b>										
Blackwood Customer First	Leasehold	N/A, need to be aware of potential dilapidations claim at end of Lease	-	£ 23,793.00	25 year lease expiring 24th March 2015, rent per annum including service charge.	£ 44,037.00	24/09/08	B	£ 1,260.00	Leased in, Consider requirement to retain as Service are considering relocating service to an alternative location. (Consider dilapidations and replacement service set up costs).
<b>Total</b>	<b>1</b>	<b>nil</b>	<b>£ 23,793.00</b>	<b>£ 44,037.00</b>				<b>£ 1,260.00</b>		
<b>Non operational</b>										
Former Aberbargoed Primary School	Freehold	sale price	£ 200,000.00				C		Sale complete	
Caerphilly (old) Library	Freehold	say	£ 40,000.00			£ 21,301.09	25/04/12	C	£ 153,312.00	Surplus - Holding service has relocated, tender process underway.
Former Caerphilly Meals on Wheels Kitchen	Freehold	sale price	£ 104,000.00					B		Sale complete
Former Crumlin Rathbone Community Mining School	Freehold	For sale, % share	£ 100,000.00			checking data	no survey		no data	Surplus - Shared interest with Colleg Gwent, site for sale which will result in a shared capital receipt. Bid has been submitted to receive an allocation from the Revenue Under Spend to fund demolition works.
Former MOW Kitchen, Rhymney	Freehold	Possible alternative use as an office/light industrial at £2 psf and capitalised at 20%, say	£ 30,000.00			checking data	04/09/08	C	£ 96,849.00	Surplus - Non operational property which is currently being utilised for storage. The accommodation has been retained to tie in with any future disposal plans for Rhymney Deport. Future service delivery options remain under consideration.
Former Newbridge Library	Freehold	say	£ 80,000.00			£ 13,178.00	20/04/12	C	£ 53,034.00	Surplus - Non operational property, consultation being undertaken in view of disposing of site. Partnership/Local Members have expressed interest re use as recreational facility. Future options to be determined.
Former Ty Darren Home for the Elderly	Freehold	if flooding issues are resolved, 1.5a of development land say	£ 500,000.00			£ 8,501.00	02/07/08	B	£ 235,549.00	Surplus - Non operational property, future use under consideration. Risca flood alleviation assessment could enable a marketable site 2015.
Former Caerphilly Housing Office (Park Lane site which also includes Cash Office and St Martins Church Hall)	Freehold	If sold for residential development - 0.5a, say..., but if planning insist on mixed development, no demand at this time - Nil.	£ 300,000.00			checking data	no survey	no data	no data	Surplus - Site has now been declared surplus and disposal options are currently being considered. Bid has been submitted to receive an allocation from the Revenue Under Spend to fund demolition works..

Building Name	Tenure	Actual/Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
St Martins Church (part of Park Lane site listed above)	Freehold	see above					no survey	no data	no data	<b>Surplus</b> - Site has now been declared surplus and disposal options are currently being considered. Bid has been submitted to receive an allocation from the Revenue Under Spend to fund demolition works..
Former Oaklands Day Centre for the elderly	Freehold	potential single plot following demolition, say		£ 25,000.00		£ 14,039.00	28/03/12	B	£ 65,440.00	<b>Surplus</b> - Service has vacated and declared surplus to requirements. Future use options to be considered, adjacent to school site and could tie in with future 21st Century proposals / opportunity for wider rationalisation. Building to be demolished and site retained for future development.
Former Red Cross site, Lisburn Road, Ystrad Mynach	Freehold	sale price		£ 32,000.00			no survey	no data	no data	<b>Sale complete</b>
Rhymney Social Services Office - Ramsden Street (The Chapel)	Freehold	Possible residential conversion, say		£ 30,000.00		£ 17,802.00	24/04/12	B	£ 61,064.00	<b>Surplus</b> - Service has vacated and future use options are currently under consideration.
Trigfan Social Services Office, Rhymney	Freehold	easily converted back to residential say		£ 80,000.00		£ 16,107.00	01/04/12	B	£ 42,613.00	<b>Surplus</b> - site currently for sale.
<b>Total</b>	<b>13</b>	<b>£ 1,521,000.00</b>		<b>£</b>		<b>£ 90,928.09</b>			<b>£ 707,861.00</b>	

**Please Note**

Running costs are provided by each Service on an annual basis and where included are the most recent e.g. 2012-13 / 2013/14.

Please be aware that potential capital receipts are indicative figures only, which have been arrived at by making broad assumptions. Properties have not been inspected as part of this exercise and planning and highway colleagues have not been consulted. The figures should only be used for budget purposes and if matters become known that alter assumptions made then the reported figures are likely to change.

Total Costs per Service area										
Building Name	Site / building number	Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	
<b>Parks Bereavements and maintenance services</b>	3	nil		£ -		£ 1,683.93			£ 59,485.00	
<b>Corporate / Strategic considerations</b>	10	nil		£ 47,000.00		£ 304,119.15			£ 1,096,930.00	

Building Name	Tenure	Actual/Potential Capital Receipt		Annual Rent	Lease details	total running costs	Date of Survey	Condition Rating	Maint. costs (5 years)	Rationale
Community Education	15		£ 410,000.00	£ 21,375.00		£ 246,889.48			£ 1,716,343.00	
Leisure	1		nil	£ -		£ 24,916.00			£ 337,538.00	
Social Services	8		£ 180,000.00	£ 159,336.00		£ 274,144.00			£ 435,929.00	
Education	0		nil							
Housing Services	1		nil	£ 31,296.00		£ 55,402.00			£ -	
Refuse and Cleansing	3		£ 20,000.00	£ 1,379.23		£ 594.18			£ 8,886.00	
Planning, Economic Development and Regeneration	6		£ 70,000.00	£ 10,750.00		£ 26,543.00			£ 129,682.88	
Environmental Services	1		£ 100,000.00	£ -		£ 2,984.00			£ 13,699.38	
ICT and Customer Services	1		nil	£ 23,793.00		£ 44,037.00			£ 1,260.00	
Corporate - non operational	13		£ 1,521,000.00			£ 90,928.09			£ 707,861.00	
<b>Total</b>	<b>62</b>		<b>£ 2,301,000.00</b>	<b>£ 294,929.23</b>		<b>£ 1,072,240.83</b>			<b>£ 4,507,614.26</b>	

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## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 24TH SEPTEMBER 2014**

**SUBJECT: HELP FOR PENSIONERS WITH THEIR COUNCIL TAX**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

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

- 1.1 This report sets out further options for Members to consider in relation to the 'Help for Pensioners with their Council Tax' Scheme.

### **2. SUMMARY**

- 2.1 The attached report was presented to the Policy and Resources Scrutiny Committee at its meeting on the 17th June 2014.
- 2.2 Following consideration of the options presented in the report Members requested details of some additional options targeting the financial support at those aged 65 and above, those aged 70 and above and finally, those of pensionable age.

### **3. LINKS TO STRATEGY**

- 3.1 The budget strategy agreed by Council in February 2014 required estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17. This has since been revised following advice from the Minister for Local Government in June 2014 that Local Authorities should now plan for cuts of up to 4.5% in Welsh Government funding, rather than the previously notified indicative cut of 1.5%. This has the potential to increase the savings requirement for 2015/16 to £15.1m and £15.0m for 2016/17.
- 3.2 The 'Help for Pensioners with their Council Tax' Scheme links to work around tackling poverty, supporting independent living and supports the 50+ positive action and Equalities agendas. It further links to both the Prosperous and Safer themes of "Caerphilly Delivers", the Local Service Board single integrated plan.

### **4. THE REPORT**

- 4.1 The options previously presented to Members are as follows:-
- a. Carry on funding the scheme at 2013/14 levels, i.e. £246k.
  - b. Withdraw the scheme completely with effect from 1st April 2015 onwards and achieve a saving of £246k per annum.
  - c. Award 50% of the current level of grant from 1st April 2015 onwards and achieve a saving of £123k per annum.

- d. Award 50% of the current level of grant for the 2015/16 financial year and then withdraw the scheme completely with effect from 1<sup>st</sup> April 2016. This would achieve a saving of £123k in 2015/16, with a further £123k per annum being realised from April 2016 onwards.

4.2 The table below summarises the additional options requested by Members:-

<b>Option</b>	<b>No. of Qualifying Accounts</b>	<b>Cost £</b>	<b>Saving £</b>
Target funding at those aged 65 plus	2584	228k	18k
Target funding at those aged 70 plus	1918	169k	77k
Target funding at those of Pensionable Age	2781	245k	1k

4.3 Members are reminded that the current scheme is targeted at those aged 60 plus and there are 2811 qualifying accounts.

## **5. EQUALITIES IMPLICATIONS**

5.1 Any decision to reduce or withdraw the scheme may have to be monitored in terms of impact and pensioners who fall into arrears may need to be signposted to other forms of support from sources within the Council and from external partners in the voluntary sector.

## **6. FINANCIAL IMPLICATIONS**

6.1 Following the announcement in June 2014 by the Minister for Local Government, the Authority's MTFP has been revised and savings of up to £30.1m may be required for 2015/16 and 2016/17.

6.2 The maximum potential saving from the proposals in this report is £246k.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications.

## **8. CONSULTATIONS**

8.1 There are no consultation responses which have not been reflected in this report.

## **9. RECOMMENDATIONS**

9.1 Members are asked to consider and comment upon the full range of options set out in paragraphs 4.1 and 4.2 of this report.

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

10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

## **11. STATUTORY POWER**

### 11.1 Local Government Acts 1972 and 2000.

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Consultees: Corporate Services SMT  
Cllr B Jones, Deputy Leader & Cabinet Member for Corporate Services  
J. Carpenter, Council Tax & NNDR Manager  
A. Price, Barrister/Interim Deputy Monitoring Officer

Appendices:  
Appendix 1: Special Policy & Resources Scrutiny Committee 17/06/14 – Help for Pensioners  
with their Council Tax Report 3(3)

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## SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE - 17TH JUNE 2014

**SUBJECT: HELP FOR PENSIONERS WITH THEIR COUNCIL TAX**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 This report sets out the new funding arrangements for the 'Help for Pensioners with their Council Tax' Scheme and a range of options in respect of financial years commencing on or after 1<sup>st</sup> April 2015.

### 2. SUMMARY

- 2.1 Since 1st April 2009, the Council has administered an annual Welsh Government grant-funded scheme that provides pensioners satisfying certain criteria with assistance towards payment of their council tax. This report contains details of the schemes operated to date, recent changes in the funding arrangements and various proposals as to how the Council could proceed from 1st April 2015 onwards.

### 3. LINKS TO STRATEGY

- 3.1 The Council's Medium-Term Financial Plan (MTFP) requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
- 3.2 The 'Help for Pensioners with their Council Tax' scheme also links to work around tackling poverty, supporting independent living and supports the 50+ positive action and Equalities agendas. It further links to both the Prosperous and Safer themes of "Caerphilly Delivers", the Local Service Board single integrated plan.

### 4. THE REPORT

#### 4.1 BACKGROUND

- 4.1.1 For each financial year from 2009/10 onwards, the Welsh Government (WG) has issued a grant to each council tax billing authority in Wales to enable them to provide pensioners satisfying certain criteria with assistance towards payment of their council tax.
- 4.1.2 From 2009/10 to 2012/13 inclusive the WG allowed each billing authority to determine the details of its own scheme within certain guidelines. During these years, Caerphilly CBC adopted a scheme that was followed by the majority of billing authorities in Wales. The scheme involved the following procedures: -

- Identifying persons aged 65 and over as at a specified date (1<sup>st</sup> October for this Authority) within the given financial year, who were either a council tax liable person or their partner.
- Of these persons, establishing which were in receipt of some council tax benefit but did not receive full benefit (i.e. a 100% reduction).
- Calculating the council tax net liability for these persons, i.e. gross charge less any discounts and/or council tax benefit.
- Awarding a grant of a set amount per household where the net council tax liability equaled or exceeded that amount, or a grant equal to the net council tax liability where it was less than the set amount on the date of determination.
- The grant was applied directly to the pensioner's council tax account.

4.1.3 In respect of 2013/14, WG decided to determine detailed terms and conditions of the specific grant-funded scheme, which had to be applied without exception across all billing authority areas in Wales. This scheme largely replicated the scheme used by this Authority in previous years and so the impact of the all-Wales scheme on those pensioners who had previously qualified for assistance was minimal.

4.1.4 Members are advised that during 2013/14 the total number of pensioner council tax accounts receiving a grant was 2,776 and the total amount of help given was £246k. The minimum award was £5.00 and the maximum award was £100.00.

4.1.5 For information, the 2013/14 scheme details are set out in Appendix 1.

## **4.2 CHANGES TO FUNDING ARRANGEMENTS**

4.2.1 From 2014/15, WG has placed the funding for this scheme within the Revenue Support Grant but it has not been ring-fenced. Therefore, it is for each billing authority in Wales to decide whether to use this funding to operate the same scheme or a different scheme. Alternatively, Councils can decide not to operate a scheme.

4.2.2 As part of the budget proposals presented to Council on the 26<sup>th</sup> February 2014 it was agreed that the Authority would operate the 2013/14 WG Scheme in the 2014/15 financial year.

## **4.3 FUTURE PROPOSALS**

4.3.1 Members are asked to consider several different proposals regarding the future of this assistance for pensioners; the effective date of any change will be 1<sup>st</sup> April 2015 onwards.

4.3.2 Four options are listed below for consideration: -

- a. Carry on funding the scheme at 2013/14 levels, i.e. £246k.
- b. Withdraw the scheme completely with effect from 1<sup>st</sup> April 2015 onwards.
- c. Award 50% of the current levels of grant from 1<sup>st</sup> April 2015 onwards.
- d. Award 50% of the current levels of grant for the financial year 2015/16 and then withdraw the scheme completely with effect from 1<sup>st</sup> April 2016.

4.3.3 Members are reminded that the Council Tax Pensioners Grant is listed as one of the discretionary services that are subject to review as part of the agreed budget strategy for 2015/16 and 2016/17.

## **5. EQUALITIES IMPLICATIONS**

5.1 Section 4 of this report shows how the impact on pensioners was assessed in terms of their eligibility for the existing scheme.

5.2 As this report covers people over 65 years old specifically, and they are covered by the Age aspect of the Equality Act 2010, any decision made to reduce and/or withdraw the scheme may have to be monitored in terms of impact and pensioners who fall into arrears may need to

be signposted to other forms of support from sources within the Council and from external partners in the voluntary sector.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The Authority is required to deliver estimated further savings of £13.4m during the 2015/16 and 2016/17 financial years.
- 6.2 The maximum potential saving from the proposals in this report is £246k.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications.

## **8. CONSULTATIONS**

- 8.1 There are no consultation responses that have not been reflected in this report.

## **9. RECOMMENDATIONS**

- 9.1 Members of the Scrutiny Committee are asked to consider and comment upon the options set out in paragraph 4.3.2 of the report.

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

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1972 and 2000.

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Consultees: Corporate Management Team  
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services  
Stephen Harris, Acting Head of Corporate Finance  
David Thomas, Senior Policy Officer (Equalities & Welsh Language)  
Gail Williams, Interim Head of Legal Services and Monitoring Officer

Appendices:

Appendix 1: 'All-Wales' Terms and Conditions of Pensioner Grant 2013-14

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**'All-Wales' Terms and Conditions of Pensioner Grant 2013-14**

*For the eligible persons: -*

- The qualifying age for support is **60**.
- The relevant qualifying date for determining eligibility will be the **30 June 2013**. Either the liable person or the partner of the liable person should be at or above the qualifying age as at the specified date.
- If the qualifying criteria are met as at the 30 June 2013 then no further assessment of eligibility is required for the financial year 2013-14. The intention is that this is a one-off payment that need not be re-visited.
- Persons eligible qualify for partial Council Tax Reduction, but not those receiving the maximum level of CTR **as at the qualifying date**.
- The minimum amount of award to each person will be **£5**.
- The maximum amount of award to each person will be **£100**.
- For the purposes of allocating the assistance the net liability is calculated as follows:
  - The gross Council Tax charge for 2013-14
  - Less* any discounts or reductions applied under the legislation by the billing authority
  - Less* any Council Tax Reduction amounts awarded to the liable persons
- An individual will only qualify for assistance once during the financial year and support will be limited to one payment per household.
- The amounts awarded will be up to the £100 maximum level that will apply across all local authorities in Wales.
- Should the net liability be below the maximum level then the credit to the Council Tax account will only be up to the net liability.
- In joint & several liability cases the following assistance will be given:
  1. Example: Two jointly and severally liable claimants – both on partial CTR will receive up to £100, depending on their net liability.
  2. Example: One jointly and severally liable claimant on partial CTR, the other J&S liable person **not** claiming CTR – will receive up to £50, depending on their net liability.
  3. Example: Two jointly and severally liable claimants – one on full CTR (50% of the total bill), the other not claiming CTR – this case does **not** qualify for any grant.

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## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 24TH SEPTEMBER 2014**

**SUBJECT: INVESTMENT STRATEGY**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

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

- 1.1 This report sets out a range of options for Members to consider in relation to the Council's investment strategy.
- 1.2 The options presented in the report have the potential to increase investment income, which will support the Medium-Term Financial Plan (MTFP).

### **2. SUMMARY**

- 2.1 The Council currently deposits surplus cash balances with the Debt Management Office (DMO) and other local authorities (including police and fire authorities) for periods up to three months. In line with the Council's approved Treasury Management Strategy (TM Strategy) there is no restriction in terms of the value of investments that can be placed with the DMO but only £5m can be deposited with a local authority. Furthermore, the Council can only place deposits for a maximum period of 3 months with each counterparty.
- 2.2 The TM Strategy is reviewed annually and is approved by full Council as part of the budget setting process. Historically the Council has deposited funds with national and international banks and building societies, but since the financial crisis of 2008 the Council had reverted to a risk adverse strategy.
- 2.3 This report presents options for Members to consider in relation to the current approach to investments. A number of models are presented, which have been prepared by the Council's treasury management advisors, Arlingclose.

### **3. LINKS TO STRATEGY**

- 3.1 Treasury Management Strategy 2014/2015 as agreed by Council on the 26<sup>th</sup> February 2014.

### **4. THE REPORT**

- 4.1 Financial markets are now stabilising and progress is being made on the economic recovery. As a result the Council has an opportunity to review its investment strategy and risk appetite.

- 4.2 Although the Bank of England Base Rate has remained at 0.50% since 2009, the DMO currently pays a flat rate of 0.25%. Local authorities on the other hand pay between 0.26% and 0.30%, a somewhat minor improvement over the DMO. As at the 31<sup>st</sup> March 2014, the Council generated an average rate of return of 0.27% for average balances of £85.6m. This equated to circa £230k of interest. The Council has one of the lowest risk and return profiles when compared to other local authorities as benchmarked by Arlingclose. In the current environment, other local authorities have earned average returns on their investments of between 0.50% and 0.75%.
- 4.3 In March 2014 a report was presented to the P&R Scrutiny Committee seeking Members views on fine-tuning the Council's risk appetite to enhance investment income. After considering the report the Scrutiny Committee requested that the Council's Treasury Advisors, Arlingclose, should be invited to present further details on the investment options available to the Council. This was subsequently arranged as a Members' Seminar on the 15<sup>th</sup> July 2015.
- 4.4 At the Members' Seminar Arlingclose presented details of an alternative investment portfolio, which had the potential to increase investment income to £554k, as detailed in Appendix 1. This revised portfolio assumes an average investment of £74.8m spread across a mixture of 20 investment instruments with an average balance of £3.74m yielding a return of 0.74%. The return has more than doubled, but average investment duration has gone from 21 days to 281 days, whilst risk has increased marginally. Risk has been measured on two factors; duration and size of investment needed to generate sizeable returns. Both risk factors have increased when compared to existing investment practices.
- 4.5 The revised portfolio would hold instruments such as gilts, fixed term deposits (DMO and LA), call account super-national bonds and money market funds. These instruments are currently covered by the TM Strategy. However, the proposed portfolio also includes a AAA credit rated instrument called covered bond, which is not currently permitted by the TM Strategy. Council would, therefore, need to approve an amendment to the TM Strategy to allow for the inclusion of covered bonds. Furthermore, the TM Strategy only permits non-specified investment (investments held longer than 1yr) to a limit of £10m. This will also need to be changed to accommodate the long-term investments as proposed under the revised portfolio.
- 4.6 The revised portfolio has £15m invested for up to 2.5 years and £13m invested for 1 year. The Council will have £12m of cash available within 1 day with the remainder (£34.8m) being available within 9 months. This would suit the Council's cash flow profiling.
- 4.7 At the request of Members, Arlingclose have now prepared further options for consideration as set out in Appendix 2. These scenarios are based on investment returns of £1m (Model 1), £500k (Model 2) and £655k (Model 3). The models are based on the same investment portfolio value of £74.8m, with an average investment size of £3.5m and 21 investments (average across the three portfolios). Whilst all three portfolios essentially use the same instruments as per the portfolio detailed in Appendix 1, higher returns are generated by investing longer.
- 4.8 Model 1 has an average investment duration of 3 years, with a return of 1.36% (£1.02m). £20.3m is available within a day's notice, £8.5m is invested for 1 year, whilst £46m is invested for longer than 1 year. This portfolio would represent liquidity risk as there is not enough cash available to cover the short-term period (3 months to 1 year). Officers do not, therefore, recommend this option. The use of corporate bonds and floating rate notes (in addition to the covered bond) will require an amendment to the TM Strategy.
- 4.9 Model 2 is similar to the scenario in Appendix 1 and has an average duration of 188 days and yields a return of 0.67% (£500k). £17m is available within a day's notice, £21.8m within 2 months and £9m is invested longer than 1 year. The remaining £27m is invested between 3 and 12 months. This portfolio would suit the Council's cashflow profiling. An amendment to the TM Strategy would be required for the use of covered bonds and the duration of some of the proposed investments.

- 4.10 Model 3 has an average duration of 421 days and yields a return of 0.88% (£655k). £16.8m is available within a day's notice, £5m within 2 months and £24m is invested longer than 1 year (with £2m at 5yrs with a local authority). The remaining £29m is invested between 3 and 12 months. This portfolio would also suit the Council's cashflow profiling. The use of corporate bonds (in addition to covered bonds) will require an amendment to the TM Strategy.
- 4.11 All scenarios presented in this report have increased risk in the form of investing for longer periods and for larger amounts. The credit quality of counterparties has been maintained in accordance with the TM strategy, the lowest being rated A. The emphasis on generating higher returns is to invest large balances for a long period of time. The risks with each scenario are still respectively lower than for other benchmarked UK local authorities.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 There are no equalities implications arising from this report.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 As identified throughout the report.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no direct personnel implications arising from this report.

## **8. CONSULTATIONS**

- 8.1 There are no consultation responses that have not been reflected in this report.

## **9. RECOMMENDATIONS**

- 9.1 Members of the Scrutiny Committee are asked to consider and comment upon the content of this report.

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

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to proposals being presented to Cabinet/Council.

## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1972 and 2000.

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Stephen Harris, Interim Head of Corporate Finance  
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Appendices:  
Appendix 1 Investment Scenario Presented At Members Seminar (15th July 2014)  
Appendix 2 Further Models for Consideration

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**Possible Investment Portfolio**

	Credit Profile as of 31/03/2013	Propopsed Credit Profile	Average of Client Universe at 09/2013
Total Investments	£74,839,000.00	£74,839,000.00	£58,561,427.00
Number of Investments	26	20	15
Average Investment Size	£2,878,423.00	£3,741,950.00	£3,904,095.13
Average Rate of Return	0.29%	0.74%	0.74%
Value Weighted Average	2.37	3.05	5.05
Average Days to Maturity	21	281	174
Time Weighted Average	2.56	2.88	4.98
Interest received pa	£217,033.10	£553,808.60	£433,354.56

## Arlingclose's Recommended First Steps:

CAERPHELLY										Credit Ratings as at:	today
Internal Investments at:		07/07/2014									
Counterparty	Type of Investment	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Lowest Credit Rating - equivalent rating	Average Credit Risk Score	Country Exposure		
SVENSKA HANDELSBANKEN-A SHS	CALL ACCOUNT	£ 5,000,000	04/07/2014	12/10/2014	0.600%	97	AA-	4.00	SWEDEN		
NATIONWIDE BUILDING SOCIETY	CERTIFICATE OF DEPOSIT	£ 2,000,000		31/03/2015	0.770%	267	A	6.00	UNITED KINGDOM		
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000		30/03/2015	0.750%	266	A+	4.33	UNITED KINGDOM		
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000		31/03/2015	0.750%	267	A+	4.33	UNITED KINGDOM		
BANK OF SCOTLAND PLC	COVERED BOND	£ 7,500,000	25/03/2014	08/11/2016	1.320%	855	AAA	1.00	UNITED KINGDOM		
NATIONWIDE BUILDING SOCIETY	COVERED BOND	£ 4,000,000	04/07/2014	31/03/2015	0.710%	267	AAA	1.00	UNITED KINGDOM		
YORKSHIRE BUILDING SOCIETY	COVERED BOND	£ 7,500,000	01/04/2014	23/03/2016	0.960%	625	AAA	1.00	UNITED KINGDOM		
BARCLAYS BK PLC-ADR C	FIXED DEPOSIT	£ 5,000,000	04/07/2014	04/07/2015	0.990%	362	A	6.00	UNITED KINGDOM		
HSBC BANK PLC	FIXED DEPOSIT	£ 5,000,000	04/07/2014	04/10/2014	0.672%	89	AA-	4.00	UNITED KINGDOM		
NATIONWIDE BUILDING SOCIETY	FIXED DEPOSIT	£ 2,000,000	04/07/2014	04/07/2015	0.750%	362	A	6.00	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 2,839,000	04/07/2014	04/10/2014	0.450%	89	AA	2.60	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/2014	04/10/2014	0.450%	89	AA	2.60	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 3,000,000	04/07/2014	03/01/2015	0.490%	180	AA	2.60	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/2014	03/01/2015	0.490%	180	AA	2.60	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/2014	04/07/2015	0.700%	362	AA	2.60	UNITED KINGDOM		
UNITED KINGDOM	GILT	£ 4,000,000	04/07/2014	04/07/2015	0.522%	362	AA+	1.67	UNITED KINGDOM		
DB ADVISORS (DEUTSCHE)	MONEY MARKET FUND	£ 4,000,000	04/07/2014	08/07/2014	0.400%	1	AA-	4.49	MMF		
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	£ 4,000,000		08/07/2014	0.400%	1	A+	4.87	MMF		
IGNIS ASSET MANAGEMENT	MONEY MARKET FUND	£ 4,000,000	04/07/2014	08/07/2014	0.430%	1	AA-	4.48	MMF		
EUROPEAN INVESTMENT BANK (EIB)	SUPRANATIONAL BOND	£ 5,000,000		08/09/2014	1.019%	63	AAA	1.00	SUPRANATIONAL		
<b>Total - Internal Investments</b>		<b>£ 74,839,000</b>			<b>0.74%</b>	<b>14/04/2015</b>	<b>AA</b>	<b>3.05</b>	<b>Value Weighted Average</b>		
<b>Number of Investments</b>			<b>20</b>			<b>281</b>	<b>AA</b>	<b>2.88</b>	<b>Time Weighted Average</b>		
<b>Average Investment Size</b>		<b>£ 3,741,950</b>									



Portfolio	Principal	Rate of Return (%)	Return (£)	Value Weighted Average	Time Weighted Average	Average Days to Maturity	Average Investment	No. of Investments	Cash Available Next Day	Cash Available within 1 year (including next day cash)
Model 1	£ 74,839,000.00	1.36%	£ 1,020,083.80	3.04	1.99	1024	£ 3,741,950.00	20	£ 20,339,000	£ 28,839,000
Model 2	£ 74,839,000.00	0.67%	£ 499,586.00	3.19	2.76	188	£ 3,401,772.73	22	£ 22,000,000	£ 54,000,000
Model 3	£ 74,839,000.00	0.88%	£ 655,211.00	3.48	2.89	421	£ 3,563,761.90	21	£ 16,839,000	£ 42,839,000

CAERPHILLY														
Internal Investments at:		21/08/14											Credit Ratings as at:	today
Counterparty	Type of Investment	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Moody's Credit Rating (source Bloomberg)	Fitch Credit Rating (source Bloomberg)	S&P Credit Rating (source Bloomberg)	Lowest Credit Rating - equivalent rating	Average Credit Risk Score	Country		
SVENSKA HANDELSBANKEN-A SHS	CALL ACCOUNT	£ 5,000,000	21/08/14	22/08/14	0.600%	1	Aa3	AA-	AA-	AA-	4.00	SWEDEN		
BARCLAYS BK PLC-ADR C	CALL ACCOUNT	£ 5,000,000	21/08/14	22/08/14	0.500%	1	A2	A	A	A	6.00	UNITED KINGDOM		
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000	12/08/14	12/08/15	0.946%	356	A1	AA-	AA-	A+	4.33	UNITED KINGDOM		
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000	12/08/14	12/08/15	0.946%	356	A1	AA-	AA-	A+	4.33	UNITED KINGDOM		
LEEDS BUILDING SOCIETY COVERED	COVERED BOND	£ 3,000,000	12/08/14	12/08/19	0.960%	1817	Aaa	AAA		AAA	1.00	UNITED KINGDOM		
BANK OF SCOTLAND COVERED	COVERED BOND	£ 5,000,000	25/03/14	08/11/16	1.250%	810	Aaa	0	AAA	AAA	1.00	UNITED KINGDOM		
NATIONWIDE BUILDING SOCIETY	FIXED DEPOSIT	£ 2,000,000	04/07/14	04/07/15	0.750%	317	A2	A	A	A	6.00	UNITED KINGDOM		
ABBAY NATIONAL COVERED	COVERED BOND	£ 3,000,000	07/07/14	05/04/17	0.749%	958	Aaa	AAA	AAA	AAA	1.00	UNITED KINGDOM		
COVENTRY BUILDING SOCIETY COVERED	COVERED BOND	£ 3,000,000	07/07/14	19/04/18	1.873%	1337	Aaa	AAA		AAA	1.00	UNITED KINGDOM		
SOUTHERN GAS NETWORKS PLC	FLOATING RATE NOTE	£ 2,000,000		21/10/2015	1.128%	426	A	A	A	A	6.00	UNITED KINGDOM		
NETWORK RAIL INFRASTRUCTURE	CORPORATE BOND	£ 5,000,000	07/07/14	07/12/17	1.407%	1204	Aa1	AA+		AA+	2.00	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 5,000,000		21/08/19	2.300%	1826	-	-	-	AA	2.60	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 5,000,000		21/08/19	2.300%	1826	-	-	-	AA	2.60	UNITED KINGDOM		
LA	FIXED DEPOSIT - LA	£ 5,000,000		21/08/19	2.300%	1826	-	-	-	AA	2.60	UNITED KINGDOM		
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	£ 2,000,000	21/08/14	22/08/14	0.400%	1	Aaa-mf	AAAmf	AAAm	A+	4.70	MMF		
IGNIS ASSET MANAGEMENT	MONEY MARKET FUND	£ 4,000,000	21/08/14	22/08/14	0.430%	1	0	AAAmf	AAAm	A+	4.81	MMF		
SWIP ASSET MANAGEMENT	MONEY MARKET FUND	£ 4,339,000	21/08/14	22/08/14	0.420%	1	Aaa-mf	AAAmf	AAAm	AA-	4.48	MMF		
NATIONWIDE BUILDING SOCIETY	CERTIFICATE OF DEPOSIT	£ 2,500,000	12/08/14	12/08/15	0.936%	356	A2	A	A	A	6.00	UNITED KINGDOM		
EUROPEAN INVESTMENT BANK (EIB)	SUPRANATIONAL BOND	£ 5,000,000		31/10/2022	2.450%	2993	Aaa	AAA	AAA	AAA	1.00	SUPRANATIONAL		
EUROPEAN COAL & STEEL COMMUNITY	SUPRANATIONAL BOND	£ 5,000,000		25/01/2019	2.301%	1618	Aaa	AAA	AAA	AAA	1.00	SUPRANATIONAL		
<b>Total - Internal Investments</b>		<b>£ 74,839,000</b>			<b>1.36%</b>	<b>10/06/17</b>				<b>AA</b>	<b>3.04</b>	<b>Value Weighted Average</b>		
<b>Number of Investments</b>						<b>20</b>				<b>AA+</b>	<b>1.99</b>	<b>Time Weighted Average</b>		
<b>Average Investment Size</b>		<b>£ 3,741,950</b>												

CAERPHILLY													
Internal Investments at:	21/08/14											Credit Ratings as at:	today
Counterparty	Type of Investment	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Moody's Credit Rating (source Bloomberg)	Fitch Credit Rating (source Bloomberg)	S&P Credit Rating (source Bloomberg)	Lowest Credit Rating - equivalent rating	Average Credit Risk Score	Country	
SANTANDER UK PLC	CALL ACCOUNT	£ 4,000,000	21/08/14	22/08/14	0.400%	1	A2	A	A	A	6.00	UNITED KINGDOM	
SVENSKA HANDELSBANKEN-A SHS	CALL ACCOUNT	£ 5,000,000	04/07/14	12/10/14	0.600%	52	Aa3	AA-	AA-	AA-	4.00	SWEDEN	
NATIONWIDE BUILDING SOCIETY	CERTIFICATE OF DEPOSIT	£ 2,000,000		31/03/15	0.770%	222	A2	A	A	A	6.00	UNITED KINGDOM	
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000		30/03/15	0.750%	221	A1	AA-	AA-	A+	4.33	UNITED KINGDOM	
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000		31/03/15	0.750%	222	A1	AA-	AA-	A+	4.33	UNITED KINGDOM	
BANK OF SCOTLAND COVERED	COVERED BOND	£ 5,000,000	25/03/14	08/11/16	1.250%	810	Aaa	0	AAA	AAA	1.00	UNITED KINGDOM	
YORKSHIRE COVERED	COVERED BOND	£ 4,000,000	01/04/14	23/03/16	0.835%	580	Aa1	AA+		AA+	2.00	UNITED KINGDOM	
BARCLAYS BK PLC-ADR C	FIXED DEPOSIT	£ 5,000,000	04/07/14	04/07/15	0.990%	317	A2	A	A	A	6.00	UNITED KINGDOM	
HSBC BANK PLC	FIXED DEPOSIT	£ 5,000,000	04/07/14	04/10/14	0.672%	44	Aaa	AAA	AAA	AAA	1.00	UNITED KINGDOM	
NATIONWIDE BUILDING SOCIETY	FIXED DEPOSIT	£ 2,000,000	04/07/14	04/07/15	0.750%	317	A2	A	A	A	6.00	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,839,000	04/07/14	04/10/14	0.400%	44	-	-	-	AA	2.60	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/14	04/10/14	0.450%	44	-	-	-	AA	2.60	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/14	04/10/14	0.450%	44	-	-	-	AA	2.60	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 3,000,000	04/07/14	03/01/15	0.490%	135	-	-	-	AA	2.60	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/14	03/01/15	0.490%	135	-	-	-	AA	2.60	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,000,000	04/07/14	04/07/15	0.700%	317	Aaa	AAA	AAA	AAA	1.00	UNITED KINGDOM	
DB ADVISORS (DEUTSCHE)	MONEY MARKET FUND	£ 4,000,000	21/08/14	22/08/14	0.400%	1	Aaa	AAA	AAA	AA-	4.39	MMF	
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	£ 5,000,000	21/08/14	22/08/14	0.400%	1	Aaa	AAA	AAA	A+	4.70	MMF	
IGNIS ASSET MANAGEMENT	MONEY MARKET FUND	£ 4,000,000	21/08/14	22/08/14	0.430%	1	Aaa	AAA	AAA	A+	4.81	MMF	
NATIONWIDE BUILDING SOCIETY	NOTICE ACCOUNT	£ 3,000,000	04/07/14	31/03/15	0.710%	222	Aaa	AAA	AAA	AAA	1.00	UNITED KINGDOM	
EUROPEAN INVESTMENT BANK (EIB)	SUPRANATIONAL BOND	£ 5,000,000		08/09/14	1.019%	18	Aaa	AAA	AAA	AAA	1.00	SUPRANATIONAL	
UNITED KINGDOM	T-BILL	£ 4,000,000	04/07/14	04/07/15	0.522%	317	Aaa	AAA	AAA	AAA	1.00	UNITED KINGDOM	
<b>Total - Internal Investments</b>		<b>£ 74,839,000</b>			<b>0.67%</b>	<b>24/02/15</b>				<b>AA</b>	<b>3.19</b>	<b>Value Weighted Average</b>	
<b>Number of Investments</b>						<b>188</b>				<b>AA</b>	<b>2.76</b>	<b>Time Weighted Average</b>	
<b>Average Investment Size</b>		<b>£ 3,401,773</b>											

CAERPHILLY													
Internal Investments at:	21/08/14											Credit Ratings as at:	today
Counterparty	Type of Investment	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Moody's Credit Rating (source Bloomberg)	Fitch Credit Rating (source Bloomberg)	S&P Credit Rating (source Bloomberg)	Lowest Credit Rating - equivalent rating	Average Credit Risk Score	Country	
SVENSKA HANDELSBANKEN-A SHS	CALL ACCOUNT	£ 5,000,000	21/08/14	22/08/14	0.600%	1	Aa3	AA-	AA-	AA-	4.00	SWEDEN	
NATIONWIDE BUILDING SOCIETY	CERTIFICATE OF DEPOSIT	£ 2,000,000		30/04/15	0.770%	252	A2	A	A	A	6.00	UNITED KINGDOM	
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000		30/04/15	0.750%	252	A1	AA-	AA-	A+	4.33	UNITED KINGDOM	
STANDARD CHARTERED BANK	CERTIFICATE OF DEPOSIT	£ 2,000,000		30/04/15	0.750%	252	A1	AA-	AA-	A+	4.33	UNITED KINGDOM	
NETWORK RAIL INFRASTRUCTURE	CORPORATE BOND	£ 5,000,000	07/07/14	07/12/17	1.407%	1204	Aa1	AA+		AA+	2.00	UNITED KINGDOM	
SUNCORP GROUP LTD	CORPORATE BOND	£ 2,000,000	12/08/14	27/10/14	0.817%	67	A1	A+	A+	A+	5.00	AUSTRALIA	
ABBEY NATIONAL COVERED	COVERED BOND	£ 3,000,000	07/07/14	05/04/17	0.749%	958	A1	A+	A+	A+	5.00	UNITED STATES	
BANK OF SCOTLAND COVERED	COVERED BOND	£ 5,500,000	25/03/14	08/11/16	1.250%	810	Aaa	0	AAA	AAA	1.00	UNITED KINGDOM	
COVENTRY BUILDING SOCIETY COVERED	COVERED BOND	£ 3,000,000	07/07/14	19/04/18	1.873%	1337	Aaa	AAA		AAA	1.00	UNITED KINGDOM	
YORKSHIRE COVERED	COVERED BOND	£ 5,500,000	01/04/14	23/03/16	0.835%	580	Aa1	AA+		AA+	2.00	UNITED KINGDOM	
BARCLAYS BK PLC-ADR C	FIXED DEPOSIT	£ 5,000,000		04/08/15	0.990%	348	A2	A	A	A	6.00	UNITED KINGDOM	
HSBC BANK PLC	FIXED DEPOSIT	£ 5,000,000		04/11/14	0.672%	75	Aa3	AA-	AA-	AA-	4.00	UNITED KINGDOM	
NATIONWIDE BUILDING SOCIETY	FIXED DEPOSIT	£ 2,000,000		04/08/15	0.750%	348	A2	A	A	A	6.00	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,000,000		21/08/19	2.300%	1826	-	-	-	AA	2.60	UNITED KINGDOM	
LA	FIXED DEPOSIT - LA	£ 2,000,000		21/08/15	0.700%	365	-	-	-	AA	2.60	UNITED KINGDOM	
UNITED KINGDOM	GILT	£ 4,000,000	04/07/14	04/07/15	0.522%	317	Aa1	AA+	AAu	AA+	1.67	UNITED KINGDOM	
DB ADVISORS (DEUTSCHE)	MONEY MARKET FUND	£ 4,000,000	21/08/14	22/08/14	0.400%	1	Aaa-mf	0	AAAm	AA-	4.39	MMF	
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	£ 3,839,000	21/08/14	22/08/14	0.400%	1	Aaa-mf	AAmmf	AAAm	A+	4.70	MMF	
IGNIS ASSET MANAGEMENT	MONEY MARKET FUND	£ 4,000,000	21/08/14	22/08/14	0.430%	1	Aaa	AAA	AAA	A+	4.81	MMF	
NATIONWIDE BUILDING SOCIETY	NOTICE ACCOUNT	£ 3,000,000		30/04/15	0.710%	252	A2	A	A	A	6.00	UNITED KINGDOM	
EUROPEAN INVESTMENT BANK (EIB)	SUPRANATIONAL BOND	£ 5,000,000		08/09/14	1.019%	18	Aaa	AAA	AAA	AAA	1.00	SUPRANATIONAL	
<b>Total - Internal Investments</b>		<b>£ 74,839,000</b>			<b>0.88%</b>	<b>16/10/15</b>				<b>AA</b>	<b>3.48</b>	<b>Value Weighted Average</b>	
Number of Investments										<b>AA</b>	<b>2.89</b>	<b>Time Weighted Average</b>	
Average Investment Size		<b>£ 3,563,762</b>											



## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 24TH SEPTEMBER 2014**

**SUBJECT: OTHER PROPOSED SAVINGS – CORPORATE SERVICES AND  
MISCELLANEOUS FINANCE**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

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

- 1.1 The purpose of this report is to provide details of a range of 2015/16 savings proposals within the Directorate of Corporate Services and Miscellaneous Finance to support the Authority's Medium-Term Financial Plan (MTFP).

### **2. SUMMARY**

- 2.1 The report provides details of savings proposals for Members to consider prior to details being presented to Cabinet.

### **3. LINKS TO STRATEGY**

- 3.1 The budget strategy agreed by Council in February 2014 required estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17. This estimate has since been revised following advice from the Minister for Local Government that Local Authorities should model scenarios based on a cut in Welsh Government funding of up to 4.5%, rather than the previously notified indicative cut of 1.5%. This has the potential to increase the savings requirement to £15.1m for 2015/16 and £15.0m for 2016/17.

### **4. THE REPORT**

- 4.1 Heads of Service within the Directorate of Corporate Services have reviewed budgets in detail to identify a range of savings options to support the support the MTFP. The savings proposals presented in this report relate specifically to the 2015/16 financial year and have been categorised into the following areas: -

- § Vacancy Management
- § Contract/Service Rationalisation
- § Property Costs
- § Budget Realignment
- § Other

## 4.2 Vacancy Management

4.2.1 The following have been identified as proposed savings for 2015/16: -

Service Area	Post Title	Saving (£000's)
Corporate Finance	Senior Auditor (post vacant)	46
Human Resources	Group Secretary (post vacant)	25
Human Resources	HR Officer (post vacant)	37
Private Housing	Technical Officer (post vacant)	39
Private Housing	Clerk/Typist (post vacant)	11
IT Services	TBC – Review being undertaken	30
<b>Total: -</b>		<b>188</b>

4.2.2 In addition to the above, 2015/16 savings of £89k will be realised from the full-year impact of a review of the Development Team within IT Services that was agreed as part of the approved package of savings for 2014/15.

## 4.3 Contract/Service Rationalisation

4.3.1 Following a detailed review of a number of budget headings the following have been identified as proposed savings for 2015/16: -

Service Area	Description	Saving (£000's)
Procurement	Withdrawal from Welsh Purchasing Consortium	18
Procurement	Renegotiated fee for Dun & Bradstreet reports	4
IT Services	Rationalisation of BT line rentals	25
IT Services	Data Network – Migration to PSBA/PSN	65
IT Services	Reduction in Transport costs	6
IT Services	Review of ICT Contract Register	61
IT Services	Recharge for PSBA cabinet hosting	6
IT Services	Removal of Digital TV channel (poor utilisation)	15
IT Services	Reduction in hardware maintenance costs	5
<b>Total: -</b>		<b>205</b>

## 4.4 Property Costs

4.4.1 A review of property budgets has been undertaken and the following items have been identified as potential savings: -

Service Area	Description	Saving (£000's)
Corporate Property	Reduction in Disability Discrimination Act (DDA) budget (majority of major works now complete)	50
Corporate Property	Reduction in Asset Management Surveys budget	30
Corporate Property	Reduction in Agency costs	35
Corporate Premises	Reduction in Energy Costs to reflect current levels	60
<b>Total: -</b>		<b>175</b>

#### 4.5 Budget Realignment

- 4.5.1 A detailed review of budgets has been undertaken to identify areas where actual expenditure is consistently lower than the budgeted level. Following this exercise budget reductions are proposed for the following areas: -

Service Area	Description	Saving (£000's)
Miscellaneous Finance	Contribution to DSO/DLOs for Pension Costs	47
Miscellaneous Finance	Rent Allowance War Widow Concessions	10
Miscellaneous Finance	Debt Charges	300
Miscellaneous Finance	Subscriptions	20
Miscellaneous Finance	Miscellaneous Items/Budget Pressures	188
Miscellaneous Finance	NNDR – Authority Empty Properties	70
Miscellaneous Finance	IT Replacement Strategy	20
Miscellaneous Finance	Unapplied Growth – Living Wage	43
<b>Total: -</b>		<b>698</b>

#### 4.6 Other

- 4.6.1 The following savings have also been identified for budgets within the Directorate of Corporate Services and Miscellaneous Finance: -
- 4.6.2 **Fire Service Levy** - Following agreement of the budget by Council in February 2014, confirmation has been received that the Fire Service Levy for 2014/15 has reduced, resulting in a saving of £304k per annum.
- 4.6.3 **Welsh Housing Quality Standard (WHQS) Debt Charges** – The approved 2014/15 revenue budget included provision for General Fund borrowing to support the achievement of the WHQS. However, the Welsh Government has since confirmed that the General Fund cannot make such a contribution and the WHQS Business Plan has been updated to reflect this. As a consequence of this determination by the Welsh Government there is a revenue budget saving of £938k, which can be set-aside to support the MTFP.
- 4.7 Heads of Service within the Directorate of Corporate Services are continuing to review budgets to identify further savings proposals for 2015/16 but it is unlikely that these will exceed £200k. Members will receive further reports on additional savings proposals over the coming months.

### 5. EQUALITIES IMPLICATIONS

- 5.1 No equalities implications have been identified at this time.

### 6. FINANCIAL IMPLICATIONS

- 6.1 The proposed savings in this report total £2,508k as summarised in the table below: -

Description	Saving (£000's)
Vacancy Management	188
Contract/Service Rationalisation	205
Property Costs	175
Budget Realignment	698
Other	1,242
<b>Total: -</b>	<b>2,508</b>

## **7. PERSONNEL IMPLICATIONS**

- 7.1 The personnel implications of agreed savings will be carefully managed and staff will be fully supported.

## **8. CONSULTATIONS**

- 8.1 There are no consultation responses that have not been reflected in this report.

## **9. RECOMMENDATIONS**

- 9.1 Members of the Scrutiny Committee are asked to consider and comment upon the range of savings proposals outlined in this report.

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

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to savings proposals being presented to Cabinet.

## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1972 and 2000.

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Nicole Scammell, Acting Director of Corporate Services & S151 Officer  
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services