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Date: 19th February 2015

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Dear Sir/Madam,

A Special meeting of **Council** will be held in the **Council Chamber, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 25th February, 2015** at **5.00 pm** to consider the matters contained in the following agenda.

Yours faithfully,

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

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

Pages

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

A greener place Man gwyrddach



both Councillors and Officers.

To receive and consider the following reports:-

3	Treasury Management Annual Strategy, Capital Finance Prudential Indicators and Minimum Revenue Provision Policy for 2015/2016.	1 - 26
4	Budget Proposals 2015/16 and Medium Term Financial Strategy 2015/2018.	27 - 120
5	Council Tax Resolution 2015/16 and Council Tax Reduction Scheme.	121 - 128
6	Replacement of a Member of Corporate Management Team.	129 - 132

Circulation:

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SPECIAL CABINET / SPECIAL COUNCIL - 25TH FEBRUARY 2015

SUBJECT: TREASURY MANAGEMENT ANNUAL STRATEGY, CAPITAL FINANCE PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2015/2016

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & S151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To submit for approval the Authority's Annual Strategy for Treasury Management.
- 1.2 To submit for approval a dataset of Prudential Indicators relevant to Treasury Management and Capital Finance. The report also cross-references to the report by the Acting Director of Corporate Services & S151 Officer on Revenue and Capital Budgets ["the budget report"] also considered in this meeting.
- 1.3 To seek approval for the Minimum Revenue Provision (MRP) policy to be adopted by the Authority for 2015/2016.
- 1.4 To seek approval to move away from the current risk averse investment strategy of lending to the Debt Management Office and re-establish lending to financial institutions in accordance with the Policy and Resources Scrutiny Committee report that was presented on the 8th December 2014.

2. SUMMARY

- 2.1 The revised (2011) "Code of Practice for Treasury Management in the Public Services" provides that an Annual Strategy be submitted to Members on or before the start of a financial year to outline the activities planned within the parameters of the Treasury Management Policy Statement and the Treasury Management Practices.
- 2.2 The Local Government Act 2003 (the '2003 Act') also requires the Authority to set out its Treasury Management Strategy for borrowing for the forthcoming year and to prepare an Annual Investment Strategy, which sets out the policies for managing its investments, giving priority to the security and liquidity of those investments.
- 2.3 Under Section 15 of the '2003 Act', the Welsh Government (WG) issued guidance on local government investments which is incorporated within the report. Definitions of Local Government investments are given in **Appendix 1**.
- 2.4 Under the provisions of the Local Government Act 2003, The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 and subsequent amendments [The Capital Regulations], and the CIPFA's "The Prudential Code for Capital Finance in Local Authorities" [the Code], the Authority is obliged to approve and publish a number of indicators relevant to Capital Finance and Treasury Management.

- 2.5 With effect from 31 March 2008, WG introduced the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 [the “Amendment Regulations”] which requires the Authority to prepare an Annual Minimum Revenue Provision Policy Statement. This report sets out what the Authority needs to do in order to comply with this requirement.

3. LINKS TO STRATEGY

- 3.1 The report has links to the strategic themes of the Authority, taking into account cross-cutting issues where relevant. It has specific links to the effective and efficient application and use of resources.

4. THE REPORT

- 4.1 The format of the report is as follows:

Section 5 will deal with Treasury Management, supported by, and cross-referenced to Appendices 1 to 5 attached.

Section 6 discloses the Authority’s policy on financial derivatives.

Section 7 and 8 deal with Treasury Management Adviser and training respectively.

Section 9 will consider the Prudential Indicator requirements for Capital Finance, cross-referenced to Appendices 6 to 7 attached.

Section 10 will consider the calculation of the Minimum Revenue Provision, cross-referenced to Appendix 8 attached.

Section 11 will deal with specific treasury management issues relating to the Authority.

5. TREASURY MANAGEMENT

5.1 Interest Rate Prospects - Short-term

- 5.1.1 The Authority uses Arlingclose Limited as its Treasury Management Adviser and part of their service is to assist the Authority to formulate a view on interest rates.
- 5.1.2 The Monetary Policy Committee [MPC] decreased Bank Rate in March 2009 to 0.50% as part of the Government’s strategy to stimulate the economy. No further changes to the Bank Rate have been made since then.
- 5.1.3 There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP. However, inflationary pressure is benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.
- 5.1.4 As the UK Economy is showing signs of positive growth and recovery the first rise in official interest rates is forecasted to be in August 2015 and a gradual pace of increases thereafter, with the average for 2015/16 being around 0.75%. The ongoing weakness in the Eurozone economic recovery could result in the Bank of England deferring the interest rate rise to late 2015. A table showing forecasts of the Bank Rate is included in **Appendix 2**.

5.2 Interest Rate Prospects- Long-term

- 5.2.1 The general view is that Public Works Loan Board [PWLB] rates are likely to follow an upward trend and increase in the medium-term. A forecast of the various periods is shown in **Appendix 2**.

5.3 External Debt - Capital Borrowings and Borrowing Portfolio Strategy

- 5.3.1 The difference between current long-term borrowing rates and short-term investment rates has resulted in a “cost of carry” scenario, indicating that it is more advantageous to use internal funding in lieu of borrowing. The cost of carry is likely to remain an issue until the Bank Rate and short term market rates increase in the future. The Authority, having adopted the policy of internal borrowing from the latter half of 2008/09, has an internal borrowing position of £39m (as at 31st March 2014) from which capital expenditure has been funded. Unless the policy is prudent, the Authority will no longer adopt the policy of internal borrowing as it is becoming unsustainable. It is anticipated that the borrowing requirement of some £12.3m will need to be taken up in 2015/2016 for the General Fund to support the capital programme and provision has been made in the budget to fund this level of borrowing.
- 5.3.2 The Authority will also need to borrow for the HRA Subsidy Buyout arrangement which will take place on the 2nd April 2015. As set out in the Special Council report of 17th December 2014, the Authority will need to raise an indicative PWLB loan of £75.4m (or higher, and subject to final settlement) which will be paid over to Welsh Government and HM Treasury. Final confirmation of the HRA Settlement to exit the Subsidy arrangement will be disclosed by Welsh Government on 31st March 2015. Section 11 of this report details the HRA buyout arrangement further.
- 5.3.3 Therefore the 2015/16 borrowing requirement comprises of:
- 2015/2016 supported borrowing approvals - £5.0m
 - Bargoed Cinema - £4.0m (this is subject to a further report to Council)
 - LGBI 21st Century Schools - £3.3m
 - HRA Subsidy Buyout- £75.4m (indicative)
- 5.3.4 Whilst PWLB interest rates have been included in Appendix 2, it is possible that loans may be taken from other sources if interest rates are more advantageous. It is suggested that the target rate for new borrowing be set at 4.50% for a 25 year period loan.
- 5.3.5 Current PWLB forecasts suggest interest rates are likely to increase throughout 2015/2016. In the event that the Authority decides to fund the 2015/2016 capital expenditure from internal reserves, the decision to defer borrowing could expose the Authority to rising interest rates thus making it expensive to borrow at a later date. A budget to cover the cost of raising new debt finance will remain in place irrespective of the decision to borrow internally or externally.
- 5.3.6 Any short-term funding would need to be in line with the ‘Upper Limit for Variable Rates’ as defined in the prudential indicators in **Appendix 6** (30% of Net Debt Outstanding) within the CIPFA “Prudential Code for Capital Expenditure in Local Government”.
- 5.3.7 Officers, in conjunction with the Treasury Management Adviser, will continue to monitor both the prevailing rates and the market forecasts, responding to changes when necessary. The following borrowing sources will be considered by the Authority to fund short-term and long-term borrowing (and in no particular order):
- Internal reserves
 - Public Works Loan Board (PWLB) {or its successor}
 - Local Authorities
 - European Investment Bank (NB the EIB will only lend up to 50% towards the funding of a specific project and needs to meet the EIB’s specific criteria. The project cost must also be at least €25m)
 - Leasing
 - Capital market bond investors
 - Other commercial and not for profit sources
 - Any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds
 - Local Capital Finance Company and other special purpose companies created to enable local authority bond issues

- 5.3.8 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- operating and finance leases
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
- 5.3.9 The Authority may borrow short-term loans (up to one month) to cover unexpected cashflow shortages.
- 5.3.10 **PWLB Reform-** Members will need to be made aware that HM Treasury, under legislative powers, will abolish the PWLB in the coming months in order to address the governance structure of the PWLB. The Authority has been advised that this development will not have any impact on existing PWLB loans held by local authorities or effect new loans being raised. HM Treasury have stressed that local authorities will continue to access the same level of facilities and terms from the new successor body. The benefit of the changes in the governance structure will allow HM Treasury to intervene in policy and rate setting, as well as the possible introduction of frequent daily rate resets (currently done twice a day by the PWLB). A consultation document will be issued in due course and Members will be advised accordingly.

5.4 Authorised Limit for External Debt (The Authorised Limit)

- 5.4.1 As a consequence of 5.3.1 to 5.3.8 above, the Authorised Limit will be the upper limit of the Authority's borrowing, based on a realistic assessment of risks. It will be established at a level that will allow the Authority to borrow sums, in excess of those needed for normal capital expenditure purposes in the event that an exceptional situation arises and would allow for take-up of supported borrowing. It is not a limit that the Authority would expect to borrow up to on a regular basis.
- 5.4.2 The limit will include borrowing and other long-term liabilities such as finance leases, private finance schemes and deferred purchase schemes.

5.5 The Operational Boundary

- 5.5.1 This is based on the maximum level of external debt anticipated to be outstanding at any time in each year. It will be consistent with the assumptions made in calculating the borrowing requirements of the capital programme, but will also include an estimate of any borrowing for short term purposes, such as temporary shortfalls in incomes or to support active treasury management which would seek to take advantage of beneficial interest rate movements. It also allows for other long-term liabilities such as finance leases, private finance schemes and deferred purchase schemes.
- 5.5.2 The Operational Boundary should be set at a level which allows some flexibility but should be sufficiently below the Authorised Limit so that any breach of the operational boundary provides an early warning indicator of a potential breach of the Authorised Limit, allowing corrective action to be taken.

5.6 Interest Rate Exposure

- 5.6.1 The Authority's borrowing policy makes use of both fixed and variable rate opportunities. Whilst fixed-rate borrowing and investment provides certainty with regard to future interest rate fluctuations, the flexibility gained by the use of variable interest rate instruments can aid performance. It allows the Treasury Manager to respond more quickly to changes in the market and to short term fluctuations in cash flow without incurring the penalties that would result from the recall of fixed rate investments.

5.7 Maturity Structure of Borrowing

- 5.7.1 Whilst the periods of loans are dictated by the interest rates prevalent at the time, it is important to be mindful of the maturity profile of outstanding debt. Large 'peaks' are to be avoided, as it is possible for substantial loans to reach maturity at times when prevailing interest rates are high, and conversely, when interest rates are low, windows of opportunity may be lost.
- 5.7.2 As a result, it is necessary to determine both an upper and lower limit for borrowings which will mature in any one year.
- 5.7.3 Over the course of the medium term financial plan and future years, a number of high interest rate PWLB loans will mature resulting in a saving to the Authority as the interest rate on replacement loans are likely to be lower in comparison.
- 5.7.4 Historically, the Authority has favoured PWLB loans with a twenty five year loan maturity profile, but in the current climate of low interest rates (including Bank Rate); the Authority will also consider shorter dated loans (including local authority borrowing) to fund capital expenditure.
- 5.7.5 The Authority has £40m of LOBO loans (Lender's Option Borrower's option) of which £30m of these can be "called" within 2015/2016. A LOBO is called at its contract review date when the Lender is able to amend the interest rate on the loan at which point the Borrower can accept the new terms or reject and repay the loan. Any LOBOs called will be discussed with the Treasury Management Adviser prior to acceptance of any revised terms.

5.8 Gross Debt and the Capital Financing Requirement

- 5.8.1 A further requirement of the revised Prudential Code is to ensure that over the medium term debt will only be for a capital purpose, the Authority will ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

5.9 Debt Rescheduling

- 5.9.1 Due to the difference in the rates, it is unlikely that there will be many viable opportunities to reschedule loans (General Fund and the HRA) in the foreseeable future. However, should any such opportunities arise, any decision on debt rescheduling will be supported by the appropriate report detailing the options and potential savings from the Authority's Treasury Management Adviser.

5.10 Policy on Borrowing In advance of Need

- 5.10.1 Whilst the Authority is able to borrow in advance of need, it is a requirement of the Code that any instance of pre-funding must be supported by a clear business case setting out the reasons for such activity.

5.11 Annual Investment Strategy

- 5.11.1 Current strategy (2014/2015) - Lending to financial institutions continues to remain suspended. Surplus funds are deposited with the Debt Management Office (DMADF) or with other local authorities in accordance with the parameters set within the 2014/2015 strategy, albeit invested at unfavourable interest rates.
- 5.11.2 Since March 2014, Officers have been engaged with Members of the Policy & Resources Scrutiny Committee with regards to amending the current Investment Strategy to generate additional investment income to support the 2015/2016 budget saving proposals in the Medium Term Financial Plan, as well as for the Authority to start to transition away from its

conservative lending strategy. A range of hypothetical investment portfolios were presented to the Scrutiny Committee with the assistance of Arlingclose. On the 8th December 2014 an amended report was presented to the Scrutiny Committee outlining revisions made to the hypothetical investment portfolios at the request of an earlier Scrutiny Committee meeting. The Scrutiny Committee had agreed (08/12/2014) to support the recommendations for the Authority to amend its Investment Strategy with the objective of having a revised Strategy in place for the start of 2015/2016 financial year. This report puts in place the necessary changes required to implement the underlying investment instruments that make up the proposed hypothetical investment portfolios. Generating the additional investment revenue will be achieved broadly in line with the same level of risk.

- 5.11.3 This Strategy (2015/2016), in line with the Welsh Government guidance, sets out the Authority's policies for (and in order of priority) the security, liquidity and yield of its investments. It will have regard to credit ratings and determine the periods for which funds may be prudently invested, whilst aiming to achieve, or better a target rate for investments of **0.25%**. Creditworthiness approach, investment periods and the rationale for the target rate are explained in **Appendix 3**. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.11.4 The strategy sets out which investments the Authority may use for the prudent management of its balances during the financial year within the areas of 'specified' and 'non-specified' investments, and provides the appropriate authorisation for the in-house investment team to manage such investments. These are listed in **Appendix 4**.
- 5.11.5 The transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The Bank Recovery and Resolution Directive promote the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast Deposit Guarantee Schemes Directive includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.
- 5.11.6 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding asset classes during 2015/16. Short-term cash that is required for liquidity management will be deposited with local authorities (secured), Government securities (secured), money market funds (unsecured) and bank and building society investments (unsecured).
- 5.11.7 In view of the ongoing economic recovery, and change in bank regulations, it is recommended that investments (both new and maturing) be placed with the most secure institutions as well as the most secure instruments (subject to liquidity requirements) as detailed in **Appendix 3**. Currently this would be the Government (Debt Management Account Facility and Treasury Bills and Gilts), other Local Authorities and Public Bodies, such as Police and Fire Authorities, Registered Landlords, covered bonds, Repos, AAA Money Market Funds, and highly credit rated banks (subject to the creditworthiness limits referred to in the appendix 3). In light of Statutory and regulatory changes being adopted by the Bank of England and Regulators with respect to Bail-In, it is recommended that the Authority moves away from unsecured lending (where possible and subject to liquidity requirements) to secured investments. Bank bail-in is explored further in Appendix 3.
- 5.11.8 To allow the Treasury Management team some operational flexibility it is recommended that the practice of using bank call accounts and money market funds be considered subject to the appropriate credit indicators, market/economic conditions and limits as referenced in the above paragraphs. A detailed explanation of the operational requirements is included in **Appendix 3**.

- 5.11.9 The Welsh Government maintains that the borrowing of monies for the purposes of investing or on-lending to benefit from differences in interest rates is unlawful. This Authority will not engage in such activity.
- 5.11.10 Under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2004 regulation 12(b), the acquisition of share or loan capital in any body corporate would not be defined as capital expenditure as long as it is an investment for the purposes of the prudent management of the Authority's financial affairs. Due to the high risk of capital loss involved with such instruments, this Authority will not engage in such activity.
- 5.11.11 A loan or grant to another body for capital expenditure by that body is also deemed by the 2003 Regulations to be capital expenditure by the Authority. This Authority will only engage in such activity with the approval of Council.
- 5.11.12 In the event that any existing investment appears to be at risk of loss, the Authority will make proper revenue provision of an appropriate amount in accordance with the relevant Accounting Regulations.
- 5.11.13 At the end of the financial year, the Authority will prepare a report on its investment activity as part of its Annual Treasury Management Strategy Report. This report will be supported throughout the year by quarterly monitoring reports to the Policy & Resources Scrutiny Committee (the responsible body for scrutiny of Treasury Management activities as required by the Code), which will include a review of the current strategy. A report to Council will also be prepared on a half-yearly basis.
- 5.11.14 It is a fundamental requirement of the Code that officers engaged in Treasury Management follow all Treasury Management policies and procedures and all activities must comply with the Annual Strategy.
- 5.11.15 The Welsh Government has reservations with regard to borrowing in advance of need on the grounds that more money than is strictly necessary is likely to be put at risk in the investment market. As a result Officers must report any investment made as a result of borrowing in advance and must set out the maximum period for which the funds can be prudently committed. In the event that this Authority decides to take up such borrowing, it is suggested that any deposit made with these funds be limited to a maturity period of up to twelve months and pro-rata to coincide with the profiling of capital expenditure.

6. POLICY ON USE OF FINANCIAL DERIVATIVES

- 6.1 The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over English local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). Although this change does not apply to Wales, the latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the Annual Treasury Management Strategy.
- 6.2 In the absence of any legislative power, the Authority's policy is not to enter into standalone financial derivatives transactions such as swaps, forwards, futures and options. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall risk management strategy.

7. TREASURY MANAGEMENT ADVISER

- 7.1 Since 1st April 2014 the Authority has appointed Arlingclose Limited as its external Treasury Management Adviser and receives a number of services including specific advice on investment, debt and capital finance issues; counterparty advice; economic forecasts and commentary; workshops, training and seminar events; and technical advice (including accountancy).

8. TREASURY MANAGEMENT TRAINING

- 8.1 The revised CIPFA Code, adopted by the Authority in January 2012, requires that Local Authorities must ensure that all staff and those Members with responsibility for Treasury Management receive the appropriate training. To this end the following will be observed:
- The contracts for Treasury Consultancy Services include requirements for Member and Officer training to be provided during any year.
 - Officers will attend any courses/seminars that are appropriate especially where new regulations are to be discussed.
 - Officers will update Members during the financial year by way of seminars/workshops/reports.
 - Officers will utilise on line access to the CIPFA Treasury Forum and the CIPFA Technical Information Service.
- 8.2 Officers will look to schedule Member training for April 2015 and autumn 2015. Further training will be undertaken as and when required.

9. PRUDENTIAL INDICATORS

9.1 Capital Financing Requirement

- 9.1.1 The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, the authority does not associate borrowing with particular items or types of expenditure.
- 9.1.2 The capital financing requirement is below the authorised borrowing limits in order to allow scope for short-term cash flow borrowing and provision for unforeseen contingencies.
- 9.1.3 The estimated values of Capital Financing Requirement for the period under review are shown in **Appendix 6** attached.

9.2 Prudential Indicators – “Prudence”

- 9.2.1 The proposed Prudential Indicators for Treasury Management Strategy, discussed in 5.4, are detailed in **Appendix 5**.

9.3 Prudential Indicators – “Affordability” [Appendices 6 and 7]

- 9.3.1 There is a requirement to analyse and report the capital financing costs, and express those costs as a percentage of the net revenue streams of the Authority.
- 9.3.2 The estimate of the incremental effect on council tax and housing rents for 2015/2016 as a consequence of the proposed capital investment is shown in **Appendix 6**. It should be noted that this is a notional, not an actual, figure.
- 9.3.3 The General Fund future revenue streams are based upon the content of “the Budget Report”.
- 9.3.4 Future revenue streams for Housing Revenue Account (H.R.A.) have been projected on the basis of 4% inflation (2% inflation and 2% growth) applied to the rental income (using 2014/2015 as a base), less an adjustment for estimated reduction in housing stock as a result of the “Right to Buy” sales.

9.4 Capital Expenditure and Funding

- 9.4.1 The summary Capital Expenditure and funding, as shown in **Appendix 7** of this report has been considered in “the Budget Report”.

- 9.4.2 The Revenue Support Grant (RSG) provided by the Welsh Government (WG) includes an element to off-set the costs of borrowing funds for capital purposes. WG has announced a level of supported borrowings of £4.99m in respect of the 2015/2016 financial year, together with General Capital Grant funding of £3.03m.
- 9.4.3 For calculation purposes, it has been assumed that those two elements of funding support will remain static for 2016/2017 and for 2017/2018. HRA provisional values for the years 2015-2018 are based on an estimated 2015/2016 allocation of the Major Repairs Allowance of £7.3m and assumed to continue at this level for future years.

10. MINIMUM REVENUE PROVISION (MRP)

- 10.1 In accordance with the Amendment Regulations, rather than applying a defined formula, the Authority is now only required to apply a charge that is 'prudent'. A "prudent" period of time for debt repayment is defined as one which reflects the period over which the associated capital expenditure provides benefits.
- 10.2 The Amendment Regulations also introduced an additional reporting requirement. Authorities are now required to submit to full Council, for approval, an Annual MRP Statement, setting out the policy to be adopted for the year following.
- 10.3 A different approach to MRP calculation is now applied depending upon whether the borrowing concerned is "supported" (for which the revenue implications are provided for by WG in the annual revenue settlement) or "unsupported" (also known as "prudential", the revenue effects of which are not provided for in the settlement and authorities must fund from other sources). The options available and the recommended approach for 2015/2016, which continues the policy approved by Council for 2014/2015, are detailed in **Appendix 8**.

11. OTHER LOCAL ISSUES

11.1 Welsh HRA Reform

- 11.1.1 The Welsh Government and HM Treasury have come to an arrangement that would enable eleven Welsh local authorities with housing stock to exit the Subsidy system. Collectively Welsh local authorities will be able to (on a voluntary basis) buy themselves out of the subsidy by way of raising a PWLB loan to the value of the settlement figure specific to each local authority. As at the date of this report the indicative value of the settlement for this Authority is £75.427m. The final settlement will be determined by Welsh Government on 31st March 2015. It is possible, and depending on where PWLB rates are on the 31st March 2015, that the settlement value will be higher or lower than the indicative settlement figure.
- 11.1.2 The Authority may raise a single long-term loan or a basket of loans (subject to the cashflow requirements of the HRA business plan). The loan will be raised on 31st March 2015 and cash proceeds will be received on 2nd April 2015. Upon receipt of the loan proceeds, the Authority will be required to transfer the funds to Welsh Government who will further release the proceeds to HM Treasury.
- 11.1.3 Once the Authority has bought itself out of the current HRA Subsidy arrangement, the Authority will need to put in place arrangements for the management of the HRA debt which will comprise of existing HRA debt, HRA settlement debt and new debt borrowed to deliver HRA capital schemes (WHQS). The Authority has a number of options available for the management of the HRA debt: -
- Option 1 - One Pool approach - A single Pool for all debt (General (Council) Fund and HRA) including buy-out debt. This approach is a continuation of existing arrangements.
 - Option 2 - Two Pool approach - A notional exercise is undertaken to separate debt into a General Fund Pool and a HRA Pool. Both Pools will include respective old and new debt.

- Option 3 - Three Pool approach - Existing loan debt (General Fund and HRA) will form one residual pool, which will reduce in value as loans are repaid at maturity or earlier. New debt will be split between the General Fund and the HRA and form two further separate Pools.

11.1.4 In accordance with the Special Council report of 17th December 2014, it is recommended that the Authority adopts Option 2 (i.e. the Two Pool approach) as this is the methodology supported by the Chartered Institute of Public Finance & Accountancy (CIPFA). A notional exercise will be required following the buy-out to de-pool existing debt in accordance with guidance issued by CIPFA and Welsh Government. The underlying principle for the splitting of loans, at transition, must be that of no detriment to the General Fund. Local Authorities are required to deliver a solution that is broadly equitable between the HRA and the General Fund. This process will result in a higher debt charge for the HRA based on the existing debt, with the General Fund receiving a consequential reduction.

11.2 The Authority's Banker

11.2.1 The Authority will ensure that its day-to-day banking activity is undertaken with an investment grade bank. If the Authority's Bank is downgraded during the contract period (as specified under the Banking Services Contract) to non-investment grade, reasonable measures will need to be undertaken to mitigate the risk associated with further downgrades, and the risk of losing funds if the Bank was to default.

11.2.2 Reasonable measures will need to include (and not limited to) keeping balances to a minimum; hourly review of bank balances for the Group Accounts and subsequently transferring surplus balances to a Call Account; re-routing material income (maturing investments, grants) to a bank account held outside of the existing bank arrangement; and consideration of contingency banking arrangements with another bank should the risk be severe to the Authority's operational requirements. Cabinet will be kept informed if such risks arise.

12. EQUALITIES IMPLICATIONS

12.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

13. FINANCIAL IMPLICATIONS

13.1 The Treasury Management Strategy for 2015/2016 as outlined in this report, if approved by Members, is likely to generate additional interest of £275k and this has been reflected in the budget report for 2015/2016. A provision has also been made to cover the estimated costs of the supported borrowing requirements for 2015/2016. On the 8th December 2014 the Policy and Resources Scrutiny Committee had agreed to adopt the recommendation of amending the Investment Strategy to allow for the Authority to lend to financial institutions using a variety of secure investment instruments. This report has made the necessary change to monetary limits, investment duration and the relevant investment instruments required to replicate the hypothetical investment portfolio as presented in the Scrutiny Committee report.

13.2 The number of credit warnings and downgrades has significantly reduced and the UK economic recovery is gaining momentum (but will be constrained by the weak recovery in the Eurozone). Whilst financial markets have stabilised aided by a collective approach by central banks around the world to inject liquidity, the reversal of these measures is likely to create further volatility in the bond markets which will have a consequence on PWLB rates. If the UK economy continues to grow, and if inflation hits the 2% target level along with the unemployment rate falling (below 7% target), the Bank of England will consider raising the Bank rate from the current level of 0.50%.

14. PERSONNEL IMPLICATIONS

- 14.1 There are no personnel implications.

15. CONSULTATION

- 15.1 No external consultation is required for the purposes of the report. However, advice has been sought from the Authority's current Treasury Adviser.

16. RECOMMENDATIONS

- 16.1 That the Annual Strategy for Treasury Management 2015/216 be approved.
- 16.2 That the strategy be reviewed quarterly within the Treasury Management monitoring reports presented to Policy & Resources Scrutiny Committee and any changes recommended be referred to Cabinet, in the first instance, and to Council for a decision. The Council will also receive a half-yearly report on Treasury Management activities.
- 16.3 That the Prudential Indicators for Treasury Management be approved as per Appendix 5.
- 16.4 That the Prudential Indicators for Capital Financing be approved as per Appendices 6 & 7.
- 16.5 That Members approve the use of Option 2 (for supported borrowing) and Option 3 Equal Instalment Method (for unsupported borrowing) for MRP purposes for 2015/16.
- 16.6 That the Authority adopts the recommendations as set out in the 8th December 2014 Policy and Scrutiny Committee Report and lend to financial institutions in accordance with the minimum credit rating criteria disclosed within this report.
- 16.7 That the Authority borrows £12.3m for the General Fund to support the 2015/16 capital programme, and an indicative amount of £75.4m for the HRA to exit the Subsidy system.
- 16.8 That the Authority adopts the investment grade scale as a minimum credit rating criteria as a means to assess the credit worthiness of suitable counterparties when placing investments.
- 16.9 That the Authority adopts the revised monetary and investment duration limits as set in Appendix 3 of the report.

17. REASONS FOR THE RECOMMENDATIONS

- 17.1 The Annual Strategy report is a requirement of the CIPFA "Code of Practice for Treasury Management in the Public Services".
- 17.2 The Investment Strategy is a requirement of the Local Government Act 2003.
- 17.3 To comply with the legislative framework and requirements as indicated in paragraph 1.2.

18. STATUTORY POWER

- 18.1 Local Government Acts 1972.

Authors: N Akhtar – Group Accountant (Financial Advice and Support)
Consultees: C. Burns – Interim Chief Executive
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Appendices:

Appendix 1	Local Government Investments - Definitions
Appendix 2	Interest Rates – Forecasts/Indicative
Appendix 3	Credit Policy, Investment Ratings, Periods and Targets
Appendix 4	Investments to be used and “in house” authorisations
Appendix 5	Treasury Management Strategy Indicators
Appendix 6	Prudential Indicators – Capital Finance
Appendix 7	Capital Expenditure and Funding
Appendix 8	MRP Policy & Options

Appendix 1

Local Government Treasury Management Definitions

- **Investment**

In the context of a local authority cash deposit, an investment is a monetary asset deposited with a credible institution with the objective of providing income in the future. This is a transaction which relies upon the power in section 12 of the 2003 Act and is recorded in the balance sheet under the heading of investments within current assets or long-term investments.

- **Long-term Investment**

This is any investment other than one which is contractually committed to be paid within 12 months of the date on which the investment was made.

- **Credit Rating Agency**

An independent company that provides investors with assessments of an investment's risk and the three most prominent are.

Standard and Poor's (S & P)
Moody's Investors Service Limited (Moody's)
Fitch Ratings Limited (Fitch)

- **Specified Investment**

An investment is a specified investment if it satisfies the following conditions:

1. The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
2. The investment is not a long-term investment (as defined above).
3. The investment is not considered to be capital expenditure.
4. One or both of the following conditions is both:
 - The investment is made with the UK Government or a local authority (as defined in section 23 of the 2003 Act) or local authorities in Scotland and Northern Ireland or a parish or community council.
 - The investment is made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency
5. The principal sum to be repaid at maturity is the same as the initial sum invested other than investments in the UK Government.

- **Non-specified Investments**

These are investments, which do not meet the conditions of specified investments.

Appendix 2

Interest Rate Forecasts

Bank Rate (Forecasts as at 31/12/2014 and subject to change)

	Arlingclose (Central case)
2015/2016 - Q1	0.50%
Q2	0.50%
Q3	0.75%
Q4	0.75%
2016/2017	1.00%
2017/2018	1.50%

PWLB (Forecasts as at 31/12/2014 and subject to change- Source Arlingclose (Central case))

	Q1 – 2015/2016	Q2 – 2015/2016	Q3 – 2015/2016	Q4 – 2015/2016
5 Year	1.75%	1.90%	2.00%	2.10%
10 Year	2.45%	2.55%	2.60%	2.65%
25 year	2.90%	3.05%	3.10%	3.15%
50 Year	3.05%	3.10%	3.15%	3.20%

For budget setting and financial planning, the following rates have been assumed.

Budget Period	Investment Returns	Borrowing Rates (PWLB 50 Years)
2015/16	0.25%	5.50%
2016/17	0.75%	5.50%
2017/18	1.00%	6.00%
2018/19	2.00%	6.00%
2019/20	2.50%	6.00%

Appendix 3

Credit Risk Policy

Bank Bail-In

In recent times Governments bailing out failed banks has resulted in public condemnation for the use of taxpayer funds to support insolvent banks. As a result Governments and Regulators from the G20 nations have all signed up to the Bail-In proposals, an approach where retail customers of a failing bank are protected under compensation schemes (up to a threshold) and losses are covered by investors equity capital in the first instance, followed by junior debt and then senior unsecured debt and deposits. The timing of the G20 nations to introduce bank bail-in will vary between nations.

The EU has been discussing bail-in for several years, and a draft Bank Recovery and Resolution Directive was published in June 2013. This was originally planned to take effect from 2018, alongside the Basel III international rules on capital adequacy but a number of member states wanted an immediate introduction. On 12th December 2013, political agreement was reached to have the bail-in directive apply across all EU member states from 1st January 2016, two years earlier than originally planned. This would make it illegal for any EU government to bail-out (i.e. use taxpayer's funds to support a failing bank) failed/ insolvent banks.

In the UK the Independent Commission on Banking recommended introducing bail-in as a resolution tool for failing banks in 2011. Government statements since have consistently agreed with the approach of having institutional investors in banks take on the risk of failure, not the taxpayer. The Financial Services (Banking Reform) Act 2013 became law on 18th December 2013 incorporating bank bail-in.

A bail-in is likely, although not certain, to happen over the course of a weekend, with much of the preparatory work having been undertaken in advance as the bank continues to fail regulatory conditions. The announcement of a bail-in, including which creditors will be affected, will normally be made by the Bank of England on a Sunday evening before the Asian markets open. Apart from the affected creditors, the bank will open for business as normal on the Monday morning. Where a banking group comprises several UK bank companies, it is likely that all group banks will be bailed-in together. Separately capitalized subsidiaries in other countries might not be bailed-in; that will be a matter for the local regulator. Before a bail-in, the bank's ordinary shareholders will have their shares expropriated and they will therefore no longer be the bank's owners. Building societies, which are mutually owned by their customers, will be converted to banks before bail-in. Hybrid capital instruments that convert to equity in certain circumstances will also be converted. Creditors will then be bailed-in in this order:

- junior or subordinated bonds, in order of increasing seniority;
- senior unsecured bonds issued by the non-operating holding company (if any);
- senior unsecured bonds issued by the operating bank companies;
- **Uninsured deposits (money market funds, call accounts and fixed-term deposits with banks and building societies) and certificates of deposit (except interbank deposits of less than seven days original maturity); and**
- **Insured deposits that are larger than the FSCS £85,000 coverage limit.**

Note that from July 2015, the deposits of all private and voluntary sector non-financial organisations will be covered by the Financial Services Compensation Scheme. **Public sector bodies and financial companies including pension funds and Money Market Funds will remain uninsured.**

Subject to cashflow liquidity requirements, the Authority will manage bail-in risk by way investing surplus cash in instruments that are considered to be exempt from bail-in and include (and in no particular order) the Government, Corporate bonds, Registered Providers (Housing Associations) and secured bank instruments (Repos, Covered Bonds and other collateralised instruments).

These instruments are considered to have a medium to long-term investment horizon, and therefore it is likely that the Authority will hold investment instruments with financial institutions that will not be exempt from the bank bail-in process such as fixed term deposits, call accounts and money market funds. The Authority will look to limit such holdings for the purpose of managing liquidity.

Counterparty Criteria

The Authority considers, in order of priority, security, liquidity and yield when making investment decisions. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk. The intention of the strategy is to provide security of investment and minimisation of risk which will also enable diversification and thus avoidance of concentration risk.

The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. In accordance with the 2011 Treasury Management Code of Practice, the Authority will use the following key tools to assess credit risk:

- Published credit ratings of the financial institution and its sovereign rating;
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

As of 1st April 2014 the Authority is advised by Arlingclose Limited, who provides counterparty risk management services. Credit rating lists are obtained and monitored by Arlingclose, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made;
- any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Due to the ongoing strengthening of bank regulations it is recommended that the Authority adopts the Investment Grade scale as the minimum credit rating criteria. This will enable great flexibility when placing investments especially during periods of regulatory stress tests where the outcome can result in a downsized counterparty list as a result of the downgrading of credit ratings. Furthermore, the need to hold a diversified investment portfolio and the impact of bank bail-in regulations means that the Authority will need to adopt a more structured credit rating criteria matrix for specific instruments. **The table below details maximum monetary and investment duration limits.**

Maximum Monetary and Investment Duration Limits					
Credit Rating (Long-Term)	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	-	-	£ Unlimited 50 years	-	-
AAA	£10m 5 years	£10m 20 years	£10m 25 years	£5m 20 years	£5m 20 years
AA+	£5m 5 years	£10m 5 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£5m 4 years	£10m 4 years	£10m 15 years	£5m 5 years	£5m 5 years
AA-	£5m 3 years	£10m 4 years	£10m 10 years	£5m 4 years	£5m 4 years
A+	£5m 2 years	£10m 3 years	£5m 5 years	£5m 3 years	£5m 3 years
A	£5m 12 months	£10m 2 years	£5m 5 years	£5m 2 years	£5m 2 years
A-	£5m 6 months	£10m 6 months	£5m 5 years	£5m 12 months	£5m 12 months
BBB+	£5m 100 days	£5m 100 days	£5m 2 years	£5m 6 months	£5m 6 months
BBB or BBB-	£5m next day only	£5m next day only	-	-	-
None Rated	£1m 6 months	-	-	-	-
Pooled funds	£10m per fund				

Banks Unsecured: Call accounts, term deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Authority's current account bank [Barclays Bank Plc] or the Debt Management Office. The use of Banks unsecured instruments will be limited to aid the management of cashflow liquidity.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined

secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: The Debt Management Office, Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years. Multilateral / Supranational institutions will also be classed as Government institutions as a number of sovereign states are key shareholders.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain a high likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. **Money Market Funds** that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts to manage short-term liquidity, while **pooled funds** whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

In accordance with advice from the Authority's Treasury Management adviser, International banks will also be considered.

Investment periods

- **Short-term (up to 365 days)**

At the time of writing, all short-term investments are managed in-house as a result of day-to-day cash flow management.

For the purpose of flexibility to respond to day-to-day cash flow demands, the proposed minimum percentage of its overall investments that the Authority will hold in short-term investments is **40%**.

Members are reminded that once a deposit has been made for a fixed period it can only be withdrawn (repaid early) by mutual consent albeit at a cost and subject to the underlying terms and conditions of the contract.

- **Long-term (one year and over)**

Currently the Authority has no long-term investments. From 2015/2016 the Authority will invest in long-term investments. Excluding the UK Government, It is suggested that no more than £10m be placed with any one institution with duration as set out in the table above. The Authority will not have more than £40m deposited in long-term investments (the Upper Limit).

Target Rate

Forecasts of base rates can be quite diverse as illustrated by the table in **Appendix 2**. In view of the uncertainty inherent in such predictions, it would be imprudent to set a target rate which may be difficult to achieve. In view of the foregoing, it is proposed to set a target rate of return for short-term deposits in 2015/2016 of at least **0.25%**.

This rate reflects the forecast of Bank Rate and the relationship between that rate and the rate achievable from the DMADF. If deposits are made with other counterparties as detailed in Section (a) of this Appendix, it is possible that the above rate could be exceeded.

Appendix 4 - Specified and Non-Specified Investments

Investments are categorised as “Specified” or “Non-Specified” within the investment guidance issued by the Welsh Government.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the “high credit quality” as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

The Authority’s credit ratings criterion is set out in **Appendix 3** and will be consulted when using the investments set out below. Credit ratings are monitored on a daily basis and the Treasury Management Adviser advise the Authority on rating changes and appropriate action to be taken.

The types of investments that will be used by the Authority and whether they are specified or non-specified are listed in the table below.

	Specified	Non-Specified
Government		
Debt Management Account Deposit Facility	✓	x
Gilts (UK Government)	✓	✓
Treasury Bills (T-Bills- UK Government)	✓	x
Bonds issued by AAA rated Multilateral Development Banks	✓	✓
Local Authority Bills	✓	x
Term deposits with other UK local authorities	✓	✓
Registered Providers (Housing Associations)		
Registered Providers (Housing Associations)	✓	✓
Corporates		
Corporate Bonds (including Floating Rate Notes and Commercial Paper)	✓	✓
Banks- Secured		
Repurchase Agreements (Repos)- Banks & Building Societies	✓	✓
Covered Bonds	✓	✓
Other Collateralised arrangements	✓	✓
Banks- Unsecured		
Term deposits with banks and building societies	✓	x
Certificates of deposit with banks and building societies	✓	x
AAA-Rated Money Market Funds	✓	x
Authority’s Banker	✓	x

Pooled Funds (Variable Net Asset Valuation)		
Other Money Market and Collective Investment Schemes	x	✓
Pooled Funds (Property)	x	✓

Authorisation for the in-house team

A. Short-term Investments

Due to the nature of the in-house team's duties, in that they need to respond to cash-flow fluctuations by dealing on the money market generally between 9.00am and 10.00am each day, it is impractical for each decision to be referred to the most senior management levels.

As a result, it is proposed that day-to-day decisions remain the responsibility of the Group Accountant (Financial Advice and Support) who is the *de facto* Treasury Manager. In the absence of the Group Accountant (Financial Advice and Support), the responsibility will pass to any of the appropriate line managers.

It is proposed that all Treasury Management decisions that arise from the daily cashflow will be supported by the completion of a pro-forma which will evidence compliance with the strategy.

B. Long-term Investments

It is proposed that decisions regarding long-term investments be referred to the Acting Director of Corporate Services & S151 Officer (as Chief Financial Officer) after consultation with the Acting Head of Corporate Finance and the Finance Manager for Corporate Finance.

C. General Authorisations

Whilst it is generally the intention to refer all decisions regarding long-term borrowing to the Head of Corporate Finance, there are times when to do so will risk the loss of a potentially advantageous deal, due to non-availability. This is particularly relevant to the raising of PWLB loans.

The Authority's Treasury Management Adviser continually monitors the movement of interest rates and is able to predict the changes in PWLB rates. On occasions it may be necessary to respond to advice from the Adviser to take up PWLB loans (whether as part of the current years funding requirement, or as part of a rescheduling exercise) before interest rates increase and make the necessary application to the PWLB before their cut-off time. In these circumstances, it is not always possible to have access to the Acting Head of Corporate Finance, at short notice, for approval.

As a result, it is proposed that, in the event that the Acting Director of Corporate Services & S151 Officer is unavailable, the decision be referred, in the first instance, to the Acting Head of Corporate Finance, then to Corporate Finance Manager. In the absence of all three, then the decision will be made by the Group Accountant (Financial Advice and Support) provided that the reason for the transaction is appropriately documented, falls within the approved Annual Strategy and prudential indicators, and failure to act upon the advice given would result in additional interest charges.

In all of the foregoing, it must be remembered that any action taken, based on a view of interest rates, can only be assessed on the data available at the time.

Appendix 5 Treasury Management Strategy Indicators 2015/16-2017/18

	Budget 2015-16	Budget 2016-17	Budget 2017-18
	£k	£k	£k
Authorised limit for external debt -			
Borrowing	375,328	400,192	417,495
Other long term liabilities	37,869	35,790	34,389
Total	413,197	435,982	451,883
Operational boundary for external debt -			
Borrowing	300,262	320,153	333,996
Other long term liabilities	37,869	35,790	34,389
Total	338,132	355,944	368,384
Capital Financing Requirement	356,324	365,203	369,197
Upper limits for interest rate exposure			
Principal outstanding on borrowing	300,262	320,153	333,996
Principal outstanding on investments	65,000	65,000	65,000
Net principal outstanding	235,262	255,153	268,996
Fixed rate limit – 100%	235,262	255,153	268,996
Variable rate limit – 30%	70,579	76,546	80,699
Upper limit for total invested for over 364 days	40,000	40,000	40,000

	Upper Limit	Lower Limit
Maturity structure of fixed rate borrowing		
Under 12 months	35%	0%
Over 12 months and within 24 months	40%	0%
Over 2 years and within 5 years	50%	0%
Over 5 years and within 10 years	75%	0%
Over 10 years	100%	0%

Gross Debt and Net Debt	2015/16	2016/17	2017/18
	£k	£k	£k
Outstanding Borrowing	300,262	320,153	333,996
Other long term liabilities	37,869	35,790	34,389
Gross Debt	338,132	355,944	368,384
Less investments	65,000	65,000	65,000
Net Debt	273,132	290,944	303,384

Gross and The CFR	2015/16	2016/17	2017/18
	£k	£k	£k
Gross Debt	338,132	355,944	368,384
CFR	356,324	365,203	369,197
CFR Breached?	No	No	No

Appendix 6 - Prudential Indicators - Capital Finance

Ratio of Financing costs to net revenue stream	Budget 2015-16	Budget 2016-17	Budget 2017-18
General Fund	£k	£k	£k
Principal repayments	8,437	8,267	8,295
Interest costs	9,418	8,065	8,477
Debt Management costs	60	49	46
Rescheduling discount	-226	-226	-226
Investment income	-163	-488	-650
Interest applied to internal balances	847	810	886
Total General Fund	18,374	16,477	16,828
Net revenue stream	324,413	317,299	310,525
Total as percentage of net revenue stream	5.66%	5.19%	5.42%
Housing Revenue Account	£k	£k	£k
Principal repayments	914	3,881	4,346
Interest costs	2,082	6,386	7,045
Rescheduling discount	-58	-58	-58
Debt Management costs	15	33	34
Total HRA	2,953	10,242	11,368
Net revenue stream	41,000	42,600	44,000
Total as percentage of net revenue stream	7.20%	24.04%	25.84%

Estimate of <u>incremental impact</u> of capital investment on Council Tax and Housing Rents	Budget 2015-16	Budget 2016-17	Budget 2017-18
General Fund	£k	£k	£k
Unsupported borrowings - principal	493	335	199
- interest	643	432	257
Loss of investment income	36	10	18
Total	1,172	777	474
Impact on Band D council tax	19.67	13.04	7.95
Housing Revenue Account	£	£	£
Loss of investment income	217	344	4
Unsupported borrowings - principal	1,509	280	242
- interest	3,771	770	726
Running costs	0	0	0
Total	5,497	1,394	972
Impact on average weekly rent	0.09	0.38	0.61
<i>This is a notional calculation</i>			

Capital financing requirement [end of year position]	Budget 2015-16	Budget 2016-17	Budget 2017-18
	£k	£k	£k
Council Fund	239,890	237,928	233,214
Housing Revenue Account	116,434	127,276	135,984
Total Authority	356,324	365,203	369,197

Appendix 7 - Capital Expenditure and Funding

	Budget 2015-16	Budget 2016-17	Budget 2017-18
Expenditure	£k	£k	£k
Council Fund	14,861	11,061	9,202
Housing Revenue Account	36,290	33,100	39,100
Total	51,151	44,161	48,302
Funding			
Surplus/ (Deficit) Balance b/f	1,624	1,971	1,056
RCCO - Senior Pay (GF)	52		
RCCO- 12/13 Debt Management Saving (14/15 RCCO Budget)	128	128	128
Borrowings - Supported (GF)	4,985	4,985	4,985
General Capital Grant - WG	3,033	3,033	3,033
Customer First Capital Budget Underspend	122		
Borrowings - Unsupported (GF)	2,000	2,000	
General Fund Working Balances	4,845		
Capital Receipts 2014/15	43		
RCCO- (HRA)	28,700	15,900	12,100
Capital Receipts (HRA)	260	270	270
Borrowings - Unsupported (HRA)	-	9,600	19,400
Major Repairs Allowance (HRA)	7,330	7,330	7,330
Total	53,122	45,217	48,302
Surplus C/f	1,971	1,056	-

Appendix 8

MRP 2015/2016 Policy and Options

1. SUPPORTED BORROWING

OPTION 1 Regulatory Method	OPTION 2 Capital Financing Requirement Method
Existing method of charge, no change to revenue account	Similar to Option 1, but with a change that omits a Calculation 'Adjustment A' that was caused by LGR in 1996.

Recommendation - to use Option 2 which reflects the continuation of current arrangements.

2. UNSUPPORTED BORROWING

OPTION 3 Asset Life Method	OPTION 4 Depreciation Method
<p>Two approaches to calculate charge to revenue: -</p> <ul style="list-style-type: none"> a) Equal Instalment Method (EIM) Divides value of borrowing by estimated life of asset. Currently use 25 years. b) Annuity Method More complex with lower charge in early years, higher charge towards end of asset, when life of asset coming to end. 	Similar to Option 3 but considers the revaluation of the asset and revisions to the expected asset life. Can lead to uncertainty in respect of future charges to revenue account.

Recommendation - to use Option 3 and EIM which reflects the continuation of current arrangements.

One further change, applicable to the introduction of Options 3 and 4, is a delay in the commencement of the MRP charge. Under the existing statutory approach, the charge commences in the financial year following that in which the borrowing was incurred. Under these Options, it commences when the asset, which the borrowing has been used to finance, becomes operational. There will be no ongoing effect to the revenue account as a consequence of this change.

MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

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SPECIAL COUNCIL – 25TH FEBRUARY 2015

SUBJECT: BUDGET PROPOSALS 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY 2015/2018

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

1. PURPOSE OF REPORT

1.1 To seek Council approval of budget proposals for the 2015/16 financial year.

2. SUMMARY

2.1 The attached report was presented to Cabinet on the 4th February 2015.

2.2 The report provides an updated Medium-Term Financial Plan, full details of budget proposals for 2015/16 and details of the consultation process undertaken in relation to the proposed savings.

2.3 The recommendations in paragraphs 9.1.1 to 9.1.4 of the report were endorsed by Cabinet.

3. RECOMMENDATIONS

3.1 Council are asked to consider the attached report and its Appendices and approve the following recommendations:-

- (a) The Revenue Budget proposals for 2015/16 of £325.613m as set out in the report and summarised in Appendix 1.
- (b) The proposed Capital Programme for the period 2015/16 to 2017/18 as set out in Appendix 8.
- (c) The proposed use of the General Fund balances as detailed in Appendix 9.
- (d) The general principles for considering savings options for future years as detailed in paragraph 4.2.5 of the report.

4. REASONS FOR THE RECOMMENDATIONS

4.1 The Council is required annually to approve proposals to set a balanced budget, agree a Council Tax rate and update its Medium-Term Financial Strategy.

4.2 Council is required to put in place a sound and prudent financial framework to support service delivery.

5. STATUTORY POWER

5.1 The Local Government Acts 1998 and 2003.

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Appendix: Cabinet Report 04/02/15 – Budget Proposals 2015/16 and Medium-Term Financial Strategy 2015/2018.



CABINET – 4TH FEBRUARY 2015

SUBJECT: BUDGET PROPOSALS 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY 2015/2018

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

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the budget proposals contained within this report prior to final determination at Council on the 25th February 2015.

2. SUMMARY

- 2.1 On the 29th October 2014 Cabinet received a report providing an updated Medium-Term Financial Plan (MTFP) reflecting the Provisional 2015/16 Local Government Financial Settlement announced by the Welsh Government (WG) on the 8th October 2014. The report also included details of draft savings proposals for the 2015/16 financial year, along with a proposal to increase Council Tax by 3.9%. At the meeting Cabinet:-

- Endorsed a proposed package of 2015/16 savings totalling £12.208m.
- Agreed that these savings proposals should be subject to a further period of consultation prior to final 2015/16 budget proposals being presented to Cabinet and Council in February 2015.
- Supported a proposal to increase Council Tax by 3.9% for the 2015/16 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £992.02).

- 2.2 This report provides an updated position based on the Final 2015/16 Local Government Financial Settlement announced by WG on the 10th December 2014. The report also provides feedback on the further consultation undertaken and seeks Cabinet endorsement of final 2015/16 budget proposals for consideration by Council on the 25th February 2015.

- 2.3 The net 2015/16 revenue budget for the Council, if approved, would be £325,613m (as shown in Appendix 1).

3. LINKS TO STRATEGY

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

4. THE REPORT

4.1 Headline Issues in the 2015/16 Financial Settlement

4.1.1 The key points of the Provisional 2015/16 Local Government Settlement announced on the 8th October 2014 are summarised below: -

- There were three transfers into the settlement totalling £346k and three transfers out totalling £200k. Details are provided in paragraph 4.1.2
- The provisional Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates) for Caerphilly CBC for the 2015/16 financial year showed a reduction of 3.4% i.e. **a cash decrease of £9.087m.**
- As in previous years, WG, through the RSG formula, placed a requirement on Local Authorities to include provision of a 1% protection for schools based on the percentage applied by Central Government to WG's block grant. For 2015/16 this represents a 0.6% increase in respect of schools formula funding.
- No indicative settlement figures were provided by WG for 2016/17 and 2017/18.
- The capital allocations available to Caerphilly CBC in the RSG and from the General Capital Grant increased by £7k from the previous year.

4.1.2 Table 1 provides details of transfers in and out of the WG provisional financial settlement: -

Table 1 – Transfers In/Out 2015/16

	£m
Transfers In: -	
Local Government Borrowing Initiative – 21st Century Schools	0.133
Integrated Family Support Service	0.173
Autistic Spectrum Disorder	0.040
Transfers Out: -	
Student Finance Wales	(0.153)
Feed Safety Controls	(0.030)
National Adoption Service	(0.017)
TOTAL	0.146

4.1.3 Table 2 provides details of other passported grants included in the WG provisional financial settlement: -

Table 2 – Other Passported Grants 2015/16

	£m
Local Government Borrowing Initiative – 21st Century Schools	0.171
Council Tax Reduction Scheme	(0.106)
Private Finance Initiative	(0.202)
TOTAL	(0.137)

4.1.4 As in previous years, it is proposed that the above (both the increases and decreases in funding) are passed directly to those services that they relate to.

4.1.5 The Final 2015/16 Local Government Financial Settlement announced on the 10th December 2014 showed a confirmed reduction in the Aggregate External Finance (AEF) for Caerphilly CBC of 3.3%. This is a marginal improvement on the Provisional Settlement reduction of 3.4%, resulting in a cash reduction of £8.892m instead of the originally notified £9.087m (a net gain of £195k). However, the Final Settlement also confirmed a reduction of £29k in the 2015/16 Outcome Agreement grant.

4.2 Updated Medium-Term Financial Plan (MTFP)

- 4.2.1 The report presented to Cabinet on the 29th October 2014 included an updated MTFP based on the Provisional 2015/16 Financial Settlement and this is attached as Appendix 2a of this report. This updated MTFP showed a savings requirement of £12.866m for 2015/16, £14.030m for 2016/17 and £12.105m for 2017/18 based on an assumed year-on-year reduction of 3.4% in the AEF and a Council Tax increase of 2.35% per annum.
- 4.2.2 As mentioned in paragraph 4.1.1 of this report, WG have placed a requirement on Local Authorities to protect schools from the full extent of the cut in the AEF. In the absence of confirmation from WG for future years, it is assumed that this “pledge” will continue for 2016/17 and 2017/18. An updated schools’ MTFP has been prepared on this basis and this is attached as Appendix 2b. Members will note that even with this limited protection schools still face an anticipated shortfall of £1.370m for 2015/16, £2.888m for 2016/17 and £590k for 2017/18.
- 4.2.3 At its meeting on the 29th October 2014 Cabinet endorsed draft 2015/16 savings proposals totalling £12.208m and a recommended increase of 3.9% in the Council Tax to deliver a balanced budget. However, the change in the AEF between the Provisional and Financial Settlement and some other variations since that time provide some headroom as shown in Table 3 below: -

Table 3 – Changes from Provisional to Final Settlement

	£m
Increase in Aggregate External Finance (AEF)	0.195
Reduction in Outcome Agreement Grant	(0.029)
Living Wage Adjustment (Schools and HRA)	0.047
Confirmed Pay Award (Further 0.2% Growth Required)	(0.173)
Reduction in Fire Service Levy for 2015/16	0.151
5% Reduction in Cabinet Members’ Allowances	0.018
Change in Council Tax Base	0.057
TOTAL	0.266

- 4.2.4 In light of the above, and having due regard to the consultation process on the proposed savings, it is recommended that some of the 2015/16 savings proposals should be withdrawn, as set out in paragraph 4.4.1 of this report.
- 4.2.5 For planning purposes the indicative savings targets for 2016/17 and 2017/18 will remain at £14.030m and £12.105m respectively. During the coming months detailed work will be carried out to identify a range of savings proposals to meet the significant financial challenges that lie ahead. The process of identifying the further savings proposals required will bear in mind the following principles that were agreed with Members at a Seminar on the 3rd November 2014: -
- Protecting front-line services where we can and reducing expenditure on management and administrative costs.
 - Increasing fees and charges where appropriate
 - Reducing, rather than removing services where possible.
 - Focussing on priorities.
 - Looking at alternative ways of delivering services (collaboration, partnerships, community trusts, etc.).
- 4.2.6 Members are advised that the above principles were included in Phase 2 of the public consultation process and the responses received were supportive of the principles with the exception of increasing fees and charges.

4.3 2015/16 Budget Proposals

- 4.3.1 The proposals contained within this report would deliver a balanced budget for 2015/16 on the basis that Council Tax is increased by 3.9%. Table 4 provides a summary: -

Table 4 – Summary

Paragraph	Description	£m	£m
4.3.2	Whole Authority Cost Pressures	3.012	
4.3.3	Inescapable Service Pressures	2.680	
4.3.4	Reduction in WG Funding	8.892	
4.3.4	Reduction in Outcome Agreement Grant	0.029	
4.2.2	Reduction in Fire Service Levy		0.151
4.4	Draft Savings Proposals 2015/16		11.960
4.7	Council Tax Uplift (3.90%)		2.502
	TOTAL	14.613	14.613

- 4.3.2 The whole Authority cost pressures totalling £3.012m are set out in Table 5 (cost pressures for schools are excluded as the full cash pledge growth has been provided): -

Table 5 – Whole Authority Cost Pressures

	£m
Pay excluding Teachers and other school staff @ 1.2%	1.304
Living Wage increase (adjusted for schools and HRA)	0.117
Non pay inflation 1.5% (net of 1.5% fees & charges increases)	1.432
Supported Borrowing (Capital Financing)	0.150
Transfers in/out and other passported grants	0.009
TOTAL	3.012

- 4.3.3 It is incumbent upon Council to set a realistic budget each year. Table 6 provides details of those 2015/16 inescapable service commitments/pressures that have been identified and require consideration in respect of funding: -

Table 6 – Inescapable Service Pressures and Other Service Commitments

	£m
Council Tax Reduction Scheme additional liability	0.550
Waste Management contingency **	0.240
Contact Centre, Bargoed – Running costs	0.075
Meeting the Schools pledge	0.665
Social Services Demographics	1.000
Proposal for Waste Transfer Station (Ty Duffryn) **	0.150
TOTAL	2.680

*** To be held corporately and released in-year if required.*

- 4.3.4 The WG Final Settlement has decreased the available funding by 3.3% for the 2015/16 financial year, representing a cash reduction of £8.892m for Caerphilly CBC. Furthermore, the Outcome Agreement grant for 2015/16 has reduced by £29k.

4.4 2015/16 Savings Proposals

- 4.4.1 The report presented to Cabinet on the 29th October 2014 included draft 2015/16 savings proposals totalling £12.208m, full details of which are attached as Appendices 3 to 7 of this report.

- 4.4.2 As mentioned in paragraph 4.2.3 changes between the Provisional and Final Settlement and some other recent variations have provided some headroom. It is therefore recommended that proposed savings totalling £204k are withdrawn or amended for the 2015/16 financial year. It is further recommended that a budget of £25k should be established to provide matched funding for Community Schemes and that the balance of £37k should be set-aside as a budget pressures contingency.
- 4.4.3 The proposed Community Schemes budget will provide the potential for matched funding to be made available where Town and/or Community Councils or any other third party organisations are also prepared to provide financial support to maintain specific services. Support for these Schemes will be determined by Cabinet on a case-by-case basis.
- 4.4.4 Table 7 summarises the proposed changes to the draft 2015/16 savings proposals:-

Table 7 – Proposed Changes to Draft 2015/16 Savings Proposals

	£m	£m
Proposed Savings Endorsed by Cabinet (29/10/14)		12.208
Proposed 5% Reduction in Cabinet Members' Allowances		0.018
Total Proposed Savings		12.226
Savings Recommended for Withdrawal: -		
Increase in car park charges of typically 10p per hour	(0.030)	
Increase in car park excess charge notice penalties	(0.025)	
Introduction of Sunday car park charges	(0.010)	
Removal of 1 Environmental Health Officer post	(0.045)	
Savings Recommended for Amendment: -		
Increase in Meals on Wheels to be set at 50p instead of £1 per meal	(0.044)	
Civic Amenity Sites – Close 1 day per week instead of 2	(0.050)	(0.204)
Matched Funding for Community Schemes' budget		(0.025)
Budget Pressures budget		(0.037)
Adjusted 2015/16 Proposed Savings		11.960

- 4.4.2 Cabinet should note that savings proposals that do not have a direct impact on services users or the public have been categorised into a single line for each Directorate in Appendices 3 to 7. These proposals consist in the main of vacancy management, budget realignment and minor changes to service provision and the detail of these proposals will have been presented to Special Scrutiny Committees during the Summer and Autumn of 2014. Across all Directorates these savings proposals total £6.627m, which represents 55.4% of the total adjusted savings identified of £11.960m. Members at Special Scrutiny Committees were supportive of these types of savings proposals.
- 4.4.3 Some savings proposals will have a part-year impact in 2015/16 as they involve a long lead-in period. These proposals will, however, deliver significant further savings in 2016/17 and the most notable are the following: -

Table 8 – Main Proposals with 2015/16 Part-Year Impact

Saving Proposal	2015/16 Saving £m	2016/17 Savings £m
Street Lighting	0.100	0.350
Review of Customer Services	0.125	0.125
Reduction in Street Cleansing	0.100	0.200
Closure of Ty Pontllanfraith	0.100	0.600
TOTAL	0.425	1.275

4.4.4 Cabinet is asked to endorse the proposed package of savings totalling £11.960m as detailed in Appendices 3 to 7 and adjusted in Table 7.

4.5 Capital Programme 2015/16 to 2017/18

4.5.1 The proposed Capital Programme for the period 2015 to 2018 is detailed in Appendix 8 of this report and is summarised in Table 9: -

Table 9 – Summary Capital Programme Funding 2015/2018

	2015/16	2016/17	2017/18
Capital Programme Proposals	14,861	11,061	9,202
WG Funding Available	8,018	8,018	8,018
Capital Funding Gap	(6,843)	(3,043)	(1,184)
Funded By: -			
Surplus (Deficit) c/fwd	1,624	1,971	1,056
Customer First Capital Budget Underspend	122		
Prudential Borrowing for Bargoed Cinema	2,000	2,000	
Senior Pay Revenue Contribution to Capital	52		
RCCO- 12/13 Debt Management Saving (2014/15 RCCO Budget)	128	128	128
Capital Receipts 2014/15	43		
General Fund Working Balances	4,845		
Total Additional Funding	8,814	4,099	1,184
Surplus (Deficit) carried forward	1,971	1,056	0

4.5.2 Council has previously determined that the prudential borrowing for the Bargoed Cinema would be funded by annual lease rental income from the lessee of the premises. The proposed cinema will be subject to a separate report to Council at a later date.

4.5.3 Cabinet will note that a contribution from the General Fund of £4.845m is required to ensure that a fully funded Capital Programme is achievable.

4.6 General Fund Balances

4.6.1 Details of the projected movement on General Fund balances are provided in Appendix 9. There are no known further allocations to General Fund at this time over and above those identified.

4.6.2 Going forward, there is limited scope for any significant additional surpluses or receipts being available to replenish the General Fund. This is down to growing service pressures in key areas, ongoing reductions in WG funding and an ever-reducing Capital Programme.

- 4.6.3 A review of reserves has recently been undertaken and Members will note that as a result of this earmarked reserves no longer required totalling £756k have been transferred into General Fund balances.
- 4.6.4 Members will be aware that provisions have previously been approved to fund the ongoing cost of the suspensions of the Chief Executive Officer, Deputy Chief Executive and Head of Legal Services. These approved provisions cover the cost of the suspensions to the 31st March 2014. Based on information currently available it has been determined that it would be prudent to establish a further provision for the period covering the 1st April 2015 to the 31st January 2016. This equates to £401k and at this point in time this is considered to be the worst-case scenario.
- 4.6.5 Some of the 2015/16 savings proposals will require one-off capital investments to ensure that the ongoing revenue savings are achievable. These investments total £1.822m and are summarised in Table 10: -

Table 10 – One-off Investments to Support 2015/16 Savings Proposals

Saving Proposal	Full-Year Saving £m	Investment Required £m
Street Lighting	0.450	0.980
Closure of Ty Pontllanfraith	0.700	0.750
Public Libraries – Review of Opening Hours	0.134	0.070
Removal of Flower Beds (Parks/Open Spaces)	0.040	0.015
Gritting – Route Optimisation	0.060	0.007
TOTAL	1.384	1.822

- 4.6.6 A contribution from General Fund balances of £4.845m is proposed to ensure that a balanced Capital Programme can be achieved for the period 2015/16 to 2017/18 (as set out in Appendix 8). Members should note that this includes £3.787m in respect of potential unfunded liabilities in relation to former Capital Schemes that could be subject to some form of negotiated settlement.
- 4.6.7 The Authority has determined at Council, in recent years, to keep the General Fund reserves at a level of circa £10m, which is 3% of the net revenue budget. It is still considered appropriate to maintain the General Fund balance at this level. The proposals in this report, if approved, would result in a projected General Fund balance of £10.078m as at the 31st March 2015.

4.7 Council Tax Implications 2015/16

- 4.7.1 The Medium Term Financial Strategy approved by Council on the 26th February 2014 included indicative increases to Council Tax for 2015/16 and 2016/17 of 2.35%.
- 4.7.2 The 2015/16 savings proposals presented in this report total £11.960m and after allowing for the reduction in the Fire Service Levy of £151k, this leaves a shortfall of £2.502m to deliver a balanced budget. Accordingly, it is proposed that the Council Tax level for 2015/16 be increased by 3.9% i.e. Council Tax Band D be set at £992.02 per annum (an increase of 71p per week).

5. EQUALITIES IMPLICATIONS

- 5.1 Equalities Impact Assessments have been completed for all of the savings proposals contained in this report that impact on the public and service users. Arrangements are currently being made to ensure that these will be available on the Council's website.

6. FINANCIAL IMPLICATIONS

6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 It is impossible to conceive that savings of £39m over three years can be achieved without reductions in staffing levels. The fact is that by the end of the 2017/18 financial year the Council will have to become a significantly smaller organisation, in some respects offering a reduced range of services.
- 7.2 The Council has always prided itself on seeking to avoid compulsory redundancies at all costs, and this general ambition remains. However, given the situation in which the Council now finds itself, nothing can be guaranteed.
- 7.3 Where staff reductions are required the Council will firstly try to achieve the reduction through 'natural wastage' and not filling vacancies. It is unlikely, however, that staff turnover over a three-year period will be sufficient to deal with the likely numbers involved.
- 7.4 The Council has a policy on redeployment, which will be the next preferred option. Thereafter, the Council has recently adopted a number of policies, which will enable it to invite applications for voluntary severance. These will be applied on a service by service basis to assist with restructuring or 'downsizing' within those services rather than on an Authority-wide basis, as this would run the danger of creating vacancies in the wrong areas and with the wrong skill sets to accommodate those displaced and requiring redeployment.
- 7.5 The budget strategy for the next three years is likely to require a more proactive approach to restructuring than we have seen in most areas and some difficult decisions will undoubtedly be needed to prioritise roles and functions, as the Authority itself develops a more focussed approach to priorities among its various services.

8. CONSULTATIONS

- 8.1 A series of Special Scrutiny Committees was held during the Summer and Autumn of 2014 to consider savings proposals. These were followed by a further round of meetings during December 2014 and January 2015 to specifically focus on the 2015/16 savings proposals endorsed by Cabinet on the 29th October 2014. The draft minutes of the Regeneration & Environment Scrutiny Committee (1st December 2014) and Health, Social Care & Well-being Scrutiny (2nd December 2014) are attached as Appendices 10 and 11. Also attached as Appendix 12 is the approved minutes of the Policy & Resources Scrutiny Committee held on the 8th December 2014. The minutes of the Education for Life Scrutiny held on the 13th January 2015 are not yet available but the Committee endorsed the 2015/16 savings proposals.
- 8.2 There was also a further meeting of the Policy and Resources Scrutiny Committee on the 20th January 2015 where the 2015/16 savings proposals were endorsed subject to earlier comments made by the Committee. The Committee also expressed its preference of the option for savings in Customer First involving a reduced cashiers service in Newbridge, and Bargoed, Risca and Ponyllytyn Customer First Centres closing at 3:30 p.m.
- 8.3 The views of the Scrutiny Committees are noted in the detailed draft savings proposals set out in Appendices 3 to 7.
- 8.4 A detailed public consultation process has also been undertaken in two distinct Phases. This has involved two public surveys, 'drop-in' sessions and separate consultation events with the Youth Forum, the Viewpoint Panel and the Voluntary Sector Liaison Committee. Full details

are provided in Appendix 13. A consultation event was also held with the 50+ Forum and details of this are attached at Appendix 14.

8.5 Town and Community Councils have also been invited to comment upon the proposed 2015/16 savings proposals and Appendix 15 provides details of the responses received.

8.6 The Trade Unions have also provided a response on the savings proposals. This is attached as Appendix 16 and is cross-referenced to the savings proposals in Appendices 3 to 7 of this report.

9. RECOMMENDATIONS

9.1 Cabinet is asked to endorse the following prior to consideration and determination at Council on the 25th February 2015: -

9.1.1 The Revenue Budget proposals for 2015/16 of £325,613m as set out in this report and summarised in Appendix 1.

9.1.2 The proposed Capital Programme for the period 2015/16 to 2017/18 as set out in Appendix 8.

9.1.3 The proposed use of the General Fund balances as detailed in Appendix 9.

9.1.4 The general principles for considering savings options for future years as detailed in paragraph 4.2.5 of this report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 The Council is required annually to approve proposals to set a balanced budget, agree a Council Tax rate and update its Medium Term Financial Plan.

10.2 Council is required to put in place a sound and prudent financial framework to support service delivery.

11. STATUTORY POWER

11.1 The Local Government Acts 1998 and 2003.

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Consultees: Corporate Management Team
Cllr Keith Reynolds, Leader
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services
Cllr Christine Forehead, Cabinet Member for HR & Governance / Business Manager
Andrew Southcombe, Finance Manager, Corporate Finance
Gail Williams, Interim Head of Legal Services & Monitoring Officer
David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)

Background Papers:

- Provisional 2015/16 Local Government Settlement (8th October 2014)
- Cabinet Report 29th October 2014 – Draft Savings Proposals for 2015/16
- Provisional Local Government Settlement (10th December 2014)

Appendices:

- Appendix 1 Net Revenue Budget 2015/16
- Appendix 2a Updated Medium-Term Financial Plan 2015/16 to 2017/18
- Appendix 2b Schools Medium-Term Financial Plan 2015/16 to 2017/18
- Appendix 3 2015/16 Draft Savings Proposals – Whole Authority
- Appendix 4 2015/16 Draft Savings Proposals – Education & Lifelong Learning
- Appendix 5 2015/16 Draft Savings Proposals – Social Services
- Appendix 6 2015/16 Draft Savings Proposals – Environment
- Appendix 7 2015/16 Draft Savings Proposals – Corporate Services
- Appendix 8 Capital Programme 2015/16 – 2017/18
- Appendix 9 Movement on General Fund Balances
- Appendix 10 Draft Minutes of Regeneration & Environment Scrutiny Committee (01/12/14)
- Appendix 11 Draft Minutes of Health, Social Care & Well-being Scrutiny Committee (02/12/14)
- Appendix 12 Minutes of Policy & Resources Scrutiny Committee (08/12/14)
- Appendix 13 Budget Consultation Feedback 2015/16 – Summary Responses from the Public
- Appendix 14 Budget Consultation Feedback 2015/16 – Summary Responses from 50+ Forum
- Appendix 15 Budget Consultation Feedback 2015/16 – Summary Responses from Town & Community Councils
- Appendix 16 Consultation Feedback from the Trade Unions

APPENDIX 1

NET REVENUE BUDGET 2015/16

	£' 000	£' 000
Base Budget 2014-15	332,032	
Revised Base Budget 2013-14		332,032
Transfers Out 2015-16		
Student Finance Wales	(153)	
Feed Safety Controls	(30)	
National Adoption Service	(17)	
		(200)
Transfers In 2015-16		
Local Government Borrowing Initiative – 21 st Century Schools	133	
Integrated Family Support Services	173	
Autistic Spectrum Disorders	40	
		346
New Responsibilities		0
Whole Authority Cost Pressures		
Pay excluding Teachers and other School staff @ 1.2%	1,304	
Living wage increase (adjusted for Schools and HRA)	117	
Non pay inflation 1.5% (net of 1.5% fees & charges increases)	1,432	
Supported Borrowing (Capital Financing)	150	
Other Passported Grants to be supported by the Council	(137)	
		2,866
Inescapable Service Pressures		
Council Tax Reduction Scheme (CTRS) additional liability	550	
Waste Management Contingency	240	
Contact Centre Bargoed – Running Costs	75	
Meeting the Schools Pledge	665	
Social Services Demographics	1,000	
Proposal for waste transfer station (Ty Dyffryn)	150	
		2,680
Reduction in Fire Service Levy		(151)
Draft Savings Proposals – 2015/16		
Whole Authority – Corporate Nature	(3,957)	
Education and Lifelong Learning	(809)	
Social Services	(3,128)	
Environmental Services	(2,852)	
Corporate Services	(1,462)	
5% reduction in Cabinet Members Allowances	(18)	
Proposed Savings Adjustments (to be agreed)	266	
		(11,960)
Total in year movement		(6,419)

Proposed Expenditure		325,613
Funding - Final Settlement		
WG Support		(263,692)
Council Tax (3.9%)		(58,845)
Use of Outcome Agreement Grant		(1,876)
Use of Balances : Council Tax Surplus		(1,200)
Total Funding		(325,613)

APPENDIX 2a

UPDATED MEDIUM-TERM FINANCIAL PLAN 2015/16 – 2017/18

Description	2015/16 £m	2016/17 £m	2017/18 £m
Aggregate External Finance (AEF)	(9,087)	(8,784)	(8,491)
Council Tax @ 2.35%	1,569	1,598	1,642
Total Funding	(7,518)	(7,186)	(6,849)
Pay 1.0%, 1.0%, 1.0%	1,131	1,131	1,131
Living Wage (assumes pledge funds schools)	164	164	164
Non-Pay Inflation (1.5% p.a.)	1,672	1,672	1,672
Non-Pay Inflation (1.5% p.a.) – Fees and Charges	(240)	(240)	(240)
Capital Financing	150	150	150
Transfers In/Out	146	0	0
Other Passported Grants	(137)	0	0
Sub-Total	2,886	2,877	2,877
Service Pressures/Additional Funding			
CTRS Additional Liability @ 2.35%	332	339	347
Welfare Reforms LA Costs	0	100	100
Waste Management Contingency	240	0	0
Contact Centre, Bargoed – Running costs	75	0	0
Schools Pledge	665	628	632
Social Services Demographics	1,000	1,000	1,000
Employer NI Increase (April 2016) – Excludes schools	0	1,600	0
Proposal for Waste Transfer Station (Ty Duffryn)	150	0	0
Other Service Pressures	0	300	300
Sub-Total	2,462	3,967	2,379
Total Shortfall	12,866	14,030	12,105

APPENDIX 2b

SCHOOLS MEDIUM-TERM FINANCIAL PLAN 2015/16 TO 2017/18

	<u>2015/16</u> <u>£000</u>	<u>2016/17</u> <u>£000</u>	<u>2017/18</u> <u>£000</u>
Funding to meet pledge	665	665	665
Inflationary pressures			
Pay award – teachers (1%,1%,1%)	689	705	723
Pay award – APT&C (1%, 1%,1%)	99	100	101
Non pay (1.5%, 1.5%,1.5%)	272	276	281
Superannuation (2.3% increase from 01/09/15)	825	589	0
NI increase – Contracted out staff	0	1,663	0
Service Pressures			
E.g. premises related changes (i.e. floor area), FSM	150	220	150
TOTAL PRESSURES	2,035	3,553	1,255
Less pledge monies	665	665	665
Projected shortfall	1,370	2,888	590

APPENDIX 3

2015/16 DRAFT SAVINGS PROPOSALS – WHOLE AUTHORITY

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
WHOLE AUTHORITY COSTS				
WA1 - General - Savings that have no direct impact on service users	2,312			
WA2 - Apprentice/trainee costs - reduce budget to £150k and supplement with use of earmarked reserves	345	Minimal impact upon public and service users	Low	Scrutiny 17/6 supported a phased reduction to £150k p.a by 17/18 using reserves. A review of reduced scheme to be undertaken prior to 17/18
WA3 Assistance to voluntary sector	30	11% of total budget	Low	This saving will initially be met by utilising retained underspends from previous years. The ongoing saving will be met through revisions to the Council's discretionary rate relief policy. This will be subject to a further report to Scrutiny and Cabinet.
WA4 -Project Gwyrdd	1,169	Previously agreed by full Council		Previously agreed by full Council
WA5 - HMRC Mileage Rate - Reduction in mileage rate from 50p to 45p. £135k full year saving	101	17 Welsh Local Authorities have already adopted the approved HMRC rate (45p). A further 3 Authorities are considering this for 2015/16.		Scrutiny 24/9 - Members requested that this be deferred for one year to April 2016.
TOTAL WHOLE AUTHORITY COSTS	3,957			

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APPENDIX 4

2015/16 DRAFT SAVINGS PROPOSALS – EDUCATION & LIFELONG LEARNING

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
EDUCATION & LIFELONG LEARNING				
ED1 - General - Savings that have no direct impact on service users	692			
ED2 - Public Libraries - Review of opening hours (tapered delivery linked to present banding & population profiles) - Full year saving £134k	67	Potential minor impact on public	Low/Med	Scrutiny 13/1 supported the proposal
ED3 - Recoupment (SEN Out of County/ LAG Inter Authority)	50	Little risk because of the level of historical budget underspends	Medium	Scrutiny 13/1 supported the proposal
TOTAL EDUCATION & LIFELONG LEARNING	809			

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APPENDIX 5

2015/16 DRAFT SAVINGS PROPOSALS – SOCIAL SERVICES

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
SOCIAL SERVICES				
SS1 - General - Savings that have no direct impact on service users.	1,568			Scrutiny 16/10 - proposal supported by members.
SS2 - Reduction of 3 social workers per division with the intention to achieve by vacancy management	219	This will be achieved through vacancy management.	Medium	Scrutiny 16/10 - Clarification was requested in respect of the "opportunity to consider the future of vacant posts". Officers explained that this related to the recently approved Children's Services restructure.
SS3 - Removal of £1m demographic growth for 2015/16.	1,000	Current Social Services revenue budget projections for 2014/15 indicate an underspend. In light of these projections the £1 million demographic growth funding will not be required for 2015/16. Due to the volatility of demand on Social Services this does present a potential risk. However, if there are any resulting overspends in 2015/16 these will be met from service reserves.	Low/Med	Scrutiny 16/10 - proposal supported members.
SS4 - Independent Sector Domiciliary Care - Elderly - Review of shopping service.	40	Alternative services will need to be explored with service users.	Medium	Scrutiny 02/12 - Supported withdrawal where they can be signposted to other appropriate options, if none available service to continue for the individual and constantly reviewed.
SS5 - Meals on Wheels - Increase of £1 per meal.	88	Potential for reduced take up.	Medium	Scrutiny 16/10 - Members recommended increase of £1.50, which would result in a saving of £132k.

SS6 - Own Day Care - Review of day centre provision. Full Year saving £255k.	128	Relocation of service provision within the same community.	Medium	Scrutiny 16/10 - proposal supported by Members.
SS7 - Home Assistance and Reablement Team (H.A.R.T.) - Review of domiciliary care provision. This to include vacancy management, shopping, laundry, sitting, single handed hoisting, telecare options and other community support etc.	85	Task and Finish Group to be established to review options.	Medium	Scrutiny 16/10 - proposal supported by Members.
TOTAL SOCIAL SERVICES	3,128			

APPENDIX 6

2015/16 DRAFT SAVINGS PROPOSALS – ENVIRONMENT

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
<p>ENVIRONMENT</p> <p>REGENERATION, PLANNING & ECONOMIC DEVELOPMENT</p> <p>EN1 - General - Savings that have no direct impact on service users.</p>	530			
<p>EN2 - Removal of Bargoed ice rink from December 2015.</p>	20	Reduced events availability to local residents that visit the ice rink.	Low	Scrutiny 01/12 - unless alternative funding could be sourced to sustain service, members supported the proposal.
<p>EN3 - Community Regeneration - Area Forum Budget removal. Utilise reserves of £162k over next few years.</p>	72	Minimal impact as these schemes are additional to core maintenance provision. In addition some wards/partnership areas do not spend the allocation hence the £162k reserve. Impact would be reduction in small community schemes delivered and the availability of funds to provide match funding for community facilities.	Low	Scrutiny 01/12 - members unanimously supported the proposal on the basis that balances by ward ring fenced and would be reviewed when remaining balances spent
<p>TOTAL REGENERATION, PLANNING & ECONOMIC DEVELOPMENT</p>	622			
<p>ENGINEERING DIVISION</p> <p>EN4 - General - Savings that have no direct impact on service users.</p>	179			

EN5 -Highways Operations - Street Lighting - Full year saving £450k.	100	A combination of options will generate £450k saving in full year, including energy reduction initiatives and some part-night lighting in residential areas. An upfront investment of £980k will be required. Present indications are that £290k can be achieved via new technologies with £160k achieved via part-night lighting.	Medium	Scrutiny 01/12 - proposal unanimously supported.
EN6 - Highways Operations - Reduction in planned carriageway resurfacing budget (20% of budget).	300	Reduction in revenue budget will defer investment in Council's largest asset for future years. Further development of risk rating/prioritisation process will be needed. Possible increase in reactive maintenance and insurance liability. Limited workforce impact.	Medium	Scrutiny 01/12 - proposal unanimously not supported.
EN7 - Highways Operations - Reduction in planned footway resurfacing budget (12% of budget).	60	Further development of risk rating/prioritisation process will be needed. Possible increase in reactive maintenance and insurance liability. Limited workforce impact.	Medium	Scrutiny 01/12 - proposal unanimously not supported.
EN8 -Highways Operations - Gully Reed Bed recycling. Increase income by promoting facility to other authorities and private sector.	10	Additional promotion with adjoining authorities to increase use of facility needed. Relies on winning new customers. No formal consultation required. No effect on jobs.	Low	Scrutiny 12/6 - Supported.
EN9 -Highways Operations - Reduce highways reactive maintenance budget by 4%.	50	Reduction in planned maintenance will create a real risk of an increase in reactive maintenance work, which together with a reduction in this budget creates an additional risk of increased insurance liability. Reduction of 1 no. in workforce.	Medium	Scrutiny 01/12 - proposal unanimously supported.
EN10 - Highways Operations - Reduce highway/land drainage planned maintenance budget by 11%.	30	Reduction will slow down investment in the infrastructure that deals with climate change. No formal consultation required. This will contribute to an aggregated reduction in jobs within NCS (0.6 FTE). This will be achieved through vacancy management.	Medium	Scrutiny 01/12 -proposal unanimously supported.

EN11 - Gritting – Route optimisation.	60	Route optimisation being undertaken to provide an option to maintain existing coverage whilst utilising less resources. No effect on jobs.	Low	Scrutiny 01/12 -proposal unanimously supported.
EN12 - Highways Operations - Reduce aids to movement budget by 25% (road markings/signs/crossing points).	25	Small reduction in current work levels. Minimal risk. No consultation required. No direct effect on jobs. However, will add to an aggregated reduction in overall budgets, which will result in job reductions (0.5 FTE). This will be achieved through vacancy management.	Low	Scrutiny 12/6 - proposal supported.
EN13 - Highways Operations - Reduction in highways/land drainage reactive maintenance budget by 4%.	20	Difficult to assess impact as budget is weather susceptible. No consultation required. This will contribute to an aggregated reduction in jobs within NCS (0.4 FTE). This will be achieved through vacancy management.	Medium	Scrutiny 12/6 - proposal not supported.
EN14 - Highways Operations - Reduction in structures and retaining walls budget by 10%.	50	There could be an increase in third party claims, which would create a further pressures on available reactive maintenance budget. There also could be unpredicted failures of some structures due to lack of inspection/maintenance. This has been mitigated by a review of future projects with some now being defined as capital rather than revenue.	Low	Scrutiny 01/12 - proposal unanimously supported.
EN15 - Highways Operations - Remove financial support for Christmas lighting in towns and villages.	35	Historic anomalies in amounts of funding to various bodies. No formal consultation required. No impact on jobs. No risk in removing budget. Community councils/town councils will need to arrange their own funding.	Low	Scrutiny 12/6 - Supported but a list of areas affected to be provided.
EN16 - Highways Operations -Increase Highways adoption and agreement fees by 10%	15	Raise fees in line with neighbouring councils. No public consultation required. No effect on jobs.	Low	Scrutiny 01/12 - proposal unanimously supported
EN17 - Transport Engineering - Cease holding events in pay & display car park sites. Events lead to loss of car park income.	20	Either events cover loss of income, are held in other locations or are not held. No public consultation required. No effect on jobs.	Low	Scrutiny 12/6 - Supported subject to further liaison with Planning & Regeneration.

EN18 -Transport Engineering - Car park tariffs. Increase car parking charges by typically 10p per hour.	30	Other councils are considering similar actions. Formal notification procedure required. No negative effect on jobs. No public consultation required.	Low	Scrutiny 01/12 -the majority present supported the proposal.
EN19 - Transport Engineering - Management of off-street car parks - increase excess charge notice penalty.	25	No impact on service. No effect on jobs. Public consultation required.	Low	Scrutiny 12/6 - proposal supported.
EN20 - Transport Engineering - Management of off-street car parks - introduce Sunday charges	10	No impact on service. No effect on jobs. Public consultation required.	Low	Scrutiny 01/12 -majority present supported the proposal.
EN21 - Passenger Transport - Concessionary pass replacements. Increase charges - currently £5 for second and subsequent - revise to £5 for first and £10 for subsequent replacements.	7	No impact on service. No public consultation required. No effect on jobs.	Low	Scrutiny 12/6 - proposal supported.
EN22 - Review of Passenger Transport Services - Full year impact £150k. TOTAL ENGINEERING DIVISON	24	No effect on jobs. Public consultation required.	Medium	Scrutiny 01/12 - proposal unanimously supported.
	1,050			
PUBLIC PROTECTION EN23 - General - Savings that have no direct impact on service users	22			
EN24 - Licensing - Income - Increase fees.	8	Fees will be increased to recover costs as appropriate. This will result in increased cost to the service user and may lead to a fall in take up of the service.	Low	Scrutiny 4/9 - Supported.
EN25 - Registrars - Income - Increase fees.	10	Fees will be increased to recover costs as appropriate. This will result in increased cost to the service user and may lead to a fall in take up of the service.	Low	Scrutiny 4/9 – Supported.

<p>EN26 - Health Improvement Officer - 1 vacant post (0.6 FTE) & Senior Health Improvement Officer - 1 vacant post (1 FTE).</p>	77	<p>The Health Improvement Team strategically leads and delivers the local response to Health Challenge Wales and Change 4 Life Interventions as well as contribution to our Corporate Health activities. The Team consists of 5.4 FTE with 1.8 FTE delivering the Healthy Schools Programme and funded by grant. Deleting 1.6 FTE will significantly impact upon the capacity of team, as 1 post is the Senior Officer. Alternative line management arrangements will need to be put in place.</p>	Medium	<p>Scrutiny 01/12 - Members supported the proposal.</p>
<p>EN27 - Enforcement - Environmental Health Officer - 1 vacant post (1 FTE).</p>	45	<p>Reducing the 3 EHOs within the General Environmental Health Team to 2 will extend the time taken to deal with and investigate service requests. The Team protects public health and quality of life by dealing with complaints of nuisances or hazards to health. E.g. noise, defective drains and sewers, investigation of odours, and bonfires etc. They deal with filthy and verminous premises, and travellers' sites, and are also involved in problems of pest infestations, straying animals and irresponsible dog ownership. They also enforce in relation to littering, dog fouling and fly tipping activities.</p>	Medium	<p>Scrutiny 01/12 - Unanimously agreed that members were not in support of this proposal.</p>
<p>TOTAL PUBLIC PROTECTION</p>	<p>162</p>			
<p>COMMUNITY & LEISURE SERVICES EN28 - General - Savings that have no direct impact on service users.</p>	338			
<p>EN29 - Parks & Playing Fields - Cessation of summer "Bands in the Park" events programme.</p>	2	<p>Little or no impact on appearance of County Borough but there may be a small number of complaints given the limited audience that typically enjoy these events.</p>	Low	<p>Scrutiny 01/12 - the majority supported the proposal provided that consultation took place with Town and Community Councils for funding to support the events.</p>

EN30 - Residual Waste - Charging for all replacement containers.	60	Suggested charging regime :-Replacement/new issue bins £25 Replacement/new issue boxes £6 Replacement/new issue garden waste bags £3. Where residents request bags for recycling/waste £5 per roll of 25. The only options for taking payment would be via card or at cash offices as it would not be cost effective to raise sundry debtor invoices for these amounts.	Low	Scrutiny 01/12 - the majority present supported the proposal.
EN31 - Street Cleansing - Reduced cleaning on bank holidays. Cleansing will be reduced to same levels as weekends.	13	The only cleansing that will occur on bank holidays will be early mornings in town centres	Medium	Scrutiny 01/12 -members unanimously supported the proposal.
EN32 - Street Cleansing - Reduction in weed removal budget. Reduced contribution to winter rear lane grubbing out team.	100	May result in increases in complaints from the public if weather conditions support weed growth.	Med/High	Scrutiny 30/7 - proposal supported.
EN33 - Parks and Playing Fields - 2nd phase of the removal of flower beds in parks & open spaces.	40	Phase 1 completed in 2014/15 without any real issues.	Low	Scrutiny 30/7 - proposal supported.
EN34 - Parks and Playing Fields -Cessation of pitch marking and handing over pitch marking responsibilities to the clubs.	30	Officers have considered this alternative option involving cessation of regular pitch marking and handing over pitch marking responsibility to clubs (subject to consultation).The saving would be the same but some pitch renovation could then be undertaken. The clubs would be expected to purchase materials themselves.	Medium	Scrutiny 01/12 -Members unanimously supported the proposal to handover pitch marking responsibilities to clubs.
EN35 - Parks and Playing Fields - Increase outdoor facility charges by 20%.	20	Further options which considered the effect of increasing outdoor charges for adults but retaining existing pricing structure for juniors. Increases by 30%=£20k, 40%=£27k, 50%=£31k, 100%=£69k.	Medium	Scrutiny 01/12 -the majority supported the option of increasing adult charges by 30%.
EN36 - Cwmcarn Leisure Centre - Centre closed.	25	Consulting with key stakeholders. Discussions ongoing with school regarding principles of transfer of facility, but capital liability issues still to be resolved. This will be subject to a further report.	Low	Scrutiny 30/7 - Members supported option not to reopen as a leisure centre.

EN37 - Parks and Playing Fields - Review park ranger service to reduce from 18 to 12.	40	Can be accommodated by not engaging agency staff in the Spring of 2015.	Medium	Scrutiny 30/7 - Subject to consultation with Trade Unions and Town Councils, Members happy to support.
EN38 - Street Cleansing - Reduce number of pedestrian sweepers operated by from 4 to 3.	14	Rationalisation of the number of small sweepers will reduce the ability to cover the whole borough, other than for specific periods.	Low	Scrutiny 30/7 - proposal supported.
EN39 - Parks and Playing Fields - Cessation of litter picking at 14 parks on Saturdays.	12	May result in increased littering (particularly in spring/summer). Potential for increase in public complaints.	Medium	Scrutiny 01/12 - unanimously supported the proposal on the proviso that the bins are emptied on a Friday.
EN40 - Parks and Playing Fields - Removal of Barrier Attendants at 5 locations.	14	Car parks (at parks) will remain open. May result in increased littering and anti-social behaviour after hours.	Medium	Scrutiny 01/12 - Although concerns were raised re potential increase in anti social behaviour the majority present supported the proposal.
EN41 - Sport & Leisure - Closure of Bedwas swimming pool on Sundays.	10	This process can be managed easily at Bedwas with no staffing issues or changes to permanent terms and conditions. Bedwas has an average Sunday usage level of 25 pool visitors.	Low	Scrutiny 01/12 - proposal unanimously supported.
EN42 - Sport & Leisure - Average price increase of 5% (+ inflation) on leisure centre fees.	100	Additional cost of 5% to users e.g.: Swim from £3.05 to £3.20 - Gym from £4.25 to £4.45.	Low/Med	Scrutiny 01/12 - proposal unanimously supported.
EN43 - Waste Strategy & Operations - Closure of Civic Amenity Sites for 2 days/week + 1 hour on other days.	100	In order to achieve the £100k saving all 6 sites would need to close on 2 days per week (on a rotational basis) or, alternatively 1 site could be permanently closed. Closure of less than 6 sites for 2 days/week would not realise the £100k saving that is required.	Medium	Scrutiny 01/12 - the majority present supported the proposal.

<p>EN44 - Waste Strategy & Operations - Reduction in cleansing budget. Full year impact £300k.</p>	<p>100</p>	<ul style="list-style-type: none"> •The full year proposed saving represents 7.4% of the total cleansing budget of £4.075m and will require the cleansing workforce to reduce by 15, which can be managed via early retirements/voluntary severance. • There will be a significant impact in the cleanliness of the county borough. • An increase in back office and Contact Centre workload could result from an increase in public complaints. • Given the time constraint in identifying additional savings there has been limited consultation with Trade Unions, Contact Centre etc. • Contact Centre Service Level Agreement for nappy waste & missed collections will need to be reviewed and replaced with a 7 day response. 	<p>High</p>	<p>Scrutiny 01/12 -proposal not supported by the majority present</p>
<p>TOTAL COMMUNITY & LEISURE SERVICES</p>	<p>1,018</p>			
<p>TOTAL ENVIRONMENT</p>	<p>2,852</p>			

APPENDIX 7

2015/16 DRAFT SAVINGS PROPOSALS – COPORATE SERVICES

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
CORPORATE SERVICES				
CS1 - General - Savings that have no direct impact on service users.	986			
CS2 - Withdrawal of 'additional help for pensioners with their Council Tax funding'.	246	The majority of Authorities in Wales are proposing to withdraw this funding for 2015/16. Withdrawal of the funding for this scheme may need 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.	Low	Scrutiny 24/9 - Supported 50% withdrawal of funding in 2015/16 with remainder of funding being withdrawn in 2016/17.
CS3 - Communications Unit - Cease to fund twinning corporately.	5	Twinning activities with schools and young people will continue via officer support.	Low	Scrutiny 17/6 - Supported
CS4 - Review of Customer First - Full year impact estimated at £250k, part year impact 15/16.	125	Various options predominantly based around a reduction in hours at Customer First centres, although one option includes withdrawal of payment service from Newbridge library. Any reduction in face to face service will have a detrimental effect on users of this service. Also the staffing establishment would need to reduce by 5.7 FTE.	Low/Med	Scrutiny 20/1 – Option 3 supported i.e. Bargoed, Risca and Pontlottyn to close at 15:30 with reduced cashiers service to be retained at Newbridge.
CS5 - Closure of Ty Pontllanfraith - Full year impact £700k, part year impact in 15/16	100	Services currently using the offices do not receive high numbers of visits from the general public. Staff will need to be redeployed. Significant office refurbishment costs if not closed.	Low	Scrutiny 20/01 - Proposal supported by the majority present
TOTAL CORPORATE SERVICES	1,462			

APPENDIX 8

CAPITAL PROGRAMME 2015/16 – 2017/18

Scheme	Indicative		
	2015/16	2016/17	2017/18
	£'000	£'000	£'000
Education and Lifelong Learning			
Health and Safety	300	300	300
Asset Management Strategy	600	600	600
Accommodation Requirements	225	225	225
School Security	100	100	100
School Boiler Replacement Programme	220	220	220
Total Education and Lifelong Learning	1,445	1,445	1,445
Social Services			
Conditions Surveys	350	350	350
Total Social Services	350	350	350
Directorate of Environment			
Bargoed Cinema Development	2,000	2,000	0
Navigation Colliery Site Regeneration	0	0	20
Town Centres	20	30	20
Commercial & Industrial Grants	50	50	50
Design & Small Projects	0	0	20
ERDF Match Funding	170	100	100
Countryside Schemes	217	217	230
Total Urban Renewal	2,457	2,397	440
Infrastructure Retaining Walls	317	317	317
Forward Programme Advance Design/Land	42	42	42
Major Highway Reconstruction	700	750	750
Bridge Strengthening	447	447	447
Land Drainage – Corporate	125	125	125
Land Drainage - Non Corporate	125	125	125
Vehicle Restraint Systems	42	100	100
Corporate Maintenance: Tips/ Mines/ Spoils	250	250	250
Street Lighting	50	50	50
Monmouth & Brecon Canal	212	212	212
Footway Reconstruction	100	150	150
Total Engineers	2,410	2,568	2,568
Cemeteries	500	406	409
Sports Pitches (Drainage)	30	30	30
Total Community and Leisure Services	530	436	439

Kitchen refurbishments	425	425	425
CCTV Replacement	75	75	75
Total Public Protection	500	500	500
Voluntary Sector Capital Grants	170	170	170
Minor Works	0	0	20
Off Road Cycling Centre Of Excellence	0	0	20
Total Regeneration and Economic Development	170	170	210
Total Directorate of Environment	6,067	6,071	4,157
Corporate Services			
Corporate Asset Management	700	700	700
Total Performance and Property	700	700	700
IT Hardware & Software	212	235	295
IT Developments- Application Development	0	60	55
Total Information and Citizen Engagement	212	295	350
Renovation /Home Improvement Grants	350	250	250
Minor Works	800	800	800
Disabled Facilities Grants	1,150	1,150	1,150
Total Private Housing	2,300	2,200	2,200
Total Corporate Services	3,212	3,195	3,250
Potential Unfunded Liabilities In Relation To Former Capital Schemes	3,787	0	0
Total Capital Programme	14,861	11,061	9,202

APPENDIX 9

MOVEMENTS ON GENERAL FUND

	£000's	£000's
Opening Balance 01/04/2014		14,135
Add Back 2014/15 Savings Part-Year Impact Not Required		800
Take from General Fund agreed by Council 29/09/14: -		
- A469 Closure Remedial Works	(300)	
- Balance of 21st Century Schools Matched Funding	(735)	(1,035)
Proposed Waste Transfer Station (Ty Duffryn)		(850)
Projected 'Take' from 2014/15 Underspends: -		
- Education and Lifelong Learning	265	
- Social Services	1,204	
- Environment	242	
- Corporate Services	347	
- Miscellaneous Finance	1,046	3,104
Council Tax Surplus 2014/15 (Estimated)		1,200
Industrial Action Clawback		236
Transfers to General Fund from Reserves: -		
- Former County Council Liability	180	
- Performance Grant	248	
- Service Initiatives - Living Wage	150	
- Service Initiatives - O2 bills	96	
- Other Miscellaneous Reserves No Longer Required	82	756
2015/16 Commitments: -		
- 2014/15 Council Tax Surplus to Support 2015/16 Budget	(1,200)	
- Provision for Senior Officer Suspension Costs	(401)	
- One-Off Funding to Support 2015/16 Savings	(1,822)	(3,423)
Transfer to Earmarked Reserve to Support Capital Programme		(4,845)
Projected Balance 31/03/15		<u>10,078</u>

REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
MONDAY, 1ST DECEMBER 2014 AT 5.30 P.M.

PRESENT:

Councillor D.T. Davies - Chair
Councillor Mrs E.M. Aldworth - Vice-Chair

Councillors:

J. Bevan, Mrs A. Blackman, C.J. Cuss, R.T. Davies, Ms J.G. Jones, S. Kent, M. Prew, Mrs D. Price, A. Rees and Mrs E. Stenner.

Cabinet Members:

K. James (Regeneration, Planning and Sustainable Development) and T.J. Williams (Highways, Transportation and Engineering).

Together with:

S. Aspinall (Acting Deputy Chief Executive), P. Elliot (Head of Regeneration and Planning), R. Hartshorn (Head of Public Protection), M.S. Williams (Head of Community & Leisure Services), T. Shaw (Head of Engineering Services) D. Price (Parks and outdoor facilities manager), T. White (Waste strategy and operations manager), C. Forbes-Thompson (Scrutiny Research Officer) and C. Evans (Committee Services Officer)

1. APOLOGIES

Apologies for absence were received from Councillors N. Dix, C. Elsbury, R.W. Gough, Mrs P. Leonard and D. Poole (Cabinet Member for Community and Leisure Service).

2. DECLARATIONS OF INTEREST

Councillor D.T. Davies declared an interest in Agenda Item 3 Appendix 3, Bargoed Ice Rink as a Town Councillor for Bargoed.

Councillor Mrs E. Aldworth declared an interest in Agenda Item 3 Appendix 3, Closure of Bedwas Swimming Pool on Sundays as Bedwas Leisure Centre is within her ward and family members use the facilities.

REPORTS OF OFFICERS

Consideration was given to the following reports.

3. MEDIUM TERM FINANCIAL PLAN – 2015/2016 SAVINGS FROM ENVIRONMENT DIRECTORATE – ITEMS FOR FURTHER CONSIDERATION

S. Aspinall, Acting Deputy Chief Executive provided the Scrutiny Committee with a copy of the report presented to Cabinet on 29th October 2014, which updated the Medium-Term Financial Plan (MTFP) following the provisional 2015/16 Local Government Financial Settlement announced by the Welsh Government (WG) on 8th October 2014.

The Scrutiny noted that the report provided details of draft savings for the 2015/16 financial year to allow for a further more focussed period of consultation prior to a final decision in February 2015.

The Scrutiny Committee, to date, have considered a range of MTFP savings options for the Environment Service Division, in relation to discretionary services and efficiency savings for statutory and essential services during meetings between June and October 2014. Many of the savings options were incorporated into the Cabinet report on 29th October along with some additional savings options put forward for consideration since the original Scrutiny Committee Meetings.

Members were asked to consider further and express their views on the MTFP savings options relating to the Environment Directorate, considered by Cabinet on 29th October 2014.

REGENERATION AND PLANNING

Bargoed Ice Rink

Councillor D.T. Davies declared an interest in this item as a Town Councillor for Bargoed.

P. Elliott, Head of Regeneration and Planning, introduced the proposal to cease operating the Bargoed Ice Rink as part of the annual events programme. Members noted that the Scrutiny Committee did not support the proposal on 1st October and further information relating to the events programme was sought and consultation with Bargoed Town Council regarding the proposed was requested.

The Heads of the Valley Grant initially funded the Ice Rink in 2010; however, the Council now largely funds the net cost, of which was £26,000 in 2013/14. Following consultation with Bargoed Town Council, the event was reduced from 9 days to 5 days, to allow the Town Council to assess their funding commitment to the event. However, in addition Officers agreed to monitor the 2014 event and report details back to members in due course.

Members noted that the Ice Rink is staged in a car park in the town, which resulted in a loss of parking and parking income of circa £1,500. Members were assured that other events in the Town Centre during Christmas and the summer would not be affected by this saving option. The Scrutiny Committee noted the breakdown of total costs and funding of the Events Programme for 2013/14, which referred to the details of funding provided by both the Council and external funding for each event.

Members raised concerns that only Bargoed Town Centre had been targeted for the saving proposals and added that the Town Council may consider increasing their level of investment following the 2014 event.

Officers highlighted that all events were carefully considered and it was noted that the Ice

Rink at Bargoed was the least value for money and not cost effective. Following a meeting with the Town Council, Officers added that the Town Council had agreed to review their contribution towards the event, however, were unable to cover the full cost of the event.

Members sought clarification on the total cost of the event and it was noted that the net cost included the contractual costs to erect and remove the Ice Rink and the loss expected in car parking fees. The cost of the ticket sales had been deducted from the £26,000. In addition, it was noted that the Council is no longer in receipt of EU funding or sponsorship for the event.

Members debated the proposal and it was proposed that, unless alternative funding could be sources to support the ice rink in Bargoed, Members supported the Officers proposal. Upon vote, the majority present supported the proposal.

Area Forum Funding

The proposal to delete the Area Forum Budget was considered by the Regeneration and Environment Scrutiny Committee on 1st October 2014. The Scrutiny Committee were not in support of the proposal and requested further information on the Area Forum Budget including financial values and reserves. The Area Forum Reserve is £162,000, which represents unspent budget allocation from previous years. Community Regeneration holds the Area Forum budget for small environmental schemes identified by the Community Partnerships.

Members noted the proposal to delete the annual Area Forum budget of £72,000 in 2015/2016 and the accompanying allocations summaries in Appendix 2. In addition, Officers highlighted that, although those in receipt of the Fund value the Area Forum Budget, often the annual allocation is rarely entirely spent.

The Chair thanked the Officer for the presentation and invited Members to raise any queries.

Following consideration and discussion, Members unanimously supported the Officers proposal to delete the Area Forum Budget of £72,000 in 2015/16, on the basis that the funding balances be ring fenced to wards and would be reviewed when the remaining balance has been allocated.

PUBLIC PROTECTION

Licensing and Registrars Fees

On the 4th September 2014 the Scrutiny Committee considered and supported the proposals to increase the licensing and registrars fees and were advised that a detailed report on proposed licensing fees for 2015/16 would be submitted to the Licensing Committee and then Council.

Health Improvement Team

The Scrutiny Committee considered the proposal to delete the non-grant funded Health Improvement Officer Post within the Health Improvement Services on 4th September 2014, which was not supported. In October, a 29 page briefing document was sent to the Committee in response to their request for further information to demonstrate the impact of the work of the team on local health issues and challenges.

The report provided the Committee with the requested data to demonstrate the impact of the work of the Team on local health issues and challenges.

The Team consists of 5.4 FTE with 1.8 FTE delivering the Healthy Schools Programme and funded by grant. Since the report to the Special Scrutiny, the 0.6 FTE post and Senior Health Improvement Officer post have become vacant and therefore the revised option is to delete

the 1.6 posts saving £77k, with 3.8 FTE posts remaining, 2 FTE non-grant funded and 1.8 FTE grant funded.

Committee Members were advised during the meeting that the Health Improvement Team lead and deliver corporate employee health and wellbeing programmes including health screening for staff.

Following in depth debate, the Scrutiny Committee supported the Officers proposal to delete the non-grant funded vacant Health Improvement Officer Posts (1.6fte) within the Health Improvement Team.

Environmental Health

The report highlighted a new saving proposal to delete a vacant Environmental Health Officer (EHO) post within the Environmental Health Team.

The General Environmental Health Team protects public health and quality of life by dealing with complaints of nuisances or hazards of health e.g. noise, defective drains and sewers, investigation of odours, bonfires etc. They deal with filthy and verminous premises and travellers' sites, and are also involved in problems of pest infestations, straying animals and irresponsible dog ownership. They also enforce in relation to littering, dog fouling and fly tipping activities. The team responds to approximately 15000 requests for service per year. Much of the work undertaken by this team contributes to the Healthier and Greener priorities within the single plan "Caerphilly Delivers". They assist in the provision of better health and healthier lifestyles within our communities. Reducing the 3 EHOs within the General Environmental Health Team to 2 will extend the time taken to deal with and investigate service requests.

Members raised concerns around the increased workload for the staff within the team and the impact on the environment and health.

Following detailed consideration and debate, it was unanimously agreed that Members were not in support of this proposal.

COMMUNITY AND LEISURE SERVICES

Cessation of bands in the park, events programme- New saving

M.S. Williams, Head of Community and Leisure Services provided the Scrutiny Committee with a new saving proposal to cease the Bands in the Park Event Programme, which is hosted within 9 Parks within the Borough and would offer a saving of £2000 for 2015/16 financial year.

Members noted that a few Community Councils, and one partnership have supported the past programmes in the main, these funded 50% of the costs to produce the programme of events in specific locations.

Members debated the item at great depth and discussed various options. It was proposed that, consultation be undertaken with Town and Community Councils for funding to support the events. Upon a vote, the majority present supported the Officers proposal, provided that Town and Community Councils are consulted for funding.

Reduction in Playing Field Maintenance (Additional information required by Scrutiny Committee in July 2014)

Since its consideration by the Scrutiny Committee, Officers considered an alternative option involving cessation of regular pitch marking and handing over pitch marking responsibility to clubs (subject to consultation). The saving would be the same but some pitch renovation could then be undertaken. The clubs would be expected to purchase materials themselves.

Members debated the proposal and sought clarification on the cost of Pitch Marking equipment and level of savings that could be achieved as a result. Upon vote, the Officers proposal was unanimously supported, following consultations with the Clubs.

Increasing Outdoor Facilities Charges (Officers asked to look at other options by Scrutiny in July 2014)

In July 2014, the Scrutiny Committee considered the proposal and Officers were asked to consider the effect of increasing outdoor facilities charges for adults but retaining the existing pricing structure for juniors. Officers have therefore suggested 5 options as follows:

Increase adult fees by:-

- 30%= £20k additional income
- 40%= £27k additional income
- 50%= £31k additional income
- 100%= £69 additional income

Members discussed and debated the proposal and an amendment was proposed that an average increase be applied across all services. The majority present did not support this.

The Officers proposal to increase Outdoor Facilities Charges by 30% was discussed and debated and upon vote, the majority present supported this.

Cessation of Saturday Litter Picking at Various Parks- New Saving Proposal

M.S. Williams provided the Scrutiny Committee with a new proposal to cease litter picking services at 14 Parks within the Borough, which would provide a £12,000 saving contribution in 2015/16.

In addition to the 14 Parks, Members noted that a further 56 Parks within the Borough are only cleansed on a routine weekday.

Following debate, Members unanimously supported the Officers proposal to cease Saturday Litter Picking at various parks, on the proviso that the bins are emptied on Friday.

Removal of Barrier Attendants at 5 Locations- New Saving

The Report provided Members with the option to remove the barrier attendants at 5 locations throughout the borough. The locations were historically established to prevent anti-social behaviour at 5 locations throughout the borough during evenings/ weekends and hours of darkness.

Duties of the attendants include 30 minutes to 1 hour opening and closing the facilities.

The Scrutiny Committee noted that the proposal would provide a saving in staffing costs of £14,000. This would require 5 members of staff to be served with notice of termination of contract of employment.

Members raised concerns around an increase in Anti-Social Behaviour in parks, however, upon vote, the majority present supported the Officers proposals.

Charge for all Replacement/ New Issue Containers (No Concessions)- Not Supported and Additional Information Provided

The Scrutiny Committee considered the proposal to charge for replacement/ new issue containers for 2014/15 and 2015/16 at previous Committees, which were not supported by Members.

Officers highlighted that considerations for methods of payment were required but Members

were to note that the proposal offers a potential saving of £60,000. The Committee considered the proposed charges:

Replacement/ new issue bins £25
Replacement/ new issue boxes £6
Replacement/ new issue garden waste bags £3
Where residents request bags for recycling/ waste £5 per roll of 25

Members discussed and debated the proposal and upon vote, the majority present supported the Officers proposal.

Reduced Opening Days and Hours on Civic Amenity (CA) Sites- Original proposal not supported and alternative option considered

The Scrutiny Committee, upon previous consideration had not supported the proposal to close any combination of up to 5 Civic Amenity Sites throughout the Borough, and requested that Officers consider alternative options such as closing all sites on certain days/ times.

It was noted that the provision of one CA site is a statutory requirement, in which legislation requires at least one facility should be available on weekends. Officers highlighted however that the Council aims to keep at least 50% sites open every day.

Officers highlighted that in order to achieve the £100k saving, all sites would be required to close on 2 days per week (on a rotational basis) or, alternatively 1 site could be permanently closed. Closure of less than 6 sites for 2 days/week would not realise the £100k saving that is required.

Concerns were raised that additional security would be required and illicit tipping could be an issue at the sites on the days they are closed, however these are difficult to quantify and Officers highlighted that the issues would probably reduce over time and may be mitigated to some extent by use of CCTV.

Members discussed and debated the proposal and upon vote, the majority present supported the Officers proposal.

Reduced Level of Cleansing on Bank Holidays (Cleansing will be reduced to same level as weekends- limited to morning cleanse of town centres)- New Saving Proposal

The report provided the Scrutiny Committee with a new saving proposal to reduce the level of cleansing on bank holidays in Town Centres during Bank Holidays. It was noted that this would provide a potential saving of £13,000 in 2015/16.

Members discussed the proposal and upon vote, the Officers proposal was unanimously supported.

Reduction in Cleaning Budget via Reduction in Staff Numbers- New Saving Proposal

The Scrutiny Committee considered a new saving proposal to reduce the cleaning budget through the reduction of cleansing staff across the borough. It was estimated that the proposal would provide a total saving of £300,000 comprising a saving of £100,000 in 2015/16 and a further, additional saving of £200,000 in 2016/17.

The Committee noted that the reduction in staffing levels were in addition to those identified in CA Site reduction (6 number) and an additional 6 to achieve the balance of the Route Optimisation changes introduced in 2014/2015. The reductions would effectively mean circa 15 less personnel on street cleansing which will result in an increase in SLA's for responding to non- emergency cleansing and missed waste collections from 48 hours to 7 days and the integration of hygiene and nappy collections into fortnightly refuse with the provision of

additional containers.

Members raised concerns around the impact on cleanliness of the Borough. Other Authorities have reduced budgets and it has had a noticeable impact on the appearance of their boroughs. Members were advised that the Street cleansing is a statutory function, however the levels of proactive cleansing is very much up to the service provider.

Concerns were raised around the implications on the staff involved. Members were assured that policies are in place within Caerphilly for the consideration of voluntary retirement and a key aim for Caerphilly is to avoid redundancy where possible. Discussions and consultations have not been conducted with the Trade Unions or the Staff within the department.

Having carefully considered the proposal and upon vote, the Officers proposal was not supported by the majority present.

Closure of Bedwas Swimming Pool on Sundays- New Saving

Councillor Elizabeth Aldworth declared an interest in this item as the Leisure Centre is within her ward and family members use the facilities. Councillor Aldworth did not take part in the debate or vote.

The report provided the Scrutiny Committee with a new saving proposal to close Bedwas Swimming Pool during Sundays. Members noted that there are very few customers using the pool on Sundays, which provides little income and high staff and energy costs. The proposal would contribute a saving of £10,000 in 2015/16.

Members debated the proposal and upon vote, the Scrutiny Committee unanimously supported the Officers proposal.

Average Price Increase of 5% + Inflation on Leisure Centre Fees- New Saving

The report provided Members with details of a £100,000 saving proposal in 2015/16, which could be achieved through a 5% price increase on Leisure Centre Fees. Members were assured that the service however, would still provide value for money services at competitive prices.

Following in depth consideration and debate, the Scrutiny Committee unanimously supported this proposal.

ENGINEERING SERVICES

Street Lighting Energy Reduction- New Saving Proposal

T. Shaw, Head of Engineering Service provided the Regeneration and Environment Scrutiny Committee with a new saving proposal, which aims to achieve a part year saving of £100,000 in 2015/16 and a full year saving of £450,000 in 2016/17.

The Committee noted that, in order to achieve the full £450,000 saving during 2016/17, some part night light or switch off could be required to add to the introduction of LED and central management control technology. The new technologies are currently being tested and considered and have recently been introduced to the market place.

Members considered the option and queried alternative options such as dimming the streetlights. Officers explained that the proposal suggests purchasing LED bulbs, which are more energy efficient than the current bulbs, which would be more cost effective in the long term. In addition, Members noted that the new systems have been trialled within the borough and have not been met with any complaints.

Following detailed consideration and discussion of the proposal, the Scrutiny Committee

unanimously supported the Officers proposal.

Carriageway Resurfacing – Planned Maintenance – New Proposal

T. Shaw provided the Scrutiny Committee a new proposal to reduce the planned maintenance of carriageways resurfacing within the Borough, and further information to understand the affects of the budget changes, which was requested a previous Scrutiny Committee. Members noted that the proposal would achieve a saving of £300,000 in 2015/16 financial year.

The £300,000 equates to approximately 20% of the current revenue budget allocation. It is assumed that the Capital allocation would at least remain at a similar level to previous years , although a capital bid has been submitted to help mitigate this savings reduction.

It was noted that combined with this approach, 2015/16 would see a decrease in planned carriageway resurfacing works than that experienced over the last 3 years as a result of the completion of the Welsh Government Borrowing initiative (LGBI) Scheme.

The Scrutiny Committee considered this proposal at length and raised concerns over the condition of the highways and the impact on the authority of potential claims. Upon vote, the Officers proposal was unanimously not supported by the Scrutiny Committee.

Footway Resurfacing - Planned Maintenance

The report provided Members with a proposal, which would achieve a saving of £60,000 in 2015/16 through the reduction in planned maintenance on footway resurfacing.

Members noted that the Highways Act provides that the asset (Highway) needs to be maintained in a safe condition for users. A more refined risk rating/prioritisation process could be developed within the HAMP process. This would involve developing the current prioritisation process further to consider additional influencing factors. A review of this process is planned for 2015/16.

The £60,000 equates to approximately 12% of the previous revenue budget allocation. It is assumed that the Capital allocation would at least remain at a similar level to previous years , although a capital bid has been submitted to help mitigate this savings reduction. It was noted that combined with this approach, 2015/16 would see a decrease in planned footway resurfacing works rather than that experienced over the last 3 years as a result of the completion of the Welsh Government Local Government Borrowing Initiative Scheme (LGBI).

The Scrutiny Committee considered this proposal and raised concerns for the risk of insurance claims for personal injury and the cost to the Authority. Upon vote, the Scrutiny Committee unanimously did not support the proposal.

Highway Reactive Maintenance

The Scrutiny Committee was provided with a proposal, which would contribute a £50,000 saving in 2014/15. The Committee noted that the proposal suggested an invest to save option to purchase a Jet Patcher. The new equipment would allow more surface area to be repaired at a lower cost. Thus ensuring that service provision is not compromised.

Following consideration and discussion of the Officers proposal, the Scrutiny Committee unanimously supported the proposal.

Highways Operations – Reduce highway/land drainage planned maintenance budget by 11%

At a previous Scrutiny Committee, the proposal to reduce highway/ land drainage was not

supported by the Committee. Members were asked to reconsider the proposal, which would provide savings of £30,000 it was noted that only the highest risk categorisation works would be undertaken. Officers have tried to mitigate the saving proposal by increasing the council's capital funding to this area via a bid.

Members felt that this service area was vital in certain high flood risk areas within the Borough. Officers assured Members that no cuts would be made to the high-risk areas and alternative funding is also being sought.

The Scrutiny Committee, following consideration of the Officers proposal, unanimously supported the proposal.

Winter Maintenance

The Scrutiny Committee considered a new option to reduce the winter maintenance gritting routes, through route optimisation strategies, which would provide a saving of £60,000 in 2014/15.

Members considered the proposal and raised concerns around the implications to the public and Staff. Officers confirmed that there would be minimal impact to staff and that grit bins would be maintained in communities. In addition, Members noted that the hopper equipment to be used would ensure grit is distributed efficiently.

Following detailed debate and discussion, the Scrutiny Committee unanimously supported the Officers proposal.

Highways Operations – Reduce highways reactive maintenance budget by 4%

At a previous Regeneration and Environment Scrutiny Committee, additional information was requested in relation to the longer-term impacts of reducing the highways reactive maintenance budget. It was noted that the proposal would provide a saving of £50,000.

Officers assured the Committee that budgets would require close monitoring to ensure reduction in planned maintenance does not significantly increase reactive maintenance, which could also increase third party claims.

The Scrutiny Committee, following consideration and debate, unanimously supported the Officers proposal.

Structures and Retaining Walls

The Regeneration and Environment Scrutiny Committee previously considered the proposal and requested further information, as a result, this area has been reviewed further and the proposed saving has been reduced to £50,000.

The Committee noted that the risk prioritisation methodology has been further considered and has been deemed appropriate. The review identified that a number of future projects should be defined as "Capital" rather than "Revenue". As such appropriate business cases would be produced to provide substantiation for bids to the Capital Strategy group.

Following consideration and discussion, the Scrutiny Committee unanimously supported this proposal.

Highways Adaptations and Agreements Fees

The Scrutiny Committee noted that the income target for 2014/15 was £151,000, which had been decreased from £165,000 in previous years due to the downturn in the economy affecting the pace of development. The proposal suggested an increase in fees by 10%. The Committee were asked to note that fees were last increased in 2012. Since then there are positive signs that development activity is increasing and all local authorities are reviewing their charges.

The Scrutiny Committee considered and debated the proposal and upon vote, unanimously supported the Officers proposal.

Transport and Engineering – Car Park tariffs. Increase car parking charges by typically 10p per hour.

The Scrutiny Committee considered a proposal to increase car parking charges across the borough by 10p per hour, which would provide a £30,000 saving contribution in the 2015/16 financial year.

Members considered the proposal and noted that similar actions are being considered by other Local Authorities.

Members discussed and debated the proposal and upon vote, the majority present supported the Officers proposal.

Management of Off Street Car Parks (Sunday Charging)

The Scrutiny Committee were provided with a proposal to introduce parking charges in all car parks across the borough on Sundays. It is anticipated that the introduction of the charges would provide a £10,000 saving for the 2015/16 financial year, along with an estimated additional income of £15,000.

Members noted that there are currently 13 Local Authorities currently charging for car parking on Sundays and 2 (Carmarthenshire and Monmouthshire) are currently considering introducing charges on Sundays.

Members considered the proposal and raised queries around the rates to be charged and whether this would include the increase of 10p. Officers confirmed that the rates would be the same on a Saturday and Sunday across the Borough.

Following careful consideration and debate, the Officers proposal was supported by the majority present.

Public Transport Subsidy – Confirmed Option

The report provided Members with a proposal to review the spend and services for Public Transport. The proposal included reviewing contracts with the highest subsidy per passenger, fare paying school buses and consideration of times when usage is lowest, or when a reasonable alternative exists. This would include working with existing service providers to look at where efficiencies in provision can be made, with the minimum impact on passengers. The proposal highlighted a part year saving for 2015/16 of £24,000 and a full year saving of £150,000 in 2016/17.

Members noted that further changes in external funding for bus services (e.g. concessionary travel reimbursement; bus service support grant), may result in additional reduction to bus services in the county borough and the need to re-prioritise how savings can be achieved.

Members discussed the bus service in place in the north of the Borough and the recent cut in the Stagecoach service in the area. Concerns were raised that the proposal would further impact upon the services in the area and have an effect on the rest of the borough. Members were assured that the contracts would be carefully considered to mitigate the impact on any one area.

Following careful consideration and detailed debate, the Scrutiny Committee unanimously supported the Officers proposal.

The meeting closed at 7.45 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 17th February 2015 they were signed by the Chair.

CHAIR

DRAFT

HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN,
YSTRAD MYNACH ON TUESDAY, 2ND DECEMBER 2014 AT 5.30 P.M.

PRESENT:

Councillor L. Ackerman - Chair
Councillor Mrs P. Cook - Vice Chair

Councillors:

Mrs E.M. Aldworth, L. Binding, Ms E.J. Gale, L. Gardiner, N. George, C.J. Gordon,
G.J. Hughes, A. Lewis, S. Morgan, J.A. Pritchard, A. Rees.

Cabinet Member: Councillor R. Woodyatt.

Together with:

D. Street (Corporate Director Social Services), G. Jenkins (Assistant Director Children Services), J. Williams (Assistant Director Adult Services), M. Jones (Finance Manager), S. Howells (Service Manager for Older People), J. Jones (Democratic Services Manager), S.M. Kauczok (Committee Services Officer).

Users & Carers: Mr C. Luke.

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors A.P. Angel, Mrs G. Bevan, Mrs P.A. Griffiths, Ms L. Price, Mrs J. Morgan, Mrs M. Veater MBE and Sarah Glyn Jones (CSSIW).

2. DECLARATIONS OF INTEREST

Councillor C. Gordon declared a personal interest in agenda item 8 in that a close relative used to be in receipt of the shopping service.

3. MINUTES

RESOLVED that the minutes of the following meeting be approved as a correct record and signed by the Chairman: -

1. Health, Social Care and Wellbeing Scrutiny Committee held on 21st October 2014 (minute nos. 1-12).

4. CONSIDERATION OF ANY MATTER REFERRED TO THE SCRUTINY COMMITTEE IN ACCORDANCE WITH THE CALL-IN PROCEDURE

There had been no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

5. REPORT OF THE CABINET MEMBER

The Scrutiny Committee received a verbal report from Councillor R. Woodyatt, Cabinet Member for Social Services.

It was hoped that representatives of CSSIW would be attending the meeting to present the Annual Performance Evaluation for 2013-2014 for Caerphilly. Unfortunately they were unable to attend and had tendered their apologies. It was noted that the report recognises the improvements made during the last financial year and identifies areas for further development.

Members were asked to note that there would be discussion on the current performance management information under agenda Item 10 which is a timely reminder of the consistent performance of the Directorate. Reports would also be presented providing updates on the MTFP proposals previously discussed at Committee. In addition, a report would be received on a recent Supreme Court Judgement in relation to Deprivation of Liberty, which will have an impact on working practices within Adult Services.

Since the last Scrutiny Committee, Councillor Woodyatt had attended the Celebration of Achievement Awards in partnership with Blaenau Gwent. This was a wonderful opportunity to recognise the achievements of staff at all levels and to publicly thank them for their hard work and commitment. Councillor Woodyatt had also had the pleasure of starting the "Walk a Mile in her Shoes" walk around Caerphilly Castle, drawing attention to the White Ribbon Campaign against domestic violence against women.

In addition, it was noted that Carers from the South East Wales Adult Placement Scheme managed by Caerphilly had recently won a National Gold Award at the Care Forum Wales Awards. Earlier in the day Councillor Woodyatt had visited Bon Bon Buddies in Oakdale to receive a donation of Christmas goodies for the Santa Appeal.

Finally, the Scrutiny Committee received the news that following her secondment to Merthyr Tydfil, Lisa Curtis-Jones had been appointed to the permanent Head of Service post. The Scrutiny Committee extended their congratulations to Lisa and wished her every success in her new role.

The Chair thanked Councillor Woodyatt for his report and invited questions. Members sought confirmation that the post vacated by Lisa Curtis-Jones at CCBC would be filled on a permanent basis in the future and looked forward to discussing the Annual Performance Evaluation for 2013-14 with CSSIW in February 2015.

6. CABINET REPORTS

There had been no requests for the Cabinet report - Charging for Telecare Services - dated 12th November 2014 to be brought forward for discussion at the meeting.

SCRUTINY REPORTS

Consideration was given to the following reports.

7. CSSIW ANNUAL PERFORMANCE EVALUATION 2013-2014

It was noted that CSSIW had tendered their apologies for the meeting. The report was therefore deferred to the next meeting of the Health Social Care and Wellbeing Scrutiny Committee in February 2015.

8. SHOPPING SERVICE

Councillor C. Gordon declared a personal interest in this item as he has a close relative who used to receive the service.

The Assistant Director Adult Services presented the report, which provided additional information on the discretionary shopping service, as part of the agreed budget strategy for 2015/2016.

At the special meeting of the Scrutiny Committee on 16th October 2014 members requested additional specific information on the shopping service which is provided as part of a care package. Since that time the survey had been re-run and sent to the 124 users of the shopping service only. A total of 42 questionnaires were returned which equates to a 34% response rate.

It was noted that one full time employee had been appointed to a fixed term Engagement Officer post until 31st March 2015. The Officer is developing knowledge of local communities and services available from local shops, supermarkets, local eateries that deliver meals and independent agencies that provide shopping services.

Care providers currently undertake the shopping service for individuals, with this service primarily being commissioned from the independent sector at a cost of circa £13.50 per hour. In 12 cases the service is provided by the in-house Home Assistance Reablement Team (HART), as part of a care package. A review of a range of providers has indicated prices to individuals for this service vary and on average would be £12.00 per hour.

During the course of the ensuing discussion clarification was sought on the criteria that would be applied to assess whether an individual would require the service. Officers advised that social workers would carry out the assessments and the situation would be kept under constant review under the care package. Assurances were given that the Authority would meet a person's need for a shopping service if necessary.

Following consideration and discussion it was moved and seconded that the recommendation to withdraw the service be endorsed and people be sign posted to other appropriate options, on the understanding that if none of these options are suitable for an individual, the Authority will ensure that the service continues to be provided to that person and kept under constant review as part of the care package. By a show of hands this was unanimously agreed.

9. DRAFT SAVINGS PROPOSALS

The report, which was presented to Cabinet on 29th October 2014, provided details of the Provisional 2015/16 Local Government Settlement along with an updated Medium Term Financial Plan for the period 2015/16 to 2017/18. Details were received of the proposed savings for 2015/16 totalling £12.208m and a proposal to increase Council Tax for 2015/16 by 3.9%.

The Scrutiny Committee noted the report.

10. PERFORMANCE MANAGEMENT 2014/15

The Corporate Director Social Services presented the report, which informed the Scrutiny Committee of the position in relation to the performance management figures for both Adult Services and Children's Services for the period up to September 2014.

Both the Adult Services and Children's Services Divisions have a range of national and local indicators that oversee the work of the Divisions. The targets are set at the start of each financial year and managed via the Authority's Ffynnon system. The targets are a mix of national indicators set by Welsh Government (SCA's and SCC's) and local indicators (ASPI's). Performance figures for Adult and Children's Services as at September 2014 are attached at Appendix 1 of the report.

Adult Services has a total of 15 national and local indicators several of which justified further comment. Members were aware that delayed transfers of care continues to be a challenging area for the Authority. The position at September 2014 is showing improved performance but it is accepted that the Authority is entering a particularly challenging time of year and this would need to be monitored closely. In terms of ASPI 02, delays in this area were primarily due to the Occupational Health Team, which was carrying two vacancies. Members were advised that these two posts had now been filled. Other areas are Older People Mental Health and Substance Misuse where delays are currently being examined in more depth. Members were reminded of the difficulty in validating performance against ASPI 17 and 18 as the Adult Mental Health Teams are putting the information into Epex (the Health System).

Children's Services have a total of 47 national and local indicators, several of which required further comment. It was noted that SCC/025 is currently Amber due to incorrect recording. In terms of CSPI 01, 186 children were 0-4 and were not seen alone. Therefore out of a possible 519 children, 258 were seen alone by a worker, which equates to 69%.

During the course of the ensuing discussion further information was sought with regard to ASPI 02 and ASPI 17. Officers advised that two Occupational Therapists had since been recruited which should improve the figures for ASP1 02 and in relation to ASP1 17, a lot of work was being undertaken on the validation which should result in more accurate information being provided in the future.

The Scrutiny Committee noted the report.

11. DEPRIVATION OF LIBERTY

Mr S. Howells, Service Manager for Older People, presented the report, which had been requested by a Member of the Scrutiny Committee. The report informed Members of the changes in case law involving authorising deprivations of liberty for people in care homes and in the community.

In March 2014 the Supreme Court considered two cases concerned with potential deprivations of liberty. The judgement known as the "Cheshire West" case has introduced a revised test about the meaning of a deprivation of liberty. The Supreme Court has now clarified that there is a deprivation of liberty for the purposes of Article 5 of the European Convention on Human Rights when the person is: under the continuous supervision and control (and the care provided is imputable to the state); is not free to leave; the person lacks the capacity to consent to these arrangements. The five guiding principles in considering whether people lack mental capacity are listed in paragraph 4.4 of the report.

It was noted that there are different processes when considering deprivation of liberties depending on where the person lives. For people who live at home or in community settings deprivations of liberty can only be authorised by the Court of Protection. For people who live in care homes or are currently occupying a bed on a hospital ward, the deprivation can be

authorised by a Supervisory Body. This Authority is both a Supervisory Body and a Managing Authority under Deprivation of Liberty Safeguards.

To respond to deprivations of liberty in care homes Caerphilly is part of a Pan Gwent Consortium where assessments are coordinated through a small DoLS Team managed by ABUHB. Before the Supreme Court judgement the Team comprised 2 Best Interest Assessors (BIS's) supported by casual staff and administration. The original funding for the Team was via grant funding for DoLS from Welsh Government. Subsequent to the judgement authorisation was given to recruit 2 additional BIA's from existing resources. Further funding has recently been agreed to increase the staffing by 6 FTE with agreement for each statutory body to contribute funding for a further BIA including associated training costs.

The Supreme Court judgement is recognised as having a significant increase in the demand for assessing for potential deprivation of liberty. This has significant implications for current social work practice specifically in increased complexity and time management should numbers increase substantially. A screening tool has been implemented to identify those individuals at greatest risk in order to prioritise their assessment over those who would normally not have fallen within the criteria of the safeguards. The level of required advice and activity around cases will also have implications for Legal Services.

Members expressed concerns in relation to the financial implications for Local Authorities together with the likelihood of increased workloads for staff. Officers estimated that there would be significant financial and staffing implications and had estimated that Caerphilly would need 8 BIA's. Mr Street advised that a steering group of directors meets on a regular basis and extensive representations had been made to Welsh Government in terms of the financial impact.

Arising from the ensuing discussion, It was agreed that an update would be brought back to the Scrutiny Committee in six months. In addition, following a Member's request, Officers would forward details of the two cases referred to in paragraph 2.1 of the report to all members of the Scrutiny Committee.

Following consideration and discussion, it was moved and seconded that the recommendation in the report to note the changes in the case law and the implications for practice and resources, be endorsed. By a show of hands this was unanimously agreed.

12. REQUESTS FOR ITEMS TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

Councillor E.J. Gale referred to a previous request regarding the feasibility of Members visiting private residential care homes. The Assistant Director Adult Services advised the Scrutiny Committee of a recent meeting she had attended during which providers had confirmed that they would welcome ward members visiting their establishments.

13. ITEMS FOR INFORMATION

The following item was received and noted without discussion.

1. Summary of Members' Attendance - Quarter 2 - 1st July 2014 - 30th September 2014.

14. ANNUAL REPORT FOR MENTAL HEALTH

A Member of the Scrutiny Committee had requested that this information report be brought forward for discussion at the meeting. Officers were requested to make representations to the Health Board in terms of the dark background colours used within the report, which made the text difficult to read in places.

The Annual Report had been co-produced between people who have a mental health issue and those who provide services that support good mental health and well-being. The report covers the whole of Gwent via 6 statutory organisations and 5 unitary authority areas. It highlights some aspects of the work of the Mental Health and Learning Disability Partnership Board over the past year. The report also reflects the priorities and areas of preferred updates from people who use the service and their carers and finally, it presents areas of good practices that staff have selected to be included within the Annual Report.

During the course of the ensuing discussion, officers responded to the various issues raised by Members in relation to the report. In terms of information that was sought regarding the CAMHS (Child and Adolescent Services) strategy, Mr Street pointed out that the Health Board, who had tendered their apologies for the meeting, would be in the best position to respond to this matter. He agreed to discuss the matter further with the Member concerned following the meeting.

The Scrutiny Committee noted the report.

The meeting closed at 6.56 pm.

Approved as a correct record subject to any amendments agreed and recorded in the minutes of the meeting held on 10th February 2014.

CHAIR

SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH
ON MONDAY, 8TH DECEMBER 2014 AT 5.30 P.M.**

PRESENT:

Councillor H.W. David - Chair
Councillor S. Morgan - Vice Chair

Councillors:

L. Binding, C.J. Cuss, Miss E. Forehead, C. Hawker, G. Kirby, A. Lewis, C.P. Mann,
R. Saralis, Mrs J. Summers

Cabinet Members:

Mrs B. Jones (Corporate Services), D.T. Hardacre (Performance and Asset Management)

Together with:

S. Harris (Interim Head of Corporate Finance), G. Hardacre (Head of Workforce and Organisational Development), C. Jones (Head of Performance and Property Services), D. Titley (Corporate Customer Services Manager), J. Jones (Democratic Services Manager) and R. Barrett (Committee Services Officer)

Also present:

D. Bezzina (Unison Regional Organiser), G. Enright (Unison Branch Secretary)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J.E. Fussell, D.M. Gray, Ms J.G. Jones, D. Rees and J. Taylor, together with Cabinet Members Mrs C. Forehead (HR and Governance/Business Manager) and G. Jones (Housing). An apology for absence was also received from N. Scammell (Acting Director of Corporate Services and Section 151 Officer).

2. DECLARATIONS OF INTEREST

Councillor Miss E. Forehead declared an interest in Agenda Item 7 (6-Month Progress Update of Improvement Objectives – Caerphilly Passport Programme). Details are minuted with the respective item.

3. CORPORATE SERVICES MEDIUM TERM FINANCIAL PLAN 2015/16 – ITEMS FOR CONSIDERATION

The Chair introduced the evening's proceedings, which sought Members' consideration and comments on a number of reports detailing proposed savings and efficiencies within the Corporate Services Directorate, as part of the Medium Term Financial Plan (MTFP) for 2015/16.

Trade Union representatives Mr Gary Enright (Unison Branch Secretary) and Mr Dave Bezzina (Unison Regional Organiser) were welcomed to the meeting, and it was explained that they would be invited to respond to the reports presented during the course of the meeting, on behalf of the collective Trade Unions.

The Chair also welcomed Councillor Gary Johnston to the meeting, who was in attendance to speak in relation to Agenda Item 4 (Savings Proposals for 2015/16 – Customer Services).

4. REPORT OF THE CABINET MEMBER FOR CORPORATE SERVICES

Councillor Mrs B. Jones, Cabinet Member for Corporate Services, presented her report, which highlighted the proposals that were due to be considered at that evening's meeting.

Reference was made to the report entitled "Draft Savings Proposals for 2015/16" with it explained that at a meeting on 29th October 2014, Cabinet gave due consideration to the comments arising from the recent round of special Scrutiny meetings to consider the savings proposals. It was explained that overall, proposals supported at these meetings have not delivered the required savings target of £12.208m.

Cabinet have also had regard to the results of the public consultation process relating to the savings proposals, together with feedback from the Viewpoint Panels meetings held in April 2014 and November 2014. Cabinet Members were in attendance at the Viewpoint Panel meetings, and were also attending the drop-in sessions being held around the county borough in relation to the budget consultation process.

The Cabinet Member explained that in regards to the savings proposals, it was the Authority's intention to reduce services wherever possible, rather than fundamentally altering services, so as to ensure the continuation of Council services within the county borough. It was anticipated that the suggested savings proposals would not have a direct impact on front-line services in 2015/16 but that the situation may change for the financial year 2016/17 and beyond.

At the meeting of 29th October 2014, Cabinet endorsed a proposal to increase Council Tax by 3.9% for the 2015/16 financial year to ensure that a balanced budget is achieved. It was stated that unlike neighbouring Local Authorities, it was anticipated that there would not be a significant change to other fees and charges.

Reference was made to the proposed closure of Pontllanfraith House and Members were asked to note that this would bring about a saving of over £700,000, without an impact to the public.

Regarding the Customer Services report and the proposal to close the Cash Desk facility within Newbridge, it was explained that this service has the lowest footfall of all the Council's Customer Service sites and that customers could be redirected to alternative payment venues (such as local post offices). Members were reminded of the potential of the Mobile Customer Service Centre which could be utilised to help bridge any resulting shortfall in Customer Service access, and were also advised of the numerous other ways in which bill payments could be made (such as via the internet or telephone).

REPORTS OF OFFICERS

Consideration was given to the following reports.

5. DRAFT SAVINGS PROPOSALS 2015/16

Prior to the presentation of this item, the Chair expressed concern that the views of the other Scrutiny Committees regarding the list of draft savings proposals were not available for consideration. Officers explained that the report had been presented to Cabinet on 29th October 2014 and had subsequently been forwarded to Scrutiny Committees as part of the further period of consultation. Final 2015/16 budget proposals, including the comments of Members arising from these meetings, were due to be presented to Cabinet and Council in February 2015.

The Chair, together with other Members, explained that it was difficult to consider whether or not to support a saving without being aware of the comments made at other Scrutiny Committee meetings regarding the proposals. A query was raised as to whether consideration of this item should be deferred to a later Scrutiny meeting until this further information was received. It was determined that discussion of the Draft Savings Proposals would proceed but that this concern would be noted.

It was agreed that the draft minutes of the Scrutiny Committees meetings, containing the comments of Members regarding the Draft Savings Proposals 2015/16 would be presented at the next meeting of the Policy and Resources Scrutiny Committee on 20th January 2015.

Stephen Harris, Interim Head of Corporate Finance, presented the report, which provided details of the provisional 2015/16 Local Government Settlement, together with an updated Medium Term Financial Plan for the period 2015/16 to 2017/18. The report also presented details of proposed savings for 2015/16 totalling £12.208m and a proposal to increase Council Tax for 2015/16 by 3.9%.

The appendices to the report contained details of savings proposals for 2015/16, including the description of the service, the potential saving, the impact narrative and impact rating to service users. The list also identified the outcome of the initial consideration of each proposal at previous Scrutiny meetings, including the comments of Members.

The report was originally considered by Cabinet on 29th October 2014, who having given due regard to comments detailed against the proposals, endorsed the recommendations contained within the report. As part of the further period of consultation, the Policy and Resources Scrutiny Committee were asked to consider and comment upon the proposals in Appendix 2 of the report (Whole Authority Costs) and Appendix 6 of the report (Corporate Services).

Unison representatives Mr Gary Enright and Mr Dave Bezzina were then invited by the Chair to respond to the list of savings proposals, on behalf of the collective Trade Unions.

Mr Bezzina referenced the reduction in the Local Government Budget Settlement across Wales and advised Members of the resulting impact on council services and staff across neighbouring local authorities, citing examples relating to reductions in hours and the outsourcing of council services.

In regards to Caerphilly Council, Mr Bezzina acknowledged that there were a number of significant challenges that lay ahead as a result of the budget cuts but reiterated the importance of ensuring that CCBC employees felt valued and were rewarded with a fair wage. He referenced the good working relationship between CCBC and its staff and called for a reduction in the use of agency and consultancy workers. Mr Bezzina also acknowledged that the proposal to increase Council Tax by 3.9% for 2015/16 was a sensitive issue but that this provided a valuable source of funding to local communities.

Reference was made to the Authority's decision to maintain General Fund reserves at circa £10m, equating to 3% of the net revenue budget, with Mr Bezzina calling for this decision to be examined by the Authority.

Reference was made to Unison's Ethical Charter which outlined UNISON's vision for local government and highlighted the Union's 'Top 10 Asks' for local councils, a copy of which would be forwarded to Members. Mr Bezzina also spoke of the Williams Report and the challenges that lay ahead in the merging and collaboration of local authorities.

The Chair thanked Mr Bezzina for his presentation and then invited Mr Gary Enright to make his representations.

Mr Enright voiced concern that there was insufficient detail listed against the savings proposals contained within the appendices to the report. The Trade Unions had a number of concerns regarding the effect of these proposals on Council resources, and Mr Enright called for this impact to be examined more thoroughly within a number of service areas. There were concerns that savings proposals were mainly centred around non-statutory Council services and Mr Enright reiterated the need for potential savings to be examined across all Council services.

Mr Enright reminded Members of alternative savings and efficiencies suggested by the Trade Unions at previous meetings, including reviewing the procurement and use of consultants, the earmarking of financial reserves and a review of the Authority's recycling arrangements. He advised Members that Council Officers were currently collating information relating to consultancy costs, in response to a Freedom of Information request submitted by Unison.

Members were reminded that the views of the Trade Unions regarding proposals to reduce the HMRC Mileage Rate had been expressed at previous special Scrutiny meetings. Mr Enright then referenced a number of savings proposals listed throughout the report appendices, and reiterated his concern that overall there was not enough data or detail to facilitate a thorough analysis of the savings proposals.

Mr Enright was thanked for his presentation and detailed discussion of the report ensued, with the Chair commenting on the possibility of requesting a report on the Council's use of consultants.

Concerns were reiterated by Members regarding the level of information detailed against the savings proposals. Particular reference was made to Appendix 5 of the report, which contained a savings proposal to remove the Area Forum Budget within the Directorate of the Environment. Members raised a query regarding the impact this proposal could have on local community schemes, such as Splash Pads, and the feasibility of this proposal being reassessed when presented to Cabinet for consideration, and it was advised that this was a matter that related to the Regeneration and Environment Scrutiny Committee. Members commented on the need for this information to be included within the proposals and requested that their concern be noted.

Reference was made to a savings proposal within Appendix 4 of the report (to reduce 3 social workers per Social Services division), with the intention that this would be achieved through vacancy management. Clarification was sought on the service user impact rating which was displayed as 'High Impact' and Officers explained that the impact rating had subsequently been reassessed and reduced to 'Low Impact'.

Further information was also sought on the proposal to withdraw the "additional help for pensioners with their Council Tax funding". Officers confirmed that a survey on this funding had been carried out across Welsh Local Authorities, which revealed that the majority of Councils had already withdrawn the funding or were considering withdrawal for 2015/16.

Clarification was sought on a proposal within Appendix 2 to reduce assistance to the voluntary sector by £30,000, which equated to 11% of the total grants funding budget and Officers confirmed that this would be administered through the Grants to the Voluntary Sector Panel.

Reference was made to consultation with the Trade Unions relating to the savings proposals and Members suggested that it would be useful to receive the Trade Unions' response prior to the meetings. The Chair endorsed this view and welcomed the involvement of the Trade Unions as a means of successful consultation.

Members also emphasised the view that both statutory and discretionary services needed to be examined in order to identify savings proposals across all areas. Officers explained that the budget strategy had been agreed by Council in February 2014 which contained two main strands: further savings proposals of up to 3% efficiency savings, and a review of discretionary services. Since the announcement of the worsening financial outlook in June 2014, a significant amount of work had been undertaken to identify further savings proposals across all Council services.

Discussion also took place regarding the use of reserves, and arising from this, a report detailing future information regarding reserves was requested for presentation at a future Policy and Resources Scrutiny Committee. A report was also requested detailing the procurement, use and cost of consultants within the Authority.

The Committee noted the contents of the report and requested that their comments be reflected in the minutes of the meeting and presented at the next meeting of the Policy and Resources Scrutiny Committee meeting on 20th January 2015, together with comments arising from the other Scrutiny Committees meetings where the report had been considered. It was also requested that these comments be included in the final 2015/16 budget proposals that were due to be presented to Cabinet and Council in February 2015.

6. SAVINGS PROPOSALS FOR 2015/16 – CUSTOMER SERVICES

David Titley, Corporate Customer Services Manager, presented the report, which advised Members of proposed service changes within Customer Services that are required to achieve budget savings and sought Members' views on these proposals and endorsement of the new arrangements.

Members were advised that as part of the MTFP, a budget saving of £250,000 has been proposed for the Customer Services budget. To allow sufficient time for these proposals to be implemented, £125,000 of the saving will be delivered in 2015/16, with the balance being realised in 2016/17.

The report detailed how these savings would be achieved, which consisted of non-staffing costs of £89,348 and staffing costs of £160,652. Of the non-staff costs, savings of £50,348 would be achieved by the relocation of the Blackwood Customer Service Centre to Blackwood Library, together with other non-staff costs totalling £39,000. With regards to staff costs, £30,000 would be saved by reducing the Agency Staff budget and vacancy management savings of £45,597 would be achieved through the deletion of two vacant full-time Customer Service Advisor posts.

The remainder of the savings would be achieved by reducing the salaries budget by £85,055, equating to 3.7 FTE (full-time equivalent) posts. In total, the proposals would reduce the staff establishment by 5.7 FTE posts (including the deletion of the two FTE vacant posts). Members had previously indicated that they wished to retain the present network of Customer Service Centres. However, it was not feasible to maintain current levels of service with this reduction in staffing, and therefore changes would have to be made in the provision of Customer Services, including opening hours and customer service performance targets, to accommodate this reduction.

The report detailed proposals to reduce the current waiting time performance target for Customer Service Centres (from 80% of customers being seen within 10 minutes down to 80% of customers being seen within 15 minutes) There would also be a need to reduce performance targets within the Customer Contact Centres (from 80% of telephone calls being answered within 20 seconds down to 70% of calls being answered within 20 seconds). Both revised targets would still compare favourably with other similar services in the public sector.

Appendix 1 to the report contained a full list of proposed changes to the opening hours of Customer Services Centres. The proposals would result in a decrease to site opening hours, with some of the sites closing on some afternoons. The report also proposed the withdrawal of the Cash Desk payments service located within Newbridge Library, owing to a lack of footfall, and outlined a number of alternative ways in which local residents could make payments to the Council.

Mr Titley was thanked for his report and Councillor Gary Johnston, Newbridge Ward Member, was invited to address the Scrutiny Committee in respect of the proposals.

Councillor Johnston referenced the recent regeneration works to Newbridge Town Centre and the detrimental effect this had had on local businesses whilst these were being carried out. He raised concerns regarding the impact of the proposed closure of the Newbridge Cash Desk service and referenced other Council services withdrawn from the town centre in recent years, such as the closure of the public toilet facilities and the old Newbridge Cash Office site.

Councillor Johnston referred to the alternative payment methods listed within the report and stated that residents often found it easier to walk to the centre to make payments at the Cash Desk in person, rather than making a telephone payment. In addition, he advised Members that the service was popular with many elderly residents, who often combined their trips to the Cash Desk with a visit to the Library within the same building. He appealed to the Committee to reconsider the proposals and examine other alternatives to closing the Newbridge Cash Desk service.

Councillor Johnston was thanked for his presentation and discussion of the proposals ensued. Other Members voiced support for Councillor Johnston's views and indicated that they wished to propose an amendment to the opening hours across all Customer Service Sites, whilst keeping the Newbridge site open. Officers advised that they were trying to minimise the impact to customers and that Newbridge Cash Desk had been identified as a potential site for closure as it had the lowest footfall rate of all the sites and generally had a very low usage rate.

A query was raised as to the use of the Mobile Customer Service Centre as an alternative to the Newbridge Cash Desk. It was explained that this service already visited the neighbouring communities of Panside and Trinant. In addition, the analysis of the distribution of customers (attached at Appendix B) indicated that the majority of customers using the Newbridge Cash Desk live in communities which are served by a Post Office where they can make payments in person using a Post Office Payment Card. A query was also raised as to footfall within the Customer Service Centres on Saturdays and Officers advised that this was comparable with late afternoon usage during the weekday.

Members commented on the information contained within the report and stated that it would be useful to see a footfall breakdown analysis across each of the sites, in addition to information relating to staffing levels at each site. The Chair added that information on how the proposals within the report affected staff would be useful to Members. Confirmation of a Member's proposed amendment to the report recommendation was sought and subsequently clarified.

An amendment to the report recommendation was moved and seconded in that a report be requested to detail the feasibility and impact of realigning the opening hours of all current CCBC Customer Service sites to 10am, and that robust consultation on changing these

opening times be undertaken with staff and service users. By a show of hands, this was unanimously agreed.

It was agreed that this report be presented at the next meeting of the Policy and Resources Scrutiny Committee on 20th January 2015. The Ward Member for Newbridge made further comments in relation to Customer Service provision within the Newbridge Cash Desk site and was advised that his comments would be included within the public consultation. Members also asked if the logistics of opening hours and the possibility of using the Mobile Customer Service Centre to cover sites earmarked for afternoon closures could be examined in the report.

Following consideration of this item, it was agreed at 6.55 pm that the meeting adjourn for a short recess. The meeting reconvened at 7.00 pm.

7. INVESTMENT STRATEGY

Stephen Harris presented the report, which provided the Scrutiny Committee with additional information in relation to proposals to review the Authority's investment strategy. Members were asked to consider and comment upon this additional information and make an appropriate recommendation to Cabinet and thereafter Council.

A report was previously presented to the Special Policy and Resources Scrutiny Committee on 24th September 2014 which proposed a change in the Authority's Treasury Management Investment Strategy. The report provided details of various investment portfolios that the Authority could adopt to enhance investment returns to support the Medium Term Financial Plan (MTFP). The MTFP has an additional £263,000 of investment income included supporting the Authority's 2015/16 draft budget savings proposals.

The original report presented three models for Members' consideration in relation to the current approach to investments. After considering the content of the report, additional information was requested in relation to Model 1, as this offered the highest returns. Officers had expressed concern around the amount of cash readily available in the short-term under Model 1 to meet the Authority's liquidity requirements as almost two-thirds of the portfolio was tied up in investments greater than 1 year.

The latest report provided an updated position on the investment portfolios previously presented and outlined further advice received from the Authority's Treasury Advisors, Arlingclose. It was explained that Arlingclose have recently updated the indicative investment portfolios previously presented, which continue to follow the same underlying makeup as proposed in the earlier Committee report.

At the request of the Scrutiny Committee, Model 1 has been modified to increase the amount of readily available cash, and the three models have been updated to reflect changes in investment yields. The updated potential yields for each Model have reduced as financial markets have reacted to economic, political and regulatory developments across the globe.

Model 1 (revised) has an average investment duration of 768 days, with a return of 1.02% (£764,000). £33m is available within a day's notice, £8.5m is invested between 6 to 12 months, and £33.5m is invested for longer than one year. This portfolio continues to represent liquidity risk as there is not enough cash to cover the short-term period (3 months to 1 year) and would result in the Authority borrowing short-term cash from the money markets to cover cashflow requirements to ease liquidity concerns. As a result investment income would reduce due to an increase in borrowing costs and associated brokerage fees. The use of corporate bonds and floating rate notes would require an amendment to the TM Strategy.

Model 2 has an average duration of 190 days and yields a return of 0.59% (£438,000). £22m is available within a day's notice, £16.8m within 3 months and £19m is invested longer than

1 year. The remaining £17m 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.

Model 3 has an average duration of 391 days and yields a return of 0.74% (£550,000). £16.8m is available within a day's notice, £2m within 1 month and £29m is invested longer than 1 year. The remaining £27m 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) would require an amendment to the TM Strategy.

All of the updated scenarios presented in the report have increased risk compared to the existing investment strategy due to investing for longer periods of time and for larger amounts. The credit quality of counterparties has been maintained in accordance with the Treasury Management 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.

The view of Arlingclose is that the Authority should look to progress to maximising its yields, but that moving immediately to Model 1 may be a step too far at this stage. Arlingclose support an approach that would move to Model 2 or 3 initially, with the longer-term aim being a move to Model 1, subject to a review at a later date.

Discussion of the report ensued and Members discussed the various income options and risks associated with each of the investment models. Members commented on the lower rate of interest arising from Model 3 and queried whether an opportunity for an increased rate of return was being missed by not considering Model 1. Officers reiterated their concerns about moving to Model 1 at this stage and outlined the benefits of moving to Model 2 or 3 as recommended by Arlingclose.

Following consideration of the report, it was moved and seconded that an initial move to Model 2 or Model 3 of the Investment Strategy be endorsed (in line with the Arlingclose recommendation) with the longer-term aim being a move to Model 1, subject to a review of the Investment Strategy within a reasonable period of time. By a show of hands, this was agreed by the majority present.

RECOMMENDED to Cabinet, and thereafter Council, that an initial move to Model 2 or Model 3 of the Investment Strategy be endorsed, with the longer-term aim to move to Model 1, subject to a review of the Investment Strategy within a reasonable period of time.

This recommendation will be included in the Annual Treasury Strategy Report that is due to be presented to Cabinet on 4th February 2015 and Council on 25th February 2015.

In accordance with Rule of Procedure 15.5, Councillor C.J. Cuss wished it recorded that he had voted against the recommendation.

8. PONTLLANFRAITH HOUSE

Councillor D.T. Hardacre, Cabinet Member for Performance and Asset Management, together with Colin Jones, Head of Performance and Property Services, presented the report to Members.

The report provided further information in respect of the savings proposal to close Pontllanfraith House as part of the Council's Land and Buildings Asset Rationalisation Programme. This report was a follow-up to the report presented at a special Policy and Resources Scrutiny Committee meeting on 17th June 2014, which established the rationale behind the proposal to close Pontllanfraith House.

This report detailed the potential impact of the closure on Council services, access for the public to those services, financial implications, employment issues and equality implications.

The Cabinet Member reminded the Committee of the aims of the Council's Land and Buildings Asset Rationalisation Programme and reiterated the significant and high cost repair liability relating to Pontllanfraith House, for which there is no provision in the capital programme. Pontllanfraith House has therefore been identified as a prime candidate building for closure as it represents a significant liability to the Council. The report explained that the Council services offered from Pontllanfraith House can be successfully redistributed amongst other existing corporate offices.

The Head of Performance and Property Services endorsed the Cabinet Member's introduction and welcomed questions from Members in relation to the proposals to close Pontllanfraith House.

Members called for a business case and the need for further information and a detailed breakdown of the costs involved in the closure of Pontllanfraith House and the relocation of staff. Officers referred to the report presented to the special Policy and Resources Scrutiny Committee on 17th June 2014, which contained a detailed breakdown of the associated costs, and which had been endorsed in principle by the Committee.

Members were reminded of the range of structural defects within Pontllanfraith House and the £5m of capital costs required to refurbish the building and bring it up to the required standard. Officers also advised that relocated staff could be sufficiently accommodated within alternative Council sites. The closure would realise a significant cost saving and avoid an expensive project to deal with the range of defects at the Pontllanfraith House Offices.

A query was raised as to the full costings in terms of staff relocation, utility upgrades and renovations to other Council buildings in order to accommodate the relocated staff. Officers advised that this was outlined within the Financial Implications section of the report and that due consideration had been given in the costings to the relocation factors and upgrading of facilities required.

Members sought reassurances that all costs were detailed within the report and that there would be no additional costs involved in the closure of Pontllanfraith House and the relocation of staff. The Head of Performance and Property Services offered to provide an additional report to provide a full breakdown of the costs involved, and it was agreed that this would be presented to Members at the next Policy and Resources Scrutiny Committee meeting on the 20th January 2015.

The Cabinet Member reiterated the need for a timely decision to be made on the proposed closure, advising of the timelines involved in presenting further reports to Members and the need to allow time for further consultation.

The Trade Unions were invited to respond to the proposals, and Mr Enright made reference to the suggested relocation options for Housing and the Community and Leisure Services divisions, commenting on the suitability of the suggested buildings for these services. Mr Enright reiterated the Members' view that further information was required in relation to the proposals. It was confirmed that Pontllanfraith House staff were aware of the proposals, and Members reiterated the need for detailed consultation with staff in regards to these proposals.

A query was raised in relation to the future of the Pontllanfraith House site if vacated, including potential demolition costs. It was confirmed that subject to ratification by Members, the building would be offered for sale and therefore any demolition costs would become the responsibility of the purchaser.

Members referred to the rationalisation of Council buildings and it was confirmed that this was the basis of the Council's Land and Buildings Asset Rationalisation Programme. Examples of

building rationalisation were outlined to Members, including the closures of Hawtin Park Council Offices and Enterprise House.

Further discussion took place in relation to the financial implications associated with relocation and the proposed modifications to other Council buildings in order to accommodate the relocated staff. Reference was made to Ty Dyffryn and Members commented on the feasibility of accommodating both relocated staff and the proposed new Waste Transfer Station facilities within the same site. Local Ward Members also reiterated concerns previously raised that the closure of Pontllanfraith House would have a negative impact on the local community.

An amendment was moved and seconded, in that the proposal to close Pontllanfraith House be opposed, subject to further information being provided on the full financial implications of the proposed closure. By a show of hands and with the casting vote of the Chair, the motion was declared lost.

It was moved and seconded that the proposals to close Pontllanfraith House be endorsed, subject to further information being provided on the full financial implications of the proposed closure, including additional costs arising from works required at alternative premises to accommodate staff. By a show of hands and a majority vote, the motion was declared carried.

A Member stated that they had voted in favour of the latter motion in error, and the Chair confirmed that if this had resulted in the vote being declared equal, he would have used his casting vote to declare the motion carried.

9. 6-MONTH PROGRESS UPDATE OF IMPROVEMENT OBJECTIVES – CAERPHILLY PASSPORT PROGRAMME UPDATE

Councillor Miss E. Forehead declared a personal interest in this item, in that she has a family member who is employed within the Passport Programme, and left the meeting during consideration of this item.

Gareth Hardacre, Head of Workforce and Organisational Development, presented the report, which provided Members with a six-month update of the Improvement Objectives relating to the Caerphilly Passport Programme. It was noted that the report had been deferred from the Policy and Resources Scrutiny Committee of 11th November 2014.

Good progress continues to be made with the Passport Programme, with 673 young people referred into the scheme to date. Since April 2014, 84 placements have been delivered across the three Programme Tiers, against the annual target of 150 placements. 12 apprenticeship opportunities were created against an annual target of 25, together with 38 employment opportunities against an annual target of 40. To date the amount of positive outcomes arising from the programme (young people going into employment or back into full-time education) stands at 78%. Further detailed information relating to the Improvement Objectives was contained within Appendix 2 of the report.

Members were advised of the recent Passport Celebration Event attended by a number of Cabinet Members and Assembly Members, which demonstrated the positive impact of the programme on the lives of young people. The Programme has recently undergone a number of audits and evaluation, with the Passport Programme Team successfully completing the European Social Fund (ESF) Team Audit run between April and July. The results of this were attached as Appendix 1 to the report. An evaluation of the Programme undertaken by Wavehill Ltd is nearing completion, with feedback to date complimentary, and the completed evaluation anticipated shortly. The Passport Programme was also selected for an ESF National Team Audit and a draft report of the results has been positively received.

With regard to future developments, the ESF grant ends on 31st December 2014. In order to fund the programme until the end of March 2015, additional Flexible Support Fund grant funding of approximately £42,500 has been secured to cover staffing and training costs. The next round of ESF funding is in progress with logic tables being submitted and discussed with the Wales European Funding Office (WEFO). Their view is that all bids coming forward need to be supported by the Regional Learning Skills and Innovation Board. For the Passport Programme to continue, both ESF funding and a further allocation of Jobs Growth Wales placements will need to be secured, and thus it was explained that there is currently uncertainty around future funding for the Passport Programme being secured.

Officers clarified the procedure involved in filling vacant positions within the Authority and the role of the Passport Programme in regards to this, with it explained that there was increased success with Programme participants becoming employed within the private sector. Members praised the work of the Programme, stating that they would wish to see it continue, and queried the feasibility of Cabinet approaching the Welsh Government with a view to securing future funding. It was explained that there were issues in securing future ESF funding due to the difficulty of the Programme in matching the funding criteria. The feasibility of using Council reserves to meet a short-term funding gap was also discussed with Officers.

Unison representatives were asked for their views and Mr Bezzina requested that the Trade Unions be kept informed of developments in relation to the Passport Programme and future funding.

Members were in agreement that the satisfactory progress was being made against the Improvement Objectives relating to the Caerphilly Passport Programme, and noted the contents of the report.

The meeting closed at 7.54 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 20th January 2015, they were signed by the Chair.

CHAIR

SUBJECT: BUDGET CONSULTATION FEEDBACK 2015/16 – SUMMARY RESPONSES FROM THE PUBLIC

REPORT BY: COMMUNICATIONS MANAGER

1. PURPOSE OF REPORT

To provide Members with a detailed overview of the feedback gathered during the extensive budget consultation undertaken throughout 2014.

The data will be used to help inform the decision-making process prior to the 2015/16 budget being set in February.

2. SUMMARY

CCBC wants to ensure that residents and other key stakeholders across the county borough have the opportunity to help shape the way the council delivers its services in the face of unprecedented budget cuts.

Effective consultation and community engagement is a key factor in informing the budget debate and the resulting feedback will assist members in their decision making process when agreeing the new budget for 2015/16 and beyond.

The budget consultation started in April 2014 when a meeting of the CCBC Viewpoint Panel was held to discuss the prioritisation of discretionary services. This was followed by a comprehensive programme of engagement activities which were split into two distinct phases:

- **Phase 1 - Discretionary Services Consultation**

This consultation ran for two full calendar months (August and September 2014) and continued the debate about the prioritisation of discretionary services.

- **Phase 2 - Consultation on Draft Savings Proposals 2015/16**

Cabinet agreed its draft savings proposals in October 2014 and a second phase of consultation on these specific cuts was launched in mid November. This phase lasted for 7 weeks and ended on January 2nd 2015.

Phase 1 saw a significant response rate with over 1,700 people completing a survey about discretionary services. The feedback from this consultation was used to help inform the Cabinet's draft savings proposals.

Phase 2 saw a significantly lower response rate (176 responses) despite the use of the same consultation methodology deployed in Phase 1. In addition, Face to Face sessions were also offered as an engagement mechanism during Phase 2.

Anecdotal feedback gained during the various face-to-face engagement sessions suggest that the reason for this lower response rate is that generally, while undoubtedly savings do need to be made, residents are largely accepting of the proposals and supportive of this fact. Caerphilly has also been fortunate in that the draft savings proposals for 2015/16 contain very few 'headline grabbing' announcements that have been seen in other areas across Wales.

3. LINKS TO STRATEGY

All consultation activity carried out by the council is done in line with the principles and standards as outlined in the CCBC Citizen Engagement Strategy and the Corporate Communications Strategy.

4. THE REPORT

The council wants to ensure that stakeholders from all sections of the community get the opportunity to engage and have their say about the budget setting process and the ongoing savings agenda.

Our consultation activities are undertaken in the most inclusive way possible to ensure that as many people as possible get the chance to provide feedback on issues that are important to them.

Audiences - For the budget consultation, our audiences were broadly split into the following categories:

- All CCBC Residents
- Young People
- Older People
- Business Community
- Voluntary Sector
- Viewpoint Panel
- Partner Organisations (LSB etc)
- Town /Community Councils
- Community Partnerships

Methods - Various consultation methods were used to capture as much feedback as possible from stakeholders including:

Online Consultation

Surveys and supporting documentation was made available on the CCBC website with a prominent banner link from the home page to provide direct access to the relevant web pages. User-friendly 'SNAP' software was used for the survey template and this was laid out in a simple and easy to understand format.

Paper documentation

Printed versions of questionnaires and other supporting material were made available and widely circulated across the community. Completed surveys could be returned by post, or to make this even easier, residents were able to drop them off (without the need for a stamp) at convenient community locations such as libraries, leisure centres, customer service centres and housing offices to attract the highest response rate possible.

Newsline

This is a key consultation vehicle as Newsline is posted to every home in the county borough (80,000+ properties). Large, centre page 'pull out' surveys were included in both the September edition (Phase 1) and the December editions (Phase2) of Newsline.

Social Media

In this increasingly digital world, social media is fast becoming the preferred channel of communication for large sections of society. Channels such as Facebook and Twitter were used to signpost residents to the online survey and encourage an online debate.

Similarly, social media was utilised to host a live question and answer debate as part of the discretionary services consultation, which ran simultaneously to and in the same format as the face-to-face Viewpoint Panel session in April 2014.

Face-to-face

Stakeholders had the chance to engage face-to-face with officers and members in a number of ways. The new Customer Service Vehicle was used to tour the community visiting a number of towns and villages to engage residents. A series of Drop In Sessions were also organised during Phase 2 for local people to call in for a chat to officers and members and provide feedback on savings proposals. The Viewpoint Panel was also used on two occasions (April and December) to consult VPP members and gather feedback in a structured 'focus group' environment.

Scrutiny meetings

In order to provide Members with every opportunity to fully scrutinise and comment on the specific savings proposals, a series of Special Scrutiny Committee meetings were held throughout 2014 and the views of members were fed back.

Engagement Strategy – It was agreed to roll out the budget consultation in two distinct phases as follows:

Phase 1 – Discretionary Services Consultation

Although the majority of activity around this phase took place between 1st August - 30th September 2014, some consultation had already taken place on this aspect.

Back in April 2014 a meeting of the CCBC Viewpoint Panel was held at Penallta House where 8 focus groups were organised allowing residents to prioritise the list of discretionary services. This event was attended by members of the Viewpoint Panel as well as members of the Youth Forum who ensured that young people had a voice in the debate.

Those not attending the event were also given the opportunity to submit questions or comments by Facebook. This added a new dimension to the Viewpoint Panel and is something that will be built upon in the future.

Other consultation methods used during Phase 1 included:

Newsline (September 2014) – featured a prominent Front Page article explaining the budget cuts and the consultation process. Also included a 4 page, centre spread 'pull-out' featuring a fully bilingual survey.

CCBC Website Survey – Launched on 1st September and ran for the full two months. The website featured a prominent front page banner with links direct to the online survey.

Community Visits – The CCBC Customer Service Vehicle was used to visit key locations across the county borough including Trinant, Bargoed, Nelson, Caerphilly, New Tredegar, Blackwood etc. Communications and Customer Services staff handed out hundreds of surveys at these locations as well as engaging residents to explain the reasons for the consultation.

Survey Distribution – Online and/or paper versions of the questionnaire were distributed to the following groups as well as being issued on request:

- The Youth Forum and via Youth Clubs
- Business Forum
- Economic Development Forum
- Older People's Network

- Voluntary sector including the Parent Network
- GAVO
- Viewpoint Panel members
- Partner Organisations (LSB)
- All Town /Community Councils
- Community Partnerships
- Online Watch Link (OWL) network
- Equalities Network contacts
- All head teachers for parents
- Intergenerational clubs.

Special Scrutiny Committees – Feedback and recommendations received through the scrutiny process was considered alongside all other consultation responses as part of budget setting process.

Phase 2 – Consultation on Draft Savings Proposals (Post-Cabinet meeting)

This phase started w/c 17th November and ran for a period of 7 weeks with a closing date of Friday 2nd January. The authority was able to present firm savings proposals to the public following the Cabinet meeting on 29th October.

Phase 2 focused more on engagement than consultation as the Draft Savings Proposals for 2015/16 had already passed through Cabinet. The aim was to engage stakeholders about how we can work together to manage the impact of the savings on the wider community before the final budget is agreed by Council in February 2015.

This phase focused on the key ‘public facing’ recommendations from the Draft Savings Proposals (as per the tables in Appendix 2 to 6 in the Cabinet report)

Methods – In order to ensure a consistent approach, the same consultation methods were used in Phase 2 as Phase 1 and these included an online and printed survey, Social Media engagement plus a prominent feature and survey in the December edition of Newline.

However, Phase 2 also saw a greater use of ‘face to face’ engagement which included:

Drop In Sessions -Six events were organised across the county borough (Rhymney, Bargoed, Caerphilly, Blackwood, Newbridge and Risca) which involved an informal ‘drop-in’ format. Residents were able to call in and chat to staff and members to find out more about the cuts and provide feedback.

50+ Forum AGM

The 50+ Forum AGM took place in January where facilitated focus groups discussed the impact of the cuts and provided feedback.

Youth Forum – A special event was organised at the November county borough-wide meeting of the Youth Forum. Over 60 young people were in attendance and split into focus groups to discuss the savings proposals.

Viewpoint Panel

A special meeting of the Viewpoint Panel was held in December to follow through on the initial discussions held at the April meeting. This event also included representatives of the Youth Forum to ensure a balance of views.

Feedback and results

The feedback and data gathered from the consultation will inform the budget decision making process.

An overview analysis along with relevant appendices will form part of the final budget report which will be considered by members at Full Council in February 2015.

The following appendices are attached to this report:

- Appendix 1 Viewpoint Panel feedback (April 2014) – this will be made available on the Authority’s website.
- Appendix 2 Phase 1 result tables and analysis of comments - this will be made available on the Authority’s website.
- Appendix 3 Phase 2 feedback and analysis of comments
- Appendix 4 Drop in Session feedback
- Appendix 5 Youth Forum feedback (November 2014)
- Appendix 6 Viewpoint Panel feedback (December 2014)
- Appendix 7 Voluntary Sector Liaison Committee Report (December 2014)

5 EQUALITIES IMPLICATIONS

Due consideration was given to Equalities in the methodology used and in the construction of the relevant surveys.

An ‘equalities monitoring’ section was included at the end of each survey in order to capture and record key data about respondents.

Equality Impact assessments for each saving proposal that affects the public and/or service users is currently being undertaken by service areas.

6 FINANCIAL IMPLICATIONS

The costs associated with the consultation activities outlined within this report have been covered by a specific public engagement budget which falls within the overall Communications Unit budget.

7 PERSONNEL IMPLICATIONS

None

8 RECOMMENDATIONS

1. Members are asked to note the content of this report.
2. The details contained within the Appendices are included with the final budget report to Full Council in February.

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FEEDBACK - Phase 2 Engagement on the Draft savings proposals

This second phase was intended as a wider engagement on the Draft savings proposals for 2015/16 and followed the draft budget proposals presented in light of the Welsh Government budget settlement announcement in October 2014. The aim was to engage residents and stakeholders and seek their views on the impact of the proposed savings and to promote discussion on how we can work together to manage the impact these changes on the wider community before the final budget was agreed by Council in February 2015.

Method (What we did)

This stage of the engagement process began on 17th November 2014 for a 7 week period although some consultation mechanisms extended beyond this core period e.g. the 50+ Forum. Whilst a questionnaire was provided to enable residents and other stakeholders to feedback their views, face to face engagement was key in informing interested parties to enable them to give informed views and suggestions. This was done through a variety of drop in sessions and face to face focus group discussions.

Drop In Sessions

Five events were organised at community venues at Bargoed, Blackwood, Caerphilly, Risca and Rhymney between 18th November and 13th December 2014. Each of these drop-in sessions were attended by a member of staff from the Communications team, a senior member of the Corporate Finance team and at least one Cabinet member at any time. The sessions were publicised widely at the venues and via social media. Residents were encouraged to come in and chat to staff, find out more about the proposals and provide feedback through completing a form. This approach allowed interaction with individuals.

In total over 90 people engaged in discussion with officers and Cabinet members across the five venues. The demographic make up of the attendees was slightly skewed towards the older age groups but there was a good cross section of male and female attendees and notably wider demographics at the drop in session held on a Saturday. (See separate report.)

Youth Forum Meeting

The Borough wide meeting of the Caerphilly Youth Forum was held on 27th November 2014 and attended by 59 young people. Of these, 38 were female and 21 were male with the youngest member in attendance being 11 years old. As part of the proceedings, members were asked to discuss a number of the savings proposals (as agreed by a Youth Forum project group the previous week) and to consider the impact that these would have on young people in particular. (See separate report.)

Viewpoint Panel

A special meeting of the Viewpoint Panel was held on 4th December 2014. This meeting was also attended by the newly appointed Youth Forum Cabinet. The focus of the discussion was around the impact of the proposed savings and how these can be reduced (See separate report.)

50+ Forum AGM

The 50+ Forum AGM took place on 14th January 2015 and focussed on the impact of the savings proposals for older people in particular.

December Newline

Details of draft budget proposals were included on the front page in the December edition of Newline with an additional 4 page centre spread including a feedback mechanism.

Survey / Questionnaire

Whilst not the primary engagement mechanism at this stage, an online and printed information leaflet was produced outlining the draft budget proposals in an easy to understand format. A questionnaire was also made available to allow residents and stakeholders to feedback their views. This was

distributed in the same way as the Phase 1 exercise (with the exception of the mobile customer service vehicle that was replaced by drop in sessions to allow more time for interaction) including the **CCBC Website Survey** – Launched on 17th September until 2nd January with a prominent front page banner with link direct to survey.

In addition, online and/or paper versions of the questionnaire were distributed via the Youth Forum and at Youth Clubs, via Business Forum and Economic Development Forum, via Older People’s Network, to the voluntary sector including the Parent Network, via GAVO, via Viewpoint Panel members, Partner Organisations (LSB), all Town /Community Councils and Community Partnerships, via Online Watch Link (OWL) network, via Equalities Network contacts, to all head teachers and via intergenerational clubs.

Key Results

In total 176 forms were completed either online or via Newline, 94% of the surveys were completed by residents. Of these only one was returned in the Welsh language.

Table 1 summarises the response in relation to the question “Do you agree or disagree with the following general approach being taken by the council?” There was overwhelming support for protecting frontline services and reducing management admin costs and reducing office accommodation costs through rationalisation. There was also a high degree of support for reducing rather than removing services, focussing on priorities and being prepared to reduce other things and looking at alternative ways of delivering services. However, less than half of the respondents to the survey agreed with increasing fees and charges.

TABLE 1: Do you agree or disagree with the following general approach being taken by the council?

	Agree	Disagree
Protecting frontline services and reducing management/admin costs	94%	6%
Reducing office accommodation costs by rationalising council-owned buildings	94%	6%
Increasing fees and charges	49%	51%
Trying to reduce rather than remove services where possible	84%	16%
Focusing on priorities and being prepared to reduce other things	87%	13%
Looking at alternative ways of delivering services (such as through trusts, community organisations, outsourcing or through partnerships and collaborations etc)	73%	27%

A wide range of responses were received in relation to the proposed changes. Many were supportive of the cuts

“I have to say I am as pleasantly surprised and pleased by the suggested savings. There is nothing glaringly shocking, most is sensible.”

A number of comments were made opposing and increase in council tax, however, this was by no means a consensus view.

“I agree with the savings proposals and priorities, but do not think they go far enough if it has to be supplemented by a council tax increase of 3.9%”

“With regard to the rise in council tax I would be prepared to pay more tax again if the charges were more equitable.”

“I would have thought that an even larger rise in Council Tax is in order, given the economic climate of the time.”

Many comments related to provision of specific services. Whilst no one service area is highlighted a great deal more than others in the comments, many noted the importance of ensuring that vulnerable people in the community are protected and a reduction of services that impact on these groups should be carefully considered.

“I think that, in the main, it is good as vulnerable people will still be safeguarded”

“Overall, the vulnerable appear to have been protected, which is excellent.”

The only other clear theme to emerge was around the issue of charging for services which reflected the response to the general approach question shown above and the discussions that took place with Youth Forum and Viewpoint Panel members.

Full details of all the individual responses will be made available on the Authority’s website.

FEEDBACK - 6 x 'Drop In' Budget Engagement Sessions

Between 18th November and 13th December 2014, five events were organised at community venues in Bargoed, Blackwood, Caerphilly, Risca and Rhymney.

Each of these drop-in sessions were attended by a member of staff from the Communications Unit, a senior member of staff from Corporate Finance and at least one Cabinet member at any time.

The sessions were publicised widely including at each of the venues prior to the event, in the media, on the website and via the council's social media channels.

Residents were encouraged to come in and chat to staff and members, find out more about the proposals in a relaxed and inviting atmosphere and to provide feedback through completing one of the paper forms provided or completing the survey online.

The venues were chosen to provide residents from right across the county borough with the opportunity to visit a location near to them. Meetings were held at different times of the day, again, to provide the opportunity for all sectors of the community to attend. This approach allowed interaction with individuals.

In total over 90 people engaged in discussion with officers and Cabinet members across the five venues. The demographic make up of the attendees was slightly skewed towards the older age groups but there was a good cross section of male and female attendees and notably younger demographics at the drop in session held on a Saturday in Caerphilly Library. Details of those who attended are included in the table overleaf.

The general consensus from the people attending the drop in sessions was that the draft savings proposals were measured and achievable in light of the difficult financial restraints facing the council over the coming years.

Most residents had concerns or questions about some of the individual savings proposals contained on the list and all were encouraged to fill in a copy of the budget survey to ensure their views were recorded.

Some people did this at the venue, whereas others just wanted to find out more by calling and the intended to complete the survey at home once they had given the issue further consideration.

Date	Time	Venue	Cabinet Member in attendance	Attendees
Tues 18 th Nov	2.00pm–6.00pm	Blackwood Miners' Institute	Cllr Tom Williams	5 total 2 M 50+ 2F 50+ 1F 35 – 50
Fri 21 st Nov	12.00pm–5.00pm	Risca Palace	Cllr Ken James Cllr Gerald Jones Cllr Dave Poole Cllr Tom Williams Cllr Robin Woodyatt Also in attendance Cllr Nigel George	31 total 19 M 50+ 9 F 50+ 3 M 35 – 50 (of these 1 disabled person and 1 BME)
Tues 25 th Nov	12.00pm–5.00pm	Bargoed Library	Cllr Keith Reynolds Cllr Tom Williams	20 total 7 M 50+ 8 F 50+ 3 M 30 - 45 2 F <25
Fri 28 th Nov	11.00am–3.00pm	St David's Community Centre, Rhymney	Cllr Ken James Cllr Rhianon Passmore Cllr Robin Woodyatt	8 total 3 F 50+; 4 F 20 - 35; 1 M 20 -35
Tues 2 nd Dec	2.30pm–6.30pm	Newbridge Memo	Cllr Ken James Cllr Tom Williams Also in attendance Cllr Gary Johnston	9 total 1 M 30-50 1 F 30-50 4 M 50+ 3 F 50+ Age group 60+ - 4 males and 3 females
Sat 13 th Dec	11.00am–3.00pm	Caerphilly Library	Cllr Keith Reynolds Cllr Tom Williams Cllr Robin Woodyatt	21 total 6 M 50+ 6 F 50+ 1 M 35 – 50 1 F 35 – 50 4 M 20 - 35 3 F 20 - 35 (of these 1 disabled person, 1 town councillor and 1 Welsh speaker)

FEEDBACK - Youth Forum Meeting (27th November 2014)

What we did

Full details of the Cabinet Budget proposals for 2015/16 and some background information were provided to the Youth Forum Project Group. From the long list of proposals, Project Group members met a week in advance of the borough wide meeting (19th November 2014) and identified 12 areas that they felt young people at the borough wide meeting would be most likely to want to comment on.

The following were identified as issues that affect young people and/or their families:

- Staff mileage rate reduction – Proposed saving £101k.
- Closure of Bedwas swimming pool on Sundays – Proposed saving £10k
- Assistance to voluntary sector - Proposed saving £30k
- Recoupment (SEN Out of County/LAC/Inter Authority) - proposed saving £50k
- Reduction in number of social workers – Proposed Saving £219k
- CCBC apprentice/trainee costs – Proposed Savings £345k
- Increase council tax bill by 3.9% - Proposed savings £658k
- Leisure Centre Fees – Proposed savings £100k
- Meals on Wheels - Proposed saving - £88k
- Close Cwmcarn Leisure Centre – Proposed savings - £25k
- Management of off street parking - Proposed saving - £10k
- Christmas Lighting – Proposed savings £35k

Following a **presentation from Nicole Scammell**, the young people were split up into 4 discussion groups, facilitated by youth workers. Each group discussed 3 of the proposed savings from the list identified by Youth Forum Project Group members, so covering all 12 between the groups. Where there was time, the groups were encouraged to choose additional areas to discuss from the list.

The aims of the session are for group members to identify HOW these proposed savings will impact on residents and in particular, young people across the county borough and to consider how we can lessen / mitigate the impact of these savings.

For each saving area, young people were asked to consider:

- How they felt that the proposed savings/increase in charges would affect people across the county borough?
- How will they affect young people in particular?
- What can the Council and others do to lessen the impact of these proposed savings?

Notes of the discussion were recorded on the flipcharts (see Appendix 1).

Key Discussion Outcomes

A key theme that came through in the discussion across many groups was that if charges are increased then users may choose to use other providers (e.g. leisure centres/meals on wheels) or seek alternative free options (e.g. not using car parks) so could be counter productive and result in reducing income rather than increasing it.

Staff mileage rate reduction – the main concern was that this would impact on youth workers and in turn, young people.

Closure of Bedwas swimming pool on Sundays – this was not considered to me a major issue amongst group members. However, concerns were raised that whilst this was a small reduction in service, further reductions will follow. Ensuring availability of public transport to other venues was considered important in reducing the impact.

Assistance to voluntary sector – there were concerns for funding of smaller groups, in particular, those attended by young people. It was acknowledged, however, that some money would still be available. Suggestions were made to seek alternative sources of funding or the possibility of small loans to voluntary groups.

Recoupment (SEN Out of County/LAC/Inter Authority)

The group felt that this could potentially have a big impact on families concerned and disagreed with the reduction in funding.

Reduction in number of social workers

This was discussed by two groups. Whilst the general consensus was that a reduction in the number of social workers would have a big impact on the most vulnerable and were opposed to the cuts, a group member had had a very negative personal experience of social services and disagreed. Better processes could be put in place to alleviate the impact.

CCBC apprentice/trainee costs

Most group members felt that this was an important scheme and the cut to this area was large in comparison to the total budget. It was suggested that the cut in this area could be reduced. One suggestion to reduce the impact was to encourage private companies to offer similar apprenticeships; another was through offering more voluntary opportunities for work experience within the authority.

Increase council tax bill by 3.9%

There were concerns that this would negatively impact the less affluent in the community and that measures need to be put in place to ensure that this does not happen.

Leisure Centre Fees

The Youth Forum had previously campaigned to lower costs so felt strongly against an increase in leisure fees. They considered that increases could be counter productive if people could no longer afford to use the facilities. Suggestions to reduce the impact included not increasing charges for young people and older people. The group also discussed the merits of fewer but better leisure centres.

Meals on Wheels

The group agreed in the first instance that the increase was reasonable on a meal by meal basis but noted that over a longer period the costs could add up. Not directly impacted, young people knew relatives who used the service. They felt that if costs became too prohibitive, services users would seek alternatives. It was also commented that higher quality would be expected if costs increased.

Close Cwmcarn Leisure Centre

This was considered to have very little impact as the centre is currently out of use and alternative facilities are available on Newbridge near by which they considered to have good transport links.

Management of off street parking (Sunday charges)

It was felt that this could discourage visitors to (already quiet) town centres on Sundays or that visitors would simply park outside of the car parks, possibly illegally and dangerously.

Christmas Lighting – Proposed savings £35k

Many of the young people in the group felt that this would have very little impact. Those who wanted to keep Christmas lighting suggested alternative funding and the possibility of “less”.

The detailed responses by the Youth Forum to the above proposals will be made available on the Authority's website.

FEEDBACK - Viewpoint Panel Meeting (4th December 2014)

“Caerphilly County Borough Council’s Budget for 2015/16”

Background and Purpose of the meeting

Caerphilly county borough council, like all other local authorities across Wales, is facing severe financial pressure over the next few years as a result of a reduction in Welsh Government funding. The council needs to make extensive budget savings of 12.8 million in 2015/16 and approximately 39 million over the next three years.

The council is keen to involve local people in the budget process and ensure that the views of residents are listened to when considering savings and cuts to services. To inform decisions around the budget for 2015/16, a number of consultation mechanisms have been used. This Viewpoint Panel meeting formed part of the wider consultation process.

The key aims of this meeting were to seek the view of panel members on:

- the general approach being taken by the council
- the proposals that will have the most impact on people who live in Caerphilly county borough, in particular
 - how these proposed savings/increase in charges will affect people across the county borough;
 - whether there any groups in particular who will be affected more than others and how and
 - what the Council and others can do to lessen the impact of these proposed savings.

What we did (Method)

Members of the Viewpoint Panel and the Youth Forum Cabinet were invited to attend a meeting at Penallta House on 4th December 2014. A total of 48 members of the Viewpoint Panel, alongside 11 young people attended the meeting on the night.

Prior to the meeting, attendees were provided with background information on the draft budget proposals for 2015/16 and asked to consider the proposals that will have the most impact on people who live in Caerphilly county borough with a view to discussing these further on the evening.

Residents from right across the county borough attended the meeting. Of those who provided personal details, 10 were female and 38 were male. The youngest Viewpoint Panel member in attendance was 49, the oldest 82 with those aged between 60 and 79 being over represented.

Of the Youth Forum members, 6 were female and 4 were male. They were aged between 14 and 18 and from all areas within the county borough, including the Upper Rhymney Valley.

On arrival, Chris Burns, Interim Chief Executive, Caerphilly County Borough Council welcomed everyone and he and Nicole Scammell, Acting Director of Corporate Services, set the context of the budget proposals and outline the purpose and the plan for the evening.

Attendees were split up into 6 groups led by independent facilitators. Cabinet members, members of the Corporate Management Team as well as officers from the Corporate Finance and Corporate Communications team were circulating between the groups and available to respond to any questions that may arise.

The group sessions started by allowing group members to introduce themselves and for the facilitator to ensure that participants were clear about what was to be discussed.

The discussion then turned to the main focus for the evening as outlined above and was broken down into two sections.

Firstly, a voting exercise was utilised to establish views on the general approach being taken by the council. These questions mirrored those included in the wider public and stakeholder consultation survey. Participants were provided with “sticky dots” and asked to indicate whether they agreed or disagreed with the general approach being taken by the council as outlined below:

Do you agree or disagree with the following general approach being taken by the council?		
	Agree	Disagree
Protecting frontline services and reducing management/admin costs		
Reducing office accommodation costs by rationalising council-owned buildings		
Increasing fees and charges		
Trying to reduce rather than remove services where possible		
Focusing on priorities and being prepared to reduce other things		
Looking at alternative ways of delivering services (such as through trusts, community organisations, outsourcing or through partnerships and collaborations etc)		

The second part of the group discussion focussed on the proposals that the participants in each of the groups felt will have the most impact on people who live in Caerphilly county borough, in particular

- how these proposed savings/increase in charges will affect people across the county borough;
- whether there any groups in particular who will be affected more than others and how and
- what the Council and others can do to lessen the impact of these proposed savings.

SUMMARY OF KEY DISCUSSION FINDINGS

Voting Exercise

There was a general agreement with the approach being taken by the council, particularly with the principles of protecting frontline services and reducing management/administrative costs and reducing office accommodation costs by rationalising council-owned buildings. In some groups there was a debate around increasing fees and charges particularly the increase in Meals on Wheels charges.

Full details of the voting can be found in **Appendix 1**. Additional detailed comments will be available on the Authority's website.

Proposals for cuts that could have the most impact upon people

Each group focussed discussion on the areas that they felt would have the most impact. This was different for each group although more than one group picked up on reducing the number of social workers, increasing the charges for meals on wheels and other social care related services as needing to be protected as much as possible.

Full details of the discussions will be made available on the Authority's website.

EVALUATION

In total, 43 completed feedback forms were returned. Feedback showed that those who had attended found the meeting, in particular, the discussion element, interesting and many felt that more time was required for discussion. The comments will be taken on board in planning the next Viewpoint Panel meeting.

APPENDIX 1: Voting Exercise

Do you agree or disagree with the following general approach being taken by the council:

	Agree	Disagree
Protecting frontline services and reducing management/admin costs	9 9 11 10 9 9	0 0 0 0 0 0
Reducing office accommodation costs by rationalising council-owned buildings	10 10 10 10 9 10	0 0 1 0 0 0
Increasing fees and charges	1 7 7 10 3 6	8 3 4 0 5 2
Trying to reduce rather than remove services where possible	9 9 10 5 (+3 neither agree or disagree) 10 4	1 0 1 1 0 4
Focusing on priorities and being prepared to reduce other things	7 8 11 8 10 6	0 0 0 2 0 2
Looking at alternative ways of delivering services (e.g. through trusts, community organisations, outsourcing or through partnerships & collaborations etc)	9 9 6 9 9 8	0 1 5 1 1 1

Safeguarding Public Services – What Role can the Third Sector Play? Discussion with Voluntary Sector Liaison Committee 3rd December 2014

Context

Caerphilly County Borough Council (CCBC) is facing significant reductions in budget and wishes to engage with the Voluntary Sector Liaison Committee in considering what the third sector can do in helping the Council shape a response to these financial challenges. The views of the Committee will be considered prior to the final 2015/16 budget proposals being presented to Cabinet in January 2015 and to Full Council in February 2015.

Chris Burns (Interim Chief Executive, CCBC) opened the discussion stating CCBC is facing a cut of 3.4% in the local government provisional settlement for 2015/16 and will need to make an estimated saving of £39m over the next three years. All CCBC services will be looking at a 20% reduction over the next 3-years. CCBC is seeking an early engagement with services users, with the emphasis on protecting front line services, looking at possibly reducing services rather than losing services all together. Back office functions, such as administration, will be cut back as far as possible, and there will be streamlining of the CCBC's estate. The challenge for CCBC will be on how to provide services for the future, and focus on what matters most to local communities, in providing more imaginative and innovative ways of working with partners in service delivery. The good model of the voluntary sector working with partners was noted, with the CCBC's door open for suggestions in working together in providing services in local communities around the reduced budget.

Martin Featherstone (Chief Executive, Gwent Association of Voluntary Organisations (GAVO)) thanked CCBC for having an open door policy for hearing suggestions from the voluntary sector. He mentioned that GAVO was in the process of developing a voluntary sector leadership group, which will be looking at shared approaches to public sector delivery. He noted that it would be helpful in moving the discussion on around shared services for CCBC to be more specific about what it is looking for the voluntary sector to take on.

Discussion

Cyril Luke (Caerphilly People First) and Michelle Jones (The Parent Network) – discussed the partnership work they are doing with Social Services around day services for people with a learning disability. CCBC have calculated that half of its budget for day services is consumed by costs of transporting people to the day centres. The Parents Network helped with Caerphilly People First consultation with the parents of children and young people attending day services, and it has been found that alternative sources of transport can be sourced through parents and the voluntary sector in reducing costs. In addition Caerphilly People First have surveyed service users of learning disability services, and found 98% satisfaction with services received. A meeting is being held with Social Services in February 2015 to further consider the transport options. Cllr Woodyatt noted his support of the work being undertaken by Mr Luke and Ms Jones.

The beneficial experience of providing volunteering opportunities was described by Caerphilly People First. The organisation has taken on ten volunteers who have a learning disability, that are now running a range of good training courses on meeting the needs of people with learning disabilities. It was commented that the learning disabilities run Woodfield services and Blackberry Catering are working well, but would benefit through better marketing.

It was noted that a trigger in developing a solution to the transport costs of getting people to day services, was having the specifics of the situation. It was suggested that it would be helpful to know the specifics of what CCBC would like the voluntary sector to take on.

Peter Jones, Abbeyfield Wales Society Ltd described how Abbeyfield in Wales provides a range of care services for older people including people with dementia. In Caerphilly, Abbeyfield provides two supported care homes. He noted the growing problem of loneliness among the older population. He commented that Abbeyfield would welcome an early dialogue with CCBC over what Abbeyfield can do in providing innovative care. He also noted that there are funds available to the voluntary sector

which are unavailable to local authorities. Mr Jones asked for budget discussions to become a standing item on the agenda.

Cllr P.J Bevan observed how this agenda item was just the start of an important conversation around shared services with the voluntary sector. He stressed the importance of voluntary organisations being aware of the complexity in taking on council services, such as libraries and community facilities, and the need to understand the full financial undertaking. He noted that there were possibilities for town and community councils to take on services through a small raise in precepts if required, and agreed by the residents affected.

Cllr Pritchard suggested that the voluntary sector should familiarise themselves with the budget reports being considered at CCBC scrutiny committees, which contain lots of detail on the specifics. Cllr Pritchard also alerted to the technological advances, which were resulting in savings, and gave the example of low energy street lighting being introduced, which as well as reducing costs, were contributing to carbon reductions.

Cllr Woodyatt noted the importance of shaping services with people who use services. He highlighted the budget consultation which features in the current edition of the Council's *Newsline*, and the drop in consultation events being held in local communities, which are dealing with the specifics of the current budget situation.

Conclusion

Chris Burns said while he understood comments about the voluntary sector requiring a list of services that they could potentially take over, this was not possible at this stage. It was noted that at the moment CCBC was trying to keep budget reductions fairly modest in comparison to some other South Wales councils. However, once the budget for 2015-16 is set councillors will need to look at budgets over the next two years, and so by the spring CCBC may be able to give a better steer. The importance of two way discussion between CCBC and the voluntary sector was highlighted, with the Council being receptive to ideas.

Cllr P.J Bevan commented there are two years for continuing discussions with the voluntary sector over this, and it is important for community and town councils to become involved. Cllr Bevan in support of Mr Jones suggestion on budget discussions put forward the recommendation for budget discussions to become a standing item on the agenda, which was passed.

Additional comments received from Voluntary Sector Liaison Committee Members following the committee meeting

Members of the Committee were sent a draft write up of the budget discussion for comment, and given the opportunity to make further suggestions on this topic up to end of working day 23rd December 2014 to feed into CCBC's budget discussions. The following are the two additional comments received:

Re comments for discussion concerning future financial cuts: as you know our organisation is small non for profit charity run by volunteers. All we can reasonably do to help in the future is to offer accommodation for meetings - if available; free of charge if necessary. CCBC has helped us with funding in the past. If we can now help by giving space then we are happy to do that...Have already passed the same offer of help to GAVO (comment from Voluntary Sector Representative)

Abbeyfield in the Gwent area is providing a wide range of support services for the over 50s. As you know it is a volunteer driven organisation. Abbeyfield Wales, of which I am a Board Trustee, is based in Newport but it runs 26 homes across Wales. The Older People's Commissioner has visited both our Homes in Caerphilly and is on record for praising the quality of care provided. So, yes, our service to communities is working in exemplary fashion and I'm sure the Board would consider it could be replicated on a larger scale not only within the Borough but on a pan Wales scale.

At the Board Meeting of Abbeyfield Wales I gave a full report of the meeting attended by Mr. Burns. The Board was most anxious to open a dialogue with the Council which, if successful, could be used by the Board to prove to other local authorities in Wales that it can offer innovative assistance to

them. What the Board does need to know as soon as possible are the "pinch points" in services for the elderly which they may be able to address...If the Council wishes to reduce its estate would it be thinking of transferring assets from public ownership into the voluntary sector? This is what happened in the case of the Miners' Hospital...the future of that building will be totally devoted to community purposes. It has already secured funding from Welsh Government and the National Lottery and it could secure funding shortly from the Miners' Rest Home Porthcawl Trust, sources unavailable to the Council...I hope a dialogue can be opened. Putting this issue as an ongoing item on our agendas will be a constructive step forward (comment from Voluntary Sector Representative).

Submitted by Jackie Dix, Policy and Research Manager 24th December 2014

Budget Consultation Feedback 2015/16 – Summary Responses from 50+ Forum

INTRODUCTION

The 50+ Forum AGM was held on 14th January 2015 and attended by 32 residents and members of the Forum as well as 9 representatives from organisations working with older people across the county borough. The number of attendees was lower than originally expected due to adverse weather conditions but never the less, very well attended given these conditions reflecting the level of interest and commitment of forum members.

Full details of the Cabinet Budget proposals for 2015/16 and some background information was made available to all 50+Forum group members in advance of the meeting. However, to enable a targeted and effective use of the time available at the meeting, some of the 50+ Forum Steering Group members met (7th January 2015) and identified the following 15 areas, from the long list of proposals, that they felt were likely to be the key things those older people attending this public meeting would be most likely to want to comment on as older people living in the county borough.

These were:

- Reduction in number of social workers – Proposed Saving £219k
- Area Forum Budget removal - £72k
- Street Lighting £100k
- Meals on Wheels - Proposed saving - £88k
- Reduction in planned footway resurfacing budget - £60k
- Removal of flower beds in parks & open spaces. £40k
- Public Libraries - £67k
- Review of day centre provision - £128k
- Increase car parking charges - £30k
- Review of domiciliary care provision - £128k
- Management of off street parking - Proposed saving - £25k
- Enforcement team - £45k
- Council Tax Pensioner's Grant - £246k
- Health Improvement team £77k
- Review of Passenger Transport Services £24k

Following a presentation from Stephen Harris, Interim Head of Corporate Finance, each of the 5 discussion groups considered 3 of the proposed savings from the list identified by 50+ Forum Project Group members, so covering all 15 between the groups. Individuals were encouraged to raise any burning issues they may have had around the other proposals on the list and if time allowed, groups were able choose additional areas to discuss from the list.

The aims of the session were for group members to identify HOW these proposed savings will impact on residents in particular, **older people** across the county borough and to consider how we can lessen/mitigate the impact of these savings.

More specifically, for each saving area, attendees were asked the following:

- How do you think this proposed savings/increase in charges will affect Older People across the county borough?
- How will they affect people/residents in general and
- What can the Council and others do to lessen the impact of these proposed savings?

Summary of Key Discussion

There was a general acceptance that cuts need to be made which also reflects the discussions with other groups.

However, there were a number of proposals that raised particular concerns where it was felt that ongoing consideration needs to be given to how to mitigate the wider impact of these cuts to older people. For example, increased social isolation can have significant impacts on health and well being in the longer term and therefore risks increased costs to other reactive services.

Notes of the discussion were recorded and full details can be found in **Appendix 1** of this report.

Appendix 1: Digest of comments from discussion

REDUCE THE NUMBER OF SOCIAL WORKERS

IMPACT

- Waiting times for an assessment increase
- Causes an increase in costs by nature of the rise of emergency hospitalisation, falls etc, carers stressed and needing additional support, our ability to prevent a crisis developing is reduced
- Social workers really understand older peoples needs as opposed to health workers who think health big loss
- Social Workers - already overstretched. not an holistic approach losing any would be a
- Loss of jobs/valuable family income - + knock on
- Link between social worker/domiciliary care not joined up should be
- Impression: - demand in community increasing - bed blocking will increase impact
- Bed blocking figures
- People being discharged who don't need help still have to have an assessment - already a delay - this will get larger.
- Cycle of discharge/admittance
- Knock on effect to other services
- Diminish effectiveness of remaining staff/burn out
- Effect :- Hoop discharge (flaws in collection)
- NHS in general
- Single older people - isolation - communities no longer extended families
- Even less care for an area of increasing demand.
- Health of those with no family/friends.
- Increased 'bed-blocking' in hospitals.
- Reduced voices expressing and communicating real community needs.
- Loss of well needed jobs in our area.
- Reduced family income and spend in our community.
- Eventual higher costs to society/tax payers.

REDUCING THE IMPACT

- Combine health and social care - WG issue
- For more joined up working/savings
- Benchmarking - difficult environment in each area different. Difficult to compare county by county
- Community Connectors - more info and more of them
- Referral to community groups - eg Nat Pens Assoc
- More joined up working - dialogue through forums - information exchange
- Gap fill - people who have responsibility for budget/service setting should understand what is out there in the community - join it us. Use groups like 50+ Forum etc., - get middle management to understand
- Strengthen community networks and make statutory services aware of it
- Change statutory culture to enable commissioning of services through communities/3rd sector

- Organise return home package from hospital stay on admission not end. Is this because of "its just the way we do it"? If so, rethink!
- Work closer with other agencies
- Help people find their own solutions themselves re Prevention and Crisis management. Give them:
 - Information;
 - make every contact count
 - sign post;
 - Community connectors;
 - workplace information events;

- school/young people to pass information on .
- Take the message to people NOT expect them to come to you
- Get the public and private sector to sign post to services e.g. someone went to Bank for a loan for boiler but they signposted them to Care & Repair where this couple got the boiler for nothing
 - Post offices
 - Banks
 - GP surgeries
 - NCN's presentation
 - Factories
 - Asda

We are managing demographic change now however with reduction in Social Workers might mean we no longer manage.

HEALTH IMPROVEMENT TEAM: Saving £77k

IMPACT

- Nutrition - older people don't always understand - info passes through families
- Low impact as senior post
- What is longer-term impact on health (obesity heart disease etc) thereby false economy
- NHS would suffer
- Dr's inundated with people wanting appointments
- Unhealthy
- Socially excluded

REDUCING THE IMPACT

- Ensure other teams pick up and work with current HI team on initiatives
- Need to rethink how information is delivered, events not always effective
- Need to improve attendance and uptake at workshops/ campaigns
- Transport to events crucial, outreach work to isolated community is key
- Work with CF and other partners
- Health Board should do more
- Council need to maintain leisure services - elderly are encouraged to keep fit and active. It's a social aspect of many older people's lives.
- Older people keeping active is good for physical, emotional and mental health
- Elderly people entitled to free swimming, would be happy to pay a contribution
- Leisure services - older people's package

COUNCIL TAX PENSIONER'S GRANT: Saving - £246k

IMPACT

- Already getting support – therefore not a big impact less impact
- Acceptable – low

REVIEW OF PASSENGER TRANSPORT SERVICES: Saving £24k

IMPACT

- If bus routes cut it is high impact. Social interaction is reduced. Knock-on effect to health and wellbeing.
- If it is a staff cut then low impact.
- Access/mobility opportunities.
- Costs.
- Community cohesion.
- Health and wellbeing.

REDUCING THE IMPACT

- Think about different ways of delivering transport in low level use areas.
- Bus pass - can you provide taxi voucher for lower usage areas instead?
- Community transport - fill in the gaps.
- Sweden taxi scheme for low usage areas for older people.
- Night rider scheme Denbighshire.

REMOVAL OF THE £1M DEMOGRAPHIC GROWTH FOR 15/16

IMPACT

Happy with this cut. However it needs to be considered that if social workers are reduced that might change as you might be less able to manage on current budget.

PUBLIC LIBRARIES: (SAVING £67K)

IMPACT

- Not all group members are using libraries but didn't see it having a big impact as retired people can go any time.
- Depends on transport services available.
- Noted that mobile services already stopped.
- Computers - getting help to use computers was seen as valuable
- Social contact, meeting place - read papers, chat.
- To use the toilets as public toilets are being closed.
- Loss of Customer First services - reduced hours.
- Customer Services has to keep library hours because they are based in libraries.
- Social - it gets people out of the house.
- Keeps people active.
- Older people use the library a lot.
- Reduced community cohesion.
- Health and wellbeing of our citizens.
- Opportunities to broadening our culture, knowledge, jobs, careers, lives.
- Discrimination towards those less privileged (e.g. ICT/IT access).

REDUCING THE IMPACT

- Other groups, e.g. school groups.
- Peak time opening - ensure when used the most.
- Oakdale only open 3 days a week.
- Combining facilities - use libraries for other services.
- Libraries should charge for hire of facility.
- Needs to be promoted more to younger people.
- Computer use has increased by young people somewhat.
- Library is multi-functional - classes, groups, computers, education.
- Encourage parents and children to use library more.

REMOVAL OF FLOWERBEDS IN PARKS AND OPEN SPACES: (SAVING £40K)

IMPACT

- It's something people will get used to.
- Wild flowers are a lovely replacement for the traditional manicured flowerbed.
- Reduced attraction and use of our public spaces.
- Impression of our public realm.
- Effect developers and investors in our communities.

REDUCING THE IMPACT

- Use plants and shrubs, which don't need the maintenance.
- Use community groups (gardening clubs / allotments and schools to help and get involved in keeping the community looking nice.
- Incredible Edible Programme - group, which uses the flowerbeds to grow their own, fruit and veg.
- Intergenerational - older people passing on skills.
- Allotments are needed.
- Local businesses to sponsor flowerbeds / roundabouts.
- Small grants to businesses for planters / hanging baskets.
- Floral decorations - over the top - ok to reduce watering.

REVIEW OF DAY CENTRE PROVISION: (SAVING £128K)

IMPACT

- Have done more detailed consultation.
- Users don't want to move - comfort zone - less like 'home'.
- Transport – many couldn't do without transport.
- Criteria tighter for eligibility – those with more needs.
- Singing together - Pontllanfraith – people feel secure in one place.
- Maximise use by ensuring transport provision.
- Respite for carer - if no day centre attendance - implications for needing more carers or even needing to move into homes.
- Community care/cohesion.
- Health and wellbeing of citizens.
- Job losses.
- Breakdown of community infrastructure.
- Increased cost to health service/tax payers.
- Bed blocking.

REDUCING THE IMPACT

- Critical service
- Loneliness - need to provide as people are being encouraged to stay in their own homes.
- Not just 50+, other specific groups e.g. learning disabilities.
- Is impact dependent on where you live?
- People from residential homes do use day centre.
- Possibility to integrate services so more than one use e.g. libraries?
- Implications of the cuts – it will cost more money in long term if people need more support by other means
- Noted that if people are eligible, they would know what's provided (don't need to explain to users what's on offer).
- Could Day centres be provided as part of residential homes i.e. get people into the homes as day visitors.
- Consider long term planning as numbers of 50+ / eligible increase.
- Use of voluntary sector / services to provide other community groups e.g. churches.

AREA FORUM BUDGET REMOVAL: SAVING £72K

IMPACT

- Only funding available to some communities not priority or where community councils don't exist
- Local decision/discretion lost (well spent in Oakdale)
- Non funding (CF and non CF) areas
- Effect on small safety/community cohesion/infrastructure eg. lighting, benches, clean ups
- Effect on small safety/community projects
- Contributory factor to community breakdown
- Small local businesses could be effected
- Can be used a match/pump pricing to further finding
- Real citizen engagement
- Less investment in communities of need.
- Reduce community cohesion (pulling people together).
- Declining environment infrastructure (deterioration).
- Loss of jobs.
- Loss of volunteering opportunities.
- Greater divide between the more and lesser privileged communities (poverty gap).
- Reputation and future opportunities of regions/citizens.

REDUCING THE IMPACT

- Source alternative funding schemes
- Take it away from areas that have other funding and keep it in areas where there is no alternative source
- Strengthen local associations, bring groups together to bid for money
- Widen community activity by local groups ie. youth or pensioners looking at community interest as well as own service

STREET LIGHTING: SAVING £100K

IMPACT

- Individual community safety and wellbeing? (Some discussion about crime rate and impact - burglaries)
- Break-ins - over night, in dark, early hours or morning, car vandalism
- Wellbeing impact on older people in local communities who do not drive, people may not walk to neighbours
- Community safety issue
- Increase burden and cost to authority for criminal damage
- Impact on teenagers
- Broader impact on whole communities, families and children
- Community and individual safety and wellbeing.
- Risk to environmental damage/costs.
- Travel and transport risks in inclement weather.
- Criminal and vandalism damage – increased cost to Council.

REDUCING THE IMPACT

- Should not be a blanket decision in residential areas - switch off option should be last resort
- Technological impact change of bulbs/timers etc.
- Provide more info about how it will work to mitigate fear of crime
- Mean spirited to cut Christmas lights - wellbeing agenda

ENFORCEMENT TEAM ENVIRONMENT HEALTH OFFICERS FROM 3 - 2

IMPACT

- Longer waits re noise nuisance and environment before assessments/ action undertaken which can have a seriously detrimental impact on health and wellbeing
- Health and wellbeing of our citizens/community and businesses.
- Job losses.
- Deterioration of trust/facilities already heavily invested in.
- Reduced quality of public provisions/services (cutting corners).
- Increased burden on health/animal provisions (NHS/PDSA).
- Quality of life/products.

REVIEW OF DOMICILIARY CARE PROVISION: SAVING £128K

IMPACT

- See comments on social care.
- This support/preventative provision saves the NHS a fortune.
- Loss of jobs.
- Community breakdown.
- Reduced life expectancy.

INCREASE CAR PARKING CHARGES £30K

IMPACT

- Deterrent from using local amenities.
- Increased cost to those who can ill afford them.
- Spend with local businesses will reduce.
- Less use of public spaces.
- Health and wellbeing of our citizens.

REDUCTION IN PLANNED FOOTWAY RESURFACING BUDGET SAVING £60K

IMPACT

- Health and safety of our citizens.
- Increased risk to accident claims (costs to Council).
- Reduction in mobility for the infirm.
- Higher costs at later dates.
- Deterioration and image on our environment could deter inward investors.
- Loss of jobs.

MEALS ON WHEELS INCREASE IN CHARGE OF £1 PER MEAL INCREASE SAVING £88K

IMPACT

- Substantial % increase to those already in need.
- Reduction in service demands due to 'affordability'.
- Loss of jobs.
- Health of those in need.
- Yet another reduction towards 'preventative social care'

GENERAL

Gritting - ensure no less roads are gritted.

Country Parks - objections to the introduction of charges in country parks.

Cutting Services – PLUS increasing charges (council tax) 'double whammy'

More Bins – needed if reducing litter picking.

SHRINKING AUTHORITY

Do we need all the councillors we have?

REDUCING THE IMPACT

- Boundary commission issue
- Based on ward population

Budget Consultation Feedback 2015/16 – Responses from Town & Community Councils

1) Email from Alan Hoskins (Clerk to Nelson Community Council) dated 15th January 2015

My Council considered the consultation documents at its meeting held on 8th January 2015 and were pleased that the process has been improved when compared to the process followed during the previous round of savings.

My members' main concern is with the proposal to reduce the highways reactive maintenance budget by 4% in view of the number of existing serious defects in many roads throughout the Borough which are not currently being addressed in a timely manner. Members feel that this important function needs to be maintained and enhanced rather than be cut back.

I would be grateful if you would forward these concerns to the relevant officer.

Best wishes.

Alan

Alan Hoskins
Clerk to the Council
Nelson Community Council

2) Email from Ceri Mortimer (Clerk to Gelligaer Community Council) dated 15th January 2015

Please find our response to a couple of items that were discussed at our full council meeting last night. Please will you forward to the Interim Head of Corporate Finance or an appropriate Officer for inclusion on the savings proposals: -

Appendix 3 Education & Lifelong Learning

To avoid a Saturday closure, Gelligaer Community Council suggest that the affected libraries reduce their Monday - Friday opening hours by 1 hour each day and open on a Saturday for 5 hours. There will be no cost implications.

A Saturday closure will affect our local residents who work Monday to Friday and are only able to access the library at Ystrad Mynach on a Saturday. Changing opening hours throughout the week will have a lesser impact on our residents than closing on a Saturday.

Appendix 5 Public Protection

Enforcement Health Officer - 1 vacant post

Members believe it imperative to have 3 EHO's to deal with a vast array of issues throughout the borough. Especially so if one is on leave and the other is on the sick.

A sub standard service, as in a lengthening response times to investigate issues, in this line of work would have a detrimental impact on local residents, making some people lives an absolute misery. We strongly suggest that the vacant post be filled as a priority.

Cofion cynnes / Warm regards
Ceri

Ms Ceri Mortimer
Clerk to the Council
Gelligaer Community Council

Consultation Feedback from the Trade Unions

The Trade Unions would support proposals: -
EN2, EN29, EN30, EN33

The Trade Unions agree in principle to: -
WA3, WA4, CS2, ED3, SS3

The Trade Unions would support the Scrutiny position for: -
EN3 TO EN25, EN27, EN40

The Trade Unions would agree with the view taken by Scrutiny for: -
WA2, WA5, CS3, SS4, SS5, SS6, EN34 TO EN36, EN42

The Trade Unions would require assurances as to resource capacity and impact to service prior to agreement in principle for: -
EN26, EN31, EN32, EN37 TO EN39, EN43, EN44

The Trade Unions would require assurances as to resource capacity and impact to service as there must be contractual implications prior to agreement in principle for: -
EN41

There were more detailed comments in respect of: -

CS4: -

The Trade Unions state that whichever option is chosen, there is a need to ensure there is not a resource capacity issue for the remaining staff. The Trade Unions need to be involved with any consultation exercise. This is omitted from report. Trade Unions are advocates for keeping Public services. Trade Unions agree in principle to keep Newbridge Cash Office open.

CS5: -

Trade Unions agree in principle to the suggestions. There is a need to rationalise assets. Short impact on footfall, ultimately long term greater footfall for Blackwood Town. It meets the Labour manifesto pledge to build new homes. It protects jobs and ultimately services. Save the building yes, however, ultimately you may not have staff or services to run from it.

ED2: -

Rationalisation is a prudent way forward to look at addressing budget issues, however, a full consultation exercise is required to identify any potential resource capacity issues. Agree in principle as long as jobs and services are protected.

SS2: -

Trade Unions would require further assurances that the reduction would not impact on tiers of staff below, increase resource capacity concerns, prior to any confirmed support in principle.

SS7: -

Trade Unions would agree with the viewpoint of Scrutiny. Full consultation exercise to include Trade Union involvement as outcomes may include staff/service implications.

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SPECIAL COUNCIL – 25TH FEBRUARY 2015

SUBJECT: COUNCIL TAX RESOLUTION 2015/16 AND COUNCIL TAX REDUCTION SCHEME

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

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the Authority's Council Tax for the 2015/16 financial year prior to passing the necessary statutory resolutions.
- 1.2 To seek Council approval to continue with the Council Tax Reduction Scheme for 2015/16.

2. SUMMARY

- 2.1 The report provides details of the Council Tax Setting Resolutions for 2015/16 along with a recommendation that they be approved.
- 2.2 The report also recommends continuing to operate a Council Tax Reduction Scheme for the 2015/16 financial year, on the same basis as the scheme used in 2014/15.

3. LINKS TO STRATEGY

- 3.1 The Council is required annually to approve a balanced budget and agree Council Tax levels.

4. THE REPORT

4.1 Council Tax Resolutions

- 4.1.1 The Local Government Finance Act 1992 and The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 set out the rules for the calculation of the Council Tax base. This is the amount required by the Local Government Finance Act 1992 to be used in the calculation of the Council Tax.
- 4.1.2 At its meeting on the 10th December 2014, Cabinet agreed the Council Tax base for 2015/16 as 59,318.14.
- 4.1.3 Earlier in this evening's meeting Council was asked to agree the total revenue budget for 2015/16 as £325.613m, which included a proposed Council Tax increase of 3.9% i.e. Council Tax Band D set at £992.02 per annum (an increase of 71p per week).
- 4.14 In accordance with the requirements of The Local Government Act 1992, the resolutions attached as Appendix 1 are submitted for consideration along with a recommendation that they be approved.

4.2 Council Tax Reduction Scheme 215/16

- 4.2.1 On 28th January 2014, the Council adopted a Council Tax Reduction Scheme for 2014/15 (its local scheme) in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (as amended). These regulations prescribe the main features of the scheme to be adopted by all Councils in Wales and allow for some limited local discretions. The scheme provides for claimants to receive a reduction of up to 100% of their Council Tax bill in certain circumstances.
- 4.2.2 The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015 came into force on 21st January 2015. These reflect changes related to social security benefits and uprate figures in line with Housing Benefit for the 2015/16 financial year, together with minor technical changes and some administrative improvements. As the 2015 regulations do not contain any significant changes for claimants, it is proposed that the Council continues its local scheme in line with the regulations as recently amended for the financial year 2015/16, effective from 1st April 2015, and continues to exercise the previously approved discretions.
- 4.2.3 The 2015/16 budget for the Council Tax Reduction Scheme totals £14.634m.

5. EQUALITIES IMPLICATIONS

- 5.1 As part of the 2015/16 budget-setting process Equalities Impact Assessments have been completed for all savings proposals that impact on the public and service users.
- 5.2 An Equalities Impact Assessment has previously been carried out for the Council Tax Reduction Scheme. As the proposed Scheme for 2015/16 has no significant changes from previous years, a further impact assessment will not be required at this time.

6. FINANCIAL IMPLICATIONS

- 6.1 As detailed 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 It is recommended that Council:-
- 9.1.1 Approves the statutory Council Tax Resolutions as detailed in Appendix 1 of this report.
- 9.1.2 Agrees that the current Council Tax Reduction Scheme should continue for the 2015/16 financial year along with the previously agreed local discretions.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The Council is required annually to agree a Council Tax rate and adopt the Council Tax Reduction Scheme and local discretions.

11. STATUTORY POWER

- 11.1 Local Government Finance Act 1992 and regulations made under the Act.
- 11.2 Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013 (as amended).

Author: Stephen Harris, Interim Head of Corporate Finance
Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Andrew Southcombe, Finance Manager, Corporate Finance
Nicola Roberts, Principal Group Accountant, Corporate Finance
John Carpenter, Council Tax & NNDR Manager
Amanda Main, Acting Housing & Council Tax Benefits Manager
Gail Williams, Acting Head of Legal Services & Monitoring Officer

Background Papers:
Council Report 28th January 2014 – Council Tax Reduction Scheme 2014/15
Cabinet Report 10th December 2014 – Council Tax Base 2015/16

Appendices:
Appendix 1: Council Tax Resolutions 2015/16

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COUNCIL TAX RESOLUTIONS 2015/16

In accordance with the requirements of The Local Government Act 1992 the following resolutions are submitted for consideration with the recommendation that they be approved:-

1. That it be noted that at its meeting on the 10th December 2014 the Cabinet calculated the following amounts for the year 2015/2016 in accordance with regulations made under Section 33(5) of The Local Government Finance Act 1992 and powers granted under The Local Authorities Executive Arrangements (Functions and Responsibilities) (Amendment) (Wales) Regulations 2001 as amended.

- (a) **59,318.14** Being the amount calculated by the Cabinet, in accordance with Regulation (3) of The Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995, as its council tax base for the year.

- (b) **Part of Council's Area**

	<u>Tax Base</u>
	<u>No. of D Band</u>
	<u>Equivalent Properties</u>
Aber Valley	1,996.04
Argoed	843.52
Bargoed	3,564.97
Bedwas, Trethomas & Machen	3,761.31
Blackwood	2,871.52
Caerphilly	6,050.10
Darren Valley	700.31
Draethen, Waterloo & Rudry	588.93
Gelligaer	6,189.13

	<u>Tax Base</u>
	<u>No. of D Band</u>
	<u>Equivalent Properties</u>
Llanbradach & Pwllypant	1,454.24
Maesycwmmmer	765.28
Nelson	1,567.59
New Tredegar	1,335.83
Penyrheol, Trecenydd & Energlyn	4,410.13
Rhymney	2,523.24
Risca East	2,037.75
Risca West	1,765.31
Van	1,626.69
Remainder	15,266.25
Total	59,318.14

being the amounts calculated by the cabinet, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. That the following amounts be now calculated by the Council for the year 2015/2016 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:-

- (a) **£324,391,703** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) and 32(3) (a and b) of the Act;
- (b) **£1,200,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (c) of the Act;
- (c) **£323,191,703** being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
- (d) **£263,691,541** being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non domestic rates, revenue support grant, an authority's council tax reduction scheme or additional grant.
- (e) **£1,003.07** being the amount at (2)(c) above less the amount at (2)(d) above, all be divided by the amount at (1)(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year;
- (f) **£655,381** being the aggregate amount of all special items referred to in section 34(1) of the Act.
- (g) **£992.02** being the amount at (2)(e) above less the result given by dividing the amount at (2)(f) above by the amount at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

(h) Part of the Council's Area	Total County Borough & Community Council Band D		
	Local Precept £	County Borough Levy £	Charge £
Aber Valley	14.78	992.02	1,006.80
Argoed	12.00	992.02	1,004.02
Bargoed	16.27	992.02	1,008.29
Bedwas, Trethomas & Machen	17.32	992.02	1,009.34
Blackwood	17.00	992.02	1,009.02
Caerphilly	13.00	992.02	1,005.02
Darren Valley	17.82	992.02	1,009.84
Draethen, Waterloo & Rudry	20.38	992.02	1,012.40
Gelligaer	14.14	992.02	1,006.16
Llanbradach & Pwllpant	19.68	992.02	1,011.70
Maesycwmmmer	23.91	992.02	1,015.93
Nelson	17.27	992.02	1,009.29
New Tredegar	12.67	992.02	1,004.69
Penyrheol, Trecenydd & Energlyn	12.64	992.02	1,004.66
Rhymney	13.87	992.02	1,005.89
Risca East	12.00	992.02	1,004.02
Risca West	15.05	992.02	1,007.07
Van	12.57	992.02	1,004.59
Remainder	0.00	992.02	992.02

being the amounts given by adding to the amount at (2)(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts, of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(i)

Valuation Bands

	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
County Borough Council	661.35	771.57	881.80	992.02	1,212.47	1,432.92	1,653.37	1,984.04	2,314.71
Community Councils									
Aber Valley	9.85	11.50	13.14	14.78	18.06	21.35	24.63	29.56	34.49
Argoed	8.00	9.33	10.67	12.00	14.67	17.33	20.00	24.00	28.00
Bargoed	10.85	12.65	14.46	16.27	19.89	23.50	27.12	32.54	37.96
Bedwas, Trethomas & Machen	11.55	13.47	15.40	17.32	21.17	25.02	28.87	34.64	40.41
Blackwood	11.33	13.22	15.11	17.00	20.78	24.56	28.33	34.00	39.67
Caerphilly	8.67	10.11	11.56	13.00	15.89	18.78	21.67	26.00	30.33
Darren Valley	11.88	13.86	15.84	17.82	21.78	25.74	29.70	35.64	41.58
Draethen, Waterloo & Rudry	13.59	15.85	18.12	20.38	24.91	29.44	33.97	40.76	47.55
Gelligaer	9.43	11.00	12.57	14.14	17.28	20.42	23.57	28.28	32.99
Llanbradach & Pwllpant	13.12	15.31	17.49	19.68	24.05	28.43	32.80	39.36	45.92
Maesycwmmmer	15.94	18.60	21.25	23.91	29.22	34.54	39.85	47.82	55.79
Nelson	11.51	13.43	15.35	17.27	21.11	24.95	28.78	34.54	40.30
New Tredegar	8.45	9.85	11.26	12.67	15.49	18.30	21.12	25.34	29.56
Penyrheol, Trecenydd & Energlyn	8.43	9.83	11.24	12.64	15.45	18.26	21.07	25.28	29.49
Rhymney	9.25	10.79	12.33	13.87	16.95	20.03	23.12	27.74	32.36
Risca East	8.00	9.33	10.67	12.00	14.67	17.33	20.00	24.00	28.00
Risca West	10.03	11.71	13.38	15.05	18.39	21.74	25.08	30.10	35.12
Van	8.38	9.78	11.17	12.57	15.36	18.16	20.95	25.14	29.33
Remainder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Valuation Bands

	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Totals For Community Council Areas									
Aber Valley	671.20	783.07	894.94	1,006.80	1,230.53	1,454.27	1,678.00	2,013.60	2,349.20
Argoed	669.35	780.90	892.47	1,004.02	1,227.14	1,450.25	1,673.37	2,008.04	2,342.71
Bargoed	672.20	784.22	896.26	1,008.29	1,232.36	1,456.42	1,680.49	2,016.58	2,352.67
Bedwas, Trethomas & Machen	672.90	785.04	897.20	1,009.34	1,233.64	1,457.94	1,682.24	2,018.68	2,355.12
Blackwood	672.68	784.79	896.91	1,009.02	1,233.25	1,457.48	1,681.70	2,018.04	2,354.38
Caerphilly	670.02	781.68	893.36	1,005.02	1,228.36	1,451.70	1,675.04	2,010.04	2,345.04
Darren Valley	673.23	785.43	897.64	1,009.84	1,234.25	1,458.66	1,683.07	2,019.68	2,356.29
Draethen, Waterloo & Rudry	674.94	787.42	899.92	1,012.40	1,237.38	1,462.36	1,687.34	2,024.80	2,362.26
Gelligaer	670.78	782.57	894.37	1,006.16	1,229.75	1,453.34	1,676.94	2,012.32	2,347.70
Llanbradach & Pwllpant	674.47	786.88	899.29	1,011.70	1,236.52	1,461.35	1,686.17	2,023.40	2,360.63
Maesycwmmmer	677.29	790.17	903.05	1,015.93	1,241.69	1,467.46	1,693.22	2,031.86	2,370.50
Nelson	672.86	785.00	897.15	1,009.29	1,233.58	1,457.87	1,682.15	2,018.58	2,355.01
New Tredegar	669.80	781.42	893.06	1,004.69	1,227.96	1,451.22	1,674.49	2,009.38	2,344.27
Penyrheol, Trecenydd & Energlyn	669.78	781.40	893.04	1,004.66	1,227.92	1,451.18	1,674.44	2,009.32	2,344.20
Rhymney	670.60	782.36	894.13	1,005.89	1,229.42	1,452.95	1,676.49	2,011.78	2,347.07
Risca East	669.35	780.90	892.47	1,004.02	1,227.14	1,450.25	1,673.37	2,008.04	2,342.71
Risca West	671.38	783.28	895.18	1,007.07	1,230.86	1,454.66	1,678.45	2,014.14	2,349.83
Van	669.73	781.35	892.97	1,004.59	1,227.83	1,451.08	1,674.32	2,009.18	2,344.04
Remainder	661.35	771.57	881.80	992.02	1,212.47	1,432.92	1,653.37	1,984.04	2,314.71

being the amounts given by multiplying the amounts at (2)(g) and (2)(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in a particular valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2015/2016 the major precepting authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Precepting Authority									
Police and Crime									
Commissioner for Gwent	141.08	164.59	188.11	211.62	258.65	305.67	352.70	423.24	493.78

4. That having calculated the aggregate in each case of the amounts at (2)(i) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2015/2016 for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	A	B	C	D	E	F	G	H	I
	£	£	£	£	£	£	£	£	£
Aber Valley	812.28	947.66	1,083.05	1,218.42	1,489.18	1,759.94	2,030.70	2,436.84	2,842.98
Argoed	810.43	945.49	1,080.58	1,215.64	1,485.79	1,755.92	2,026.07	2,431.28	2,836.49
Bargoed	813.28	948.81	1,084.37	1,219.91	1,491.01	1,762.09	2,033.19	2,439.82	2,846.45
Bedwas, Trethomas & Machen	813.98	949.63	1,085.31	1,220.96	1,492.29	1,763.61	2,034.94	2,441.92	2,848.90
Blackwood	813.76	949.38	1,085.02	1,220.64	1,491.90	1,763.15	2,034.40	2,441.28	2,848.16
Caerphilly	811.10	946.27	1,081.47	1,216.64	1,487.01	1,757.37	2,027.74	2,433.28	2,838.82
Darren Valley	814.31	950.02	1,085.75	1,221.46	1,492.90	1,764.33	2,035.77	2,442.92	2,850.07
Draethen, Waterloo & Rudry	816.02	952.01	1,088.03	1,224.02	1,496.03	1,768.03	2,040.04	2,448.04	2,856.04
Gelligaer	811.86	947.16	1,082.48	1,217.78	1,488.40	1,759.01	2,029.64	2,435.56	2,841.48
Llanbradach & Pwllpant	815.55	951.47	1,087.40	1,223.32	1,495.17	1,767.02	2,038.87	2,446.64	2,854.41
Maesycwmmmer	818.37	954.76	1,091.16	1,227.55	1,500.34	1,773.13	2,045.92	2,455.10	2,864.28
Nelson	813.94	949.59	1,085.26	1,220.91	1,492.23	1,763.54	2,034.85	2,441.82	2,848.79
New Tredegar	810.88	946.01	1,081.17	1,216.31	1,486.61	1,756.89	2,027.19	2,432.62	2,838.05
Penyrheol, Treceenydd & Energlyn	810.86	945.99	1,081.15	1,216.28	1,486.57	1,756.85	2,027.14	2,432.56	2,837.98
Rhymney	811.68	946.95	1,082.24	1,217.51	1,488.07	1,758.62	2,029.19	2,435.02	2,840.85
Risca East	810.43	945.49	1,080.58	1,215.64	1,485.79	1,755.92	2,026.07	2,431.28	2,836.49
Risca West	812.46	947.87	1,083.29	1,218.69	1,489.51	1,760.33	2,031.15	2,437.38	2,843.61
Van	810.81	945.94	1,081.08	1,216.21	1,486.48	1,756.75	2,027.02	2,432.42	2,837.82
Remainder	802.43	936.16	1,069.91	1,203.64	1,471.12	1,738.59	2,006.07	2,407.28	2,808.49



SPECIAL COUNCIL - 25TH FEBRUARY 2015

**SUBJECT: REPLACEMENT OF A MEMBER OF CORPORATE
MANAGEMENT TEAM**

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek agreement from Council to the recruitment arrangements to replace a member of Corporate Management Team.

2. SUMMARY

- 2.1 One of our substantive members of Corporate Management Team has provided notice of their resignation from the Councils employment to take effect from the end of April.

3. LINKS TO STRATEGY

- 3.1 To achieve the Council's strategic aims, provide services as planned and to fulfill its statutory duties, including the duty to make arrangements to secure continuous improvement.
- 3.2 To provide sufficient resources at Corporate Management Team to implement effective governance across the Council.

4. THE REPORT

- 4.1 Sandra Aspinall is currently our Acting Deputy Chief Executive (under our Interim Management arrangements in place), though her substantive post is that of our Corporate Director with responsibility for Education and Life Long Learning. Ms Aspinall has also, for almost the past two years, been responsible for overseeing the council's Environment service (Regeneration and Planning, Community Services such as waste and recycling and leisure, Highways and Transportation and Public Protection).
- 4.2 Members will be aware from previous reports presented, that the arrangements for covering the Acting Deputy Chief Executive responsibilities are temporary in nature, pending the ongoing suspension of the substantive post holder. It is unlikely that this situation will be resolved in the immediate future.
- 4.3 In order to ensure that we have sufficient capacity within CMT to be able to effectively manage the Councils operations and to comply with our legal requirements, it is recommended that we move to fill the resulting vacancy on the council's Corporate Management Team.

- 4.4 With the significant changes in the field of education (specifically with regard to the creation of the Gwent Education Advisory Service), the authority's role has also changed, though there remains a statutory requirement to identify a Chief Education Officer and the authority retains important statutory functions and responsibilities with regard to schools. This Chief Education Officer role need not, however, be at Director level and in many authorities this role now sits at Head of Service level.
- 4.5 In recent years the number of Corporate Directors has reduced and the authority now has just four members of its Corporate Management Team (including the Chief Executive), one of the smaller such structures in local authorities of our size. For this reason the job description of members of Corporate Management Team has already adopted a more flexible, generic approach rather than being very specific such as 'Director of Education', and it is proposed that this approach is continued.
- 4.6 As a result, it is also proposed to designate a Chief Education Officer at Head of Service level, reporting to one of the Corporate Directors rather than placing that responsibility with the Director. This will retain the specialist knowledge required and meet statutory obligations and also allow greater flexibility in appointing the most suitable and experienced person to the role of Corporate Director. This approach is now very common in neighbouring authorities.
- 4.7 The Environment portfolio officially sits with the Chief Executive, but due to the suspension of the substantive postholder those responsibilities were temporarily placed with the Director of Education/Acting Deputy Chief Executive. While appearing sensible for a short time, this has of course now gone on for 2 years and this was never envisaged, and this is why some further minor changes were made in reporting responsibilities very recently to share the load a little more equally between the Chief Executive and the Directors.
- 4.8 As a result it is proposed that following the successful appointment of a new Corporate Director a further interim review of responsibilities is undertaken to reflect the experience and background of the our members of the Corporate Management Team.
- 4.11 In order to save costs it is proposed not to designate any of the remaining Directors as 'Acting Deputy Chief Executive' designation for now. This has no impact on the position of the substantive holder of the Deputy Chief Executive post, who is also currently suspended. This too will require further consideration once the authority is in a position to look at permanent arrangements.
- 4.12 Members will be aware that following the publication of Standing Orders (Wales) Amendment Regulations 2014, full Council approval is required where the salary of posts to be advertised exceed £100k. The approved salary of CCBC's Corporate Director posts fall within a range of four incremental points between £107,396 rising to a maximum of £119,329 per annum. This is in accordance with the Pay Policy approved by council on the 11th March 2014.
- 4.13 There is also a requirement that all posts that exceed the £100k salary level set by Welsh Ministers be advertised nationally. The advertisement process (if members approve the decision) will ensure that we comply with this requirement.
- 4.14 Members are reminded that the decision to appoint the successful applicant will rest with the Authority's Appointments Committee.

5. EQUALITIES IMPLICATIONS

- 5.1 No equality impact assessment has been undertaken on this report as it essentially covers an extension to arrangements already agreed. The council's recruitment and appointment process takes account of all equalities implications.

6. FINANCIAL IMPLICATIONS

- 6.1 There will be additional costs arising from the recruitment process, which would include the advertisement costs for a national advert, administration costs around the process, and officer and member time for participating in the process. These costs will be managed within existing budgets.
- 6.2 There will be a savings, as compared to current expenditure, by not designating an Acting Deputy Chief Executive.

7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications are included in the report.

8. CONSULTATIONS

- 8.1 All consultation responses have been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Council is requested to agree to:
- (i) Advertise for a Corporate Director to replace the departing substantive post holder.
 - (ii) Designate a Head of Service post as 'Chief Education Officer' who will report to one of the Corporate Directors.
 - (iii) Not replace the post of 'Acting Deputy Chief Executive' during the ongoing period of uncertainty with the suspension of the substantive postholder.
- 9.2 Council is requested to confirm that the recruitment will be advertised nationally on the Councils approved salary arrangements listed in its Pay Policy Statement (The approved salary of CCBC's Corporate Director posts fall within a range of four incremental points between £107,396 rising to a maximum of £119,329 per annum).

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To comply with the legislative requirements required when undertaking the recruitment to the post of Corporate Director.
- 10.2 To ensure the Council has effective Corporate Management and governance arrangements to allow the Council to deliver services to the residents of the County Borough.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000, Local Government and Housing Act 1989, Local Authorities (Standing Orders) (Wales) Regulations 2006 and 2014 (as amended). Education Act 1996.

Author: Chris Burns, Interim Chief Executive
Consultees: Cllr. Keith Reynolds, Leader
Cllr. Christine Forehead, Cabinet Member for Governance and HR

Cllr. Rhiannon Passmore, Cabinet member with responsibility for Education
Cllr. David Poole, Cabinet Member with responsibility for Environment and
Leisure
Cllr. Colin Mann, Opposition Leader
Cllr. Dave Rees, Leader Independent Group
Dave Street, Corporate Director
Nicole Scammell, Acting Director Corporate Services, Section 151 Officer
Gareth Hardacre, Head of Workforce and OD
Gail Williams, Monitoring Officer

Background papers: Council Pay Policy March 2014.