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Date: 2nd December 2014

Dear Sir/Madam,

A **Special** meeting of the **Policy and Resources Scrutiny Committee** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Monday, 8th December, 2014** at **5.30 pm** to consider the matters contained in the following agenda.

Yours faithfully,

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

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

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

To receive and consider the following Scrutiny reports:-

- 3 Draft Savings Proposals 2015/16.
- 4 Savings Proposals for 2015/16 - Customer Services.
- 5 Investment Strategy.

A greener place Man gwyrdach

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



- 6 Pontllanfraith House.
- 7 6-Month Progress Update of Improvement Objectives - Caerphilly Passport Programme Update.

Circulation:

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

And Appropriate Officers



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 8TH DECEMBER 2014

SUBJECT: DRAFT SAVINGS PROPOSALS 2015/16

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

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- 1.1 The attached report was considered by Cabinet on the 29th October 2014.
 - 1.2 The report provides 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. The report also presents details of proposed savings for 2015/16 totalling £12.208m and a proposal to increase Council Tax for 2015/16 by 3.9%.
 - 1.3 Following consideration of the report Cabinet:-
 - 1.3.1 Endorsed the proposed package of 2015/16 savings totalling £12.208m, as detailed in Appendices 2 to 6 of the report.
 - 1.3.2 Agreed that the savings proposals should be subject to a further period of consultation prior to final 2015/16 budget proposals being presented to Cabinet in January 2015 and to Council in February 2015.
 - 1.3.3 Supported the proposal to increase Council Tax by 3.9% for the 2015/16 financial year to ensure that a balanced budget is achieved.
 - 1.4 As part of the ongoing consultation on the savings proposals, the Policy and Resources Scrutiny Committee is asked to consider and comment upon the proposals in Appendices 2 and 6 of the attached report.

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Appendices:
Appendix 1 Report and appendices to Cabinet on 29th October 2014

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CABINET – 29TH OCTOBER 2014

SUBJECT: DRAFT SAVINGS PROPOSALS FOR 2015/16

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

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with 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.
- 1.2 To present Cabinet with details of draft savings proposals for the 2015/16 financial year to allow for a further more focussed period of consultation prior to a final decision in February 2015.

2. SUMMARY

- 2.1 The report provides details of revised savings requirements for the period 2015/16 to 2017/18 based on the WG Provisional 2015/16 Local Government Financial Settlement.
- 2.2 The report also provides details of draft savings proposals for 2015/16 totalling £12.208m.

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 Provisional Settlement

- 4.1.1 Published on the 8th October 2014, the key points of the Provisional 2015/16 Local Government Settlement for Wales are: -

- There have been three transfers into the settlement totalling £0.346m and three transfers out totalling £0.200m. 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 2014/15 financial year is a reduction of 3.4% i.e. **a cash decrease of £9.087m.**
- As in previous years, WG have, 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 for schools.

- No indicative settlement figures have been 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 have increased by £7k from the previous year.

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

Table 1 – Transfers In/Out 2015/16

	£m
Transfers In: -	
Local Government Borrowing Initiative – 21 st 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 financial settlement: -

Table 2 – Other Passported Grants 2015/16

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

4.1.4 It is proposed that the above (both the increases and decreases in funding) are passed directly to those services that they relate to.

4.2 Updated Medium-Term Financial Plan (MTFP)

- 4.2.1 Cabinet will recall that the MTFP agreed by Council on the 26th February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in WG funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 4.2.2 On the 24th June 2014 the Minister for Local Government and Government Business wrote to all Local Authorities in Wales informing them that there would be a significant shift in the likely financial settlement for 2015/16 and beyond. The Minister advised Authorities to consider how they would respond to a cut in funding of up to 4.5%.
- 4.2.3 Cabinet received a report on the 16th July 2014 outlining the impact of a cut in funding of 3% and 4.5%. Cabinet were advised that a 3% cut would increase the savings requirement for the two-year period 2015/16 and 2016/17 from the current planning level of £13.4m to £22.2m. A cut of 4.5% would increase the savings target to £30.1m.
- 4.2.4 Whilst the cut of 3.4% in the 2015/16 provisional settlement is better than the potential worst-case scenario of 4.5%, it still presents an extremely challenging financial position. It is also likely that austerity will remain for at least the medium-term and on this basis the MTFP has been updated for the three-year period 2015/16 to 2017/18 with an assumed reduction in WG funding of 3.4% for each of the three years. The updated position is attached as Appendix 1 and this shows a total savings requirement of £39m as summarised in Table 3: -

Table 3 – Cash Savings Targets

Year	Annual Cash Savings Target £m	Cumulative Cash Savings Target £M
2015/16	12.866	12.866
2016/17	14.030	26.896
2017/18	12.105	39.001

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	2.886	
4.3.4	Inescapable Service Pressures	2.462	
4.3.5	Reduction in WG Funding	9.087	
4.4	Draft Savings Proposals 2015/16		12.208
4.5	Council Tax Uplift (3.90%)		2.227
	TOTAL	14.435	14.435

4.3.2 The whole Authority cost pressures totalling £2.886m are set out in Table 5 below (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%	1.131
Living Wage increase (assumed at 20p per hour)	0.164
Non pay inflation 1.5% (net of 1.5% fess & charges increases)	1.432
Supported Borrowing (Capital Financing)	0.150
Transfers in/out and other passported grants	0.009
TOTAL	2.886

4.3.3 The updated MTFP includes an assumed pay award of 1% for 2015/16. Cabinet will be aware that the pay settlement for the current financial year is still subject to agreement and this has the potential to impact on the level of savings required.

4.3.4 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	0.332
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	2.462

4.3.5 The WG Provisional Settlement has decreased the available funding by 3.4% for the 2015/16 financial year, representing a cash reduction of £9.087m for Caerphilly CBC.

4.4 2015/16 Draft Savings Proposals

4.4.1 The budget strategy agreed by Council on the 26th February 2014 consisted of 2 main strands. The first of these was further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets required savings of circa £5m and would be applied to those statutory and essential services that the Authority has to deliver. The second strand of the agreed budget strategy was a review of discretionary services with a view to identifying savings proposals totalling over £8m. A series of Special Scrutiny Committee meetings have taken place during recent months to consider savings proposals.

4.4.2 Since the announcement by the Minister for Local Government and Government Business on the 24th June 2014 a significant amount of work has been undertaken within each Directorate to identify further savings proposals to address the worsening financial outlook.

4.4.3 The work to identify savings has been led by the Corporate Management Team (in consultation with appropriate Cabinet Members), working with Heads of Service with support from colleagues in Finance. Service Managers have also been involved to ensure that all options that are deliverable for 2015/16 have been considered.

4.4.4 For 2014/15, General Fund balances of £800k were earmarked to make good any shortfall where savings were due to be delivered part way through the financial year. The very late announcement of the Provisional Settlement for 2014/15 and the significant movement in the savings target from the original indication left very little option but to set-aside this funding to support the delivery of savings. This is not now the case, a strong message has been given by WG that austerity and cuts to RSG are to be expected up until 2020, the Authority should plan accordingly to address the anticipated budgetary shortfall.

4.4.5 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. There could be an opportunity to release balances for one-off expenditure but the use of balances does not and will never be able to reduce an overall savings target. Balances can be used to defer a saving for a short period (less than a year) but this is not a good use of these funds. It is therefore proposed to maximise the impact of the use of any "excess" General Fund balances by utilising them for Capital/Invest to Save Schemes. This will ensure a lasting legacy for service users of the Borough and will improve service provision, rather than defer a saving that will ultimately have to be taken a short period later. It will also enable the Authority to provide match funding for grant related capital schemes i.e. 21st Century Schools, convergence and lottery.

4.4.6 Appendices 2 to 6 provide details of the proposed savings for the 2015/16 financial year. Table 7 provides a summary: -

Table 7 – Summary of Proposed 2015/16 Savings

	£m
Whole Authority "corporate nature"	3.957
Education & Lifelong Learning	0.809
Social Services	3.128
Environment	2.852
Corporate Services	1.462
TOTAL	12.208

4.4.7 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 2 to 6. These proposals consist in the main of vacancy management, budget realignment and minor changes to service provision. Much of the detail of these proposals will have been presented to the Special Scrutiny Committees held during recent months. Across all

Directorates these savings proposals total £6.627m, which represents 54.3% of the total savings identified of £12.208m. Members at Special Scrutiny Committees were supportive of these types of savings proposals.

- 4.4.8 Some savings proposals will have a part-year impact in 2015/16 but will deliver significant further savings in 2016/17. The most notable of these 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 – New technology to achieve energy efficiencies.	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

- 4.4.9 There will be a requirement to fund ‘one-off’ capital expenditure for some of the above and there will be an opportunity to utilise ‘excess’ General Fund balances.
- 4.4.10 Cabinet is asked to endorse the proposed package of savings totalling £12.208m as detailed in Appendices 2 to 6 and to agree that the proposals should now be subject to a further period of consultation prior to final 2015/16 budget proposals being presented to Cabinet in January 2015 and Council in February 2015.

4.5 Council Tax Implications 2015/16

- 4.5.1 The Medium Term Financial Plan approved by Council on the 26th February 2014 included indicative increases to Council Tax for 2015/16 and 2016/17 of 2.35%.
- 4.5.2 The savings requirement to deliver a balanced budget for the 2015/16 financial year is £12.866m and savings proposals totalling £12.208m are presented in this report. This leaves a shortfall of £658k and it is proposed that this is met by increasing Council Tax by 3.9% for the 2015/16 financial year. This would result in Council Tax Band D being set at £992.02 per annum (an increase of 71p per week).

5. EQUALITIES IMPLICATIONS

- 5.1 Budget decisions at this level affect every resident in the County Borough, regardless of their individual circumstances and backgrounds.
- 5.2 A full impact assessment has not been undertaken on all of the draft savings proposals, however assessments will be made on all individual reports and projects during the financial year. This is in order to ensure that decisions that affect different individuals and groups are assessed at an appropriate and relevant level and at the correct stage in the process.
- 5.3 Consultation with residents, when done in accordance with the Council’s Public Engagement Strategy and the Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council’s decision-making process.
- 5.4 The list of proposed savings appended to this report does contain high-level narrative around the possible impact of some proposals and this will provide a starting point for assessments when specific areas are being looked at to provide savings.

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 could be achieved without substantial reductions in staffing. The fact is that by the end of year three 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 new situation in which the Council 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 would be sufficient to deal with the likely numbers involved.
- 7.4 The Council has a policy on redeployment, which would be the next preferred option. Thereafter, the Council has recently adopted a number of policies, which will enable us 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 Appendices 2 to 6 identify where proposals that affect service users have been debated at Special Scrutiny meetings. It is acknowledged that it is difficult for Members to form a view as to whether to support a saving or not without an appreciation of the bigger picture. Overall, recommendations made to date by Special Scrutiny Committees have not delivered savings that would come close to the required target. Moving forward, the draft budget proposals included in this report will be discussed at a Members' Seminar event on the 3rd November 2014 with a further Seminar to be held in January 2015. This will allow an informed discussion and debate in the context of the whole Authority position. Following Cabinet on the 29th October 2014 this report will also be scheduled for discussion at the next available Scrutiny Committee meetings as part of the consultation process.
- 8.2 The extent of the savings required by the Authority in the next 3 years is estimated at £39m and the majority of frontline reductions in spend will need a lead in time prior to implementation. Officers will try to minimise the impact of the cuts on the public facing areas of service adopting more innovative ways of delivering services. It must be emphasised though that no innovative / different ways of working will bridge the budgetary shortfall. The Authority's services will reduce over the next 3 years and staff numbers will also reduce over that same period.
- 8.3 The Authority has undertaken a public budget consultation in recent months focussing on those areas that members of the public see as priority services that should be protected from cuts wherever possible. A total of 1705 surveys were completed and the three service areas identified as most important were Libraries, Sport & Leisure and Public Bus Services. The draft savings proposals for 2015/16 have little impact on these service areas.

- 8.4 The draft 2015/16 savings proposals as presented in this report will be subject to a further period of consultation during the next 3 months. Details of the outcome of this will be included in the final budget proposals reports to be presented to Cabinet in late January 2015 and to Council in February 2015.

9. RECOMMENDATIONS

9.1 Cabinet is asked to: -

- 9.1.1 Endorse the proposed package of 2015/16 savings totalling £12.208m, as detailed in Appendices 2 to 6.
- 9.1.2 Agree that these savings proposals should now be subject to a further period of consultation prior to final 2015/16 budget proposals being presented to Cabinet in January 2015 and to Council in February 2015.
- 9.1.3 Support the 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).

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
Gail Williams, Interim Head of Legal Services & Monitoring Officer
David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)

Background Papers:
Provisional Local Government Settlement (8th October 2013)

Appendices:
Appendix 1 Updated Medium-Term Financial Plan 2015/16 to 2017/18
Appendix 2 2015/16 Draft Savings Proposals – Whole Authority
Appendix 3 2015/16 Draft Savings Proposals – Education & Lifelong Learning
Appendix 4 2015/16 Draft Savings Proposals – Social Services
Appendix 5 2015/16 Draft Savings Proposals – Environment
Appendix 6 2015/16 Draft Savings Proposals – Corporate Services

Updated Medium-Term Financial Plan 2015/16 to 2017/18

APPENDIX 1

Provisional LG Settlement (08/10/14)

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

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
WHOLE AUTHORITY COSTS				
General - Savings that have no direct impact on service users	2,312			
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
Assistance to voluntary sector	30	11% of total budget	Low	A further report will be presented to Scrutiny and Cabinet.
Project Gwyrdd	1,169	Previously agreed by full council		Previously agreed by full council
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			

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
EDUCATION & LIFELONG LEARNING				
General - Savings that have no direct impact on service users	692			
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 19/6 supported in principle a reduction in opening hours.
Recoupment (SEN Out of County / LAC / Inter Authority)	50	Could be a risk due to volatility of placements	Medium	
TOTAL EDUCATION & LIFELONG LEARNING	809			

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
SOCIAL SERVICES				
General - Savings that have no direct impact on service users	1,568			
Reduction of 3 social workers per division with the intention to achieve by vacancy management	219	This will be achieved through vacancy management.	High	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.
Removal of £1m demographic growth for 15/16.	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	
Independent Sector Domiciliary Care - Elderly - Review of shopping service.	40	Alternative services will need to be explored with service users	Medium	Scrutiny 17/7 - Officers to explore options which would ensure the service is delivered where absolutely necessary. Scrutiny 16/10 - Members requested further information on potential impact on existing service users
Meals on wheels - Increase of £1 per meal.	88	Potential for reduced take up	Medium	Scrutiny 17/7 - Proposal supported by Members. Scrutiny 16/10 - Members recommended increase of £1.50 which would result in a saving of £132k
Own Day Care - Review of day centre provision. Full Year saving £255k	128	Relocation of service provision within the same community	Medium	Scrutiny 17/7 - Officers to explore options of a mixture of service reconfiguration and targeted day services. Scrutiny 16/10 - Members supported proposal to reconfigure services to ensure no impact on service users.
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 - One Member raised concerns that this area has borne the brunt of savings required in recent years. Officers explained that there are plans for options in this area to be considered by a Task and Finish Group.
TOTAL SOCIAL SERVICES	3,128			

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
ENVIRONMENT				
REGENERATION, PLANNING & ECONOMIC				
General - Savings that have no direct impact on service users	530			
Removal of Bargoed ice rink from December 2015.	20	Reduced events availability to local residents that visit the ice rink	Low	Scrutiny 01/10 - Not accepted
Community Regeneration - Area Forum Budget removal. Utilise reserves of £162k over next few years	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 01/10 - Not Accepted
TOTAL REGENERATION, PLANNING & ECONOMIC	622			

Description	Potential Saving	Impact narrative	Impact	Committee
ENGINEERING DIVISION				
General - Savings that have no direct impact on service users	179			
Highways Operations - Street Lighting energy reduction option - use of new technologies/part management lighting. Full year saving £450k	100	A combination of options will generate £450k saving in full year. This may require some part-night lighting in residential areas. This will require up front investment of £700k + £200k. This contributes to Council's carbon reduction targets. Consultation may not be required if the new technologies being reviewed can achieve the savings required. The use of new technologies will reduce the need/amount of part-night lighting required. No effect on jobs.	Medium	Scrutiny 12/6 - Members requested further information.
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. No consultation required, possible reduction in workforce, depends on capital budget support.	Medium	Scrutiny 12/6 - Further information requested
Highways Operations - Reduction in planned footway resurfacing budget (12% of budget).	60	Reduction in revenue budget will defer investment in Council's largest asset to future years. No consultation required, possible reduction in workforce, depends on capital budget support.	Medium	Scrutiny 12/6 - Further information requested
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
Highways Operations - Reduce highways reactive maintenance budget by 4%.	50	Budget will need close monitoring to ensure reduction in planned maintenance does not significantly increase reactive maintenance which could also increase third party claims. No consultation required. This will result in 1 no loss of job within NCS which will be achieved through vacancy management.	Medium	Scrutiny 12/6 - Further information requested
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 12/6 - Not supported
Reduce gritting routes from 9 to 8.	60	Route optimisation being undertaken to provide an option to reduce routes from 9 to 8 but still keep existing coverage. No consultation required. No effect on jobs.	Low	Scrutiny 12/6 - Further information requested
Highways Operations - Reduce 'aids to move 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 - Supported

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
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 - Not supported
Highways Operations - Reduction in structures and retaining walls budget by 10%.	50	Only the highest priority work is currently being undertaken. This will need to continue and some key priorities may need to be delayed. No consultation required. This will contribute to an aggregated reduction in jobs within NCS (0.5 FTE). This will be achieved through vacancy management.	Low	Scrutiny 12/6 - Further information requested
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
Highways Operations - Highways adoption and agreement fees. Increase in fees	15	Raise fees in line with neighbouring councils. No public consultation required. No effect on jobs.	Low	Scrutiny 12/6 - Supported
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
Transport Engineering - Car park tariffs. Increase car parking charges by typically 10p per hour	30	Similar actions are being considered by other councils. Formal notification procedure required. No negative effect on jobs. No public consultation required.	Low	Scrutiny 12/6 - Further information requested
Transport Engineering - Management of off-street car parks - increase excess charge notice penalty	25	No impact on service. No effect on jobs.	Low	Scrutiny 12/6 - Increase supported but further information required re Sunday charging
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 12/6 - Further information required
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 consultation required. No effect on jobs.	Low	Scrutiny 12/6 - Supported
Review of Passenger Transport Services - Full year impact £150k	24	No effect on jobs. Public consultation required.	Medium	Scrutiny 12/6 - Further information requested
TOTAL ENGINEERING DIVISION	1,050			

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
PUBLIC PROTECTION				
General - Savings that have no direct impact on service users	22			
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
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
Health Improvement Officer - 1 vacant post (0.6 FTE) & Senior Health Improvement Officer - 1 vacant post (1 FTE).	77	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.	Medium	Scrutiny 4/9 Agenda Item 3(1) Appendix 3 - Further information requested.
Enforcement - Environmental Health Officer - 1 vacant post (1 FTE)	45	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.	Medium	New saving proposal.
TOTAL PUBLIC PROTECTION	162			

Description	Potential Saving	Impact narrative	Impact	Committee
COMMUNITY & LEISURE SERVICES				
General - Savings that have no direct impact on service users.	338			
Parks & Playing Fields - Cessation of summer "Bands in the Park" events programme	2	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.	Low	New saving proposal
Residual Waste - Charging for all replacement containers.	60	Provides clarity over existing policy. Generally low impact.	Low	Scrutiny 30/7 - Suggested cabinet consider further.
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 30/7 - Supported
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 - Supported
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 - Supported
Parks and Playing Fields - Reduction in playing field maintenance. Remove 2 fertilizer applications & cease end of season renovation works	30	Officers have 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.	Medium	Scrutiny 30/7 - Could not support without first consulting with local clubs & Town Councils in order to explore all avenues & funding options
Parks and Playing Fields - Increase outdoor facility charges by 20%.	20	The Scrutiny members suggested that Officers examine options to only increase adult fees while keeping junior fees at current levels. If this strategy is employed the options are as follows:- <ul style="list-style-type: none"> • Increase of 40% in adult fees = additional £27k income • Increase of 45% in adult fees = additional £31k income • Increase of 50% in adult fees = additional £34k income • Increase of 100% in adult fees = additional £69k income 	Medium	Scrutiny 30/7 - Members suggested freeze for juniors but further increase for adults.
Cwmcarn Leisure Centre - Centre closed - handover of facility to school	25	Consulting with key stakeholders. Negotiations ongoing with school regarding principle, 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.
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
Street Cleansing - Reduce number of pedestrian sweepers operated by 1.	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 - Supported
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	New saving proposal

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
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	New saving proposal
Sport & Leisure - Closure of Bedwas swimming pool on Sundays.	10	Level of use can be accommodated at Caerphilly Leisure Centre.	Low	New saving proposal
Sport & Leisure - Average price increase of 5% 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	New saving proposal
Waste Strategy & Operations - Closure of Civic Amenity Sites for 2 days/week + 1 hour on other days	100	Obvious reduction in availability to public. Closure days would be staggered across all sites.	Medium	Scrutiny 30/7 - This option was suggested by Scrutiny committee.
Waste Strategy & Operations - Reduction in cleansing budget. Full year impact £300k	100	<ul style="list-style-type: none"> •The full year proposed saving represents 7.4% of the total cleansing budget of £4.075m with the part year saving representing 2.45% • The process needs careful management involving Corporate HR as it will inevitably mean a reduction in the number of staff. • 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. 	High	New saving proposal
TOTAL COMMUNITY & LEISURE SERVICES	1,018			
TOTAL ENVIRONMENT	2,852			

<i>Description</i>	<i>Potential Saving</i>	<i>Impact narrative</i>	<i>Impact</i>	<i>Committee</i>
CORPORATE SERVICES				
General - Savings that have no direct impact on service users	986			
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 17/6 - Further information requested. Scrutiny 24/9 - Supported 50% withdrawal of funding in 2015/16 with remainder of funding being withdrawn in 2016/17.
Communications Unit - Cease to deliver a twinning function.	5		Low	Scrutiny 17/6 - Supported
Review of Customer First - Full year impact estimated at £250k, part year impact 15/16	125	This will be subject to a separate report. No significant impact for 2015/16 as part year. Will involve reducing opening hours in all Customer First centres but no closures.	Low/Med	
Closure of Ty Pontllanfraith - Full year impact £600k, part year impact in 15/16	100	The details of this proposal were presented to the Special Policy & Resources Scrutiny Committee on the 17th June 2014.	Low	Scrutiny endorsed the principle to begin consultation on the proposal
TOTAL CORPORATE SERVICES	1,462			



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 8TH DECEMBER 2014

SUBJECT: SAVINGS PROPOSALS FOR 2015/16 - CUSTOMER SERVICES

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

1. PURPOSE OF REPORT

- 1.1 To advise Members of proposed service changes within Customer Services that are required to achieve the Budget Savings for 2015/16 as proposed by Cabinet on 29 October 2014.
- 1.2 To seek Members' views on these proposals.

2. SUMMARY

- 2.1 As part of the Medium Term Financial Plan, a budget saving of £250,000 has been proposed for the Customer Services budget. To allow sufficient time for the proposals to be implemented £125k of the saving will be delivered in 2015/16 with the balance being realised in 2016/17.
- 2.2 While considering how the £250,000 can be achieved, to minimise impact on customers, officers have reviewed the non-staff costs in the existing Customer Services budget in detail and have identified savings of £89,348 (which includes a reduction of £50,348 in property costs relating to the relocation of the Blackwood Customer Service Centre to Blackwood Library). A further £30,000 will be saved by reducing the Agency Staff budget. Vacancy Management will yield savings of £45,597 through the deletion of two vacant full-time Customer Service Advisor posts. To achieve the total required savings the salary budget will therefore need to be reduced by a further £85,055. Based on the costs of a Customer Services Advisor at the middle of the grade, this equates to a staffing reduction of 3.7 Full Time Equivalent (FTE) staff.
- 2.3 The proposals in this report will reduce the staff resource by 5.7 FTE's, which is in addition to a reduction of 2 FTE's in 2014/15. Members have indicated that they wish to retain the current network of Customer Service Centres, however, it is not feasible to maintain current levels of service with this reduction in staffing levels. To maintain the current network of Customer Service Centres customer waiting time standards will have to be reduced across the service (including the Contact Centre); opening hours at Centres will have to be marginally reduced and the part-time payments service withdrawn from Newbridge Library.

3. LINKS TO STRATEGY

- 3.1 The work of Customer Services, in particular the Customer Service Centres, contributes, in particular, to strategic objectives 3 and 4, Physical Access and Communications Access.

4. THE REPORT

- 4.1 To support the Medium Term Financial Plan, a Customer Services savings proposal of £250,000 has been identified as part of a package of proposals endorsed by Cabinet on 29 October 2014. To allow sufficient time for proposals to be implemented £125k of the saving will be delivered in 2015/16 with the balance being realised in 2016/17. The total budget for this service area is currently £1.54m. To minimise the impact of this budget reduction on customers, officers have reviewed non-staff costs in detail and have identified savings of £89,348. This includes a reduction of £50,348 in property costs relating to the relocation of the Blackwood Customer Service Centre to Blackwood Library, which will also deliver service improvements for customers. The lease for the current premises in the Market Place ends in 2015, and a move of the service to the library will be consistent with our approach in our other major towns. The capital cost of the move is expected to be in the region of £70,000 to £100,000, which includes adaptations to the structure of the existing Library building and some internal fit-out. In addition there will be dilapidation costs relating to the termination of the lease on the current building. The costs of dilapidations have not yet been established but Building Consultancy are in contact with the landlords to identify what the cost will be. It is proposed that these one-off costs are funded from Corporate Services Reserves.
- 4.2 A further £30,000 will be saved by reducing the Agency Staff budget that is used to cover seasonal demand changes and long-term absence such as maternity leave. Vacancy Management will yield further savings of £45,597 through the deletion of two vacant full-time Customer Service Advisor posts.
- 4.3 The remainder of the savings will be found through reducing the salaries budget by £85,055. Based on the costs of a Customer Services Advisor at the middle of the grade, this equates to a staffing reduction of 3.7 FTE. The proposals in this report will reduce the staff establishment by 5.7 FTE's (including the 2 FTE vacant posts referred to in para 4.2), which is in addition to a reduction of 2 FTE's in 2014/15. Members have indicated that they wish to retain the current network of Customer Service Centres. However, it is not feasible to maintain current levels of service with this reduction in staffing levels, therefore changes will have to be made in the provision of Customer Services to accommodate this reduction.
- 4.4 The Authority has six Customer Service Centres offering "in-person" services in communities across the County Borough including three within Libraries. The Customer Service Centres are much valued by residents and provide a valuable service to residents who are digitally or financially excluded, have limited access to transport or need to deal with the Council in-person rather than by phone, mail or digital channels. During 2013/14 the Customer Service Centres dealt with 116,000 customer enquiries, and handled 278,000 payments with a total value of £29.7 million, of which £12 million was in cash. Providing excellent service for customers and communities has always been a key driver in the development of Customer Services and customer access standards in the Customer Service Centres (including waiting times and opening hours) have therefore been set at a high level. It would be fair to say that customer waiting times compare well with other parts of the public sector and with the private sector. Our opening hours compare well with similar services within local government. The service has complied with very high standards, but this does lead to a service that is more expensive than most other public sector bodies.
- 4.5 The current waiting time performance target for Customer Service Centres is that 80% of customers will be seen within 10 minutes. Actual performance is similar across all 6 sites and has been between 75% and 89% during most weeks over the last 12 months. Customer satisfaction with the service is very high with more than 97% of customers telling us that they were satisfied with the service they received during several surveys since 2012 and 95% saying that waiting times were acceptable during a survey in 2014. To accommodate the proposed reduction in staffing levels this target will need to be reduced to 80% of customers being seen within 15 minutes. This will still compare well with other similar services in the public sector, however it may result in a reduction in customer satisfaction levels.

- 4.6 The Contact Centre handles nearly 140,000 calls and 42,000 emails each year. The current waiting time performance indicator target for the Contact Centre is that 80% of telephone calls will be answered within 20 seconds. During 2013/14 85.2% of calls were answered within 20 seconds and in 2014/15 the year to date figure was 80.2% at the end of September which compares favourably with other services across the public and private sectors. In recent surveys, 97% of customers were satisfied or very satisfied with the Contact Centre service. To accommodate the proposed reduction in staffing levels this target will need to be reduced to 70% of calls being answered within 20 seconds, which will still compare well with other similar services in the public sector, but again may lead to some initial customer dissatisfaction.
- 4.7 As well as reducing service standards there is a need to review the opening hours of the Customer Service Centres. To ensure that opening hours reflect peak customer footfall officers have analysed the footfall profile of each of the Centres, including daily and hourly averages, which has identified the quietest times at each site. The analysis has also compared activity levels across all sites.

Customer contacts per site (includes service requests and payments) 2013/14

Site	Service	Payments	Total footfall
Caerphilly	14,610	75,943	90,553
Blackwood	17,676	66,970	84,646
Ty Penallta	23,317	46,885	70,202
Bargoed	6,478	32,169	38,647
Risca	7,902	28,352	36,254
Pontlottyn	5,546	24,084	29,630
Newbridge	-	13,887	13,887

- 4.8 To ensure that opening times best match customer demand whilst reducing hours, opening times will be adjusted on a tiered basis with quieter sites seeing greater reductions in opening hours than busier sites. Adjustments will also be made to allow for differences in footfall patterns across sites and to coordinate with co-located services, in particular libraries and services based at Ty Penallta. An anomaly in this approach is the Customer Service Centre in Ty Penallta where total footfall is less than either Caerphilly or Blackwood, but the number of customers visiting the service desks rather than the cash desks is significantly higher than any other site. In addition, the total value of payments received at Ty Penallta is twice that of either Caerphilly or Blackwood. The Ty Penallta Customer Service Centre also delivers customer services on behalf of several services based in Ty Penallta, which operate throughout the working week.
- 4.9 Based on this tiered approach Ty Penallta will open throughout the working week. Caerphilly and Blackwood will close one afternoon per week. Risca and Bargoed will close two afternoons per week. Pontlottyn will close 3 afternoons per week. There will be some adjustments in opening and closing times at all sites to better match operating times to customer demand and to provide better consistency across sites, e.g. Ty Penallta Customer Services will open at 09:00 rather than 08:30 as there is little customer footfall before 09:00. To ensure consistency all sites apart from Ty Penallta will close at either 13:00 or 17:00. Details of existing and proposed opening hours are included in appendix A.
- 4.10 The Customer Service Centres in Caerphilly, Risca, Bargoed and Blackwood are also open on Saturday mornings, albeit with fewer visits than weekday mornings, but more comparable with late afternoons. They are open on Saturdays to allow customers having difficulty in

visiting during the week to access services such as making cash payments, help with Housing Benefits or applying for Blue Badges. On this basis it is proposed that Saturday opening will be retained at all four sites.

- 4.11 Although there is no Customer Service Centre in Newbridge, Corporate Customer Services provide a payments service within Newbridge Library. This service only provides a payments service and does not deal with the wide range of services offered within the Customer Service Centres. The volume and value of payments processed by Newbridge is lower than any of the other sites, accounting for just 4.8% of all payments. In terms of total contacts (advice and payments), it accounts for just 3.8% of footfall across all 7 sites. A comparison of the volume of payments at each site can be found in the following table.

Volume of payments made at each site during 2014/14

Site	Payments
Caerphilly	75,943
Blackwood	66,970
Ty Penallta	46,885
Bargoed	32,169
Risca	28,352
Pontlottyn	24,084
Newbridge	13,887

- 4.12 The catchment area for the Newbridge Cash Desk has been analysed to identify where the majority of customers are travelling from to make payments. A map showing this distribution can be found at appendix B. This analysis indicates that the majority of customers using the Newbridge Cash Desk live in communities that are served by a Post Office where they can make payments in person using a Post Office payment card. Two of these communities (Pantside and Trinant) are also visited by the Mobile Customer Service Centre. Approximately 20% of the payments received at the Newbridge Cash Desk are made via either a credit or debit card. Customers wishing to pay by credit or debit card can also make their payments 24 hours a day using either our website or our automated payment line. They can also make their payments by phoning the Contact Centre during office hours. Based on the significantly lower levels of customer demand and the availability of other methods of making payments, it is proposed that the payments service be withdrawn from Newbridge Library.
- 4.13 Some of the customers who use the Customer Service Centres may be able to use other, less expensive, ways of contacting the council, such as phoning the Contact Centre, using automated phone lines or using the web site. If these customers can be encouraged to use these lower cost methods of contact, customer demand in the Customer Service Centres will be reduced. This will ensure that Advisors have time to deal with our more vulnerable customers and those who are financially or digitally excluded. Although levels of digital exclusion in Caerphilly County Borough are higher than in many areas, there is evidence that persuading customers to use these lower cost contact channels can be achieved. Over the last few years use of these lower cost contact channels to make payments has increased significantly with more than 20% of payments now being made via these channels compared to 4% in 2008/09, with little active marketing.
- 4.14 Work is now underway to persuade some customers to switch to the web including the development of a new web site optimised for use on smartphones and a project which has been running successfully within Libraries, Customer Services and Housing Benefits to

persuade customers to make benefit claims on-line. This work, including a marketing campaign, will continue and is likely to form a significant part of the Customer Service Strategy that is being developed. The focus of this work is to redesign services so that they are “Digital by Default”, in other words digital channels become the first and preferred choice for customers when they need to interact with the Council about these services.

- 4.15 Any proposed changes in opening hours will be implemented in September 2015 to allow sufficient time to notify customers of the changes and to allow time to realign staff working patterns.

5. EQUALITIES IMPLICATIONS

- 5.1 No full impact assessment has been undertaken on these proposals as yet. However, the reduction in availability of face to face services may have a detrimental effect on customers who fall under some of the protected characteristics groups, in particular people with different types of disabilities and the elderly.
- 5.2 Consultation on these proposals with service users, ensuring that elderly and/or disabled people are specifically included, will ensure that any final decision taken has been done robustly, and if challenged on the grounds of failure to take due regard of the Public Sector Equality Duty in Wales, can be fully and properly evidenced.

6. FINANCIAL IMPLICATIONS

- 6.1 These proposals will generate savings of £250,000 as part of the MTFP. However, due to the nature of the reductions it will not be possible to achieve these savings in full during 2015/16. As a result these savings will be phased in over 2 years with £125,000 being saved in 2015/16 and a further £125,000 in 2016/17.
- 6.2 The Blackwood Customer Service Centre is located within a leased unit in the Market Place shopping centre. Moving the Customer Service Centre to Blackwood Library will yield a saving of £50,348 per annum due to the cancellation of the lease and savings in property maintenance costs. The capital cost of moving the Customer Service Centre in to the Library is expected to be in the region of £70,000 to £100,000 which includes adaptations to the structure of the existing Library building and some internal fit-out. In addition there will also be dilapidation costs relating to the termination of the lease on the current premises. These are one off costs that can be funded from Corporate Services Reserves.
- 6.3 Summary of budget savings within the Customer Services Budget

Move Blackwood Customer Service Centre in to Blackwood Library	£50,348
Other non staff costs	£ 39,000
Agency Budget	£ 30,000
Vacancy Management: delete 2 vacant posts (2 FTE)	£ 45,597
Staff costs (3.7FTE)	£ 85,055
Total savings	£250,000

7. PERSONNEL IMPLICATIONS

- 7.1 As part of these proposals the staff establishment will reduce by 5.7 Full Time Equivalent (FTE) staff, including 2 FTE vacant posts. This reduction is likely to be made up of a mixture

of full-time and part-time staff which will result in the loss of between 4 and 6 staff. This reduction will need to be achieved by September 2015 to achieve the required savings.

- 7.2 Every effort will be made to avoid compulsory redundancies and full use will be made of the recently updated personnel policies to achieve this if redeployment of the staff is not achievable in the first instance.
- 7.3 The staff and the Trade Unions have been advised of the potential reduction in staff numbers.

8. CONSULTATIONS

- 8.1 The views of consultees are included within the report. Following the Policy and Resources Special Scrutiny Committee, the proposals will be made available to users at all of the 6 sites that currently operate the full range of Customer Services. The one site that operates a payment service only will also make the savings proposals available to service users.

9. RECOMMENDATIONS

- 9.1 That the new arrangements highlighted in the report that minimise impact to the public and service user are endorsed for further public and user consultation.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To inform Members of proposed changes within Customer Services to deliver savings requirements identified in the Cabinet Report of 29 October 2014.

11. STATUTORY POWER

- 11.1 Local Government Act 2000.

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Consultees: Cllr Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
Nicole Scammell, Interim Director of Corporate Services
Stephen Harris, Interim Head of Corporate Finance
Gareth Hardacre, Head of Human Resources and Organisational Development
Colin Jones, Head of Performance and Property
Gail Williams, Interim Head of Legal Services & Monitoring Officer
Tony Maher, Assistant Director Planning & Strategy
Gareth Evans, Interim Community Education Manager
David A. Thomas, Senior Policy Officer (Equalities and Welsh Language)

Appendices:

- Appendix A - Proposed changes to opening hours of Customer Service Centres
Appendix B - Catchment area of Newbridge Cash Office

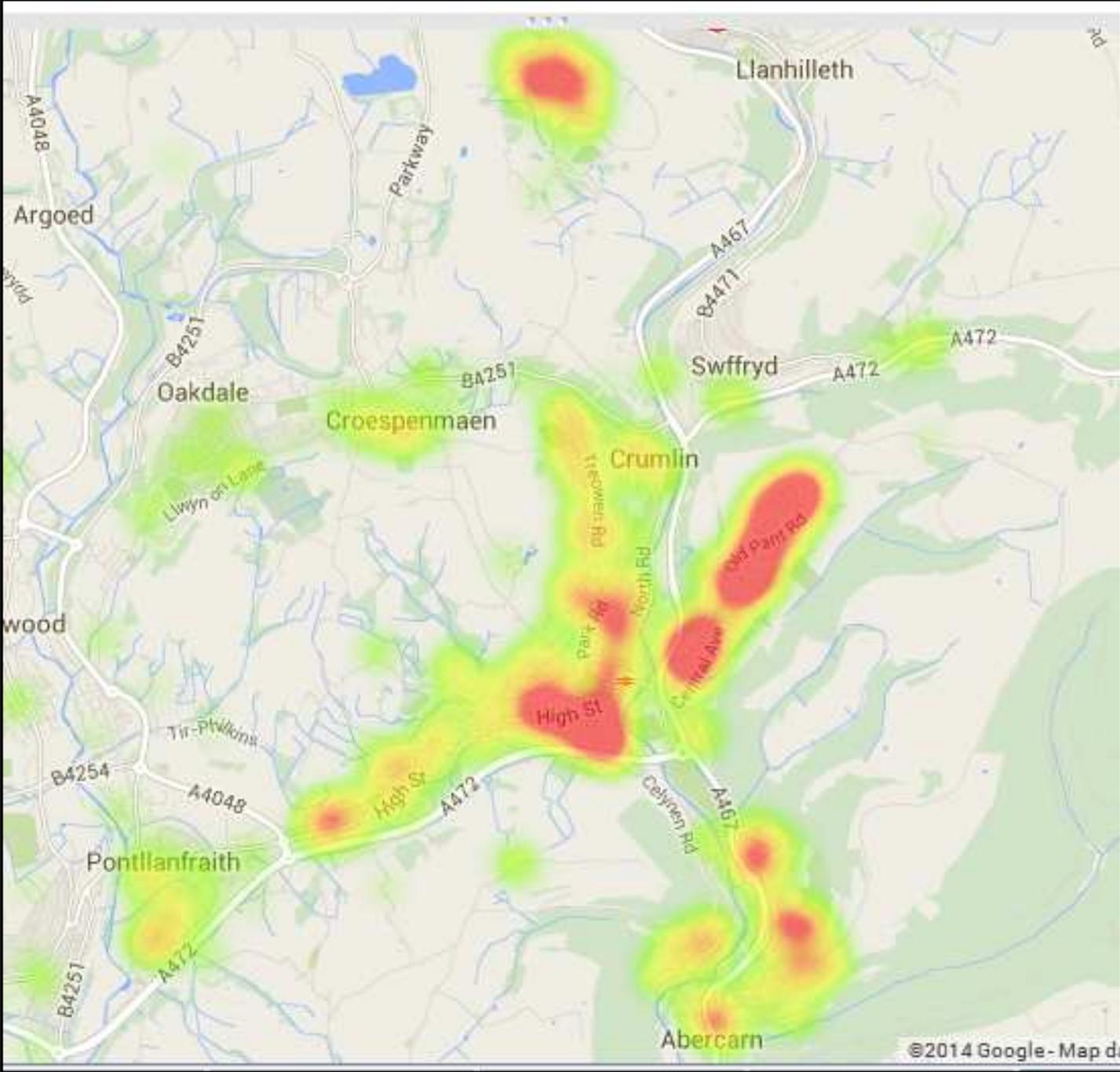
Appendix A

Proposed changes to opening hours of Customer Service Centres

	Current Opening Times	Proposed Opening Times	Current Hours	New Hours	Reduction in hours	Footfall during the lost hours	% of the total footfall affected
Caerphilly			43:45	33:00	10:45	225	4.7
Mon	08:45 to 16:45	09:30 to 16:00	08:00	06:30			
Tues	08:45 to 16:45	09:30 to 16:00	08:00	06:30			
Wed	08:45 to 16:45	09:30 to 13:00	08:00	03:30			
Thu	08:45 to 16:45	09:30 to 16:00	08:00	06:30			
Fri	08:45 to 16:30	09:30 to 16:00	07:45	06:30			
Sat	09:00 to 13:00	09:30 to 13:00	04:00	03:30			
Bargoed			37:00	30:00	7:00	68	1.1
Mon	09:30 to 17:00	09:30 to 16:00	07:30	06:30			
Tues	09:30 to 17:00	09:30 to 16:00	07:30	06:30			
Wed	09:30 to 13:00	09:30 to 13:00	03:30	03:30			
Thu	09:30 to 17:00	09:30 to 13:00	07:30	03:30			
Fri	09:30 to 17:00	09:30 to 16:00	07:30	06:30			
Sat	09:30 to 13:00	09:30 to 13:00	03:30	03:30			
Risca Palace			41:00	30:00	11:00	97	1.6
Mon	09:30 to 17:00	09:30 to 16:00	07:30	06:30			
Tues	09:30 to 17:00	09:30 to 16:00	07:30	06:30			
Wed	09:30 to 17:00	09:30 to 13:00	07:30	03:30			
Thu	09:30 to 17:00	09:30 to 13:00	07:30	03:30			
Fri	09:30 to 17:00	09:30 to 16:00	07:30	06:30			
Sat	09:30 to 13:00	09:30 to 13:00	03:30	03:30			
Blackwood			44:00	33:00	11:00	225	1.1
Mon	09:00 to 17:00	09:30 to 16:00	08:00	06:30			
Tues	09:00 to 17:00	09:30 to 16:00	08:00	06:30			
Wed	09:00 to 17:00	09:30 to 13:00	08:00	03:30			
Thu	09:00 to 17:00	09:30 to 16:00	08:00	06:30			
Fri	09:00 to 17:00	09:30 to 16:00	08:00	06:30			
Sat	09:00 to 13:00	09:30 to 13:00	04:00	03:30			
Ty Penallta			42:30	40:00	2:30	24	0.4
Mon	08:30 to 17:00	09:00 to 17:00	08:30	08:00			
Tues	08:30 to 17:00	09:00 to 17:00	08:30	08:00			
Wed	08:30 to 17:00	09:00 to 17:00	08:30	08:00			
Thu	08:30 to 17:00	09:00 to 17:00	08:30	08:00			
Fri	08:30 to 17:00	09:00 to 17:00	08:30	08:00			
Sat	Closed	Closed					
Pontlottyn			33:00	21:00	12:00	140	2.3
Mon *	09:00 to 16:00	09:30 to 16:00	06:30	06:00		*Lunchtime closures	
Tues *	09:00 to 16:00	09:30 to 13:00	06:30	03:00		Closed 13:00 to 13:30	
Wed *	09:00 to 16:00	09:30 to 13:00	06:30	03:00			
Thu *	09:00 to 16:30	09:30 to 13:00	07:00	03:00			
Fri *	09:00 to 16:00	09:30 to 16:00	06:30	06:00			
Sat	Closed	Closed					
Newbridge			20:00	0:00	20:00	239	4
Mon #	09:30 to 16:30	Closed	07:00	00:00		*#Lunchtime closures	
Tues	09:30 to 13:30	Closed	04:00	00:00		Closed 13:30 to 14:30	
Wed	Closed	Closed					
Thu	09:30 to 13:30	Closed	04:00	00:00			
Fri #	09:30 to 16:30	Closed	07:00	00:00			
Sat	Closed	Closed					

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Catchment area of Newbridge Cash Office



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SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 8TH DECEMBER 2014

SUBJECT: INVESTMENT STRATEGY

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

1. PURPOSE OF REPORT

- 1.1 To provide the Scrutiny Committee with additional information in relation to proposals to review the Authority's investment strategy.

2. SUMMARY

- 2.1 A report was presented to the Special Policy and Resources Scrutiny Committee on the 24th September 2014 proposing 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 £263k of investment income included supporting the Authority's 2015/16 draft budget savings proposal.
- 2.2 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 concerns 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.
- 2.3 This report provides an updated position on the investment portfolios previously presented and outlines further advice received from the Authority's Treasury Advisors, Arlingclose.

3. LINKS TO STRATEGY

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

4. THE REPORT

- 4.1 The report presented to the Special Policy and Resources Scrutiny Committee on the 24th September is attached as Appendix 1. The report outlined details of the current approach to investments (i.e. depositing with the Debt Management Office (DMO) and other Local Authorities, including Police and Fire Authorities), with an annual return of circa £230k. A further £263k of investment income has been included in the MTFP, a total of £493k of investment income needed to support the Authority's 2015/16 draft budget savings proposal. The report presented three indicative alternative investment portfolios along with the potential returns for each Model, as summarised below: -

Model	Rate of Return	Value
1	1.36%	£1,020k
2	0.67%	£500k
3	0.88%	£655k

4.2 Arlingclose has recently updated the indicative investment portfolios previously presented. The revised portfolios continue to follow the same underlying make up as proposed in the earlier Committee report, in so far as an average investment of £74.8m is assumed spread across a mixture of 20 to 22 investment instruments with an average balance of £3.74m. At the request of the Scrutiny Committee, Model 1 has been modified to increase the amount of readily available cash. Furthermore, Models 1, 2 and 3 have been updated to reflect changes in investment yields.

4.3 Members will note from the table below that the updated potential yields for each Model have reduced as financial markets have reacted to economic, political and regulatory developments, as well as the Ebola outbreak that is threatening to spread globally impacting on global economic recovery.

Model	Rate of Return	Value
1	1.02%	£764k
2	0.59%	£438k
3	0.74%	£550k

4.4 Model 1 (revised) has average investment duration of 768 days, with a return of 1.02% (£764k). £33m is available within a day's notice, £8.3m is invested between 6 to 12 months and £33.5m is invested for longer than 1 year. Although the cash available within a day's notice has increased from £20.3m to £33m this portfolio continues to represent liquidity risk, as there is not enough cash available to cover the short-term period (3 months to 1 year). This 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 covered bonds and floating rate notes would require an amendment to the Treasury Management Strategy.

4.5 Model 2 has an average duration of 190 days and yields a return of 0.59% (£438k). £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 Treasury Management Strategy would be required for the use of covered bonds and the duration of some of the proposed investments.

4.6 Model 3 has an average duration of 391 days and yields a return of 0.74% (£550k). £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) will require an amendment to the Treasury Management Strategy.

4.7 All of the updated scenarios presented in this report have increased risk compared to the existing investment strategy due to investing for longer periods 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.

4.8 Further advice has been sought from Arlingclose on the updated Models and their view 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 us 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.

5. EQUALITIES IMPLICATIONS

5.1 There are no equalities implications arising from this report.

6. FINANCIAL IMPLICATIONS

6.1 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

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

8. CONSULTATIONS

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

9. RECOMMENDATIONS

9.1 Members of the Scrutiny Committee are asked to consider and comment upon the additional information in this report and make an appropriate recommendation to Cabinet/Council.

10. REASONS FOR THE RECOMMENDATIONS

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

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000.

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Stephen Harris, Interim Head of Corporate Finance
Andrew Southcombe, Finance Manager (Corporate Finance)
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services

Appendices:
Appendix 1 Report to Special P&R Scrutiny Committee (24th September 2014)

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SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 24TH SEPTEMBER 2014

SUBJECT: INVESTMENT STRATEGY

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

1. PURPOSE OF REPORT

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

2. SUMMARY

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

3. LINKS TO STRATEGY

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

4. THE REPORT

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

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

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

5. EQUALITIES IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

- 6.1 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

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

8. CONSULTATIONS

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

9. RECOMMENDATIONS

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

10. REASONS FOR THE RECOMMENDATIONS

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

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.

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Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services

Appendices:
Appendix 1 Investment Scenario Presented At Members Seminar (15th July 2014)
Appendix 2 Further Models for Consideration

Possible Investment Portfolio

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

Arlingclose's Recommended First Steps:

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

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

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

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

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

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SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 8TH DECEMBER 2014

SUBJECT: PONTLLANFRAITH HOUSE

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

1. PURPOSE OF REPORT

- 1.1 To provide further information in respect of the savings proposals prior to a formal decision to close the council's Corporate office, Pontllanfraith House, as part of the council's Land and Buildings asset rationalisation programme.
- 1.2 This report is a follow up report to that discussed at the Committee's meeting on the 17th June 2014. That report established the rationale behind the proposal for closure of Pontllanfraith House whilst this report details the potential impact on council services, access for the public to those services, financial implications, employment issues and equality implications.

2. SUMMARY

- 2.1 In response to actual and forecasted budget settlement reductions the council has identified the development of a programme of Land and Building rationalisation to:
 - Reduce the number and cost of buildings it has to run and maintain.
 - Be able to invest into a smaller number of properties to improve visitor and occupier experience.
 - Reduce Health & Safety risks to personnel.
 - Wherever possible aid regeneration.
- 2.2 Given the scale of the financial challenge facing the authority, with a need to reduce spending by around £40 million over the next three years, saving costs on our buildings and assets is crucial. The council will reduce in size over the coming period and we cannot sustain the current range of buildings. Removing unnecessary costs of buildings that are surplus to requirements is generally accepted as a better alternative than closing services.
- 2.3 Further to this, there is a significant and high cost repair liability relating to Pontllanfraith House (refer to paragraph 6.2) for which there is no provision in the capital programme.
- 2.4 Pontllanfraith House has therefore been identified as a prime 'candidate' building for closure as it represents a significant liability to the Council and the council services offered from Pontllanfraith House can be redistributed amongst other existing corporate offices.
- 2.5 The report is aimed at satisfying members that the proposed closure is not a "knee jerk" reaction to future budget pressures. It is a planned approach to rationalisation of the council's building portfolio by maximising the use of other council owned buildings and minimising the impact on the services currently operating from Pontllanfraith House and the residents who visit those services.

3. LINKS TO STRATEGY

- 3.1 The council's Medium Term Financial Plan has identified the closure of Pontllanfraith House as a proposed part year saving for 2015/16.
- 3.2 The proposed closure of Pontllanfraith House under the MTFP and the asset rationalisation programme would also contribute to the Safer, Healthier and Prosperous themes of 'Caerphilly Delivers', the LSB single integrated plan.

4. THE REPORT

- 4.1 Pontllanfraith House is a system built office built circa 1977 and currently houses some 400 employees. The main services operating from these offices are:
- Public Protection
 - Planning & Countryside
 - Public Services and Community Services
 - Housing (including Eastern Valley Area Housing Office)
 - Engineering & Transportation
- 4.2 While there may be concern among some residents in the area, services currently operating from the office do not receive high numbers of the general public visiting their offices. In addition, modern technology means there are many more other forms of communicating with council services than existed when the office was opened in 1977. For example the use of e.mail/twitter/facebook/website etc has opened a whole new way of the council communicating with its residents and vice versa. Moreover the council has Customer Contact Centres nearby in Blackwood and Risca.
- 4.3 The council also now has a wider presence in the former Islwyn area as it has expanded into offices at Penylan (Cherry Tree – 83 work stations), Oakdale (Foxes Lane – 107 work stations) and Pontllanfraith (Woodfieldside – 127 workstations).
- 4.4 Some initial planning is being undertaken to ensure that the proposals are achievable by February 2016 although it must be stressed that officers are mindful that members have not formally made a decision to close. Currently the following options that affect the public are being considered:
- **Housing:** Comprising of 90 – 100 employees. Relocate on Tredomen Business Park. Housing Services are 'front facing' and the Business Park offers modern, well serviced, DDA compliant offices for employees and visiting residents.
 - **Community and Leisure:** Comprising of 45 - 50 employees. It is proposed that this service will move to Tir-y-berth depot. Bereavement Services is the most public facing (chiefly funeral directors) and a suitable office area has been identified that, with some improvement, can be made suitable and which provides adequate public parking. The offices at Tir-y-berth are not in a good state of repair and the office layouts do not lend themselves to maximising office space. Although not necessarily needed beforehand to accommodate the move of Public Services and Community Services employees the council should develop an investment strategy for these offices if it decides it has a long term future. In the short term improvements should be made to welfare facilities.
 - **Engineering Services:** Comprising of 80 employees. It is proposed that this service will move to Highways House, Penmaen. A lack of car parking is an issue but there is a solution to that problem. This service is not particularly front facing and the proposal will integrate the Engineering & Transportation services with their Highway Maintenance colleagues.

- **Planning & Countryside:** Comprising of 90 employees. It is proposed that this service will move to either Ty Penallta or Ty Dyffryn. This service is public facing and both offices are suitable for public access. Ty Penallta has excellent facilities whilst Ty Dyffryn has an adequate reception area that can be improved.
- **Public Protection:** Comprising of 111 employees. It is proposed that this service will move to either Ty Penallta or Ty Dyffryn and both offices are suitable for public access. The service is public facing, but other than Licensing does not receive high numbers of visitors to its offices. The Licensing Section does receive a constant flow of visitors as a result of enquiries or applications for Licences of various types. Many relate to the taxi trade, but also street trading, scrap metal, alcohol etc, and other licences. The Licensing Service therefore has a need for bespoke reception/interview facilities. Penallta House has excellent facilities, other than for the bespoke activities of Licensing, whilst Ty Dyffryn has an adequate reception area that can be improved.

- 4.5 While the specific location of these offices is still under development, it is clear that the services based at Pontllanfraith House can be accommodated elsewhere in the council's existing buildings, realising a significant cost saving and avoiding a very expensive project to deal with a range of defects at the Pontllanfraith House offices.
- 4.6 Consideration will need to be given to ensure that differing services that need to interact are able to do so in the interests of service efficiency and future office space/IT provision designed to accommodate such interaction.
- 4.7 Any proposals to fully utilise Ty Dyffryn described above will maximise the use of the front offices. It is likely there will be pressure on car parking spaces and this may be an issue the council will need to improve sooner rather than later. Adequate space is available to extend the current parking arrangements.

5. EQUALITIES IMPLICATIONS

- 5.1 A full EIA will be undertaken if members agree to pursue the recommendations within this report and during the various consultations leading up to closure. However due to the age of the building and despite some adaptations, Pontllanfraith House is less DDA compliant than the Council's newer building stock, in particular Ty Penallta, Tredomen Business Park and Ty Dyffryn.
- 5.2 The impact on members of the public who need to use these offices, and the impact on employees who would be relocated as a result of the building's closure, will form a core part of consultation and final EIA to ensure that everyone affected is fully aware of the details and any alternative options or choices open to them.

6. FINANCIAL IMPLICATIONS

- 6.1 A cleared site has the potential for sale as a highly desirable residential development site with a maximum value of circa £2.0m - £2.5m (Capital receipt).
Relocation of the Parks Service to Tir-y-berth will offer the opportunity to dispose of their current depot at Penallta. An estimated Capital receipt of £40k.
- 6.2 The previous report to scrutiny identified potential cost savings that in summary are:
- Annual running cost savings £0.6m (min) (Revenue)
 - Service redeployment savings £0.1m (Revenue)
 - Subsidy of the canteen at Pontllanfraith House - £36k (Revenue)
 - Office refurbishment £5.0m (Capital - cost avoidance)

- 6.3 Against those savings and following the comments in paragraphs 4.4 the following one off costs are likely:

Tir-y-berth:

Improve Welfare Facilities and proposed modifications to proposed Bereavement Services Offices - £250k (capital estimate)

Highways House:

Provide additional car parking - £150k (capital estimate)

Ground floor modifications - £300k (capital estimate)

Ty Dyffryn:

Reception Improvements - £150k (capital estimate)

Provide additional car parking - £250k (capital estimate)

- 6.4 It is proposed that the one off Capital costs totalling £1.1m in paragraph 6.3 above are funded from General Fund balances. This will leave recurring revenue saving of £736k and a potential capital receipt of £2.0m - £2.5m.

7. PERSONNEL IMPLICATIONS

- 7.1 There will be a need to redeploy employees in the following areas:

Facilities Management

Cleaning

Catering

Reception

This is due to the fact that the locations to which employees are relocating may already have sufficient coverage of these employee groups, but this will be the subject of further review. The Council's arrangements for redeployment and workforce flexibilities will apply to any displaced employees.

- 7.2 For employees required to relocate their base of employment, the authority's excess travel scheme will apply if appropriate.
- 7.3 Full consultation with employees and Trades Unions will take place once a decision is confirmed.

8. CONSULTATIONS

- 8.1 The results of consultations have been incorporated into this report

9. RECOMMENDATIONS

- 9.1 Scrutiny are asked to consider the further information in this report and confirm their continued support for the proposal to close Pontllanfraith House

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To further discuss this proposal in accordance with the DRAFT Medium Term Financial Plan 2016/17.

11. STATUTORY POWER

11.1 Local Government Act 2000

Author: Colin Jones: Head of Performance & Property Services

Consultees: Corporate Management Team

S. Harris: Acting Head of Corporate Finance

G. Williams: Acting Head of Legal Services

M.S. Williams: Head of Community & Leisure

R. Hartshorn; Head of Public Protection

P. Elliott: Head of Regeneration & Planning

T. Shaw: Head of Engineering Services

S. Couzens: Chief Housing Officer

G. Hardacre: Head of Human Resources and Organisational Development

Cllr D. Hardacre: Cabinet Member for Performance, Property and Asset Management

Cllr D. Poole: Cabinet Member for Community & Leisure

Cllr K. James: Cabinet Member for Regeneration, Planning & Sustainable
Development

Cllr T. Williams: Cabinet Member for Highways, Transportation & Engineering

Cllr G. Jones: Deputy Leader and Cabinet Member for Housing

L. Jones: Acting Head of ICT and Customer Services

Background Papers:

Report to Policy & Resources Scrutiny 17th June 2014

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SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 8TH DECEMBER 2014 (DEFERRED FROM THE POLICY AND RESOURCES SCRUTINY COMMITTEE MEETING OF 11TH NOVEMBER 2014)

**SUBJECT: 6-MONTH PROGRESS UPDATE OF IMPROVEMENT OBJECTIVES -
CAERPHILLY PASSPORT PROGRAMME UPDATE**

REPORT BY: HEAD OF WORKFORCE AND ORGANISATION DEVELOPMENT

1. PURPOSE OF REPORT

- 1.1 To provide the six-month update of the Improvement Objectives relating to the Caerphilly Passport Programme to Policy and Resources Scrutiny Committee.
- 1.2 For Members to note the outcomes and to confirm the view that satisfactory progress is being made against the Improvement Objectives set.

2. SUMMARY

- 2.1 The Passport Programme progress continues to be strong. Three of the Improvement Objectives are in line with the ESF objectives set for the programme, two are additional measures looking at the impact of the programme on those participating and the percentage of positive outcomes achieved.
- 2.2 Progress so far is on schedule to meet the Improvement Objectives set. The report sets out performance against targets to date. Prior to the launch on 5th April 2013 and since there has been a significant amount of activity and the report also touches on some of the key elements of the Programme.
- 2.3 There has been a rolling programme of team meetings, working group meetings and project board meetings since the Programme began. This is the governance structure for the Programme.
- 2.4 To date 673 referrals have been received to the programme.
- 2.5 The biggest challenge going forward is the ability to secure additional Jobs Growth Wales placements and further ESF funding for the programme.

3. LINKS TO STRATEGY

- 3.1 The Passport Programme supports the Council's People Strategy, Learning and Development Strategy, Education for Life and Corporate Strategies, Corporate Plan.
- 3.2 Supports the Regeneration Agenda, and links in with our strategy for achieving the WHQS standard.

- 3.3 The Passport Programme links to Strategic Equality Objective 6, Diversity in the Workplace.
- 3.4 The Passport Programme is a Council Improvement Objective (IO2) to improve job opportunities.

4. THE REPORT

Outcomes to date

- 4.1 So far 673 young people have been referred into the Passport Programme. The breakdown of referrals is as follows:
- Work Club – 152
 - Job Centre – 421
 - Educ8 – 1
 - Innovate – 1
 - Careers Wales – 62
 - Direct referral – 31
 - Youth Offending – 5
- 4.2 Members will note the high volumes of referrals into the programme which reflects the levels of youth unemployment within the County Borough.
- 4.3 In terms of the numbers of young people currently being supported, the statistics are as follows:
- There are no young people currently in Tier 1 but a total of 233 have previously gone through Tier 1 (14 participants went straight onto a Tier 2 due to the deadline of Tier 2 start dates in Sept 14)
 - There are 81 people currently in Tier 2
- 4.4 Since April 2014, 84 placements have been delivered across the tiers against the annual target of 150.
- 4.5 Since April 14 there have been 12 apprenticeship opportunities created against an annual target of 25 and 38 employment opportunities against an annual target of 40. To date the percentage of positive outcomes from the programme is 78%, i.e. young people going into employment or back to full time education.

Working Group and Project Board

- 4.6 The working group has continued to meet on a six weekly basis. The group has representatives from the partners engaged in the project on a daily basis and this group continues to be successful in dealing with operational challenges and agreed changes to the model to improve delivery.
- 4.7 The Project Board meets on a quarterly basis chaired by the Head of Workforce and OD. The partners attending have already confirmed their support to seek further funding opportunities to sustain the programme.

Celebration Event

- 4.8 On Friday 10th October there was a Passport Celebration Event held. The event was attended by a number of our Cabinet Members and 3 Assembly Members with Mr Huw Lewis acting in his capacity of Minister for Education and Skills. Both the Leader and the Minister presented at the event and very positive press coverage was received. A number of awards were presented to young people who had completed the programme or who are still

participating in the programme and had been nominated by their managers and employers over 9 different categories. Again, this was good, positive publicity for both the Programme and the Council.

Audit and Programme Evaluation

- 4.9 The team successfully went through the ESF team audit run between April and July. The result was very successful and all aspects of the programme met the requirements set. (Appendix 1)
- 4.10 An evaluation of the Programme undertaken by Wavehill Ltd is nearing completion. Feedback to date is very complementary. The completed evaluation is expected in November.
- 4.11 The Passport Programme was selected for an ESF National Team Audit. This has been undertaken by Dr James Downe of Cardiff Business School. A draft report has recently been received and again the feedback on the programme is very positive. The report will be circulated to the steering group for the research and to Welsh Government before a final draft is received.

Future Developments

- 4.12 The European Social Fund grant ends on 31st December 2014. At this time there will still be young people working their way through the model. In order to fund the programme until the end of March 2105, additional Flexible Support Fund grant funding of approx £42,500 has been secured to cover staffing costs and training costs.
- 4.13 The next round of ESF funding is in process with logic tables being submitted and discussed with the Wales European Funding Office (WEFO). The view of WEFO is that all bids coming forward need to be supported by the Regional Learning Skills and Innovation Board.
- 4.14 For Passport to continue then both ESF funding and a further allocation of Jobs Growth Wales placements will need to be secured.

5. EQUALITIES IMPLICATIONS

- 5.1 The Passport Programme is a positive action programme, designed to support a specific group of young people who have been identified as having particular barriers in terms of career opportunities, work experience, training and development and so supports the Council's Strategic Equality Objective 6 - Diversity in the Workplace.
- 5.2 The young people on the Passport Programme also have access to the full range of Equalities and Welsh Language training opportunities that are offered to all other staff members.

6. FINANCIAL IMPLICATIONS

- 6.1 The Project was allocated £372,000 of ESF funding and originally £121,000 of Flexible Support Fund money.
- 6.2 Additional Flexible Support fund money has been secured to fund the project until the end of March 2015.

7. PERSONNEL IMPLICATIONS

- 7.1 There is a positive benefit to the Programme both in terms of dealing with the Council's workforce planning challenge and by supporting young people into employment.

8. CONSULTATIONS

- 8.1 Head of Workforce & OD, HR Service Manager, Strategy and Operations, Community Regeneration Manager, Passport Programme Manager, Strategic Co-Ordination Manager and Council's Senior Policy Officer (Equalities and Welsh Language) have all been consulted and their views are reflected in the report.
- 8.2 There is ongoing consultation with Corporate Management Team. The report has also been shared with the Council's Trade Unions representatives.

9. RECOMMENDATIONS

- 9.1 Members note the content of the report
- 9.2 Members support the view that satisfactory progress is being made against the Improvement Objectives.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The progress to date is on schedule.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.

Author: Liz Rogers HR Service Manager, Strategy and Operations,
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Consultees: Maggie James, Passport Programme Manager, jamesmf@caerphilly.gov.uk
Gareth Hardacre, Head of Workforce & OD, hardag@caerphilly.gov.uk
Jane Roberts-Waite, Strategic Co-Ordination Manager, roberj2@caerphilly.gov.uk
Tina McMahon, Community Regeneration Manager, mcmaht@caerphilly.gov.uk
Dave Thomas, Senior Policy Officer (Equalities and Welsh Language),
thomada@caerphilly.gov.uk

Appendices:

Appendix 1 ESF Audit Report April 2014

Appendix 2 Improvement Objective 2 6 month report



Local Service Board Development and Priority Delivery

Annual Project Report

Project Name	Caerphilly Passport Programme
Ref no	050-2012
Lead	Liz Rogers HR Service Manager Gareth Hardacre, Head of HR and OD
Report contact	Liz Rogers
Grant amount	£372219.58
Date completed	Report Date 6 th May 2014

1 Purpose of Document

- 1.1 The report will provide an update of the Caerphilly Passport Programme, the progress to date and barriers overcome.
- 1.2 The Caerphilly Passport Programme was officially launched on 5th April 2013 by the Deputy Minister for Skills, the Leader of Caerphilly County Borough Council and the Acting Chief Executive of the Council.
- 1.3 An opportunity was taken to run a pilot stage from January 2013 until the end of March 2013 whilst the project set up was ongoing. During this period the setup was undertaken and a pilot group of young people participated in the programme.
- 1.4 Over the last 12 months there has been a significant amount of activity undertaken in terms of the Programme delivery with many milestones being met, changes being made as a result of experience of programme delivery and challenges overcome.

2 Objectives

- 2.1 The aim of this paper is to:
 - Update on activity against milestones/targets
 - Update on how sustainable development principles have influenced this work
 - Update on contribution towards equality goals
 - Achievement towards indicators
 - Summarise publicity outcomes and materials
 - Update on operational matters and highlight critical issues and risks which may impact upon successful delivery of a project
 - Update of lessons learnt

Activity Against Milestones and Targets

- 2.2 There were a number of milestones and targets set for the project. The overriding strategic directives are as follows:
- 2.3 The targets are milestones for the project are as follows:
 - Create a minimum of 150 work experience opportunities per annum.
 - Create a minimum of 25 apprenticeship opportunities per annum.
 - Create a minimum of 40 employment opportunities per annum.
 - Reduce the number of people aged 16-24 claiming JSA by 3% over the lifetime of the project.
 - Reduce the number of people aged 16-24 unemployed for more than 26 weeks by 3% over the lifetime of the project.
 - Incorporate Targeted Recruitment and Training as a core requirement into at least 10 new public sector contracts (per annum).

Significant Project Milestones	
Milestone	Target Date
Signing of LSB Collaborative Agreement	1 st October 2012
Recruitment of secondees to the PASSPORT Coordination Team	October / November 2012
Creation of PASSPORT Working Group	January 2013
Induction and briefing for PASSPORT staff	January 2013
Development of branding and marketing strategy	January 2013
Introduction of MIS and data security requirements (link to WASPI)	February 2013
Evaluation Report – Phase 1	February 2013
Briefing and dissemination sessions for all relevant staff in partner agencies including Jobcentre Plus and Communities First Cluster Teams	February 2013
Dissemination of marketing literature	March 2013
Report to LSB, Policy and Resources Committee and Regeneration Scrutiny Reports	March 2013
Formal launch of the PASSPORT Programme	1 st April 2013
Programme implementation	April 2013
Evaluation Report – Phase 2	September 2013
Celebration event for successful PASSPORT Participants	December 2013
LSB, Policy & Resources and Regeneration Scrutiny Progress Reports	October 2013
Dissemination of progress reports	October 2013
Evaluation Report – Phase 3	April 2014
LSB, Policy & Resources and Regeneration Scrutiny Progress Reports	April 2014
LSB, Policy & Resources and Regeneration Scrutiny Progress Reports	October 2014
Celebration event for successful PASSPORT Participants	December 2014
Project Closure	December 2014
Final Evaluation Report and Lessons Learnt Dissemination	January 2015

Appendix 1 shows the project outcomes against the significant project milestones above.

2.4 In terms of the targets set the following has been achieved as at 31.03.2014:

- 176 work placement opportunities delivered
- 25 apprenticeship opportunities created
- 68 employment opportunities created
- The number of young people (18-24 years) claiming JSA within the County Borough has reduced from 2040 in October 2012 to 1470. This is a 28% reduction. With 69 young people going into employment or further training and education this is a

percentage reduction of 3.38% on a total of 2040 young people. Or a 4.7% reduction on the 1470 figure.

- Targeted Recruitment and Training as a core requirement has been incorporated into a variety of new tenders to date. Due to the time it takes to follow procurement processes these are in various stages of process / being awarded. These are significant sized contracts, for example, one contract with the Council's WHQS (Wales Quality Housing Standard) supply partner. In total there are 21 contracts which include community benefits clauses including targeted recruitment and training.

3. Progress Report

Assessment of Progress against Milestones/Targets

Please see Appendix One

3.1 Up until 31st March 2014 533 young people have been referred into the Passport Programme. The breakdown of referrals is as follows:

- Work Club – 126
- Job Centre – 335
- Educ8 – 1
- Innovate – 1
- Careers Wales – 55
- Direct referral – 11
- Youth Offending – 4

3.2 Recently, referrals have been managed in a different way to ensure the right calibre of candidate is put forward to the Passport Programme. The programme was established for young people who are work ready to gain work experience. A number of referrals in have been young people who are not work ready and need considerable additional or different support to be successful in the workplace. By directing the referrals from the Job Centres to the Communities First team who work alongside the Passport Programme they can refer on the right young people and also support those who are not work ready into the right provision that best suits their needs. However, it would be fair to say that the young people being supported via Passport are still a distance from the job market and when they join the programme it would be unlikely that they could, for example, secure a Jobs Growth Wales placement competitively.

3.3 So far a total 176 placements have been delivered across the tiers from Jan 13 until Jan 14 against a target of 150.

Independent Evaluation Feedback to date

3.4 Wavehill are undertaking an independent evaluation of the Programme. They have spoken with 157 individuals who were referred to Passport - 72 of these have received further support following referral and 85 had not pursued anything with Passport.

3.6 For those who have not progressed any further with Passport there have been a range of reasons often related to a change in circumstances, however, 53% indicated that they have found employment with most of this employment being full time roles.

- 3.7 For those that have taken up the support offered by Passport 89% have found the initial assessment work useful or very useful; 85% found the Employability training useful or very useful.
- 3.8 80% of those who have worked with the programme say they have been changed by their Passport experiences, these changes include 44% specifically saying they feel more confident, 29% happier and 22% feel more experienced.
- 3.9 85% say they gained job specific skills; 68% improved social skills for work (self confidence, turning up on time etc); 60% improved their sense of what they want to do; 53% report improved job search skills; 33% improved low basic skills.
- 3.10 85% say they feel more enthusiastic about work; 90% are more confident about their own abilities.
- 3.11 91% say they were helped by the coaching/mentoring they received.
- 3.12 71% say that without Passport they would still be unemployed.
- 3.13 The third indicator is the percentage of positive outcomes achieved. Young people participating in the programme are tracked post placement to establish the outcomes. To date 73% of those participating have gone into employment or further education.
- 3.14 Initial feedback from Wavehill from the employer experience perspective is that all employers contacted (30) who were hosting Passport trainees found it easy (2) or very easy (30) to work with the programme. All have said it has been beneficial (3) / very beneficial (27). 29 of the 30 would recommend the programme, 29 of the 30 want the work to continue, 29 of the 30 would work with similar programmes 1 of the 30 didn't know, paperwork was the main issue for the non-committer.
- 3.15 The majority of employers note particular positive impacts from Passport on:
- Improved working practices
 - Improved productivity
 - Improved customer service
 - Helping address skills gaps and skills shortages
 - Improved recruitment practice
 - Improved training and developing practices
- 3.16 The evaluation is continuing with Wavehill re-interviewing some of the participants and employers to follow them through the Programme as case studies for further qualitative feedback.
- 3.17 The final report is due in September 2014.

Working Group and Project Board

- 3.18 The working group has continued to meet regularly. The group has representatives from the partners engaged in the project on a daily basis and this group continues to be successful in dealing with operational challenges and agreed changes to the model to improve delivery.
- 3.19 The Project Board continues to meet on a quarterly basis. The Project Board continues to be chaired by the Head of Workforce and OD and the Working Group is

chaired by the HR Service Manager (Strategy and Operations) who project manages the Programme.

Marketing, Branding and Publicity

- 3.20 Marketing and branding if the programme has been successful and the brand is recognised within the County Borough and further afield. The pop up stands etc are used at careers fairs and events around the County Borough and for press releases and ministerial visits.
- 3.21 Regular press coverage on Passport Programme successes have been developed with support from the Communications team. There have been numerous case studies on young people who have moved into employment. This is good, positive publicity for both the programme and the Council.

Evaluation and Audit

- 3.22 As well as the Wavehill Evaluation, the Passport Programme has also been selected for an ESF National Team Evaluation. The inception meeting has very recently been held and the team at Cardiff Business School will be undertaking that piece of work and will use the work that Wavehill have already done to date.
- 3.23 All audits undertaken to date in terms of paperwork, record keeping etc have been completed successfully to date with just two minor issues being picked up. Support and advice has been provided by the Council's SET officer on audit requirements.

Challenges over the last 12 months

- 3.24 There have been a number of significant challenges over the past 12 months.
- 3.25 The first challenge has been around Health and Safety. Advice has been sought from the Council's Health and Safety team on the processes and procedures in place and as a result these are now even more robust. Young people participating complete a medical form which is reviewed by the Council's Occupational Health department who will carry out the appropriate assessments e.g. if the young person is going to what is considered to be a high risk environment such as refuse and cleansing, mechanics, groundworks etc. The Health and Safety risk assessment is undertaken by the work based learning provider now at the start of the unpaid placement rather than the start of the paid placement. A new service level agreement with the employer has been developed. Additional support and advice is provided by the internal team when supporting young people with additional needs.
- 3.26 A second significant challenge that has had a cost implication for the Council is pension liability in the Jobs Growth Wales part of the programme (Tier 2). Due to the changes in pension regulations young people undertaking the programme are automatically enrolled into the Local Government Pension Scheme (LGPS) if they meet the criteria and many do. As the Council are issuing the training contract and are payrolling the young people then they have to be enrolled into the LGPS. Young people have the option to opt out but many, understandably, wish to stay in the scheme. The cost to the Council is around 20% of pay. In real terms this is a 120k liability which the Council has had to pay up until April 2014. Going forward, the

Council will continue to put young people on the payroll who are employed within the organisation but externally placed young people will need to be put on the payrolls of the external business. This may impact on the number of employers who will engage with the programme.

- 3.27 The reclaiming of Jobs Growth Wales money from the Work based learning provider has had its' challenges. Up until recently there was a significant amount of money that had not been repaid to the Council. This liability has recently been reduced to around 20k from around 300k.

Future Challenges

- 3.26 The most significant future challenge will be to seek to secure future funding for Passport. There is a short-term interim need from Jan 15 to around September 16 with a view that Passport could be a part of the bigger regional activity for the 2015-20 ESF funding round.
- 3.28 The Project Manager and the Passport Programme Manager have participated in a video conferences organised by Welsh Government ESF team with regional groups who have also been running projects around apprenticeships / work experience funded by ESF. Representatives from those groups visited Caerphilly to share best practice and look at what learning could be gained by each project.
- 3.29 Meetings with Cardiff City Council, Blaenau Gwent and Torfaen have been held as well as with the SEWDR (South East Wales Directors of Regeneration) to explore the regional opportunities for Passport.
- 3.30 The model has been cited as the case study for a section in the Welsh Government document on the Youth Engagement and Progression Framework. This section is on Employability and Employment Opportunities.

Please outline progress against the agreed milestones/targets for each of your projects. –

Please see Appendix 1

Please outline any agreed project changes.

Project Changes	Date agreed
Financial Reprofile (to purchase laptops from underspend)	31.07.13
Second Financial Reprofile (to fund staffing arrangements from underspend)	25.04.14

3.2 Sustainable Development

Please outline how you are developing work against sustainable development principles

Sustainable Development
A key challenge of Passport and one of the main reasons for the development of the programme is to create sustainable employment opportunities for young people across the County Borough. Engagement with the private sector and LSB partners has very much helped make this become a reality. The fact that 69 young people have gone into sustainable employment opportunities is evidence of this.

The programme is inextricably linked to the Community Regeneration agenda. The Programme is focused upon getting young people of Caerphilly who are NEET into employment. This will support the regeneration of communities and the poverty agenda on a long-term basis. The programme helps to engender a work ethic and challenges perceptions of those who may be second and third generation unemployed to enter the workplace whilst supporting them to do so.

By working with our Communities First teams and with projects such as the Workless households project and using the Council's £220 million investment in improving tenants' homes, an integrated partnership model of working has been created to maximise the outcomes of the projects being delivered and to transform homes, lives and communities. For example, if a young person is engaged in Passport but comes from a workless household this engagement may be the opportunity to build a relationship with the household and look to support other family members.

There are a variety of provisions available to give young people access to training and some work experience but no others in the vicinity which are focused on getting young people into sustainable employment.

The Passport Programme has a positive impact on the local economy, social and environmental wellbeing within the County Borough. By being able to utilise the Jobs Growth Wales placements there has also been an opportunity to support small local businesses by creating some capacity for them via the placement so the business can be grown to support the trainee at the end of the placement.

Evidence from the evaluation suggests that the support offered by the team to the employer and the trainee has impacted on that organisation's recruitment and training and development practices as well as the wider HR responsibilities. It has also had a positive impact on the employer's perspective of taking on a young person which is incredibly important in reducing youth unemployment. There has been success in matching the right trainee to the right employer.

3.3 Equality

Please outline how you are developing work against equalities principles.

Equality

The Council has an Equal Opportunities policy and an Equality Impact Assessment has been completed.

Another driver of the programme is to address workforce demographic issues. For example, across the Council 30% of the workforce is over 50 and less than 4% are under 21. This not only causes a potential demographic time bomb it reflects the lack of opportunities for young people to enter the workforce.

The Passport Programme is a positive action programme, designed to support a specific group of young people who have been identified as having particular barriers in terms of career opportunities, work experience, training and development. These young people are Not in Education, Employment or Training (NEET) and are at risk of becoming disengaged or are disengaged.

It should be noted that the intention was that young people entering the programme do not have any significant barriers to work and are work ready or thereabouts. If a young person does have a significant barrier then they are referred to a more appropriate provision but this does not stop them from joining the Passport Programme at a later date. However, the team have supported young people who are a little further away from the job market than planned. Whilst this has had challenges the team have worked hard to support these young people into employment and offered ongoing learning and development through the programme.

A part of the diagnostic process is to test Essential Skills. The results to date have been interesting as many of those joining the programme have Essential Skills needs (this includes those who are educated to degree level). Support is being offered to these young people to improve their Essential Skills.

Recruitment

The recruitment of the team to the project was undertaken between November 2012 and February 2013 in the main, plus one additional appointment since that date. The team were in post by February but there was a delay with recruitment because of release periods from substantive posts. The recruitment to the team was staggered, firstly appointing the Passport Programme Manager, then the Passport Support Officers and finally the Admin support post and apprenticeship post. During this period the Project Manager also used temporary resources from other parts of the HR team to support the project development and delivery. The team have been briefed as they have joined the programme. The secondments were offered up to the LSB. The majority of applicants were from CCBC staff and 2 from Gwent Association of Voluntary Organisations (GAVO). The successful candidates come from various backgrounds but in the main have a HR background.

The appropriate HR processes were undertaken to recruit the secondees to the programme in line with CCBC requirements.

The Environment and Resource Efficiency

CCBC are committed to the sustainability agenda and all service areas are expected to demonstrate how they can support sustainability. This information is included in the Service Improvement Plan (SIP) for the department. Questions to answer in the SIP include, does your Service have processes in place to monitor and manage energy use, to reduce requirements or to generate energy from renewable sources? The team contribute to this via using the recycling facilities at the office base, looking at minimising travel around the County Borough, by taking the training to the Passport trainees at the early stages of the programme. Additionally, the Council has a working from home policy which reduces travel and energy costs. Increase use of technology and less use of paper within the team also improves resource efficiency.

3.4 Achievement towards indicators

Please outline progress against the agreed milestones/targets for each of your projects.

Indicator	Project	Achieved to Date
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	Total	
OUTPUTS		
Dissemination Initiatives	51	Careers Wales (2), JCP regular meetings (3), Communities First (2), P&R Scrutiny 6 monthly (4), Corporate Management Team (2), Regeneration Committee (1), Anti Poverty Group (1), SWYP Workshop (1), Blaenau Gwent CBC (1), Cardiff CC (1), Torfaen CBC (1), Project Board (5), Working Group (@ 10), Ministerial Visits (3), Launch Event (1), Video Conferencing with regional groups (2) Careers Fairs (5) Schools Visits (6)
Initiatives to support LSB development	7	Project Board (5), Regeneration Committee (1), SWYP Workshop(1),
RESULTS		
Collaborative agreements between public service bodies	4	LSB partners. Job Centre Plus Flexible Support fund agreement
Secondment positions available	7	Also a seconded position from JCP to the team on a part time basis has further enhanced the team, outcomes and partnership working. Close engagement with Careers Wales also a positive.
Organisational learning and development	Various Events / meetings	Coaching and Mentoring development, partnership working, H&S and HR requirements, engagement and progression development.

3.5 Publicity

*Please provide details of **ALL** publicity linked to your ESF Proposals providing evidence.*

Publicity
<p>The Passport Programme has been and continues to be actively marketed to partners, potential employers and young people. Branding has been developed with the support of the CCBC Communications and Design team and consulted on with the partners and the Youth Forum for feedback. Examples of marketing literature are available.</p> <p>A number of presentations and press releases have been delivered. These have been attached as evidence. The Publicity documentation has either include the ESF logo or noted the provision of ESFD funding. There was one article where it was not included but this was not composed by or consulted upon with the team.</p> <p>The standard ESF Logo is used on the publicity materials for the Passport Programme in full colour. The size of the logo is slightly smaller than the recommended due to the design of the marketing literature but it is very clear because of the colours used on the publicity material.</p>

There has been much Ministerial interest and support for the Programme and these visits along with case studies has provided good press coverage of the Programme, generating interest from other organisations and regions.

4. Risk

4.1 The current project risk register is attached below at **Appendix 2**.

5. Lessons Learnt

5.1 Each project should be recording lessons learnt through project development and implementation, this will assist with you own evaluation of your project but also support transfer of best practice and shared experiences across LSBs.

Reflecting on your local lessons learnt, please highlight those which have had a real impact to the way the project is being developed/implemented. These can reflect any aspect of your project.

Lessons Learnt

Lesson Learnt	By (<i>insert name of LSB</i>)	Action to avoid reoccurrence
Ensure that the Health and Safety Service Level Agreements are robust and stand up to scrutiny – don't rely on other organisation's documents necessarily	Liz Rogers / Maggie James	Use internal expertise for paperwork development Ensure that employed understand their responsibilities of having young people on site.
Ensure there is clarity on who is the employer and the responsibilities of the host organisation. Including issues such as employer costs.	Liz Rogers	Seek a legal opinion to confirm understanding where necessary
Consider and seek future funding / sustainability options as soon as possible in the project	Project Board	How can the project's longevity be secured? Identify streams of funding etc, ways in which the programme can be delivered and mainstreamed.
Understand what you want out of the evaluation	Liz Rogers	Have a clear view on what is achievable within the cost envelop. What will add value to the project going forward. (as an aside our evaluation delivery via Wavehill has been excellent)
Think ahead in terms of timelines e.g. for procurement arrangements	Liz Rogers / Maggie James	Closely review timelines in the project plan before submitting grant request. Procurement exercises take far longer than expected.
Review as you go - the	Liz Rogers / Tina	Need flexibility in order to be able

model what delivering and how	McMahon / Maggie James`	to change delivery to suit the participant
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Annex 1 –Project Overview

Project: Caerphilly Passport Programme		
Organisation/ Grant (£)	Brief Description of Project	Overall project RAG Status highlighting any specific risks
£372,219.58	An LSB project to support young people NEET with no significant barriers to work into sustainable employment by delivering a programme of training, coaching and mentoring support and work experience over an 8-month period. At the end of the period the Support Officer acts as 'recruitment advisor' to assist that young person into employment.	<p>Overall RAG Status – Green (for Project duration)</p> <p>Future challenges – Amber Need to secure further Jobs Growth Wales placements and influence regional decisions regarding the next round of ESF funding.</p>
<p>Column one - outcomes</p> <ul style="list-style-type: none"> • Outcomes achieved to date • Evaluation feedback from participants • Evaluation feedback from employers 	<p>Column two - stories / challenges / what could be improved</p> <ul style="list-style-type: none"> • Get programme 'regionalised' more quickly • Continue to develop the training element of the programme • Future of the programme 	<p>Column 3 - next steps</p> <ul style="list-style-type: none"> • Engagement on the regional basis • Secure interim funding • Secure further JGW placements • Further training development

Agreed Project Target and Milestones	Target Date	Progress Against Milestones	Progress Status	Next Steps / Comments
Signing of LSB Collaborative Agreement	1 st October 2012	Completed	Green	Signed on behalf of the LSB by CCBC
Recruitment of secondees to the PASSPORT Coordination Team	October / November 2012	Completed between Dec 12 and March 2013.	Green	
Creation of PASSPORT Working Group	January 2013	Up and running and maintained	Green	Operational group. Two meetings held to date. Terms of reference agreed. Agenda includes standing items for feedback.
Induction and briefing for PASSPORT staff	January 2013	Completed	Green	Inductions completed as members joined the team.
Development of branding and marketing strategy	January 2013	Completed	Green	Engaged with Communications team and views of the Caerphilly Youth Forum sought on the marketing literature and which appealed to them most. Marketing literature includes leaflets, postcards, pop-ups, billboard adverts and radio advertising.
Introduction of MIS and data security requirements (link to WASPI)	February 2013	Completed	Green	GCSX link with Job Centre for transferring CVs etc. Bolt on to the Council's HR system purchased for exclusive use by Passport group. Scoping completed, module being built. Completion due May 2013. Tender exercise and supplier availability for consultancy support lead to some delays.

Evaluation Report – Phase 1	February 2013	Completed	Green	Tender completed June 13. Inception report completed October 13
Briefing and dissemination sessions for all relevant staff in partner agencies including Jobcentre Plus and Communities First Cluster Teams	February 2013	Completed between December 12 and Feb 13	Green	Completed. Briefings taken one step further and secondment from Job Centre arranged to understand programme requirements. Strong links with Comms First and Educ8 built.
Dissemination of marketing literature	March 2013	Completed	Green	Marketing literature and printing designed and produced and being disseminated
Report to LSB, Policy and Resources Committee and Regeneration Scrutiny Reports	March 2013	Completed Feb and March 2013	Green	First report to Corporate management team, Cabinet and Scrutiny in Feb 2013. Update drafted for May cycle. Report to LSB via the Project Board meeting
Formal launch of the PASSPORT Programme	1 st April 2013	Completed 5 th April 2013	Green	Formal Launch Friday 5th April by Deputy Minister for Skills, Leader of CCBC and Acting Chief Executive of CCBC.
Programme implementation	April 2013	Completed	Green	Set up phase completed and additional pilot group run. Learning from pilot implemented and continuous improvements made.
Evaluation Report – Phase 2	September 2013	Part completed	Green / Amber	Inception report completed September 13. Completed report due Sept 14. Headline statistics from research provided March 14
Celebration event for successful PASSPORT Participants	December 2013	Not completed	Amber	Event currently being planned for the summer
LSB, Policy & Resources and Regeneration Scrutiny Progress Reports	October 2013	Ongoing	Green	6 monthly reporting to Policy and Resources Scrutiny

Dissemination of progress reports	October 2013	Ongoing	Green	Reports supplied to relevant interested groups / parties as requested / required
Evaluation Report – Phase 3	April 2014		Amber	Final report expected in June 14. Additionally Passport has been selected for Evaluation by the National Evaluation Team. First meeting 6.5.14.
LSB, Policy & Resources and Regeneration Scrutiny Progress Reports	April 2014	Ongoing	Green	6 monthly reporting to Policy and Resources Scrutiny (last reports Dec 13 and Feb 14)
LSB, Policy & Resources and Regeneration Scrutiny Progress Reports	October 2014	Not due	Green	
Celebration event for successful PASSPORT Participants	December 2014	Not due	Green	
Project Closure	December 2014	Not due	Green	Project Closure training completed by Project Manager and Programme Manager
Final Evaluation Report and Lessons Learnt Dissemination	January 2015	Not due	Green	

Appendix 2 Risk Register

Ref	Risk description	Risk Control	Residual Risk ¹			Owner	Action Required
			I ²	L ³	O ⁴		
	Re-profiling of finance on a regular basis as process set up takes longer than planned e.g. due to tender processes or recruitment processes.	Regularly review timelines to keep project on track as close as possible at set up stage	3	4	12	Project Manager, Passport Programme Manager	Regular review of plan by Project Manager and Passport Programme Manager. Put measures in place as required to pick up slippage. Liaise with the support team at WG for guidance and support where needed and to re-profile if appropriate.
	Unable to get the appropriate calibre young people to join the programme.	Ensure partners understand expectations of the team. Robust front end process to assess young people	4	1	4	Project Manager, Passport Programme Manager, CF team, JCP	None at present. Watching brief.
	Unable to identify suitable placements for young people.	Passport Programme Officers, trained. Skills to negotiate placements Use networks inside and outside the Council Share knowledge with HR colleagues so they too can identify placements Work closely with partners and Business Forum to identify placements.	5	2	10	Project Manager, Passport Programme Manager, Passport Support Officers	None at present. Watching brief.

	Systems failure / loss of records on young people.	Disaster recovery procedure for IT in place	5	1	5	IT	None at present
	Loss of key officers seconded to the programme.	Quick turn around for recruitment process in place. Ensure notice periods are manageable Effective advertising of secondment opportunity should one arise. Ensure cover in the team effective	2	2	4	Project Manager, Passport Programme Manager	None at present. Watching brief.
	Unable to accommodate the number of referrals – oversubscribed and not enough Jobs Growth Wales placements.	Effective management of volumes of referrals into the programme. Flag potential JGW needs with relevant WG officers. Manage expectations of partners supplying through flow of people.	3	3	9	Project Manager, Passport Programme Manager	None at present. Watching brief.
	Partners and private sector employers see the programme as a temporary worker solution.	Ensure a very clear understanding of the programme and outcomes when new employer / department joins the programme. Deal with any 'rogue' employers quickly with a view to prevent further placements if appropriate.	3	2	6	Project Manager, Passport Programme Manager	None at present. Watching brief.

	Ensure requirements in place to limit CCBC liability in terms of Health and Safety and Insurance.	Work with H&S team and Occupational Health to ensure participants and employers are suitable for placements and understand their mutual responsibilities	5	2	10	Passport Project Manager / Passport Programme Manager	Risk areas addressed Paperwork improved, Health and Safety checks brought forward, Occupational Health Medicals brought forward.
	Legislative changes to Pensions have created organisational risk and a pension liability as a result of the way the scheme is set up	Legal advice sought Paper for Director written with options on how to take forward. May limit the number of employers externally who engage	4	4	16	Project Sponsor / Passport Project Manager	The change that will be needed to take away the Council's pension liability will change the way that the programme engages with employers as it is likely the employer will need to payroll the trainee and reclaim the money from the work based learning provider direct. Currently CCBC run all the payroll and the external employer is not impacted.

¹ scores of 12 and above are entered on the Top Risks log

² Residual Risk is the risk which remains after applying the risk controls.

³ I – Impact of the risk materialises. Score 1-5 (5 is greatest impact)

⁴ L – Likelihood of the risk materialising. Score 1-5 (5 is greatest likelihood)

⁵ O – Overall Rating. Impact x Likelihood. Score 1 - 25

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Improvement Objectives

APPENDIX 2

IO2 - Improve job opportunities so people can live better lives by implementing the Council's Passport Scheme.

Outcomes:

Further implement the 'Caerphilly Passport Programme' which is aimed at helping 16-24 year olds within the Caerphilly Borough into employment, and to:

- Support young people who are not in Education, Employment or Training (NEET) in accessing work experience and training opportunities.
- Support the Council in dealing with the future challenge of its own potential skills gaps across the organization.
- Assist Local Service Board partners and private sector partners who tell us that they have job opportunities but cannot find people with the right skills and knowledge to join their businesses.

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A greener place to live, work and visit
Man gwyrddach i fyw, gweithio ac ymweld



Improvement Objectives

IO2 - Improve job opportunities so people can live better lives by implementing the Council's Passport Scheme.

2013/14 End of Year Progress Summary:

We assessed this objective and judged it to be **successful** for the year 2013/14.

2014-15 Six Month Progress Summary

What have we done well over the last 6 months?

The Passport Programme team are on target to complete the outcomes set by the end of the Financial Year. Therefore at the half way stage we judge the agreement to be **successful** so far.

The team had to use all the allocated Jobs Growth Wales placements by the end of September 2014 so all trainees are completed by the end of March 2015. The team filled 247 of the 250 JGW placements. There is a potential opportunity to gain a few more placements through our Workbased Learning Provider. 673 young people have been referred into the programme since it began. In this financial year the team have delivered 84 placements (target 150), created 12 apprenticeship opportunities (target 25) and created 38 employment opportunities (target 40). The percentage of positive outcomes from the programme is currently at 78%.

What areas do we need to improve on?

Funding comes to an end in December so the the team are currently exploring the potential opportunity for other funding and to gain a more placements through a local Workbased Learning Provider.

IO2 - Improve job opportunities so people can live better lives by implementing the Council's Passport Scheme.

Actions

Title	Comment	RAG	Overall Status	% Complete
Blank				0
We will maintain and improve where possible on the mechanics of the passport scheme using the feedback participants, employers and partners give us.	<p>As this was one of our objectives last year, our action plans to set up the scheme and works in partnership with the Job Centre, were established in 2013/14. An external evaluation of progress has already taken place so our actions now are to maintain and to improve where possible on the mechanics of the scheme using the feedback participants, employers and partners give us.</p> <p>We have developed relationships with partners, which have been critical to the success of the scheme so far, such as LSB partners, Job Centre Plus, Groundwork Caerphilly, Careers Wales, local training providers and built on links with Education providers. The passport team have also established strong links with the Private Sector (through the Caerphilly Business Forum) and our LSB partners to promote the use of traineeships not just as a vehicle for workforce planning but also as a means of delivering on the wider Social Responsibility agenda. This is now day to day business.</p>		Complete	100

IO2 - Improve job opportunities so people can live better lives by implementing the Council's Passport Scheme.

How much did we do and how well did we do it?

Title	Actual	Target	Intervention	RAG	Result 12 Months Ago	Comment
Create at least 150 work experiences opportunities each year	84.00	75.00	60.00		67	As the ESF funding for this project is due to finish in December 14, the Passport Programme are unable to take additional work placements through the Passport model. However, the team have secured additional funding from the Job Centre's Flexible Support Fund and are currently working with the Job Centre and local Work Based Learning Provider to try and co-ordinate further work placements and will therefore be able to achieve the annual target of 150 work placements.
Create at least 25 apprenticeship opportunities	12.00	12.00	10.00		12	Apprenticeships offered will also be dependent upon the Council funding further Apprenticeships this Financial Year. Figure is quarterly accumulative.
Create at least 40 employment opportunities	38.00	20.00	15.00		20	The passport team are on schedule to achieve this target in quarter 3.

Is anyone better off?

Title	Actual	Target	Intervention	RAG	Result 12 Months Ago	Comment
% of participants that now feel they are more 'work ready' from being on the Passport Programme		80.00	70.00		100	Annual PI but are very much on target (as at Oct 14).
% of positive outcomes achieved	78.00	77.00	65.00		77	Positive outcomes are: participants who have gained employment or gone onto further Education following successful completion of the Passport Programme. This is an annual PI, however, as we produce a 6 monthly figure for the P&R Scrutiny report, the figure currently stands at 78% (as at end of Sept 14). This will be updated again at the end of the reporting year.