

County Hall
The Rhadyr
Usk
NP15 1GA

31st December 2013

Notice of Special Meeting:

Strong Communities Select Committee

Tuesday, 7th January 2014 at 10:00am
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA

N.B. A pre meeting for Committee members will be held at 9.30am

AGENDA

Item No	Item
1.	Apologies for absence.
2.	Declarations of Interest.
3.	To review the draft capital budget proposals for 2014/15 to 2017/18 (report attached)
4.	To review and respond to the draft revenue budget proposals for 2014/15 to 2017/18 (report attached)

Paul Matthews
Chief Executive

Strong Communities Select Committee Membership

Councillors: A. Easson
R. Edwards
M. Hickman
S.G.M. Howarth
D. Jones
M. Powell
V.E. Smith
K. Williams
A.E. Webb
S. White
A. Wintle

Connecting with people

Our outcomes

The Council has agreed five whole population outcomes. These are *People in Monmouthshire will:*

- Live safely and are protected from harm
- Live healthy and fulfilled lives
- Benefit from education, training and skills development
- Benefit from an economy which is prosperous and supports enterprise and sustainable growth
- Benefit from an environment that is diverse, vibrant and sustainable

Our priorities

- Schools
- Protection of vulnerable people
- Supporting enterprise, job creation and entrepreneurship

Values

- * **Openness:** we aspire to be open and honest to develop trusting relationships.
- * **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- * **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- * **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.

SUBJECT: CAPITAL BUDGET PROPOSALS 2014/15 TO 2017/18

MEETING: Strong Communities Select committee

DATE: 7th January 2014

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE:

1.1 To outline the proposed capital budget for 2014/15 and the indicative capital budgets for the three years 2015/16 to 2017/18.

2. RECOMMENDATIONS:

2.1 That Select committees review the draft capital budget proposals for 2014/15 to 2017/18 released for consultation purposes as set out and referred to in Appendix 2.

3 RECOMMENDATIONS AGREED BY CABINET ON 4TH DECEMBER 2014

3.1 That Cabinet issues its draft capital budget proposals for 2014/15 to 2017/18 for consultation purposes as set out and referred to in Appendix 2.

3.2 That Cabinet affirms the capital strategy which was adopted last year and which seeks to work towards a financially sustainable core capital programme without recourse to further prudential borrowing or use of capital receipts so that these resources can be directed towards the Council's priority of 21st Century Schools Programme, whilst recognizing the risks associated with this approach.

3.3 That Cabinet reviews the Capital programme when a revised 21st Century Schools programme is developed.

3.4 That Cabinet agrees to the sale of the assets identified in the exempt background paper in order to support the capital programme, and that once agreed, no further options are considered for these assets.

- 2.5 That Cabinet agrees to the associated costs of disposal outlined in appendix 7 required to process the sale of assets identified in the exempt background paper.

3. KEY ISSUES:

Capital budget strategy

- 3.1 Last year a capital MTFP strategy was put in place in the face of an ever reducing resource base from Welsh Government. This strategy had the following key components:

- The core MTFP capital programme needed to be financially sustainable without further draw on either prudential borrowing or capital receipts.
- Capital receipts and any further prudential borrowing will be needed to match fund the Council's priority of 21st century schools (currently estimated at £40 million).
- Budgets for Disabled Facilities Grants and Access for all schemes will be maintained in line with the Council's priority of protecting services to vulnerable adults and children.
- No inflation increases will be applied to any of the capital programme
- The property maintenance budget and Infrastructure maintenance budget were reset at a financially sustainable level

It should be noted that the Highways infrastructure funding from Welsh Government (£1.81 million) will cease in 2015/16, further reducing the capital budget available for highways works in the latter years of the medium term programme.

- The County farms maintenance and reinvestment programme is based on the revised asset management plan for County farms, supported by the latest condition survey data
- School kitchens budget to be ceased from 2015/16 on the basis that the project to upgrade school kitchens can be completed by then.
- Budget for Area Management £60k will be maintained in the programme pending the review of community grants throughout the Authority
- Use of the capital investment reserve to ease the transition to a balanced budget
- Budget to enhance or prepare assets for sale will be maintained and funded through the capital receipt regeneration reserve in order to maximize this funding stream for the 21st century schools programme.

Capital MTFP update

3.2 The four year capital programme is reviewed annually and updated to take account of any new information that is relevant. The following updates are available:

- The list of capital pressures falling upon the Authority's fixed assets has been updated and these form the backdrop to the programme presented here. Capital pressures of over £130 million are outlined in Appendix 1.
- The provisional capital settlement was received on 16th October 2013. The capital MTFP had projected no increase in funding for 2014/15, however the provisional settlement has identified a small increase of £149,000 on 2013/14 levels.
- £1m unsupported prudential borrowing per annum has been contained in the programme for a number of years and this will continue in the current 4 year programme
- The rolled forward capital programme identified a deficit in year 4, the small surpluses caused by the settlement have enable Authority funding to be rolled forward to fund the deficit in the final year.

3.3 Most of the major development schemes present in the programme over the last couple of years such as the Strategic accommodation project, Abergavenny regeneration and the new cattle market will not be a feature of the programme going forward as they will be largely complete. The remaining capital programme from 2014/15 is essentially made up of the underlying core programme of works:

- To maintain existing assets such as highways, infrastructure (including the final year of WG supported highways infrastructure investment), property and county farms.
- Inclusion schemes – Access for all, Disabled facilities grants
- Other – school kitchens, area management, enhancements or preparation of assets for sale
- IT schemes – these are funded from the IT reserve and work is progressing on establishing the future IT demands, so there are no schemes currently identified for the medium term programme.

3.4 Issues for the underlying programme

Whilst a strategy has been set that enables the programme to be balanced (excluding 21st century schools), this does not mean that there is no risk associated with it. The huge pressures outlined in Appendix 1 are not being addressed in the current strategy and the current maintenance programmes are barely sufficient to maintain existing assets or deal with the backlog. Given the pressures outlined, Cabinet have confirmed acceptance of this risk.

The Abergavenny Library scheme has not progressed, but is still contained in the programme. Further work is continuing in this area to assess community views.

A report on the Gilwern Cycle track went to Cabinet in November with a recommendation that the business case be considered in the process of constructing the Capital MTFP – the business case is still being developed and therefore the scheme has not been included in the MTFP.

Cemeteries – investigation work is continuing and as it is expected that this will ultimately lead to a requirement for further capital funding – there is no funding for any future schemes in the MTFP. Any schemes agreed over and above those included in the programme will either reduce the funding available for the future schools programme, or require a reduction in the current programme.

Area budgets - £60k is included for the 4 areas to distribute, consideration could be given to reducing or stopping this funding in order to fund other priorities.

21st Century Schools

- 3.5 The 21st century schools programme is the most significant investment programme in the authority's schools for a generation. In order to achieve this ambition, the capital strategy outlined above is necessary to create an underlying core programme that is financially sustainable and therefore enable the Authority to concentrate its own resources on the priority of 21st century schools. The budget proposals do not include the 21st Century schools strategic outline programme (SOP), approved at outline stage by WG following a Ministerial Announcement on 5th December 2011. This identified a match funding capital requirement for the Authority of circa £40 million. A programme of work is continuing to be developed in order to develop business cases for further consideration by WG and final approval of funding that will come on stream in 2014/15. To this end a core funding commitment to the education programme has been maintained in the last 2 years to enable preparation work to continue. Early funding has been released for Raglan Primary school and following approval by Council on 21st November 2013, has now been included in the core schools programme. (See Appendix 3).

The draft revised 21st century schools Programme 2014/18 (that is still subject to funding approval from Welsh Government and consideration by Council) can be seen at Appendix 3a and the 21st Century Schools strategic outline programme will be subject to a separate report when appropriate.

Available capital resources

- 3.6 The capital strategy identified above establishes that the core programme will be financially sustainable through supported funding from Welsh Government and use of the Capital Investment Reserve. This is required in order to enable the Council's own resources of prudential borrowing and capital receipts to be prioritised for the 21st Century Schools Programme.
- 3.7 In light of the current pressures on the Authority's medium-term revenue budget, and the principles on which any prudential borrowing must be taken of affordability, prudence and sustainability, the use of prudential borrowing for the 21st Century Schools Programme will need to be assessed carefully.

3.8 In the light of the above, the Council needs to make a concerted effort to maximize its capital receipts generation over the next few years. The table below illustrates the balance on the useable capital receipts reserve over the period 2013/14 to 2017/18 taking into account capital receipts forecasts provided by Estates and balances drawn to finance the existing programme. Further detail is provided in Appendix 4.

GENERAL RECEIPTS	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
Balance as at 31st March	5,926	14,934	27,088	30,990	32,457

3.9 The above table illustrates that the capital receipts balance is set to increase over the MTFP, however, this is also very much dependent on the capital receipts forecasts provided materializing which in itself is a further significant risk. Experience suggests that there is often significant slippage in gaining receipts which may be due to factors outside the control of the Authority. The risk assessment on the receipts projected is contained in Appendix 5. It is crucial that once assets are identified and approved for sale that this decision is acted upon. Exploration of any alternative use of surplus assets needs to be undertaken before Council approves them for sale in order to assist in the capital planning process. Last year the future capital receipts strategy identified a couple of options to generate further receipts, these are outlined below with an update against each:

- Approval of a revised County Farms strategy – this was completed
- Second phase review of accommodation/building in use by the council, with a view to further rationalization – an accommodation working group is considering this review, this is also key in identifying revenue savings.
- Identification of services that can be combined as part of the whole Place agenda and 21st century schools development, and therefore release buildings for sale – work has started in Caldicot and Abergavenny
- Authority's role in low cost home ownership scheme – a business case is being prepared to identify the options available to maximize the receipt to be gained from this scheme.

4. REASONS:

4.1 To provide an opportunity for consultation on the capital budget proposals.

5. RESOURCE IMPLICATIONS:

5.1 Resource implications are noted throughout the report both in terms of how the core programme is financially sustainable, but also the risks associated with not addressing the pressures outlined in Appendix 1.

Substantial further resource implications will be identified when the 21st Century Schools Programme is more developed.

6. EQUALITY AND SUSTAINABILITY IMPLICATIONS:

- 6.1 Capital budgets which impact on individuals with protected characteristics, most notably renovation grants and access for all budgets are being maintained at their current levels.
- 6.2 The equality impact of the mechanism to allocate maintenance budgets to individual schemes should be in place and being used to aid allocation of funding
- 6.3 The actual impacts from this report's recommendations will be reviewed on an ongoing basis by the Capital Working Group.

7. CONSULTEES:

Senior Leadership Team
All Cabinet Members
Head of Legal Services
Head of Finance

8. APPENDICES:

Appendix 1 – Capital MTFP evidence based pressures
Appendix 2 – Capital budget summary programme 2014/18
Appendix 3 – Core Schools programme 2014/18 (excluding 21st Century Schools)
Appendix 3a – 21st century schools programme for information
Appendix 4 – Forecast capital receipts 2014/15 to 2017/18
Appendix 5 – Capital receipts risk factors
Exempt Appendix 6 – Forecast receipts
Exempt Appendix 7 - Cost of Disposal
Appendix 8 - Equality Impact Assessment

9. BACKGROUND PAPERS:

List of planned capital receipts and County Farms costs of disposal: Exempt by virtue of s100 (D) of the Local Government Act 1972

10. AUTHOR:

Joy Robson – Head of Finance

11. CONTACT DETAILS:

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APPENDIX 1

Major Capital Pressures (Revised)	
Description of Pressure	£ during MTFP
The major review of the waste Mgt service is still ongoing but will report in late Spring 2014. If MCC does need to change and provide receptacles for residents then a cost of between £1.5-2m will be incurred. To accommodate the change at kerbside, developments will be needed at our transfer stations. Work is to begin in Oct-Nov to determine options and costs, but indicative cost c£0.5-1m depending on scale of works required. There is also a desire to upgrade Monmouth CA site and indicative costs are £1.5-2m. The transfer station and CA capital costs could be avoided if the Council decided it was best value to procure a build, finance, operate contract for its sites in future. However if MCC wanted to run and manage the sites themselves to maintain maximum value in them then the capital cost would be required. This cost-benefit work is also to be undertaken to fit in with the review. In addition new vehicles for a change in service could amount to £9-10m+, but obviously there are other methods of paying for vehicles.	£2,000,000 to £5,000,000 excl vehicles
Bringing County highways to the level of a safe road network.	£80,000,000
Investing in infrastructure projects needed to arrest road closures due to whole or partial bank slips	£5,000,000
Backlog on highways structures including old culverts, bridges and retaining walls.	£11,134,000
Reprovision or repair of Chain Bridge - The figure should be taken as a very provisional indicator of potential costs associated with this project. At this stage there is insufficient information available to be able to indicate anything other than an indicative figure. The project is however being developed and costs will be updated as further information gathered.	£2,500,000
Property Maintenance requirements for both schools & non-schools as valued by condition surveys carried out some years ago. Being reviewed so £18m probably conservative	18,000,000
Caldicot Castle - longer term pressures for the castle .e.g. the condition of the curtain walls / towers etc..? Its very much a ball park figure put we estimated it as £2-3M, depending if its backlog of maintenance (towards the lower figure) or improvements to bring the visitor facilities up to modern standards (the higher end)	3,000,000
Disabled adaptation works to public buildings required under disability discrimination legislation	9,000,000
Countryside Rights of Way work needed to bring network up to statutorily required and safe standard. This should be taken as a provisional figure as surveys and assessments of bridges and structures are on-going and the rights of way prioritisation system which includes risk assessment will more accurately define and rank the backlog. We have some assessment work currently underway on the bridge programme to make it more accurate (which is probably likely to increase it).	£2,000,000
Transportation/safety strategy –Air Quality Management, 20 m.p.h legislation and DDA (car parks)	£1,200,000
Disabled Facilities Grants (DFGs) - The DFG's budget has remained unchanged for the last nine years. Each year the fully committed/spent date falls earlier in the financial year. In 12/13 this occurred at the end of September. Next year we expect the pot to run out well into September. The consequences of continuing with this level of funding are: 1. Clients with serious and complex disabilities have to wait at least six months (often longer) for urgent adaptations to their homes. Social care and health will be experiencing costs elsewhere as a result. 2. MCC fails to approve DFG's within the statutory six month timescale which leaves us open to legal challenge. 3. MCC's KPI for processing DFGs will become longer each year, following substantial efficiency reviews we have moved up from amongst the average performing authorities to be amongst the best but could easily slip back as other LAs "catch up". The period while we wait for the next funding availability is detrimental to our turnaround time. The provision of an additional capital allocation of £500k in 14/15 would probably enable MCC to avoid the consequences stated in 1 and 2 above and bring an improvement in item 3.	£500,000
Total	£134,334,000

Appendix 2 CAPITAL BUDGET SUMMARY 2014 to 2018

	Original Budget 2013/14	Slippage B/F 2013/14	Budget Adjustments 2013/14	Revised Budget 2013/14	Indicative Budget 2014/15	Indicative Budget 2015/16	Indicative Budget 2016/17
Asset Management Schemes	2,783,305	1,048,553	1,232,000	5,063,858	2,148,090	1,929,278	1,929,278
School Development Schemes	3,248,931	2,422,035	623,500	6,294,466	2,892,000	1,437,000	133,500
Infrastructure & Transport Schemes	4,610,925	591,882	380,000	5,582,807	4,022,731	2,240,740	2,240,740
Regeneration Schemes	3,300,000	6,746,414	393,288	10,439,702	0	0	0
Sustainability Schemes	0	0	236,436	236,436	0	0	0
County Farms Schemes	273,498	293,907	0	567,405	304,726	300,773	300,773
Inclusion Schemes	850,000	287,449	165,000	1,302,449	850,000	850,000	850,000
ICT Schemes	0	612,249	372,000	984,249	0	0	0
Vehicles Leasing	3,085,000	0	(1,385,000)	1,700,000	1,500,000	1,500,000	1,500,000
Other Schemes	198,000	213,979	0	411,979	230,000	60,000	60,000
TOTAL EXPENDITURE	18,349,660	12,216,468	2,017,224	32,583,352	11,947,547	8,317,791	7,014,291
Supported Borrowing	(2,325,000)	0	0	(2,325,000)	(2,421,000)	(2,421,000)	(2,421,000)
Unsupported (Prudential) Borrowing	(9,043,771)	(7,400,969)	(536,436)	(16,981,176)	(3,523,297)	(1,000,000)	(1,000,000)
Grants & Contributions	(3,469,774)	(602,173)	(1,737,788)	(5,809,735)	(3,443,500)	(1,473,000)	(1,473,000)
Reserve & Revenue Contributions	0	(601,744)	(597,000)	(1,198,744)	0	(518,541)	(518,541)
Capital Receipts	(426,115)	(3,611,582)	(531,000)	(4,568,697)	(1,059,750)	(1,405,250)	(101,750)
Vehicle Lease Financing	(3,085,000)	0	1,385,000	(1,700,000)	(1,500,000)	(1,500,000)	(1,500,000)
TOTAL FUNDING	(18,349,660)	(12,216,468)	(2,017,224)	(32,583,352)	(11,947,547)	(8,317,791)	(7,014,291)
(SURPLUS) / DEFICIT	0	0	0	0	0	0	0

Appendix 3 - Schools capital programme (includes Raglan)	Financial Year	Financial Year	Financial Year	Financial Year	Financial Year
	2012/13	2013/14	2014/15	2015/16	2016/17
	Actual 2012/13 £	Approved Budget £	Indicative Budget £	Indicative Budget £	Indicative Budget £
Expenditure:					
Caldicot Green Lane - New School	3,447,795	368,071			
Caldicot Castle View (St Mary's) - Remodelling	2,798	42,202			
Welsh Medium secondary joint project	151,500				
Rogiet Primary (new school)	13,295	45,000			
Llanfoist Primary School	35,911	3,979			
Wyesham Primary School	2,470	3,847			
Pembroke Primary (Major Extension)	3,000	19,528			
Access For All	88	145,706	50,000	50,000	50,000
Llanover Primary - remedial works	64,800				
Thornwell Primary	308,141	3,544,428	92,000		
Thornwell - Flying Start	468	75,000			
Future Schools (Initial funding)	232,794	1,767,205			
Raglan Primary		279,500	2,750,000	1,387,000	83,500
Total Expenditure	4,263,060	6,294,466	2,892,000	1,437,000	133,500
Financing:					
Transitional SBIG Green Lane (80%)	(2,760,000)				
WAG Flying Start Grant (Thornwell)	(80,000)	(75,000)			
Future schools funding - Raglan Primary		(279,500)	(1,970,500)		
External Grant Funding	(2,840,000)	(354,500)	(1,970,500)	0	0
Insurance Settlement	(12,693)	(1,969,774)			
Developer Contributions	(12,693)	(1,969,774)	0	0	0
Education Receipts	(902,684)	(201,273)			
MCC Capital Receipts		(626,216)	(871,500)	(1,387,000)	(83,500)
Capital Receipts	(902,684)	(827,489)	(871,500)	(1,387,000)	(83,500)
Supported Borrowing	(59,441)	(299,000)	(50,000)	(50,000)	(50,000)
Unsupported Borrowing	(448,242)	(2,843,703)			
Total Financing	(4,263,060)	(6,294,466)	(2,892,000)	(1,437,000)	(133,500)
(Surplus) / Deficit	0	0	0	0	0

APPENDIX 3a Future Schools	Financial Year 2014/15	Financial Year 2015/16	Financial Year 2016/17
	Indicative Budget £	Indicative Budget £	Indicative Budget £
Expenditure:			
Monmouth Comprehensive School - 1600 Place	4,036,500	19,911,000	9,327,500
Caldicot Comprehensive School - 1500 Place	4,036,500	19,911,000	7,327,500
Welsh Medium Secondary Schools	2,500,000	2,500,000	0
Total Expenditure	10,573,000	42,322,000	16,655,000
Financing:			
Future schools grant - Monmouth	(1,736,500)	(10,311,000)	(4,627,500)
Future schools grant - Caldicot	(1,736,500)	(10,811,000)	(3,127,500)
Future schools grant - Welsh Medium	(2,500,000)		
External Grant Funding	(5,973,000)	(21,122,000)	(7,755,000)
Capital Receipts	(3,064,000)	(6,832,000)	(3,691,000)
Set aside to repay borrowing		(1,536,000)	(14,368,000)
Capital Receipts	(3,064,000)	(8,368,000)	(18,059,000)
Unsupported Borrowing	(1,536,000)	(14,368,000)	(5,209,000)
Use of capital receipts to repay borrowing		1,536,000	14,368,000
Borrowing	(1,536,000)	(12,832,000)	9,159,000
Total Financing	(10,573,000)	(42,322,000)	(16,655,000)
(Surplus) / Deficit	0	0	0

FORECAST USEABLE CAPITAL RECEIPTS

Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Useable Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's borrowing requirement.

The forecast movement on the reserve based on forecast capital receipts and the budgeted application of capital receipts to support the financing of the Authority's capital programme is summarised below:

GENERAL RECEIPTS	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000
Balance as at 1st April	7,291	6,552	5,926	14,934	27,088
Less: capital receipts used for financing	(1,877)	(3,317)	(1,709)	(1,405)	(102)
	5,414	3,235	4,217	13,528	26,986
Capital receipts forecast	1,134	2,688	21,165	13,556	4,000
Deferred capital receipts	4	4	4	4	4
Less: capital receipts set aside:					
Abergavenny Regeneration Scheme	0	0	(10,452)	0	0
County Hall / Strategic Accommodation	0	0	0	0	0
Balance as at 31st March	6,552	5,926	14,934	27,088	30,990
LOW COST HOME OWNERSHIP RECEIPTS	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000
Balance as at 1st April	60	60	0	0	0
Less: capital receipts used for financing	0	(60)	0	0	0
	60	0	0	0	0
Capital receipts received	-	-	-	-	-
Capital receipts forecast	-	-	-	-	-
Balance as at 31st March	60	0	0	0	0

Appx 5 Risk factors

CAPITAL RECEIPTS SUMMARY AND RISK FACTORS										
The analysis below provides a summary of the receipts and the respective risk factors:										
Risk Factor	2013/14	2014/15	2015/16	2016/17	2017/18	Total				
	£	£	£	£	£	£				
Education Receipts										
Low	0	0	0	0	0	0	0%			
Medium	0	450,000	100,000	0	0	550,000	5%			
High	160,000	1,485,000	9,206,000	0	0	10,851,000	95%			
	160,000	1,935,000	9,306,000	0	0	11,401,000				
County Farm Receipts										
Low	852,500	0	0	0	0	852,500	40%			
Medium	565,000	0	0	0	0	565,000	26%			
High	305,000	330,000	100,000	0	0	735,000	34%			
	1,722,500	330,000	100,000	0	0	2,152,500				
General Receipts										
Low	95,000	0	0	0	0	95,000	1%			
Medium	200,000	16,000,000	0	0	0	16,200,000	95%			
High	20,000	650,000	0	0	0	670,000	4%			
	315,000	16,650,000	0	0	0	16,965,000				
Strategic Accommodation Review										
Low	0	0	0	0	0	0	0%			
Medium	0	0	0	0	0	0	0%			
High	490,000	1,500,000	150,000	0	0	2,140,000	100%			
	490,000	1,500,000	150,000	0	0	2,140,000				
Dependent on Outcome of LDP										
Low	0	0	0	0	0	0	0%			
Medium	0	0	0	0	0	0	0%			
High	0	750,000	4,000,000	4,000,000	2,000,000	10,750,000	100%			
	0	750,000	4,000,000	4,000,000	2,000,000	10,750,000				
TOTALS										
Low	947,500	0	0	0	0	947,500	2%			
Medium	765,000	16,450,000	100,000	0	0	17,315,000	40%			
High	975,000	4,715,000	13,456,000	4,000,000	2,000,000	25,146,000	58%			
Total	2,687,500	21,165,000	13,556,000	4,000,000	2,000,000	43,408,500				

SCHEDULE 12A LOCAL GOVERNMENT ACT 1972
EXEMPTION FROM DISCLOSURE OF DOCUMENTS

REPORT: Capital Budget Proposals 2014/15 to
2017/18
AUTHOR: Joy Robson
MEETING AND DATE OF MEETING: Cabinet – 4th December 2013

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

Exemptions applying to the report:

Information relating to specific assets values of tenanted properties.

Factors in favour of disclosure:

Provides information on assets the Authority is proposing to sell.

Prejudice which would result if the information were disclosed:

Prejudice negotiations with tenants of County Farms.

My view on the public interest test is as follows:

Outweighed by need to exempt.

Recommended decision on exemption from disclosure:

To apply exemption.

Date: 20/11/13

Signed: *J Robson*

Post: HEAD OF FINANCE

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

[Handwritten Signature]

Proper Officer

Date: 21/11/2013



Appendix 8

Equality Impact Assessment Form

and

Sustainable Development Checklist

EQUALITY IMPACT ASSESSMENT FORM

Name of policy or change to service (Proposal)	Directorate:	Department:
Capital MTFP	SLU	Finance
Policy author / service lead	Name of assessor	Date of assessment:
Joy Robson	Joy Robson	19/11/13

1. Have you completed the Equality Challenge form? **Yes / No.** If **No** please explain why

Yes

2. What is the **Aim/s** of the Policy or the proposed change to the policy or service (the proposal)

To outline the capital budget proposals for the MTFP

3. From your findings from the “Equality Challenge” form did you identify any people or groups of people with protected characteristics that this proposal was likely to affect in a **negative** way? Please tick appropriate boxes below.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

4. Please give details of any consultation(s) or engagement carried out in the development /re-development of this proposal.

The capital MTFP has not changed significantly since it was agreed last year, the roll forward of one year has maintained the core programme.

5. Please list the data that has been used for this proposal? eg Household survey data, Welsh Govt data, ONS data, MCC service user data, Staff personnel data etc.

Evidence of pressures

6. As a result did you take any actions to mitigate your proposal? Please give details below.

There is insufficient funding to meet the pressures

7. Final stage – What was decided?

• **No change made to proposal/s – please give details**

No change

• **Slight changes made to proposal/s – please give details**

• **Major changes made to the proposal/s to mitigate any significant negative impact – please give details**

Signed.....Joy Robson.....**Designation**.....**Head of Finance**.....**Dated**.....19/11/13.....

Appendix A

The “Sustainability Challenge”

Name of the Officer completing “the Sustainability challenge” Joy Robson		Please give a brief description of the aims proposed policy or service reconfiguration To outline capital budget proposals for the MTFP	
Name of the Division or service area Finance		Date “Challenge” form completed 19/11/13	
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food		Neutral	
Improve housing quality and provision		Neutral	
Reduce ill health and improve healthcare provision		Neutral	
Promote independence		Neutral	

Encourage community participation/action and voluntary work		Neutral	
Targets socially excluded		Neutral	
Help reduce crime and fear of crime		Neutral	
Improve access to education and training		Neutral	
Have a positive impact on people and places in other countries		Neutral	
PLANET			
Reduce, reuse and recycle waste and water		neutral	
Reduce carbon dioxide emissions		Neutral	
Prevent or reduce pollution of the air, land and water		Neutral	
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)		Neutral	
Protect or enhance visual appearance of environment		Neutral	

PROFIT			
Protect local shops and services		Neutral	
Link local production with local consumption		Neutral	
Improve environmental awareness of local businesses		Neutral	
Increase employment for local people		Neutral	
Preserve and enhance local identity and culture		Neutral	
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc		Neutral	
Increase and improve access to leisure, recreation or cultural facilities		Neutral	

What are the potential negative Impacts	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments)
➤	➤

➤	➤
➤	➤
➤	➤

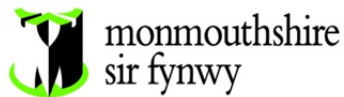
The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

Signed Joy Robson

Dated 19/11/13



SUBJECT:	BUDGET PROPOSALS 2014/15 to 2017/18
MEETING:	STRONG COMMUNITIES SELECT COMMITTEE
DATE:	7TH January 2014
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 To provide detailed proposals on the budget savings required to meet the gap between available resources and need to spend in 2014/15, for consultation purposes.
- 1.2 To consider the 2014/15 budget within the context of the 4 year Medium Term Financial Plan

2. RECOMMENDATIONS:

- 2.1 That Select committee scrutinises the budget savings proposals for 2014/15 released for consultation purposes and provide their response by the 31st January 2014.

3. KEY ISSUES:

Background

- 3.1 Cabinet has received a series of reports on the MTFP and budget position for next year. In September Cabinet considered the significant financial challenge facing the Authority over the medium term, with the prospect that restrictions on public spending look set to continue for the foreseeable future. At this stage the gap projected in the MTFP was £22 million over 4 years, with an £8.8 million gap for 2014/15.
- 3.2 At a special Cabinet meeting in October a number of work areas for savings were identified and presented to Members with savings targets totalling £12.8 million over the MTFP. The net savings proposals to meet the gap in 2014/15 were generated through a combination of service changes, efficiency savings, income generation and innovative approaches to service design and delivery where possible. An assumption was also included for a 3% increase in council tax per annum over the four year period. However, this still left a gap of £2.4 million to find next year and £4 million over four years.
- 3.3 At the Cabinet meeting in November, Members received an update on the Medium Term Financial Plan. This report outlined the results of the Provisional Settlement, including the transfer of specific grants into Revenue Support Grant. The effect of the provisional settlement was taken into account in the MTFP model along with known significant pressures and assumptions previously agreed. The effect of the provisional settlement

Agenda Item:4

was to increase the gap to be closed to £9.43 million for 2014/15 rising to £20.5 million in 2017/18. Taking into account the savings targets identified the gap for 2014/15 was now £2.9 million.

- 3.4 At that time the indicative settlement for 2015/16 showed an average reduction across Wales of 1.8% and this was used in the MTFP model. On further reflection it is considered that as Monmouthshire usually fairs worse than the average in settlement terms (1% worse in 2014/15), a reduction of 2.8% has now been modelled. This adds a further £1 million to the gap.

MTFP Strategy

- 3.5 The approach taken to developing the MTFP strategy has been to take a longer term view of the position both in terms of the forecast shortfall but also in identifying areas for achieving savings in the medium term. Many of these areas relate to service transformation pieces of work and require long lead in times to make the changes. This approach has been key to enabling a focus on the Council's Single Integrated Plan with its vision of sustainable and resilient communities and 3 themes of the County's Single Integrated Plan of; Nobody is left behind, People are capable, confident and involved, Our County thrives and their associated outcomes. This has also allowed the core priorities, as identified within the Administration's Partnership Agreement, to be maintained, namely:

- direct spending in schools,
- services to vulnerable children and adults and
- activities that support the creation of jobs and wealth in the local economy,

- 3.6 The budget proposals contained within this report have sought to ensure these key outcomes and priorities can be continued to be pursued as far as possible within a restricting resource base. Chief Officers in considering the proposals and strategy above have been mindful of the whole authority risk assessment which has also recently been reviewed.

- 3.7 The following table demonstrates the links at a summary level that have been made with the 3 priorities, Single Integrated Plan and the strategic risks:

Proposal	Link to Priority Areas / Single Integrated Plan	Link to Whole Authority Risk assessment
Schools budgets have been protected, whilst savings have been sought from non-school budget areas	Direct Spending in schools is maintained People are Capable, confident and Involved Our County Thrives	Budget proposals are mindful of the risk around children not achieving their full potential
The revenue impact of	Direct Spending in schools is	

Agenda Item:4

capital investment in the future schools programme has been factored into the plan	maintained People are Capable, confident and Involved Our County Thrives	
Social care budgets will see additional resources going into the budget for Adults social services and Children's social services	Services to protect vulnerable people Nobody is left behind	These proposals seeks to address the risks around more people becoming vulnerable and in need and the needs of children with additional learning needs not being met
The plan allows for the lead in time on the service transformation projects in Adults social care and Children's services for special needs, to ensure that the focus can be on developing services that are sustainable and improve the lives of individuals	Services to protect vulnerable people Nobody is left behind	
Changes to the housing team and investment in Discretionary Housing payments seeks to support the vulnerable but also support claimants into work based learning, training and Jobs	Services to protect vulnerable people Nobody is left behind Our County Thrives	Seeking to mitigate the risks around homelessness and the impact of welfare reform
Work has started on reshaping the leisure and tourism offer to ensure it supports the creation of jobs and wealth in the local economy.	Activities that support the creation of jobs and wealth in the local economy Our County Thrives	
The drive for service efficiencies savings has continued across all service areas in order to avoid more stringent cuts to frontline services	This transition to new service models contributes to the aims of creating a sustainable and resilient communities.	Addresses risks around the ability to sustain our priorities within the current financial climate
The need to think differently about what services should be	This transition to new service models contributes to the aims of creating a sustainable and	

<p>delivered, how they should be delivered and what income can be generated has been a clear imperative in working up the proposals.</p>	<p>resilient communities.</p>	
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3.8 The process adopted of capturing ideas through mandates and then developing more detailed mandates and business cases has sought to improve and formalise the links between individual budget proposals, the key priorities of the authority and the strategic risks from the whole authority risk assessment. This is the first year this approach has been used and inevitably there will be room for improvement in future years.

Savings Targets

3.9 Since the October report, further work has been completed on the savings areas originally identified and many of the savings mandates have been considered by Select committees. Cabinet have considered the views of select committees and further work has led to targets being refined, some increasing and other decreasing, with a net increase of £52k on the original target set. In some cases the saving target has remained the same but the shape of the proposal to achieve the target has changed. The Appendix 1 includes a summary sheet of all the proposals with shaded columns showing the revised position as it now stands.

3.10 In addition, a series of community events have been held and ideas captured from those events have identified a further 82 ideas to explore. Some of the ideas put forward are already being considered in the proposals attached to this report or have helped to reshape the proposals e.g. One Stop Shops and Libraries proposal and the Tourism proposals. Other ideas will require further investigation to establish if they are feasible for future years. There were in excess of 20 ideas generated by the community that did not feature in the current budget mandates. These included changes to the use of community assets, developing new technology solutions and reviewing terms and conditions to make services more efficient.

3.11 The Leader and Chief Executive have held staff sessions throughout the authority meeting over 1000 staff and this has also generated further ideas, many of which have been implemented immediately. The extent of the engagement so far has certainly been valuable in providing a base from which further engagement can be undertaken, a bank of individuals have expressed their interest in working further with us on the challenges being faced.

3.12 It is recognised that more emphasis has been put on the 2014/15 proposals and figures in order to set the budget and close the gap for next year. This has been the focus of the work taken through Select Committees. The individual proposals are outlined in Appendix 2 and have been through an initial equality challenge, the results of which are linked to each proposal.

Agenda Item:4

- 3.13 Work is continuing on the need to address the longer term issue of a reducing resource base. It is expected that further mandates and business cases outlining the detail to address the savings targets in the latter years of the MTFP will continue to be worked up and submitted for scrutiny through select committees. This will ensure that the work needed to balance the MTFP is undertaken now in order to deliver savings in the later years of the plan.

Additional Pressures

- 3.14 At the 4th December Cabinet meeting members considered the month 6 revenue forecast position, which is currently showing an overspend position. The analysis and issues arising from this are explored in that report, however the potential impact on 2014/15 has also been assessed. Analysis of the overspend in Children's social services has identified that there is an underlying overspend relating to increasing numbers of children placements and whilst this is a volatile budget, it is considered that there is an underlying trend that will continue into 2014/15. In recognition of this the 2013/14 pressure has been retained in the budget figures for 2014/15 in the sum of £400,000. There is a risk that this will still not be enough to cover the pressure in this area whilst work continues to further improve the situation. In these circumstances, it is proposed that for next year only, the Priority Investment reserve provides scope to ensure that costs are covered in the event that the pressures cannot be contained within the overall budget.
- 3.15 Analysis of the 2013/14 budget savings to be achieved has also been undertaken. Further progress has been made in this area, resulting in a reduction in the pressure to be carried forward from £614,000 to £236,000.
- 3.16 The Capital MTFP was also considered by Cabinet at its meeting on 4th December 2013, and the revenue impact of this has now been reflected in the revenue MTFP, including revised treasury forecasts as a result of expected cash flows, and the need to borrow externally rather than internally. The net impact of 21st century schools has also been reviewed and separately identified in the pressures list. Together these adjustments increase the pressure in the first two years of the plan and reduce the impact in the last two years, mainly due to the timing of capital receipts and profile of capital spend.
- 3.17 Grant funding streams have been reviewed and a pressure of £232,000 has now been included for Waste which mainly relates to an 8.6% reduction in the Sustainable Waste Management Grant.
- 3.18 A one off cost relating the LDP for consultants, the Inspector and examination has historically been met from reserves and a further pressure of £350k has been identified over the next 3 years which it is suggested should continue to be met from earmarked reserves.
- 3.19 Overall the total list of pressures has reduced by £67,000 and the revised list is contained in Appendix 3 with the shaded columns showing the changes that have been made. It should be noted that other pressures within services are required to be managed within Directorates.

Council Tax

- 3.20 The Council Tax increase in the budget has been retained at 3% per annum across the MTFP. In addition the demand for Council Tax Reduction Scheme payments has been

Agenda Item:4

assessed as reducing by £100,000 next year based on the forecasts being projected forward from the current year activity.

Summary position

3.21 In summary the following position has been established:

	2014/15 £000	Revised 2014/15 £000	2015/16 £000	Revised 2015/16 £000	2016/17 £000	Revised 2016/17 £000	2017/18 £000	Revised 2017/18 £000	TOTAL £000	Revised Total £000
Budget shortfall 10th Oct 2013	8,822	8,822	4,993	4,993	5,413	5,413	2,866	2,866	22,094	22,094
Adjusted base for Provisional Settlement	7,344	7,344	9,975	10,975	11,637	12,637	13,511	14,511	42,467	45,467
Pressures	2,069	2,002	2,261	2,651	6,013	5,780	7,005	6,177	17,348	16,610
Revised shortfall	9,413	9,346	2,823	4,280	5,414	4,791	2,866	2,271	20,516	20,688
Savings targets	(5,211)	(5,263)	(3,457)	(3,102)	(2,805)	(2,805)	(1,310)	(1,310)	(12,783)	(12,480)
Council Tax income	(1,254)	(1,354)	(1,289)	(1,289)	(1,324)	(1,324)	(1,361)	(1,361)	(5,228)	(5,328)
Adjusted budget gap	2,948	2,729	(1,923)	(111)	1,285	662	195	(400)	2,505	2,880

3.22 This leaves a gap of £2,880,000 still to be found over the 4 year period. The following options are being considered for meeting this gap:

- Reduce the non-pay inflation factor in the model by 1%, this saves £650,000 but would put pressure on every budget to find efficiency savings to manage a reduction in the inflation element provided in the budget. Managers are currently considering the implications of this on their services.
- Reduce the amount of funding for increments included in the model. Currently there is £750,000 included, however following a review of the costs this year; it is considered that the budget can be reduced by £400,000 as more staff reach the top of their JE grade.
- Reduce the travel allowances budget by £100,000 encouraging officers to make more use of the video conferencing facilities available in the offices
- Reserve fund the spike in the treasury costs of £297,000 for one year only
- Seek savings from some of the cost centres such as public health, legal and land charges where there has not yet been a contribution made, this could contribute £158,000. The implications of these savings on services are currently being assessed and further mandates will be provided with these details during the consultation period.

3.23 The proposals above would reduce the gap above to £1,049,000, for next year and £1.497 million over the four years of the MTFP see Appendix 4.

3.24 The final settlement is expected on 11th December 2013, however there is not expected to be a major change from the provisional position. There is still a significant lack of information on specific grants. Any changes will be verbally reported at the Cabinet meeting.

Reserves strategy

- 3.25 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £15.5 million at the start of 2013/14 to £6.9 million at the end of 2017/18. (Appendix 5) Taking into account that some of these reserves are specific, for example relating to joint arrangements or to fund capital projects, this brings the usable balance down to £4 million.
- 3.26 Whilst every effort will be made to avoid redundancy costs the only budget in the MTFP relating to these costs is for school based redundancies, included as a pressure of £325,000. The Policy has also recently been revised, so the cost of redundancies should be reducing. Protection of Employment policy will be used to ensure redundancy is minimised, however, it is expected there may be some that are inevitable and reserve cover may be required for this, possibly in the region of £500,000 per year. Over the MTFP this could require £2 million reserve funding cover, if services are unable to fund the payments from their budgets.
- 3.27 The volatility of the Children's social services budget is going to be supplemented for 2014/15 with further funding, however if it is proposed to earmark the Priority Investment Reserve for next year to cover further pressures if they are not able to be contained.
- 3.28 The cost of producing the LDP has historically been met from reserves and a further pressure of £350k has been identified over the next 3 years which it is suggested should continue to be met from earmarked reserves.
- 3.29 Recent work on the Treasury implications flowing through the MTFP has identified a spike in costs in 2014/15. Previously the Treasury Equalisation reserve has been used to even out the potential need for temporary funding. If this is used in this case this would draw £297,000 of reserve funding.
- 3.30 The resulting impact on earmarked reserves would be to take the usable balance down to below £1 million at the end of the MTFP period.

Next Steps

- 3.31 The information contained in this report constitutes the budget proposals that are now made available for formal consultation. Cabinet are interested in consultation views on the proposals and how the remaining gap may be closed. There is therefore a further opportunity for Members, the public and community groups to consider the budget proposals and make comments on them.
- 3.32 Public engagement sessions (to include the formal requirement to consult businesses) will be held on the following dates:

Thursday 9th January – Caldicot School

Tuesday 14th January – Chepstow School

Wednesday 15th January – Abergavenny (leisure centre hall)

Agenda Item:4

Saturday 18th January 10-4pm - Abergavenny Market Hall

Usk Memorial Hall TBC: Dates suggested are Tuesday 7th , Thursday 16th and Wednesday 22nd January.

Monday 20th January - Monmouth School (awaiting confirmation)

The purpose of these events is two fold; to provide feedback from the initial round of community engagement events but also to allow a broader consultation around the actual budget proposals.

Select Committee Scrutiny of Budget proposals

7th January at 10am – Strong Communities (budget scrutiny)

9th January at 9am until 4pm – Economy and Development (budget scrutiny all day)

20th January at 2pm - Children and Young People (budget scrutiny)

28th January at 10am – Adults (budget scrutiny)

29th January at 2pm – Joint Select Committee to scrutinise final budget proposals

Combined Area committees dates

Sevenside Area Committee – 29th January 2014

Bryn y Cwm and Central Monmouthshire Area Committee – 15th January 2014

- 3.33 The consultation period will end on 31st January 2014 and consultation responses will be considered by Cabinet before final budget proposals are presented to Cabinet on 12th February 2014 with a recommendation to full Council to set Council Tax on 27th February 2014.

4. REASONS:

- 4.1 To agree budget proposals for 2014/15 through to 2017/18 for consultation purposes

5. RESOURCE IMPLICATIONS:

As identified in the report and appendices

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

The equality impacts of each individual saving proposal have been initially identified in the assessment and are linked to the saving proposal document. No significant negative impact has been identified. Further consultation requirements have been identified and are on going. Further assessment of the total impact of the all the proposals will be undertaken for the final budget report.

The actual equality impacts from the final budget report's recommendations will be reviewed and monitored during and after implementation.

7. CONSULTEES:

SLT
Cabinet
Head of Legal Services
Head of Strategic Personnel

8. BACKGROUND PAPERS:

Appendix 1: Budget proposals summary
Appendix 2: Individual proposals – detailed mandates or business cases with attached equality impact assessments
Appendix 3: Revised Pressures list
Appendix 4: Summary position
Appendix 5: Reserves position

9. AUTHOR:

Joy Robson
Head of Finance

10. CONTACT DETAILS:

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Appendix 1: Budget proposals

No.	Dir		Target Saving	Revised Saving	Target Saving	Revised Saving	Target Saving	Revised Saving	Target Saving	Revised Saving	TOTAL	Revised TOTAL	
			2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18			
		Identification phase	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)			
		Adjusted Budget Shortfall 2017/18	9,413	9,346	2,823	4,280	5,414	4,791	2,866	2,271	20,516	20,688	
		ADULT SELECT											Comments
2	RC	Collaboration on housing services and development of careline services	(30)	(30)	(35)	(35)	(40)	(40)	0	0	(105)	(105)	Commercialisation of careline service, one housing solutions service with TCBC focussed on enabling wider access to housing options and providing greater scope for increasing the resources with which to address housing need and homelessness
3	SCH	Community meals increase take-up	(30)	(30)	0	0	0	0	0	0	(30)	(30)	Mainly about increasing customer base
4	SCH	Community meals - service transformation	0	0	0	0	(100)	(100)	(100)	(100)	(200)	(200)	Developing sustainable long term model for meals, target is to aim for a cost neutral service
9	SCH	Practice change - reduction in flexible budget/contingency	(277)	(277)	0	0	0	0	0	0	(277)	(277)	Working with individuals, families and communities to find sustainable solutions
10	SCH	Redesign day provision in line with My Day/My Life	(160)	(160)	0	0	0	0	0	0	(160)	(160)	Reconfiguring day provision for people with Learning disability
19	CYP	Adult Education	(90)	(90)	0	0	0	0	0	0	(90)	(90)	Cost reduction through reducing overheads and premises costs
23	SCH	SCH restructuring: Direct care (£89k), Children's/Adults teams (£50k), Commissioning team (£31k)	(170)	(163)	0	0	0	0	0	0	(170)	(163)	Staffing efficiencies
24	SCH	SCH Transition project staff transfer to Bright New Futures	(14)	(14)	(14)	(14)	(12)	(12)	0	0	(40)	(40)	Combining our initiative with Bright new futures to establish a shared service model
33	SCH	Sustaining Independent Lives in the community	(123)	(123)	(260)	(260)	0	0	0	0	(383)	(383)	Cabinet report and business case presented on 2nd Oct 2013, aim is to divert people from needing statutory services through Local Area Co-ordination and small local enterprises
34	SCH	Adult Social Care Service Transformation	0	0	0	0	(728)	(728)	(700)	(700)	(1,428)	(1,428)	Building on the current integrated model as part of the wider redesign of social care
		Sub Total Adult Select	(894)	(887)	(309)	(309)	(880)	(880)	(800)	(800)	(2,883)	(2,876)	
		CHILDREN & YOUNG PEOPLE SELECT											
7	RC	School meals -increase price, market and expand service	(130)	(69)	0	0	0	0	0	0	(130)	(69)	Increase in school meal to £2.00, currently £1.65 infants and £1.80 junior based on an estimated 397,058 meals
14	RC	Home to School Transport - fundamental review of policy	(95)	(95)	(115)	(115)	(210)	(210)	(210)	(210)	(630)	(630)	Fundamental policy change - £420k - based around nearest school policy. Withdrawal of subsidy for post 16 transport.
16	CYP	Schools delegated budgets	(434)	(434)	0	0	0	0	0	0	(434)	(434)	Proposal is about finding opportunities to reduce costs in schools. Schools budgets will be protected at cash limit, this means no pay inflation and or non pay inflation is provided for in funding.
17	CYP	Review ISB - ALN contingency	(150)	(140)	0	0	0	0	0	0	(150)	(140)	Currently a contingency budget is held centrally, proposals to reduce this budget by £75k and reduce staffing in the service by £65,000
18	CYP	School library service - combine with general library service	(30)	(30)	(20)	(20)	0	0	0	0	(50)	(50)	£50k is MCCs contribution to full year running costs of school library service, changes to service needs to be considered with TCBC
20	CYP	School Music service - reduction in subsidy	(50)	(50)	(50)	(50)	(50)	(50)	0	0	(150)	(150)	Total MCC contribution to schools music service is £260k, exploration of alternative models to reduce the subsidy required
21	CYP	Review of other Education collaborative arrangements - visually impaired/hearing	0	0	0	0	(70)	(70)	(100)	(100)	(170)	(170)	Reduction of contribution by half, needs of pupils will still need to be met, but an exercise around VFM will need to be done
22	SCH	SCH children's staff restructuring	(68)	(68)	0	0	0	0	0	0	(68)	(68)	Rationalising service delivery within children's services
35	CYP/SCH	Transformation of children's services for Special needs/additional needs/ Mounton House	0	0	(470)	(470)	(496)	(496)	0	0	(966)	(966)	Proposal will look at more effectively integrating and streamlining the current service offer, with what matters for the child and family being the core focus of the review.
		Sub Total Children & Young People Select	(957)	(886)	(655)	(655)	(826)	(826)	(310)	(310)	(2,748)	(2,677)	

No.	Dir		Target Saving	Revised Saving	Target Saving	Revised Saving	Target Saving	Revised Saving	Target Saving	Revised Saving	TOTAL	Revised TOTAL	
			2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18			
		Identification phase	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)			
ECONOMY & DEVELOPMENT SELECT													
1	RC	Development of Leisure Services	(125)	(125)	(315)	(315)	(100)	(100)	0	0	(540)	(540)	Income maximisation and staff review, developing the cycling offer, broaden leisure offer and explore new service provision options and models in the context of 'whole place'
6	RC	Museums, Shirehall & Castles and Tourism	(245)	(245)	(190)	(190)	(145)	(145)	(200)	(200)	(780)	(780)	Consolidation of tourism and culture offer throughout the County through considering shared services models; making attractions self-sustainable and income generation. This relates to the museum business plan and explores roll-out of some community ownership models. Member consultation has indicated that the aspect of merging of museums and TIC (£150,000 in 2014/15) was not a preferable model, and will necessitate driving even further savings on other aspects of this mandate
25	RC	Transport review and fleet rationalisation	(100)	(105)	(40)	(40)	0	0	0	0	(140)	(145)	Increased income from private hire (Passenger Transport Unit), management and staff reduction
26	RC	Strategic Property Review (phase 2)	(147)	(75)	(100)	(100)	(350)	(350)	0	0	(597)	(525)	Target to be achieved by the Accommodation working group and reduction in office accommodation, consolidate in Usk
27	RC	Property services and procurement	(145)	(115)	0	0	0	0	0	0	(145)	(115)	Staff efficiencies, systems review and procurement savings
28	RC	R & C Staffing restructures	(140)	(140)	(240)	(240)	(200)	(200)	0	0	(580)	(580)	Senior management restructure to include new service groupings and alignments and green space concept
31	CEO	ICT	(100)	(300)	(100)	(100)	0	0	0	0	(200)	(400)	Staffing efficiencies, integrate enterprise agreement, reduce supplies and services budget
											0	0	
		Sub Total Economy & Development Select	(1,002)	(1,105)	(985)	(985)	(795)	(795)	(200)	(200)	(2,982)	(3,085)	
STRONG COMMUNITIES SELECT													
5	RC	Sustainable energy initiatives	(133)	(133)	(33)	(33)	(34)	(34)	0	0	(200)	(200)	Investing in biomass boilers, solar farms and reduction in Carbon Reduction Commitment budget
8	All	Grants to micro finance and rationalise numerous grants to single organisations	(200)	(200)	(300)	0	0	0	0	0	(500)	(200)	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible
11	RC	Highways - review of management arrangements, gritting schedules, verge maintenance, use of sub contractors	(355)	(405)	(55)	0	0	0	0	0	(410)	(405)	Reduction in management team and operate from 2 depots, reducing stand by payments and gritting frequencies. Reduce sub contractors and biodiversity policy on verges
12	RC	Street Light savings	(180)	(180)	0	0	0	0	0	0	(180)	(180)	Review of turning off street lights at designated times
13	RC	Street scene and pest control	(175)	(195)	0	0	0	0	0	0	(175)	(195)	Reduction in sweepers and number of cleaning rounds, opportunity for Town & Community Councils to contribute to service and full withdrawal of subsidy for pest control.
15	RC	Facilities - transfer functions to other providers	(100)	(100)	(100)	(100)	0	0	0	0	(200)	(200)	Engaging with town and community councils, friends clubs to take on service related costs - Linda Vista, Bailey Park, Public Conveniences
29	CEO	CEO - efficiencies, including on line services, staffing structures	(595)	(595)	0	0	0	0	0	0	(595)	(595)	Staffing efficiencies and improving on line services, reduction in democratic services will mean that only decision making committees can be serviced, merging of roles supporting area work
30	CEO	CEO - OSS and libraries - 10% reduction in staff budget	(180)	(180)	0	0	0	0	0	0	(180)	(180)	The aim is to have one access point for customer service in each of the 4 towns and create efficiencies through a management restructure
36	RC	Cost neutral waste service	(60)	(60)	(270)	(270)	(20)	(20)	0	0	(350)	(350)	Route optimisation, green waste charges up from £8 to £10 and reduce spend on bags
37	RC	Waste Management - Project Gwyrd	0	0	(750)	(750)	(250)	(250)	0	0	(1,000)	(1,000)	Mandate not needed, work already done, needs watching brief on implementation
		Sub Total Strong Communities Select	(1,978)	(2,048)	(1,508)	(1,153)	(304)	(304)	0	0	(3,790)	(3,505)	
32	ALL	Review of additional payments	(380)	(337)	0	0	0	0	0	0	(380)	(337)	Target a 10% reduction in additional payments made eg overtime, standby etc

No.	Dir	Target Saving	Revised Saving	Target Saving	Revised Saving	Target Saving	Revised Saving	Target Saving	Revised Saving	TOTAL	Revised TOTAL	
		2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18			
		(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)			
	Identification phase											
	Total savings	(5,211)	(5,263)	(3,457)	(3,102)	(2,805)	(2,805)	(1,310)	(1,310)	(12,783)	(12,480)	
										0	0	
	Council tax funding	(1,327)	(1,327)	(1,367)	(1,367)	(1,408)	(1,408)	(1,450)	(1,450)	(5,552)	(5,552)	Based on recurrent 3% increases in Council Tax from 14/15 to 17/18
	CTRS payable on increased Ctax bills	183	183	188	188	194	194	199	199	764	764	Cost of council tax rises in terms of the increase in council tax benefit to be paid out
	Forecast reduction in demand for CTRS		(100)							0	(100)	Reduction in demand being modelled based on 2013/14 forecasts
	Council Tax Base	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(440)	(440)	Increase in council tax generated through assuming continuing growth in number of properties
	Net Council Tax	(1,254)	(1,354)	(1,289)	(1,289)	(1,324)	(1,324)	(1,361)	(1,361)	(5,228)	(5,328)	
	Total	(6,465)	(6,617)	(4,746)	(4,391)	(4,129)	(4,129)	(2,671)	(2,671)	(18,011)	(17,808)	
	Gap to be managed	2,948	2,729	(1,923)	(111)	1,285	662	195	(400)	2,505	2,880	

Appendix 2: List of Documents included in support of Budget proposals

No.	Dir	Original Mandates	Documents for Budget Proposals	Comments
		ADULT SELECT		
2	RC	Collaboration on housing services and development of careline services	2. Business case RC Housing	
			2.EQIA RC Housing	
3	SCH	Community meals increase take-up	3. Updated Mandate SCH community meals	
			3. EQIA SCH Community meals	
4	SCH	Community meals - service transformation	4. Cabinet approved mandate SCH Community Meals - Service transformation	Existing mandate approved by Cabinet on 10th October 2013, further work on later savings to be achieved will be reported in due course
8	All	Grants to micro finance and rationalise numerous grants to single organisations	8. Updated Mandate SCH All grants contract review, including EQIA	Covers £100k from SCH
9	SCH	Practice change - reduction in flexible budget/contingency	9. Detailed mandate SCH Practice Change, including EQIA	
10	SCH	Redesign day provision in line with My Day/My Life	10. Detailed mandate SCH My Day My Life Refocus, including EQIA	
19	CYP	Adult Education	19. Business case CYP Adults Education, including EQIA	
23	SCH	SCH restructuring: Direct care (£89k), Children's/Adults teams (£50k), Commissioning team (£31k)	23. Updated Mandate SCH staffing efficiencies in Direct care	Restructure report to go to Cabinet including EQIA
			23. Updated mandate SCH Commissioning reduction	Restructure report to go to Cabinet including EQIA
24	SCH	SCH Transition project staff transfer to Bright New Futures	24. Updated Mandate SCH Transition	Restructure report to go to Cabinet including EQIA
33	SCH	Sustaining Independent Lives in the community	No further documents needed	Cabinet already approved business case on this on 2nd October 2013, including EQIA
34	SCH	Adult Social Care Service Transformation	34 Updated mandate SCH Adult Social Care Transformation	Further work on later savings to be achieved will be reported in due course
			34. Business case Initiation document SCH Mardy Park, including EQIA	

CHILDREN & YOUNG PEOPLE SELECT				
7	RC	School meals -increase price, market and expand service	7. Business case RC Primary school Meals service	
			7. EQIA RC Primary School Meals Service	
14	RC	Home to School Transport - fundamental review of policy	14. Part Business case Home to School transport, including EQIA	Part business case deals with savings for 2014/15, later savings will require a further business case
16	CYP	Schools delegated budgets	16. Detailed Mandate CYP School budget	
			16. EQIA CYP School budget	
17	CYP	Review ISB - ALN contingency	17. Business case CYP ALN contingency in ISB	
			17. EQIA CYP ALN contingency in ISB	
18	CYP	School library service - combine with general library service	18. Business case CYP Schools library service	
			18. EQIA CYP Schools library service	
20	CYP	School Music service - reduction in subsidy	20. Cabinet approved mandate CYP Gwent Music	Work is continuing with Gwent Music service to identify the savings and any possible impact on the service
			20. EQIA CYP Gwent Music	
21	CYP	Review of other Education collaborative arrangements - visually impaired/hearing	21. Cabinet approved Mandate CYP Other Collaborative Arrangements	Existing mandate approved by Cabinet on 10th October 2013, further work on later savings to be achieved will be reported in due course
22	SCH	SCH children's staff restructuring	22. Cabinet approved Mandate SCH Childrens restructure	Restructure report to go to Cabinet including EQIA
35	CYP/ SCH	Transformation of children's services for Special needs/additional needs/ Mounton House	35. Business case CYP and SCH Childrens Servces review of ALN Strategy	Further work on later savings to be achieved will be reported in due course

ECONOMY & DEVELOPMENT SELECT				
1	RC	Development of Leisure Services	1. Business case RC Leisure services, with attached EQIA	
6	RC	Museums, Shirehall & Castles and Tourism	6. Business case RC Museums castles TICs Tourism	

			6, Equality Assessment RC Museums Castles TICs Tourism	
25	RC	Transport review and fleet rationalisation	25. Business case RC Fleet and Transport Management	
26	RC	Strategic Property Review (phase 2)	26. Business case RC Reduce Property Demand	
27	RC	Property services and procurement	27. Business case RC Property Services FM MGT Procurement, including EQIA	
28	RC	R & C Staffing restructures	28. Cabinet Approved Mandate RC Management and Administration staff structures	Restructure report to go to Cabinet including EQIA
31	CEO	ICT	31. Updated mandate CEO ICT proposal	

		STRONG COMMUNITIES SELECT		
5	RC	Sustainable energy initiatives	5. Cabinet approved mandate RC sustainable Energy	Existing mandate approved by Cabinet on 10th October 2013, further work on later savings to be achieved will be reported in due course
8	All	Grants to micro finance and rationalise numerous grants to single organisations	8. Business case ALL Grant Review, including EQIA	Covers £100k from RC, CYP and CEOs
11	RC	Highways - review of management arrangements, gritting schedules, verge maintenance, use of sub contractors	11. Detailed Mandate RC Highways Ops and Traffic management	
12	RC	Street Light savings	12. Business case RC Street Lighting	
			12. EQIA RC Street lighting	
13	RC	Street scene and pest control	13. Business case RC Street scene services incl pest control, including EQIA	
15	RC	Facilities - transfer functions to other providers	15. Business case RC collaboration or Transfer services to TCs and CCs, including EQIA	
29	CEO	CEO - efficiencies, including on line services, staffing structures	29. Detailed mandate CEO efficiencies and restructure	Restructure report to go to Cabinet including EQIA
30	CEO	CEO - OSS and libraries - staff efficiencies	30. Business case RC One Stop Shops and Libraries	
			30. EQIA RC One Stop Shops and Libraries	

36	RC	Cost neutral waste service	36. Business case RC Waste and Recycling, including EQIA	
37	RC	Waste Management - Project Gwyrdd	No further documents needed	Cabinet already approved business case and project underway

5. Proposal Mandate – Sustainable Energy Opportunities

The Proposal Mandate enables the Cabinet to decide whether to commission the detailed planning and design work to fully define the proposal. It presents the high-level Business Case for the programme and addresses the key question: How much potential is there for a saving in this area?

This template is accompanied by guidance on how to complete the Proposal Mandate.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	24/09/13	Draft	R&C	

Approval

Cabinet sign off to proceed with proposal detailed work, given by		Date	
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Distribution List

Name	Organisation	Job title / Dept

Business need

Reduction in energy consumption puts MCC below CRC threshold and therefore exempt from purchasing certificates (effectively an energy consumption tax for larger organisations) providing an annual saving of £100k.

Installation of biomass boilers offers a more sustainable heating system and RHI income.

PV and wind remain income options

Outcomes

MCC energy reduction reduced (done)

Opportunities taken to install sustainable heat and energy systems that provide an income stream

Proposal Vision

Longer term schemes for PV and wind continue to be investigated whilst more modest PV/wind installations are progressed in the short term.

Biomass boilers installed to replace least efficient traditional style oil/gas boilers.

Benefits

Describe the measurable improvements that the proposal will achieve.

Benefit Description	Current Budget	Target Saving	Timing	Non-Cashable Value	Benefit owner
Sustainable energy initiatives	New initiative	£100k	£18k – 14/15, £18k-15/16, £19k – 16/17		Ben winstanley
Install biomas boilers	New initiative	£45k	£15k – 14/15 £15k – 15/16 £15k – 16/17		Rob o'dwyer

Exemption from CRC	Budget £170k (59% reduction)	£100k	£14/15		Ian Hoccom/Ben winstanley

Non - Financial Benefits

Development of sustainable energy supplies

Dis-benefits

Potential failure to get planning for installations

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Apply for CRC exemption	Receive exemption notice and discontinue payment – make saving	14 onwards		Ian Hoccom
Installation programme – business case	Install new biomass boilers	14 onwards		Ben Winstanley
Develop business case for renewable energy production	Identify key sites and locations	14 onwards		Ben Winstanley
Produce a full Equality Impact Assessment	Undertake comprehensive assessment	14 onwards		

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Quick Wins

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits

Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Further changes in the external energy market that alter nature of projected benefits	medium	high	14 onwards	Ben Winstanley		
We exceed CRC level	low	high	14-	Ian Hoccom		
Inability to identify appropriate locations and opposition	high	high	14-	Ben Winstanley		

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
Possible opposition to support for renewable energy	High	Ben Winstanley	Due diligence	Ben Winstanley

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Financial Information

If known at this stage provide the following information for delivering the proposed saving:

- Set out the estimated financial costs or investment required
- List all currently identified or potential sources of funding.
- Outlining all your assumptions.

Constraints

Not sufficiently exploring and maximising contemporary energy opportunities

Assumptions

Describes any assumptions made that underpin the justification for the proposal.

Proposal Capability

Describe how the organisation will provide the necessary resources and capability required to carry out the proposed activity successfully.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the Mandate. Use the version and authority sign-off on the front page.

8. BUSINESS CASE – ALL GRANT REVIEW

BUSINESS CASE – review of Council grant funding to third party providers

Document Control –

Version 1; 14th November 2013; draft

Authors: David H Jones, Mark Howcroft

Summary

1. To meet the Authority's significant financial challenges from 14/15 and beyond, all services need thorough analysis to ensure best use of reducing resources. The existing non-supported expenditure grants to third party providers was identified through the Medium Term Financial Plan (MTFP) as a potential saving.
2. The saving target against the 'grants review' for 2014/15 is £200,000, and £300,000 for 2015/16. For next year, £100,000 will be found via Social Care & Health review of their contracted services with voluntary providers. The remaining £100,000 needs to be found from a limited resource (non SC & H) of £175,030. It is recognised that current recipients of the £175,030 allocation are providing highly regarded services, so we need to consider how to best support and sustain them in future years.
3. The preferred option is a proportionate approach with re-application for grant funding, (Option 2), for existing recipients. It is also recommended that Option 3 - converting core funding reliance to loan funding – is pursued in 2014/15. Similarly, the potential of savings through Option 5 – reviewing the community rent relief scheme – is recommended for consideration to provide some additional income, and contribute to 2014/15 saving target and beyond.

8. BUSINESS CASE – ALL GRANT REVIEW

Purpose

4. To provide an opportunity for the Special Economy and Development Committee to consider proposals for a review of the Council's non-supported expenditure grants to voluntary sector organisations.

Vision

5. To decrease the financial reliance of various organisations that are currently supported by Council grant funding, recognising current constraints and providing other methods of support, for example business and specialist advice. Reducing the reliance of existing grant assisted organisations on Council funding will encourage providers to be more sustainable for the benefit of their users in the longer term.

Outcomes

6. To ensure the Council's limited resources are fairly and consistently provided to those organisations that support our objectives and demonstrate value for money. By reducing existing expenditure by £200,000 in 2014/15, this will contribute to the Authority's Medium Term Financial Plan (MTFP).

7. A refresh of what is needed for our communities, seeking alternative support, assessing 'what matters' for local service users. Grant assisted providers would need to be notified in good time to make any adjustments to current operation, eg some grants support workers who may need to be made redundant or work reduced hours.

Blue Print

8. The future state – to establish a fair and equitable process for external organisations to apply to the Council for grant funding. Any funding – depending on which option is taken forward – must provide a sound return of investment, with maximum benefit to the people and/or visitors of Monmouthshire. There must be clear links to the Single Integrated Plan 2013/17 agenda of 'nobody left behind'. 'capable, confident and involved' and 'our County thrives'.

8. BUSINESS CASE – ALL GRANT REVIEW

Current State and gap analysis

9. A need to review existing grant funding to third sector organisations was identified in response to the medium term financial plan (MTFP) pressures. It was recognised that third party organisations need to be treated in the same way as the Council's own services, and clearly it would be inappropriate to protect external organisations ahead of Monmouthshire C.C.'s directly provided services.

10. The initial proposal was to make considerable (circa 20%) savings (£200,000 in 2014-15 and a further £300,000 in 2015-16) from the grants made to third party organisations of £2,667,956. However, through analysis it became apparent that this list included grants where we simply passport resources to 3rd parties or where the funding has formed part of Revenue Support Grant explicitly.

11. There were also a minority of cases where the funding has already been protected e.g Citizen's Advice Bureaux, or with regard to rent concessions. Community rental relief arrangements are subject to 3 year arrangements which the Council may have difficulty in addressing in an earlier timescale. In relation to Town & Community Council rent concessions, it could be counter-productive to other mandates involved with working closer with these entities and passporting services.

12. It also included Social Care relationships that are not discretionary grants but contracted services with voluntary providers, where the responsibility to provide services rests with the Council directly if external providers aren't utilised. Despite this, these grants will be subject to a strategic relevance test with a view to finding £100,000 of the 2014-15 saving required, and be subject to a separate report to Adult Select Committee.

13. Of the £1.06m non-SC & H spend on external providers, the following sums needed to be deducted:-

- (i) Early Years Education grant, at £724,000, is fully funded via the Revenue Support Grant (RSG) so is purely passported by MCC to the providers.

8. BUSINESS CASE – ALL GRANT REVIEW

- (ii) Citizen Advice Bureaux support, at £76,784 - Cabinet on 4th September 2013 agreed to retain this level of funding for 14/15, (with a 10% reduction in years 2 and 3).
- (iii) Certain other grant expenditure on original list had already ceased.

14. Once these corrections were incorporated, to identify the scope of the review, the much reduced spend of £175,030 remains. The component parts of this £175,030 is provided in Appendix 1.

15. It should also be noted that to secure the £50,000 saving target against grants in 13/14, a 20% reduction in cultural grants was implemented in the current year. However, grants to other organisations were not reduced under the same cost saving principle for 13/14.

Options Appraisal

16. The revised grant resource of £175,030 provides a considerable challenge to find £100,000 of savings. This equates to a 57% reduction. Added to this it is understood that the Children and Young People grants are focussed in addressing a national priority of ensuring there are sufficient child minders operating in the County. Unfortunately at the moment we have no detail provided as to how many child minders the Council needs to operate and how many are currently registered to assess whether this strategic objective is currently being met in full or part.

17. On the continuum of providing savings, there appears to be 5 options that present themselves:-

Option 1 – Effective end of grant programme

18. **At one end of the spectrum, if, as maintained by CYP colleagues, that they cannot make any savings in grants provided due to a duty imposed upon them, (see CYP comment at 15 below), the full extent of £100,000 would need to be made upon grants sitting within Regeneration and Culture (£88,000) and contribution to Gwent Association of Voluntary Organisations (£22,000), which would effectively end all grants made to third party organisations.**

8. BUSINESS CASE – ALL GRANT REVIEW

19. If the current level of funding for discretionary childcare grants is significantly reduced, it would be difficult (if not impossible) to meet our statutory duty to secure sufficient childcare for working parents, as per the Childcare Act 2006. In particular, it would not be possible to provide equal opportunities for children with additional needs.

20. The main advantage to this approach is it guarantees savings of the order and in the timescale required, it avoids any subjective strategic relevance tests, but introduces significant potential criticism of withdrawal from community and weakens our relationships

Option 2 – Proportionate Approach and Re-applying for Grant

21. **This type of option is designed to sustain the grant resources better whilst still “driving” the necessary savings. Options under this category involve proportionately applying savings agenda, so**

22. SC & H will be conducting their own review of what are predominantly service contracts with the voluntary sector. Their £100,000 contribution to the £200,000 saving target for 2014/15 should be secure. Their plan to achieve this saving is being reported separately through Adults Select committee.

23. Appendix 1 illustrates the split between Directorates of the £175,030 and the proportion of this spend for each is provided below:-

Directorate	Grant Resource	Proportion	Saving Required	Subsequent grant resource
CYP	65k	37%	37k	28k
R & C	88k	50%	50k	38k
CEO	22k	13%	13k	9k
Total	175k	100%	100k	75k

8. BUSINESS CASE – ALL GRANT REVIEW

24. These cuts/savings could be proportionately passed on to recipients reflective of reduced grant resources in each Directorate. When tested with CYP colleagues they felt this would put off potential child minders from coming forward, but actually there would be nothing stopping them from supplementing this reduced grant resource back to its existing level by making comparative savings elsewhere in the Directorate, should this prove a service priority.
25. Alternatively the Council could apply a strategic relevance review and apply cuts/savings disproportionately against particular recipients.
26. However either method perpetuates the historic weakness evident in Regeneration and Culture and Chief Executive's in that it continues to "advantage" those lucky enough to have received funding previously.
27. The existing grant process in those areas would seem less of a "grant" arrangement and more of a core funding one. It would instead be sensible to notify historic recipients that the historic approach is no longer sustainable, ends in March 2014, and encourage them instead to apply for an annual award based upon an agreed reduced grant resource and establishing criteria for selection – more of a true grant approach.
28. The advantages of this approach is it being more equitable both to Directorates affording the savings, and to the third sector generally. It would be easier for R&C/CEO to manage, but conversely more difficult for CYP – so no easy choices.

Option 3 – Convert core funding reliance to "Loan funding"

29. This approach could be linked to Option 2 above and involve **converting grants in full, or part, to loans to be repaid by recipients over an extended timescale e.g. 3 years**, whilst we work with historic recipients to assist them in sustaining their services in a different fashion.
30. The "loan" approach would have an advantage of giving historic recipients more time to reconfigure/sustain their services given they have historically very much relied on the Council providing core rather than grant funding, and that our funding may have assisted them in accessing additional resources on a match funding basis.

8. BUSINESS CASE – ALL GRANT REVIEW

31. However it is not suitable for multiple year funding as the effect of such loans becomes incrementally unsustainable and disproportionately burdensome to organisations in subsequent years. Actually this may not be a failing as it mitigates against a core funding approach. Due to lack of financial data requested to support grants previously, it is unknown whether past recipients have sufficient headroom to afford loan repayments, and perhaps a variable loan period or part loan/ part grant arrangement may assist individual resolutions. In order to mitigate against the volatile effect of loans unpaid, it will be necessary to convert most of grant resource to loans to also allow for a suitable provision for bad debts.

Option 4 – To Revise the Level of Savings required from this Mandate in light of revised Grant Resource

32. The Council could recognise the spirit of the original intention of making 20% savings but on the revised grants to third party organisations i.e. £32.5k, split between £13,000 in 2014-15 and further £19,500 in 2015-16.

33. This would allow officers more scope to apply a strategic judgement and relative merits approach. This is potentially quite a time consuming exercise as the Council has not previously required performance data/output from recipients to support a comparative judgement between schemes and doing it retrospectively given potential for future withdrawn funding likely to be more subjective.

34. It would leave £217,500 saving still to be find (£87,000 in 2014-15 and £130,500 in 2015-16), at a time when it is necessary still to find circa £2million in addition to the mandates to deliver a balanced budget for 2014-15.

35. The additional weakness with this approach is that it will tend to perpetuate support for those recipients that have historically derived core funding which is an unsustainable and inequitable proposition. As described under other options above, it would be sensible to replace existing arrangement in favour of an annual resource available to be bid upon each year. Grant supported providers need to know their award level in good time to enable them to plan their future services and provide stability. This option would allow the Council to continue to give grants to third party organisations.

8. BUSINESS CASE – ALL GRANT REVIEW

Option 5 – only applicable to supplement one of the options above.

Supplementary Option – Community Rent Relief Review

36. Income from MCC leased property is illustrated below:-

Year	Market Rent	Grant	Actual Income	Ave grant	Savings with grant reduced by 10%	Savings with grant reduced by 20%	Savings with grant reduced by 30%
2013/14	£52,380.00	£44,398.54	£7,981.46	84.8%	£4,439.85	£8,879.71	£13,319.56
2014/15	£24,500.00	£21,210.00	£3,290.00	86.6%		£4,242.00	£6363.00
Sub total	£76,880.00	£65,608.54	£11,271.46		£6,560.85	£13121.71	£19,682.56
2015/16	£10,704.00	£7,384.00	£3,320.00	69%	£738.40	£1,476.80	£2,215.20
2016/17	£12,250.00	£11,515.00	£735.00	94.0%	£1,151.50	£2,303.00	£3454.50
Total	£99,834.00	£84,507.54	£15,326.46		£8,450.75	£16,901.51	£25,352.26

The Council's community rent relief is based on a three year rolling programme, so even though £90,000 was originally identified as the extent of our concession, the ability to influence this is restricted to when current individual agreements expire. Consequently the extent of savings is restricted to 2013-14 and 2014-15 agreements initially. The Council would need to amend its policy to be able to realise any savings. As an indication, savings of £7,000, £13,000 or £20,000 are potentially achievable from reducing concessions by 10%, 20% or 30% respectively, and would allow true grants to voluntary organisations savings explored in Options 1-4 above to be proportionately reduced.

IMPORTANT

37. The focus for immediate attention has been satisfying the 2014-15 budget setting requirements. In addition to £200,000 worth of savings required as part of 2014-15 budget, the mandate indicates a further £300,000 necessary from grants for 2015-16. Whilst the options explore way of providing £100,000 savings for 2014-15, introducing such measures effectively precludes

8. BUSINESS CASE – ALL GRANT REVIEW

Regeneration & Culture, Children and Young People and Chief Executives from meeting savings targets associated with 2015-16 requirements.

Potential negative impacts

38. Potential negative impacts regarding the CYP entries are as follows:-

A1 & 2 Without the business development support provided by Clybiau Plant Cymru Kids Club and Wales Pre-school Providers Association, it would be difficult to develop new childcare provision and to sustain the existing provision.

A3 If funding for Mudiad Meithrin were to cease we would be unable to provide Welsh language support to pre-school settings and this could have a negative impact on the number of children entering Welsh medium schools in the future.

A4 If funding for Helping Hands grants is significantly reduced, this will result in children with special needs being unable to access the early education sessions they are entitled to.

A5 Small Grants is an extremely small funding pot but without it settings would have difficulty providing appropriate equipment to meet the specific needs of children with a disability.

A6 Many prospective child minders would not be in a position to proceed if there was no help towards start-up costs.

A7 Without training grants some of our childcare providers would struggle to meet National Minimum Standards.

39. Potential negative impacts regarding the R & C entries are as follows:-

B1 – the grant helps support a Scouting Coordinator. Dependent on the Scouts other sources of income, the organisation could potentially lose this post.

8. BUSINESS CASE – ALL GRANT REVIEW

B2 – as above, the grant helps fund a Coordinators post supporting the work of Gwent Young Farmers.

B1/B2 Both organisations provide a range of activities for the benefit of children, young people and adults.

B3 – the Gwent Theatre grant supports their running costs. Loss or significant reduction of grant could force theatre to close, impacting on current users.

B4 – drama and dance do provide young people with a healthy alternative to sport. Sport activity for girls tends to drop significantly in teenage years and dance, particularly, provides a healthy alternative. Social benefits are also apparent.

B5 – the proposed reduction to £1000 will still sustain our Night Out scheme. Total loss would potentially stop local performances in village halls.

40. Potential negative impacts regarding the CEO entry:-

C1 - The grant relates to our core GAVO offer of encouraging and supporting volunteer activity across Monmouthshire. There is strong alignment to the Single Integrated Plan agenda of 'nobody left behind', 'capable, confident and involved' and 'our County thrives'. Reducing or withdrawing funding could jeopardise GAVOs current operation in our County.

8. BUSINESS CASE – ALL GRANT REVIEW

Key Risks and Issues

41.

Risks – anticipated threats to the benefits						
Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
1. Failure to meet statutory duty in securing sufficient childcare arrangements	High	High	April 2014	CYP	Determine level of childcare provision needed, to ensure Childcare Act 2006.	CYP
2. Equality or legal challenge	High	High	April 2014	Dependent on directorate	Dependent on option pursued. Complete thorough EqIA, noting protected characteristics impact, and seek mitigations.	Dependent on directorate
3. Existing providers not able to sustain current provision.	Low to High (dependent on provider)	High	April 2014	Dependent on directorate	Assist providers in other ways, eg loans or business support. Seek alternative ways of delivery eg different venues.	Dependent on directorate (eg D Jones for R & C)
4. If providers are unable to sustain existing building use, pushes service (eg dance) into	Medium	Medium	April 2014	D Jones	Work with providers to seek alternative venues.	D Jones

8. BUSINESS CASE – ALL GRANT REVIEW

leisure centres that often lack capacity.						
5. Negative local publicity if long established services affected.	Medium	High	April 2014	Dependent on directorate	Keep local media informed re overall purpose, outcomes etc.	Dependent on directorate
Issues – current threats to the benefits						
Description	Priority	Issue Owner	Action		Action Owner	
Less provision of non- statutory services.	Medium	Dependent on directorate	Need to explore new support opportunities, review existing non- discretionary grants, support those demonstrating a positive return on investment.		Dependent on directorate.	

Constraints

42. Political decision needed as to which option, (or combination of options), to take forward. Council could have a negative backlash from those with vested interests, not accepting the changing future landscape.

Evaluation and comparison of options

Option 1 – effective end of grant programme

43. As stated in paragraphs 15 & 16, if CYP unable to make any savings against the grants they administer, the full £100,000 saving must be met by R & C and CEO's. This would end the existing grants programme.

Positive – full savings made within timescale and avoids any subjective strategic relevance tests.

8. BUSINESS CASE – ALL GRANT REVIEW

Negative – significant criticism from community and reputational damage; weakens our local relationships; reduces choice locally, (eg if community theatre or dance centre closes); potentially returns service to MCC administration which could be a burden on stretched services or venues.

Option 2 – proportionate approach and re-applying for grant

44. Option designed to sustain our limited grant resource better, whilst still achieving the necessary savings. CYP would need to save £37,000, R & C £50,000, CEO's £13,000, to get to £100,000 saving target.

Positive – proportionate reduction fairer for Directorates, and to third sector parties; Directorates could save to find their saving allocation elsewhere in their services, should the grants they administer be a priority area; this provides a 'true grant approach', ie third sector providers bid from a defined pot; fairer application approach would ensure less likelihood of challenge.

Negative – the degree of reduction, if to be found exclusively from existing grant budgets, may prevent some from continuing; more time consuming, noting applicants would need to apply and MCC would need strict and consistent review criteria.

Option 3 – convert core funding reliance to 'loan funding'.

45. Positive – existing providers will have more time to adapt to sustain their services; could be flexibility through a variable loan period or part loan/part grant arrangement.

Negative – past recipients may struggle with loan repayments; could become incrementally unsustainable and disproportionately burdensome to organisations in subsequent years; provision would be needed to cover bad debts. Unlikely to be beneficial or suitable for arts and cultural organisations which, by definition, require grants subsidies from public sector ie Arts Council and/or LA's to operate throughout the UK.

8. BUSINESS CASE – ALL GRANT REVIEW

Option 4 – to revise the level of savings required in light of revised grant resource, (at £175,030).

46. Positive – recognises original intention to make approx. 20% saving, and revises down saving expectation to £13,000 14/15 and £19,500 15/16; gives more time to apply a strategic judgement.

Negative – Original saving amount would still need to be found to deliver the 14/15 MCC budget; perpetuates a financial dependency culture; favours existing beneficiaries over other potentially worthy third sector providers.

Option 5 – to supplement one of the options above – reviewing existing community rent relief.

47. Positive – potential savings as indicated in paragraph 33. If concession reduced by 30%, this would yield £20,000. Continuing with an option above would thereby increase, by £20,000, the amount available for grants (option 2), loans (option 3) or reduce the budget saving expectation (option 4).

Negative – although current relief levels seem generous, recipients may already be facing financial hardship; Policy on rental relief would require amendment ASAP to maximise income.

Recommendation

48. Preferred option would be ‘Option 2’, for the reasons stated. This provides more equitable grant provision with the proposal including establishing criteria for selection. Finding a £100,000 saving from the total spend of £175,030 is challenging, representing a 57% reduction. It is also recommended that ‘Option 3’, which involves converting core funding to loan funding, is pursued in 2014/15. Similarly, to contribute to the 2014/15 saving target and beyond, it is recommended that ‘Option 5’ – reviewing the community rent relief scheme – is considered to provide some additional (up to £20,000) income in future years.

8. BUSINESS CASE – ALL GRANT REVIEW

Delivery

49. Our plan for delivery will depend on the option selected. Clearly existing recipients of Council grants will need to be informed urgently to enable them, should they need to, reconfigure and sustain their services.

8. BUSINESS CASE – ALL GRANT REVIEW

Appendix 1

Non Supported Expenditure Grants and Service Contracts 2013 – 14

Non Supported Expenditure Grants are grants that are not simply passported from grant income received from a third party but are funded from base budget

Directorate	Grant Name	Purpose	Value	Cost Centre	Service Comments
A. Children & Young People					
1.	Clybiau Plant Cymru Kids' Club	To provide support for out of school childcare clubs (18.5 hrs per week)	£19,982		For vol organisations and pre school. These organisations get community grants from WG and this is our match funding. Pays for a development worker. Without this we cannot sustain our provision or set up new provision.
2.	Wales Pre-school Providers Association	To provide distance support for playgroups & nurseries (10 hrs per wk term time only)	£5,000		Provides distance support for a help line for HR / Legal, if MCC could provide this we could save.

8. BUSINESS CASE – ALL GRANT REVIEW

3.	Mudiad Meithrin	To provide welsh language support for cylch meithrin & 'ti a fi' (8 hrs per wk term time only)	£4,000		To provide support workers for Welsh Medium settings - statutory requirement.
4.	Re: Helping Hands Grants Approved providers of Early Education	To fund 1:1 workers at settings to enable children with Additional Educational Needs to access their entitlement to 5 sessions a week of free early education	£18,700		To allow 3 year olds with additional needs to attend childcare providers. Providing one to one support needed to meet statutory provision
5.	.Approved Providers of Early Education – Small Grants	To purchase resources to meet specific needs.	£1,000		Small grants for approved providers of early education are used to purchase specific resources or equipment required to meet the needs of a child with disability.
6.	Child minder Start up Grants Prospective/Start up Grants	To fund 'CYPOP5' course for prospective child minders, needed for registration. Professional Association of Childcare & Early Years Business Start up Pack and up to £100 towards safety equipment upon registration	£6,000		LA had to provide a minimum of £300 to child minders - this is via grants and training Some authorities put timescales around this ie have to register within certain time and stay registered for a min time or pay it back

8. BUSINESS CASE – ALL GRANT REVIEW

	7.	Training Grants to Childcare Providers	To provide First Aid, Food Hygiene & Child Protection training for all childcare providers to ensure they meet the National Minimum Standards	£10,000		Childcare Act - LA need to ensure that there is sufficiently trained child minders. This is used to support that provision.
				£64,682		
Directorate		R & C Grant Name	Purpose	Value	Cost Centre	
B. Regeneration & Culture						
	1.	Gwent Scouts	This amount was transferred from the former Gwent CC to MCC in 1996, to cover the cost of a project officer county-wide. Helps support healthy activity for CYP in many successful beaver/club/scout clubs across the county.	£13,746	L100 Dept Management	20% reduction to grant implemented for 2013/14
	2.	Gwent Young Farmers	As above transfer of funding from Gwent CC. Pays for a co-ordinators post	£13,746	L100 Dept. Management	As above
	3.	Gwent Young People's Theatre	Arts Council funding completely withdrawn April 11, and MCC's 'theatre in education'	£17,856	L108 Gwent Theatre in Education	As above

8. BUSINESS CASE – ALL GRANT REVIEW

		element also withdrawn. GT geared to youth theatre - writing, production, performance.			
4.	Dance Blast	This grant enables Dance Blast to provide activities throughout Monmouthshire. It helps to support and strengthen MCCs CYP objectives but also reaches adults and older people in the community.	£40,000	L232 Arts Development	As above
5.	Night Out Scheme	this pays for underwriting guarantees, should performances be low for productions in our theatre circuit scheme, (to village halls etc.)	£3,000		Budget for 14/15 to be reduced to £1000 as this is the maximum expenditure to support scheme.
6.	Community Rental Relief	Rent relief provided to community clubs etc.... This is a forgoing of rental income rather than a grant payable	N/A	F007 Estates	Currently Estates receive £16,966 rent from 27 lease holders. The 27 lease holders receive rental grants ranging from 40% to 95%. If a less generous rent relief scheme was introduced, more income would be forthcoming.

8. BUSINESS CASE – ALL GRANT REVIEW

			£88,348		
Directorate	CEO Grant Name	Purpose	Value	Cost Centre	Service Comments
C. Chief Executives Office					
	Mon Development Officer (GAVO)	Grant towards the funding of the Monmouthshire Office and Community Development Officer. Part of SLA agreement.	22,000	X050 Donations	The grant relates to core GAVO offer of encouraging and supporting volunteer activity across Monmouthshire. There is a SLA to support this work.
			£22,000		
	Grant Total		£175,030		

8. BUSINESS CASE – ALL GRANT REVIEW

Savings Proposal: Review of Council Grant funding to third party providers		Responsible Officer:	
Proposal number:8		Dave Jones/Mark Howcroft	
Division R & C CYP CEO		Date 24/10/2013 & 15/11/2013	
Service area			
Protected Characteristic	Negative impact	Neutral Impact	Positive Impact
Age	x		
Disability	x		
Marriage & Civil Partnership		x	
Pregnancy & maternity		x	
Race		x	
Religion or Belief		x	
Sex (was Gender)	x		
Sexual Orientation		x	
Transgender		x	
Welsh Language			

8. BUSINESS CASE – ALL GRANT REVIEW

Please give details of the negative impact/s
➤ Age – Reduction or removal of grant would have an adverse impact on the service users which include youngsters (including pre-school) and elderly and intergenerational.
➤ Disability -Reduction or removal of grant would have an adverse impact on the service users which include disabled youngsters or adults. For example, current grants support Dance Blast and Helping Hands.
➤ Sex - One of these grant recipients run a service that is predominantly provided for young females ie Dance Blast.
➤ Welsh Language - To remove the funding from Mudiad Meithrin would prevent Welsh Language support in pre school settings.

The next steps

If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact eg mitigate/amend or carry out engagement/consultation.

At this particular point of the process we are not in a position to consider any clear cut mitigations, as this will depend upon the option that is pursued.

Signed

Dated

8. BUSINESS CASE – ALL GRANT REVIEW

Notes re discussions on equality impact

24th October 2013

It is uncertain whether CYP budgets are protected by WG guidance. This could result in no capacity to reduce CYP projects. Reducing grants to GAVO may result in possible redundancies. Reducing Community Rental relief will require policy change and would be a time consuming process. Further discussions are necessary with Officers to understand exact budget expenditure within the mandate.

7th November 2013

Option 1 – Is budget for all CYP projects and GAVO ring fenced? Are child-minding start-up grants offered due to WG guidance? Is GAVO grant part of an SLA agreement? If so, there will be no budget for voluntary sector grants programme.

Option 2 – Reduce grant budget and request all projects to bid for remainder of pot. The bidding process would not be exclusive for existing grant recipients. Do projects link with corporate objectives? i.e Your County Your Way and the SIP. Strategic approach - undertaking a comparable analysis on projects' beneficiary evidence and outcomes would determine successful applicants. A criteria will need to be approved in order to ensure process is robust and fairness is demonstrated.

Option 3 – Review rental relief (potential for approx. 15k saving). Can we influence any concession as and when they expire? Each lease agreement differs in terms of length and conditions.

Option 4 – Propose a reduction of 10% across overall funding. The grants application and EQIA process could potentially reduce/increase projects allocation.

8. BUSINESS CASE – ALL GRANT REVIEW

Further Notes:

- In order to mitigate some negative impact, consultation with individual projects/budget holder is essential at earliest opportunity.
- R&C group took 20% reduction last year.
- Gender balance needs to be acknowledged as part of any bid application process.
- Projects may rely on LA grants in order to attract match funding grants from Arts Councils and other agencies.
- Councils can make a decision to remove voluntary funding from an equalities perspective.
- An EQIA is required during the bid application process.

Actions:

Mark to work up options appraisal.

Dave to collate historic and detailed information from Officers with knowledge of each provider. Compile report.

Richie to ensure process is clear and consistent

15th November 2013

Alan Burkitt and Dave Jones completed initial EQIA screening form, as attached.

18/11/2013

11. DETAILED MANDATE – RC HIGHWAYS OPERATIONS AND TRAFFIC MANAGEMENT

Agenda Item 4iia

The Proposal Mandate enables the Cabinet to decide whether to commission the detailed planning and design work to fully define the proposal. It presents the high-level Business Case for the programme and addresses the key question: How much potential is there for a saving in this area?

This template is accompanied by guidance on how to complete the Proposal Mandate.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	24/09/13	Draft	R&C	
2	29/10/13	Draft	R&C	Steve Lane

Approval

Cabinet sign off to proceed with proposal detailed work, given by		Date	
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Distribution List

Name	Organisation	Job title / Dept

Business need

Statutory obligation surrounding providing a safe highway infrastructure, complying with Council adopted policies in relation to winter gritting/maintenance.

Seek cheaper operational models such as reduced use of sub contractors.

Response to public demand surrounding traffic management, providing planning advice on highway matters, managing utilities, skips, scaffolding etc. in the public highway.

Outcomes

Reduced winter maintenance service cost without detrimental effect upon highway safety. New biodiversity policy will support pollinators, indigenous flowers, birds etc. whilst reducing service costs overall.

Rationalisation to one mgt team/ 2 operating centres will not detract from front line services.

Investment into plant and equipment to offset reduced reliance upon sub-contractors.

Proposal Vision

Winter maintenance staff presently receive a standby payment to be available (assuming they are rota'd on) whether they work or not. This will be negotiated out to be replaced by a payment for when the weather forecast suggests conditions will be such that staff may be required and therefore should be on stand by..

Gritting routes will be arranged to suit temperatures at different heights. In other words when forecasts suggest freezing only above say 100m metres then only roads affected will be treated rather than all roads (as is current practice).

Gritting routes will be arranged to ensure Urban Routes, that are generally warmer, better drained and at less risk to frost than Rural routes are salted when required rather than treated as part of whole network

Verge maintenance and cutting regimes will remain the same for our unclassified R and C routes with 2 cuts per year. Our Principal A and B routes will receive 2 'safety cuts' (i.e. cuts to visibility splays only) thereby allowing plants to flower and seed.

This will reduce maintenance costs whilst supporting a new biodiversity programme.

Reduce reliance (and cost) incurred with sub contractors by investment in additional equipment for use by our direct workforce.

Improve street furniture management, possibly licensing and regulating the placement of A boards, tables, chairs etc. Offer advertising opportunities (at a cost) within the towns and on approach roads.

Reduced management structure and reduced workforce.

Benefits

Describe the measurable improvements that the proposal will achieve.

Benefit Description	Current Budget	Target savings	Timing	Benefit owner
	<i>Net Highways Budget £3.7M – total of savings listed equate to 11% of budget`x</i>			
<p>Reduce winter maintenance stand by payments Currently 12 men are paid to be on standby from November 1st to March 31st (period adjusted based on longer range forecasts). These payments are made regardless of requirement to salt. Proposal to remove fixed payment and to make payments based on forecast at the time</p>		<i>£15K saving</i>	<i>Negotiate now-benefit in 14/15</i>	Mark Watkins Steve Lane Andrew Welsh
<p>Reduce stand by payments to Officers Combine Highways / Emergency Planning / Property Services Duty Officers into one system with one Officer as first point of call for MCC out of hours contact</p>		<i>£15K saving?</i>		Steve Lane
<p>Gritting routes more altitude / urban based Installation of a new weather station required at a cost of 20k. Enabling more accurate weather information. This will allow fewer routes to be called annually at the lower levels but still maintaining our network coverage. Reduced salt into the roadside environment, reducing our carbon footprint, more need based and service savings will result</p>		<i>£15k</i>	For 14/15 if not feasible for 13/14	Mark Watkins

<p>New biodiversity policy with reduced verge maintenance</p> <p>R and C routes remain with 2 cuts per yr as existing. Carry out 2 SAFETY CUTS ONLY (visibility splays) to Principal A and B routes. Areas outside this classification will be left to grow to assist with our environmental requirements and receive a cut in its entirety during the Principal Route second cut (winter cutting period). Utilise MCC staff on the safety cut to Principal A and B routes instead of sub-contracting this operation. Remove all highway horticultural sites. Replant MCC shrub beds in a more sustainable manner.</p>			New policy by spring '14	Andrew Welsh/Alison Howard
<p>Reduced cost / reliance upon sub contactors</p> <ol style="list-style-type: none"> 1. Three new mini 360Deg Mini Excavators to replace 180Deg Backhoe Excavator. Trialled, tendered and ready to go 2. Three new Multiuse HGV vehicles capable of winter maintenance and normal HGV duties such as loading and tipping. Ordered and due to arrive jan14 3. Reduction of fleet while reorganising for 2 depot operation. Further rationalising of service in line with budget / statutory service provision may see larger savings 4. Purchase 'Patch planer' to undertake work through Revenue and Capital budgets. Planer investment £110k and transport investment £60k. Improve quality, productivity and speed of carriageway patching while reducing reliance on contractors. 		<p><i>£34k saving</i></p> <ol style="list-style-type: none"> 1. £40k 2. £6k 3. £15k 4. £55k 	<ol style="list-style-type: none"> 1. Jan 2014 2. Jan 2014 3. April 2014 4. Requires order end Nov13 to see full year savings in 14/15 	Steve Lane

<p>Better management and regulation of street furniture and exploit advertising. Increased charges and fines for apparatus on the street</p> <ol style="list-style-type: none"> 1. Drawing together a licensing policy to cover 'Management of Commercial Obstruction on the Public Highway'. To include A Frames, Flyposter, Static Advertising, Community furniture and Commercial Activity. 2. Static Advertising. Provision of signs on posts in verges and other prime locations to provide opportunities for Monmouthshire Business' to advertise their services. Initial set up cost 75% of first year rental but will reduce drastically in year two on. 		<ol style="list-style-type: none"> 1. £10k surplus for whole year. 2. £20k in whole year once 40% take up 	<p>Prepare strategy for start of 14/15</p> <ol style="list-style-type: none"> 1. 6 month surplus in 14/15 2. First whole year 15/16 although ready to trial in April 2014 	<p>Steve Lane Ryan Pritchard</p>
<p>Reduced management structure and workforce for highways ops and traffic and development</p> <p>1 - Highways Ops : Roadworker reductions through retirement and natural wastage 2 - Highways Ops : Restructuring to one management team with one operating depot in South and one operating depot in North</p> <p>3 - Traffic and Development : Staff reduction through retirement and natural wastage.</p>		<ol style="list-style-type: none"> 1. £100k 2. £50k 3. £55k 	<p>Delivered by start of 14/15</p> <ol style="list-style-type: none"> 1. April 14 2. April 14 3. April 14 	<p>Roger Hoggins</p>

Non - Financial Benefits

New biodiversity policy more sympathetic towards pollinators, flowers, wildlife generally
 Better control of street furniture and apparatus. Improved advertising opportunities for businesses

Dis-benefits

Loss of jobs
 Sub contractors losing turnover
 Gritting regimes are more sensitive to weather forecasts
 Much greater pressure upon remaining staff to maintain service levels

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Draw up and implement new staffing structure	By April '14	By		
Prepare new biodiversity policy	By spring 14/15		n/a	Andrew Welsh
Purchase new plant, advise sub contractors of new strategy	By start of 14/15		£200k	Steve Lane
Prepare and get council approval for a new winter maintenance policy	By summer 2014		£20k	Mark Watkins Steve Lane
Negotiate reduction in terms and	During winter '13			Mark Watkins

conditions (winter mtce stand by)				Steve Lane Andrew Welsh Roger Hoggins
EqIA – full assessment				
Preparation of new street furniture and advertising policy	During winter '13		£10k	Ryan Pritchard Steve Lane

Quick Wins

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits

Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Speed of implementation of change (consultation, notice periods, decision making process,) and resource available to deliver this	High	High	Becomes an issue as soon as approval given to proceed	HoS	Early decisions with clear action plans and lines of responsibility to deliver	HoS
Adverse public reaction to winter maintenance policy. New management structure struggles to manage	Medium	High	As soon as new structures are	Highways managers	Better briefing of front line first contacts on highway matters, clear advertising of new policies	OSS managers, highways managers,

public/member demands for service, correspondence, response to complaints etc.			introduced			comms team
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Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
Resources available to deliver on policies, implementation plans etc.				

Financial Information

If known at this stage provide the following information for delivering the proposed saving:

- Set out the estimated financial costs or investment required
- List all currently identified or potential sources of funding.
- Outlining all your assumptions.

Constraints

Describes any known constraints that apply to the proposal.

Assumptions

Describes any assumptions made that underpin the justification for the proposal.

Proposal Capability

Describe how the organisation will provide the necessary resources and capability required to carry out the proposed activity successfully.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the Mandate. Use the version and authority sign-off on the front page.

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Agenda item 4iia

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
Vers 1	29/10/13	draft	Tony Wallen	

Approval

Cabinet sign off to proceed with proposal		Date	
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Distribution List

Name	Organisation	Job title / Dept

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Executive Summary

The proposal has been developed to further reduce the MCC energy bill, utilising already installed new technology, to dim lights by 50%, and switch 4500 residential lights off, at designated times. This proposal will reduce costs and cut carbon emissions by around 1000 tonnes per year. The proposal is to undertake the switching off during the early hours, to reduce the impact on residents and criticism of the authority. To achieve the target saving of £180K, no further investment will be required during 2014/15.

The main risks are:

1. The public/police do not accept the proposed changes as reasonable and a proportionate response to the current financial situation.
2. The unknown level of future energy prices.
3. The unknown cost of the new SL maintenance contract, which commences April 2014.

The Equality Impact Assessment results have been attached.

Detailed Business Case

Vision :

That Led lighting is introduced as when costs become affordable, dimming technology and the electronic remote monitoring system continues to be rolled out as funds permit. That the majority of lights are routinely dimmed to 50% and/or switched off after certain times. Communities are kept informed of changes and offered the opportunity to comment. This dialogue could form part of the MCC Your County Your Way initiative.

Outcomes :

The proposal will where possible, reduce a large number of lights presently illuminated all night, and as many as possible of the remainder will be dimmed by 50% every evening. Not all lights need to be illuminated all of the time so a regime where lights are dimmed, and switched off after a certain time will reduce the energy bill and reduce the carbon footprint of MCC. The proposal could be implemented for the 2014/2015 financial year.

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Blue Print

The Future State

The future state could be the combined provision of highway related electro mechanical services undertaken by SWTRA and MCC. SL staff could be intergated within the developing SWTRA organisation, that will oversee the private sector contract for street lighting maintenance services to SWTRA, Torfaen and MCC, from April 2014. The aim of this collaboration, within the geographical area of South East Wales, is to achieve a reduction in service costs, by combining the the lighting stock of over 30,000 units, to produce an economy of scale that will improve efficiency and promote the delivery of a consistant level of service. One existing MCC SL staff member, could be intergrated within the existing SWTRA staff organisation to manage all aspects of the electrical and mechanical services provided to MCC and SWTRA. The remit could include all highway electrical/mechanical systems, including traffic signals, street lights, pumping stations, trunk road lighting patrols, electrically monitored petrol interceptors and any other function that is deemed appropriate. The technology for the remote switching of around 4500 streetlights will be in place by April 2014. This will permit the switching and dimming of much of the residential SL network to achieve energy savings and reduce the MCC carbon footprint. The focus will be in Monmouth, Chepstow, Usk and Abergavenny.

Current state and gap analysis

Currently SWTRA SL and MCC SL functions are separate.

Much ground work and investment has been undertaken within MCC, over the last 5/6 years. To achieve remote monitoring of the remaining 5500 SL units would require a further investment of around £1.2M and could take around 2 years to achieve.

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Section	Description of current state and changes		
	Current State	Changes needed to Current state or actions needed to resolve outstanding issues	Assumptions/constraints
Process	Energy savings of £60K were achieved in 2012. For the current 2013/14 financial year it is anticipated the bill will be around £360K.	Operation of the existing SL remote monitoring system to switch off lights in residential areas. Dimming of main road lights Switch off carpark lighting.	That Police and residents accept changes
Organisation structures	One SL engineer and one SL inspector.	One SL engineer transfer to SWTRA trading account.	
Technology/infrastructure	The existing staff work out of a building provided by the maintenance contractor free of charge. The Mayrise management system and operation of the SL remote management systems are internet based.	The new SL maintenance contract requires that office accommodation is available for MCC staff. Continued use and development of the current electronic systems is also a requirement of the contract.	
Information and data	Currently via the Mayrise management system and Harvard SL remote monitoring system.	The current electronic systems will be required to operate the future state.	

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Option 1

Option 1 fulfils the blue print for the future state above by :

a. The reduction of the energy bill can only be achieved by reducing the burn time of lanterns (eg switching off), and/or by reducing the power with which the lanterns are operated, eg dimming, and using more efficient lanterns.

To achieve the large savings specified, both approaches will be required. The new technology installed over the last few years will enable a large number of units to be remotely operated requiring no site visits or additional equipment, and therefore no additional costs.

Any other option of switching off will be costly, due to site visits, attaching notices to SL's to inform that the unit has been completely switched off, and potential costs from the network operator who could require removal of any unit not in full operation.

b. Savings can be achieved by utilising the existing MCC staff within the SWTRA income generation areas.

c. Turning off MCC carpark lighting via a single time switch at each location.

d. Reduced lantern maintenance, due to the reduced burn hours.

Recommended Option 1 savings:

Switch off all street lights in main town residential areas, where remote control systems have been installed, from midnight to 05:00hrs.

Saving around **£85K**

Dimming all main road street lights from 20:00 to 07:00hrs. Saving around **£32K**

Transfer MCC staff costs to undertake SWTRA service provision. Saving **£25K**

Reduction in SL maintenance costs. Saving around **£38K**

Total projected saving £180K during 2014/15

Any other options will require significant investment in equipment and technology with an payback period of between 6 to 10 years, and would not be in place for 2014/15.

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Cost-Benefit Analysis

Each options needs to describe the costs and benefits of that option overtime.

Cost/Benefit Description	Current Budget	Target Saving	Timing 2014/15	2015/16	2016/17	2017/18
Cashable benefit						
<i>£180k</i>	<i>£800K of which £360 is energy in 2013/2014</i>	<i>£180K</i>	<i>£180K ongoing</i>	£0	£0	£0
Non financial benefits	Current performance	Target performance				
Eg improvements in service	<i>Current carbon emissions around 2000 tonnes per year</i>	<i>Future carbon emissions around 1000 tonnes per year</i>				
Cost	Current costs	Revised costs				
Eg any one off costs, or increases in operational costs which need to be netted off the savings	None if the remote switching technology is utilised on the 4500 SL units. Energy inflation costs for 2014/15 will not be announced until Jan 2014. The rates within the new SL service provision contract will not be known until March 2014.					

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Dis-benefits

Monmouthshire residents will by enlarge, view the switching off of street lights as a reduction in service, and may react negatively. This could potentially result in a significant increase in work load for officers, and reduced confidence in elected members. The Equality Impact Assessment results are attached.

Key Risks and Issues

Risks - anticipated threats to the benefits						
Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Public/Police reaction Members requesting lights to be restored	medium	high	At any time after implementation	MCC cabinet	Public consultation, Police dialogue with Town Councils and Community Councils	R&C
Potential for increased number of insurance claims against the authority	medium	high	At any time after implementation	MCC cabinet	Increased asset/highway inspection regime in areas of switch off	R&C
Energy price increases	high	high	Jan Feb 2014	Budget holder	Size of increase will determine action required	
Maintenance cost increase, current costs are						

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

based on prices from lowest private sector tender in 2007. New tender to be in place 1 st April 2014	medium	high	March 2014	Budget holder	Any increase will have to be carried within the existing budget	
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Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
Any budget cut by 50%, in any area, is going to be challenging. It will be difficult to motivate staff , (and the public), to embrace this cut in service.	high	Budget holder	Increased budget monitoring	R&C

Constraints

The above option could be achieved during the 2014/2015 financial year.

Assumptions

The option assumes that officers and members accept that few (if any), exceptions can be tolerated with regard to switching off lights, where the equipment is currently installed to do so.

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

Recomendation and Evaluation and comparison of options

To achieve the savings required, within the specified timeframe, the the options are extremely limited. However, the proposal should enable the saving target to be achieved using MCC'S new remote control technology and energy efficient lanterns, that have been installed progressively over the last five years, requiring no new up front investment. Wholesale switching off and even removal of streetlights in other LA's has caused significant problems. The switching off of residential SL's remotely between midnight and 05:00, when the highway is least used, is a more proportionate approach which may be more acceptable to residents and members.

High level Plan for delivery

The SWTRA manager and SL budget holder, will be responsible for delivering the approved option. Commence dialogue with Police, Town Councils, Community Councils and One Stop Shops prior to implementation in April 2014. Financial outturn reports will be produced during the 2014/2015 financial year to ensure that the projected savings are on target.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the preferred option for onward approval by Cabinet. Use the version and authority sign-off on the front page.

12. BUSINESS CASE – RC STREET LIGHT SAVINGS

12. EQIA – RC STREET LIGHTING SAVINGS

M.C.C. Financial Savings “Equality Challenge” 2014 15

Savings Proposal: Street lighting savings		Responsible Officer: Tony Wallen	
Proposal number: ____ 12			
Division R+C		Date 4 th November 2013	
Service area			
Protected characteristic	Negative impact	Neutral impact	Positive Impact
Age		X	
Disability		X	
Marriage + Civil Partnership		X	
Pregnancy and maternity		X	
Race		X	
Religion or Belief		X	
Sex (was Gender)		X	
Sexual Orientation		X	
Transgender		X	

Welsh Language		x	
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Please give details of the negative Impact/s
➤
➤
➤
➤

The next steps

If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact: E.g. mitigate/amend or carry out engagement / consultation

TW has been told to save 180k from a 360k energy budget that is a combination of electricity for street lights and other sources such as bollards, traffic lights and Christmas lights. Accepting that it is potentially contentious when you switch off street lights completely, TW noted there was a remote control system in place that can control the dimming settings also, which doesn't cost anything as a technician does not have to be sent out. AB asked if there would be criteria that would allow for exceptions to be made for turning on the lights as perception of crime does stop people from leaving the house in the dark. AB - Are you doing an assessment of what lights to turn off completely? TW – no, got to do it all and then react. Looking at turning off lighting after 12am, use a lot more dimming that has been done for the last year with no complaints so far as it is not visible to the human eye – saved 60k last year, use more on main roads. Will turn out car park lights – if turn them off completely save 26k, if only from 12am-5am will save 15k. AB - Could be an issue with people with visually impaired people. Solar powered street lights are rubbish, won't last. Got 10k street lights. Mitigation part is under what circumstances you would look to reinstate lights. If somebody challenged, a mitigation will be we will look after the most deprived people in county. Need to raise as potential issue but the level of it is unknown and can only react to. Is there a legal angle to do with car park lights – during hours do we have a duty of care to payers. **Need to be aware of potential night time parking and charging policy as will be contrary to turning off lighting in car parks overnight.**

13. BUSINESS CASE – RC STREET SCENE SERVICES INCLUDING PEST CONTROL

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	28 th October 2013	Draft	Rachel Jowitt/Glyn Edmunds Dave Jones (Head of Public Protection)	

Purpose

1. To provide a draft business case for Select Committee consideration for budget proposals relating to street scene and pest control

Street Scene Current Service Provision & Proposal

2. Street cleanliness is one of the most visible services a Council can provide. As well as ensuring statutory compliance with the Environmental Protection Act (1990) for clean and safe roads, clean streets, roads and pavements contribute to community sustainability and well-being. A clean environment is seen as a vibrant and safe place within which to work, live and play.
3. MCC currently has the following provision:

	Abergavenny	Monmouth	Usk	Chepstow	Caldicot	Villages
Manual sweepers	2*	1	1	1	1	0
Precinct sweepers	1	1	0	1	1	1

(*MCC has a partnership arrangement with Abergavenny Town Council where by a manual sweeper is funded 50% by each partner. The costs of this partnership are not included in this proposal).

4. Manual sweepers are operatives who have a cart with brush who monitor and clean the streets in the main town centres. The average cost per operative with full on-costs is £24k. Precinct sweepers are the large mechanical sweepers which clean the streets in their designated area on a scheduled basis. The average cost for a sweeper (full costs – hire, fuel, repairs, insurance etc) and operative is £65k.
5. The Monmouthshire provision is complimented by a plethora of community and volunteer activity ranging from formalised arrangements with MCC, Keep Wales Tidy initiatives, “friends of” groups to community spirited individuals who sweep streets and pick up litter on their own accord. With dwindling public resources the role of communities, volunteer groups and even Town and Community Councils will be enhanced, particularly in the sphere of public realm issues, where there are opportunities for local management and organisation of these functions.

The Proposal

6. The proposal is to reduce funding levels in street cleansing, with a reduction in manual sweeping operations and the removal of the village sweeper which will be accompanied by new schedules of the town sweepers to ensure a level of provision for villages. The table below sets out the proposal:

	Abergavenny	Monmouth	Usk	Chepstow	Caldicot	Villages
Manual sweepers	1	1	0.5	1	0.5	n/a
Precinct sweepers	1	1	0	1	1	0

7. The above proposals would return a saving of £115,000 (£50k from manual sweeping reduction & £65k for precinct sweeper reduction).
8. The rationale for the proposed reductions in certain areas are based on population levels and street cleansing surveys which MCC undertakes as part of their street cleansing performance indicator return.
9. It should be noted that these reductions are to be accompanied with a dialogue with Town and Community Councils on whether they would want to either invest in the service or take over certain cleansing activities. For example MCC already have a partnership with Abergavenny Town & Community Council on sharing the cost of 1 manual road sweeper. However it must be noted that the statutory duty for “keeping the public highway and public land so far as practicable, kept clear of litter and refuse” (Environmental Protection Act 1990) would remain with MCC as the duties as per WG Guidance (2007) are not transferrable.
10. It is recognised that this proposal is a reduction in a front line visible service and will potentially have an impact on the cleanliness of our communities. However it is proposed that with a renewed focus on community action, working in partnership with organisations such as Keep Wales Tidy that the impact can be mitigated and a sustainable solution with a reduced reliance on public funding can be found to keeping our communities and public places clean and tidy. For example the proposed reduction in Caldicot could be mitigated by an early dialogue with the Total Place agenda and the Town Team which has been recently been established.

Implementation Process

11. The precinct sweepers are hired on a three yearly basis and 2 are due to expire in March 2014. Therefore there will no financial impact on end hiring/leasing agreements early. In terms of staff it is hoped that the reductions can be covered by natural wastage rather than redundancies.

Pest Control Current Service Provision and Proposal

12. Local authorities have a statutory duty under the Prevention of Damage of Pests Act 1949 to keep their area free from rats and mice and in particular:
- carry out inspections from time to time;
 - destroy rats and mice on land in their ownership; and
 - enforce private landowners to keep their land free from rats and mice.
13. In terms of the above, Environmental Health undertake functions (a) and (c) and Council departments arrange for pest control treatment for their own property/land to meet requirement (b). The provision of a free pest control service to Monmouthshire households is therefore over and above the legislative requirement and has been undertaken to help meet the general requirement to keep areas free from pests and to help protect public health. There is therefore no statutory duty to provide a free service or indeed a pest control service at all, as some local authorities simply use Environmental Health teams to perform the above functions to ensure compliance with statutory requirements.
14. The primary reason for supporting the public in pest control is to protect public health. Pests are carriers of diseases such as murine typhus, Q fever and salmonella and cause unhealthy living conditions.
15. Monmouthshire has provided a free service to the public for rats, mice, fleas and bed bugs/cockroaches for over the last twenty years. The Council contracts the service to P&P Pest Control a local company who has an excellent record of service delivery and customer care.

Pest Figures in Monmouthshire

16. Monthly data is provided which allows us to monitor the pest issue in Monmouthshire. For the last few years MCC and their contractor P&P have dealt with the following:

	2009/10	2010/11	2011/12	2012/13	2013/14 (1 st 6 months)
Visits	1806	1559	1557	1883	767
Follow-Up	4868	4210	4339	5485	2254
Rats	1160	1107	977	1160	564
Mice	366	378	480	542	151
Fleas	76	67	99	173	48
Bedbugs	2	7	2	8	4

17. From the data it can be seen that even with initiatives such as fortnightly collections introduced in 2009/10 and the recent waste changes an increase in pests particularly rats has not occurred.
18. The service cost obviously varies depending on public requests however £90k is estimated at the beginning of the year. In 2011/12 the service cost £78k, in 2012/13 £97k but the forecast at month 6 for 2013/14 is £80k.
19. Further analysis has demonstrated that requests for service is not contained to a certain area or demographic group e.g. our more deprived communities. Analysis undertaken on Abergavenny data between 2003-2011 demonstrated that there was no discernable trend on access of pest control services between more deprived and affluent communities.

The Idea of Charging

20. In 2012/13 political commitment was given to introducing a charge for pest control services. A high level scoping document was taken to Strong Communities Select Committee in January 2013 which discussed the various options for introducing a charge and the pros and cons of each one.
21. The charging scheme has not been introduced for two key reasons:
 - Over the summer it became clear that the financial situation facing the Council was far worse than when the proposal for charging was introduced. As the charge had not been implemented the proposal was re-considered in light of the poorer financial forecast and was reconfigured to meet the new financial demands.
 - Timescale of implementation – the priority for officers the first six months of the year was the major recycling and waste changes. The process for moving to a charging scheme was due to start in September. Once it was time to implement the proposal the reconsideration had occurred. It would not be advisable to introduce a charge and then remove the service.

The Proposal

22. In its simplest the proposal is to stop providing a subsidy for the public on dealing with pest problems. If a member of the public phoned up for support they would be advised to look online/yellow pages etc as there are a range of pest control services operating in Monmouthshire which will ensure that the customer gets the best value for money. It is recognised that this is a very difficult decision and there will be concern about impacts and also affordability to pay for these services.

23. Each year £90k is set aside for pest control services. It is proposed that £80k be offered as a saving with £10k transferring to Environmental Health for them to procure pest control services to ensure that they have appropriate support for public investigations etc.

Mitigating Impacts

24. A meeting has already been held with the contractor to explain the proposal and a contract termination notice will be issued shortly (but it will be subject to political approval which will be given with the budget decision in February). They obviously are very disappointed with the way forward and are concerned about the effect on their effective well respected local business and importantly their staff. However the meeting was also productive in terms of identifying ways of mitigating impacts. For example an analysis on demand by Town and Community Council area was undertaken as TCCs could if they wished commission a contractor to deal with pest control problems in their area. Also Environmental Health may have to undertake a procurement to commission certain specialist services and then the public can be advised of who the Council contracts with to promote their business. If this is not undertaken MCC will not be able to promote one business over another.

25. There will obviously be concern about affordability and whether the removal of the service will have a detrimental impact on public health.

Sustainable Development & Equality Implications

26. An initial screening exercise (appendix 1) has been undertaken and consultation with the Equalities Officer is taking place on the 5th November. The initial screening has demonstrated that there is a potential negative impact with the removal of the pest control service on two protected characteristics - age (impact on elderly) and disabled. The potential impacts are:

- Affordability – disabled people are more likely to have lower incomes and may find it difficult to pay for these new services
- The elderly (and disabled) may find it difficult to find information on the range of contractors who are able to provide the services and could be the victim of “rogue traders”

27. As explained above, the proposal for Environmental Health to procure a contractor which the Council can then legitimately promote would be a way of ensuring a competitive price from a reputable contractor for our customers.

Resource Implications

28. There are no resource implications with the two proposals as they are a redefinition of service provision with no demand on set up funding.

Conclusion

29. This budget proposal equates to a £195k saving.

Appendix A

The “Equality Challenge” (Screening document)

Name of the Officer completing “the Equality challenge” Rachel Jowitt		Please give a brief description of the aims proposed policy or service reconfiguration Removal of free pest control service – residents will now have to source and pay for their own services Reduction in street cleansing functions	
Name of the Division or service area Recycling & Waste		Date “Challenge” form completed 29 th October 2013	
Protected characteristic affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
Age	Elderly people may have more difficulty accessing information on the range of pest control companies available – e.g. online information		
Disability	As they are more likely to suffer from deprivation people with disabilities may struggle to pay for a service		
Marriage + Civil Partnership		No impact is foreseen on this protected characteristic	
Pregnancy and maternity		No impact is foreseen on this protected characteristic	
Race		No impact is foreseen on this protected characteristic	

Religion or Belief		No impact is foreseen on this protected characteristic	
Sex (was Gender)		No impact is foreseen on this protected characteristic	
Sexual Orientation		No impact is foreseen on this protected characteristic	
Transgender		No impact is foreseen on this protected characteristic	
Welsh Language		No impact is foreseen on this protected characteristic	

What are the potential negative Impacts.	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments or engagement with affected parties).
➤ <i>Ability to access the range of services providers as unable to go online etc.</i>	➤ By Environmental Health undertaking a procurement for their services and the Council being able to state that they have a pest control contractor who the public may wish to use – this would give confidence to the customer
➤ Affordability for people with disabilities	➤ As above as one would hope that the Council would secure best value
➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below:

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

Overall responsibility for pest control is to transfer to environmental health as they already undertake the responsibilities under the Pest Control Act 1949. As part of the transfer £10k is also to be transferred to allow them to invest in pest control service and one of the proposals is for them to procure a provider for support which the Council can then offer to the public to use and pay (but they do not have to). Environmental health also have officers who already deal with public facing issues regarding pest control – undertaking investigations, offering advice and this role will be enhanced with this change.

Signed

Designation

Dated

15. BUSINESS CASE – RC COLLABORATION OR TRANSFER SERVICES TO TOWN COUNCILS AND COMMUNITY COUNCILS

The Proposal Business Case enables the Cabinet to decide whether to proceed with the proposal.

This template provides guidance on how to complete the Proposal Business case.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	01/11/2013	Draft	R Hoggins	

Approval

Cabinet sign off to proceed with proposal		Date	
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Distribution List

Name	Organisation	Job title / Dept
E&D select ctee for 07/11/2013		

Executive Summary

The pressure upon unitary authority budgets is such that opportunities to work with other organisations (town and community councils, sports associations, voluntary bodies etc.) are being explored to highlight where services might be sustained and 'localised' by provision through other bodies.

A new arrangement might see a community council, sports association or possibly a group of volunteers either wholly providing or helping MCC to continue to provide a service that might otherwise be at risk of major cutback or even closure.

Each arrangement might be different in its make up and operation depending upon the type and extent of transfer or collaboration between MCC and the partner organisation.

The detail of the nature of transfer or collaboration will be flexible and developed around each service and relationship.

For example a group might be willing to take on the management and maintenance of a facility assuming MCC offers some resource to get the group established in the first instance. To elaborate maybe Friends of Linda Vista would wish to take on the management and maintenance of the gardens but would want us to gift them equipment such as mowers, strimmers etc.? (*no conversations have been held with Friends of Linda Vista and this is simply used as an example*).

Another variation on the theme might be Caldicot Town Council taking on the management of Caldicot Castle but with a tapering grant from MCC whilst they get established (this may come through another mandate but is a useful example) or Monmouth Town Council take on the provision of manual sweeping within the town.

A further scenario might be town and community councils making a contribution towards maintaining a service (highways, street cleaning, grounds maintenance perhaps) but the benefit to the collaborating organisations would be a greater say of what works are undertaken in their community (maybe a £4000 contribution would buy a highways team and equipment for a two week period?).

There are risks and 'issues' associated with such an approach. Those that are most obvious would be disparity between TC's and CC' – if one contributes and the neighbouring council doesn't does the one get more than the other – creating suspicion and distrust. The flexible approach brings major administrative demands to keep all of the relationships serviced (something we have already seen with public toilets).

This initiative may be construed as 'double taxation' and taxpayers might see no direct tax cut from this initiative but the intention is to retain services that might otherwise be under threat of reduction or withdrawal and also to offer more local direction and discretion in service provision.

The extent to which other organisations embrace this initiative will be the subject of presentations, discussions, briefings and negotiations with individual bodies about individual services. It will be demanding upon staff resources to develop the initiative and will continue to be demanding where the county council continues to retain interest in individual services.

Detailed Business Case

Vision

In the future local town or community councils will have taken control of local services and/or facilities, deciding on what level of service might be delivered and funding them accordingly.

In some instances the local organisations will provide the service but receive some financial support from the county council (ongoing or on a reducing basis).

In other circumstances the county council will continue to provide a service but local councils or organisations will contribute to the cost in return for which they will receive a greater say in what is provided within their communities.

By doing so services will continue that might otherwise be under threat and there will be greater say and accountability for service provision.

Outcomes

As far as possible services that might be transferred or where greater collaboration is envisaged will be identified and their costs presented to town and community councils. If partnering is seen as achievable, and if time allows, these organisations will make arrangements for funding during 14/15 (i.e. in time for them to set their precept). Where this is not possible then work will continue in readiness for the financial year 15/16.

The value of this initiative to the county council will only be apparent when the discussion and negotiations are completed but to justify the resources and work required to deliver such new arrangements and based upon informal conversations already it would seem reasonable to set a target of £100k benefit to be generated in 14/15 and a further £100k in 15/16.

Blue Print

The Future State

MCC will signpost stakeholders to new service providers where a full transfer has taken place, will offer support and assistance to new organisations whilst a service is in transition and where MCC retains provision will agree details of the extent of collaboration and funding. Services might be specific to a community e.g. a museum, gardens, castle etc. or more generic e.g. library provision, local highway or infrastructure maintenance or improvement, public conveniences, street sweeping.

Current state and gap analysis

Identify the extent and nature of the change required to achieve the Future State

Section	Description of current state and changes		
	Current State	Changes needed to Current state or actions needed to resolve outstanding issues	Assumptions/constraints
Process		Detailed costings and transition arrangements are agreed. Service users are advised of any changes that the new regime introduce.	
Organisation structures	Eg should include staffing levels, roles, skills and culture	Depending upon the service being transferred some staff may transfer as well (TUPE may apply).	
Technology/infrastructure	Eg.ICT systems, buildings and other assets needed for the Future State, as well as the required service arrangements	No new systems would be envisaged. It may be necessary to transfer some equipment or possibly building assets to facilitate a transfer	
Information and data	Eg Management information and data required to operate	Monitoring during transfer will be necessary and funding transfers will be necessary.	

	the Future State		
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Options Appraisal

Identify the options being considered and how each will fulfil the blue print for the future state above. This will enable the Cabinet to be clear about the main features of the solution proposed and how it differs from the other options presented.

Option 1

Explain how Option 1 fulfils the blue print for the future state above

Cost-Benefit Analysis

A cost- benefit analysis, that includes both the financial and non financial costs and benefits, is the heart of the **Business case**.

Each options needs to describe the costs and benefits of that option overtime.

Cost/Benefit Description	Current Budget	Target Saving	Timing 2014/15	2015/16	2016/17	2017/18
Cashable benefit						
£200k	Various and subject to negotiations with each potential partner	£200k	£100k	£100k		
Non financial benefits	Current performance	Target performance				

Services are 'localised' and town and community councils have a greater say in the provision of local services						
Cost None anticipated until such time as changes to services are actually introduced	Current costs	Revised costs				

Dis-benefits

Describe the negative results of undertaking this proposal e.g. existing universal benefit is reduced and focused on those most in need
Describe the results of the detailed equality Impact assessment

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits

Description	Likelihood	Impact	Proximity (when it is	Risk Owner	Mitigating Action	Action Owner
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			likely to occur			
Insufficient staff resource to undertake the detailed negotiations and insufficient resource within the partner organisations to make due progress	Quite likely	Delay and frustration to the process	Immediate from commencement	Service managers/HoS	Clear instructions and limits to the 'variations' pursued	As risk owner

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner

Constraints

Describes any known constraints that apply to the option.

Assumptions

Describes any assumptions made that underpin the justification for the option.

High level Plan for delivery

Following select committee consideration (and assuming support to pursue further) that suitable services or facilities be highlighted and proposals be put together for submission and discussion with potential partners.

That this information be shared asap and officers make themselves available for any further discussions to progress the initiative.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the preferred option for onward approval by Cabinet. Use the version and authority sign-off on the front page.

The “Equality Challenge” (Screening document)

Agenda Item 4 (ii) (b)

Name of the Officer completing “the Equality challenge” Roger Hoggins		Please give a brief description of the aims proposed policy or service reconfiguration The transfer of services to other providers – possibly town or community councils, voluntary organisations etc. No change in actual service is proposed through this mandate/business case	
Name of the Division or service area Not specific at this stage – suitable services and facilities to be highlighted		Date “Challenge” form completed 04/11/2013	
0Protected characteristic affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
Age		No impact	
Disability		No impact	
Marriage + Civil Partnership		No impact	
Pregnancy and maternity		No impact	
Race		No impact	

Religion or Belief		No impact	
Sex (was Gender)		No impact	
Sexual Orientation		No impact	
Transgender		No impact	
Welsh Language		No impact	

What are the potential negative Impacts.	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments or engagement with affected parties).
➤ <i>This business case is to change who delivers a service or to collaborate with other bodies to ensure that services continue to be provided. As such no protected characteristics are impacted by the proposals contained within the business case</i>	➤
➤	➤
➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below:

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

Signed

Designation

Dated

29. Proposal Mandate – CEO Efficiencies and Staff Restructuring - £595k

The Proposal Mandate enables the Cabinet to decide whether to commission the detailed planning and design work to fully define the proposal. It presents the high-level Business Case for the programme and addresses the key question: How much potential is there for a saving in this area?

This template is accompanied by guidance on how to complete the Proposal Mandate.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	16/09/13	Draft	Joy Robson/ Moyna Wilkinson	
2	11/11/13	Draft	Joy Robson	More detail for Select
3	14/11/13	Draft	Moyna Wilkinson	More detail for Select consideration

Approval

Cabinet sign off to proceed with proposal detailed work, given by		Date	
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Distribution List

Name	Organisation	Job title / Dept

Business need

Chief Executive services – the need to refocus services to make them more efficient and increase the value added in the current financial climate is essential.

- On line services need to continue to be developed and promoted to reduce the need for more expensive channels of service delivery eg council tax and business rates.
- Only decision making committees to be supported (unless by exemption)
- Refocus of work at an area level to align with whole place approaches

Services covered:

Finance
Democracy and Elections
Partnerships and engagement
Customer services
Employee services

Outcomes

Outcome is a reduction in number of posts in the section by up 15 posts some of these will be vacant but not all. Whilst the impact on service delivery will be minimised it cannot be ruled out. Reduced number of member committee meetings would reduce the need for staff to service these meetings. There is a risk that performance may reduce and capacity for service development may also be reduced including our work with partners . The aim is to integrate and align processes which presently operate separately and will benefit from being linked .There is also the intention of directly benefiting from an increased use of digital platforms.

Proposal Vision

Staff are working at full capacity on the work that matters to their customers and waste is eliminated. Customers are able to self serve 24/7 through a much improved website and Evenues facilities are available.

Benefits

Describe the measurable improvements that the proposal will achieve.

Benefit Description	Current Budget	Target Saving	Timing	Non-Cashable Value	Benefit owner
Finance- efficiency savings	Net budget £1.9 million	£160k(8.4%)	2014/15		Joy Robson
Democracy and Elections – efficiency savings	Net Budget £1,970k	£100k(5%)	2014/15		Tracey Harry
Partnerships and engagement – efficiency savings	Net Budget £717k	£175k (24%)	2014/15		Will McClean
Customer Access – efficiency savings	Net Budget £1,127k	£100k (9%)	2014/15		Tim Macdermott
Employees services – efficiency savings	Net Budget £1,224k	£60k (5%)	2014/15		Sian Hayward

Non - Financial Benefits

Reduced need to impact on priority frontline services to make budget savings
Improved ability for some citizens to access the council

Dis-benefits

Dis-benefits include:

- potential reduction in performance eg collection rates for Council tax and business rates, benefit processing times and backlogs increase

- disinvestment in financial support services at a time when the Council requires more robust financial support e.g. working up business cases and evaluating new ways of working
- potential reduction in capacity to develop services
- coverage of member meetings will be diminished
- demand upon employee services will increase in times of restructures, redundancies and cutbacks, and if web self-service doesn't achieve its full potential for automation there will be a resource issue.

High level equality Impact assessment – the effect is on staff, however it is difficult to assess equality impact without knowing the restructures that will take place

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Review of management accountancy function	Revised structure and competencies, to better support the organisation and focus on ensuring the change agenda is delivered in a sustainable way. Potential impact is 3 posts that are currently vacant. £100k saving identified, but part to mitigate a staffing budget pressure in current year so net saving is £78k	Savings in place by 1 st April 2014	Staff time	M Howcroft
Implementation of E-revenues	New online facilities for council tax and business rates, this should relieve staff of some of the more standard queries.	Business case agreed by ICT Board on 15 th Oct 2013, with final approval to go to Cabinet in Dec 2013. Implementation will be in place for new financial year	£13k implementation costs to be funded from the IT budget	R Donovan

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Review of revenues, exchequer and systems	Review has included scope to reduce contract costs for cash collection, financial system support, debt collection and a reduction in licence costs – savings £39k. This has limited the impact on the need to make savings through restructure proposals to £43k, equivalent to 2 FTEs	Savings in place by 1 st April 2014	Possible redundancy costs	R Donovan
<p>Implementation of Web self-service for employees and managers.</p> <p>Restructure of the externally funded Social Services training function.</p>	<p>Web self-service is a module of the integrated HR and payroll system that allows managers to input employee data (e.g. sickness, overtime etc) direct into the system via the web. Direct input will enable real time information to be available for sickness and other reporting purposes and will also enable efficiency savings within the Employee Services team with a saving of £49k with a reduction of two posts in 2015/16. For 2014/15 we will make compensatory savings where employees have requested reduced working hours and through savings in supplies and services on licence rationalisation.</p> <p>As a result of a changing in funding of the Social Services training function a restructure has been undertaken with a vacant trainee post being deleted from the structure saving £11,000</p>	<p>Implementation of the web self-service module will be during November & December 2013 and staff training will take place from January 2014 onwards. Once the system is running smoothly we will be able to realise the staff savings.</p> <p>Restructure of the externally funded Social Services training unit along with the deletion of a vacant trainee post from the core service.</p>	Staff time and training input for managers	S Hayward

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Restructure of Partnership and Engagement team and other functions	As a consequence of the retirement of the Deputy Chief Executive , there will be a re-alignment of a number of functions including the partnership and engagement team. At this stage it is envisaged that up to 3 posts will go but the brief of the restructure has widened and will also include Whole Place initiatives .	Outline proposal December 2013 with Implementation from April 2014.	Staff time	W McClean
Restructure of member services including elections, scrutiny, democratic services plus leader and chairman support	Member services presently operates in a traditional fashion with little flexibility across functions and limited scope for officer development and progression . The proposed restructure aims to deliver a more integrated ,efficient flexible service that supports and delivers these range of services. £100 K will be achieved through a combination of the restructure and streamlining budgets. Vacant posts have been held open to minimise job losses . At this stage the loss of one other post is predicted .	Outline proposal by December 2013 for inclusion in budget proposal with implementation date of 1/4/2014	Staff time including support from HR	T Harry
Customer access	Review of service delivery Revised structure anticipated reflective of following reductions 2.5 posts reduced in establishment 65k Reduced working hours 20k Efficiency savings 15k	Savings in place by 1 st April 2014	Staff time	T MacDermott

Quick Wins

Restructures should be undertaken as soon as possible so that savings are accrued from the start of the financial year.

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits						
Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Potential disruption and distraction of support services when they are needed to support the rest of the organisation	High	medium	In the next 6 months	Heads of service as identified above	Use best practice methods for implementing 'change'.	All managers
SRS support/ICT requirements cannot be implemented in the timescales	High	High	In next 6 months	SRS manager	Work closely with SRS staff to ensure work is programmed and delivered	Finance manager
Ability to refine accountancy service from scorekeeper to that of a business partner and provide timely information potentially affected by reducing staffing by 20%	High	High	In next 6 months	Assistant Head of Finance – Corporate Accountancy and Business Support	Closer, more direct relationship, with devolved accountancy functions to provide flexibility and extra capacity to address peaks in workflow	Assistant Head of Finance – Corporate Accountancy and Business Support

Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Potential deterioration of bad debt position for Council Tax and business rates	High	High	In next 6 months	Assistant Head of Finance – Revenues, Systems & Exchequer	Close monitoring and reporting of debt position	Revenues manager

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner

Financial Information

If known at this stage provide the following information for delivering the proposed saving:

Costs are identified in the proposed activity table above.

Constraints

Many of the services performed by the Revenues team are statutory in nature and so does restrict how the team operates on a day to day basis.

The need to ensure sound financial management and reporting in an increasingly changing environment does not diminish as resources get tighter.

Assumptions

Our citizens will want to and be able to manage their accounts on line and pay by electronic means, such as direct debit.

Staff have the expertise to solve problems on the financial systems and collect debt without recourse to 3rd parties.

Proposal Capability

The success of the financial savings target will only be achieved through the continued development of our staff and by close working with our customers

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the Mandate. Use the version and authority sign-off on the front page.

30. BUSINESS CASE – RC ONE STOP SHOPS AND LIBRARIES

The Proposal Business Case enables the Cabinet to decide whether to proceed with the proposal.

This template provides guidance on how to complete the Proposal Business case.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
	18/11/2013		Tim Macdermott/Ann Jones	

Approval

Cabinet sign off to proceed with proposal		Date	
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Distribution List

Name	Organisation	Job title / Dept

Executive Summary

- There is an increasing use of web/email and telephone contact to the local authority (known as channel shift) and the council has to maintain responses through these channels. However, the council is also committed to preserving face to face contact for residents. Consequently, it needs to consider the range of resources and services that deliver such contact and review the potential efficiencies of a more integrated approach. As an element of this, there is an opportunity to look at how our buildings are used to increase efficiencies and economies of scale whilst saving on potential revenue costs and creating potential leasing streams for the buildings. There is also potential to investigate further building rationalisation and developing a business model for bringing income in to the authority as an outcome of the current staff innovation and idea generation work.
- The officer proposal is to work in partnership with the Town teams and other voluntary and statutory organisations to work towards the development of a “hub” to improve services to our customers. We will further investigate applying this approach to other service outlets by investigating various models for provision such as volunteers and community interest companies.
- The proposed vision is that these “hubs” become well known in the community and that there is a “recognised” place to go if you need help/support/information (not only on council services) where you will be treated with dignity/respect and receive a prompt service. To redesign these services we need to look at customers’ journey as well as what customers need to live a good life. The models may be different for each Town and the proposals may change based on the outcomes of the staffs’ innovation and idea generation work.
- Please note that the restructure and associated savings has nothing to do with the staffs’ on-going innovation and idea generation work.
- Summary of the recommended Solution – including
 - Hub buildings to be investigated across the authority.
 - Benefits to be realised, savings and costs – approx. £150k for a high level management review and £30k income/efficiency savings from the innovation and idea generation work.
 - Significant risks, issues, constraints and assumptions – require the completion of the innovation and idea generation work
 - Results of Equality Impact Assessment - attached

Detailed Business Case

Vision

The proposed vision is to investigate all possible models for the development of “hubs” and that the models need to embrace the outcome that they will become well known in the community and that there is a “recognised” place to go if you need help/support/information (not only on council services) where you will be treated with dignity/respect and receive a prompt service. We need to make the customer journey as simple as possible. We need to ensure that “no-one gets left further behind” and this ties in with the single integrated plan and our three key objectives. Creating the “hub” would also broaden the services on offer thus linking with the whole place/Your County Your Way work.

Outcomes

The outcome would be the development of preferred models (which may be different i.e. one model does not fit all) and that the public recognise that there is a service hub they would visit for help and support. Increase in footfall figures could be measured along with customer satisfaction and transaction resolution at first point of contact for services such as housing benefits. Statistics could also be gathered on the impact of the “hub” on whole place.

The Future State

To investigate the preferred model for a “hub” in the principle towns one in each of the four designated areas of the County with the potential of developing further service points throughout the County.

Current state and gap analysis

There is potential to look at our current assets in different ways based on the results of our engagement exercise. Chepstow one stop shop and Library is one example of the multi usage of buildings. There is potential for developing outreach community hubs by working in partnership with interested local bodies following a mutualised/community interest company/social enterprise model. One size does not fit all. The model could be different in each location and this requires further investigation.

Section	Description of current state and changes		
	Current State	Changes needed to Current state or actions needed to resolve outstanding issues	Assumptions/constraints
Process			
Organisation structures	There are two senior managers who currently run Libraries, Museums arts and one stop shops, Office Services, web team and Registrars	There needs to be a high level restructure to ensure that sustainable management structures are in place for the future.	The restructure and the income generation work needs to meet the mandate target of £180k
Technology/infrastructure	New telephony software will be required along with new customer tracking software and payment hardware and software.	The results of a consultancy/SRS report on the appropriate telephony software to take forward will be reported back to Strong Communities Select along with the model for the Library one stop mergers. This could be different in each of the Towns. To be able to track customer enquiries to their resolution we need to change our current software. Investigating chip and pin payments and safe locker storage for library books and further automation of self-issue and return units currently only available in Monmouth and Chepstow.	Dependent on information provided by the SRS and the outcomes of the innovation and idea generation work which could have a fundamental bearing on service models going forward This is part of another mandate and part of the innovation and idea generation work
Information and data	Incoming telephone statistics for the one stop shops are critical for the development of the contact centre. This cannot	New software and a political decision required	The contact centre model is being discussed with staff along with the preferred models for a contact centre

	<p>currently be provided. Develop Face to face/telephones and web categories to manage channel shift.</p> <p>There are a range of Welsh Government library standards and performance indicators which includes customer satisfaction levels and local community expectations for the service.</p> <p>The development of automated services at the libraries. Who uses them and levels of customer satisfaction</p>	<p>On-going but waiting for final channel costs from finance</p> <p>Consultation work with local communities to establish views beyond those obtained from library customers</p> <p>Investigating new automated services</p>	<p>Development of eforms on the web will be critical to ensure that we can measure accurately customers who change their channel preferences to cheaper channels</p> <p>Staff and customer comments are being fed in to the Welsh Government consultation exercise to make improvements</p> <p>Costs</p>
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Options Appraisal

There are several options to this mandate and the previous mandate which has led arguably to misinterpretation. It is difficult to be wholly accurate when investigations are on-going and decisions have not been made yet on certain business models. At the same time, Officers are

aware of the necessary speed required to push on with the business cases and potential efficiencies/cost savings. There is a positive piece of work being undertaken in the Libraries and the one stop shops whereby staff are fully engaged on identifying and trialling service improvements. Therefore, the details in this mandate may fundamentally change.

Option 1

This is about the high level management restructure and investigating the development of community “hubs”

Cost-Benefit Analysis

Cost/Benefit Description	Current Budget	Target Saving	Timing 2014/15	2015/16	2016/17	2017/18
Cashable benefit						
<i>The high level re-structure will save approx. 70 to 80% of the savings required. Staffs' innovation and idea generation work will identify the remaining amount of savings</i>	<i>Libraries net Budget £1273K and one stop shop net budget £1028K</i>	<i>£180k</i>	<i>£180k</i>	£130k	£x	£x
Non financial benefits	Current performance	Target performance				
The work on the preferred models for the potential development of “hubs” is still on-going	<i>Separate services in separate buildings</i>	<i>As per first column. The preferred models will have to be defined/agreed and implemented. Costs associated with the preferred models can</i>				

		<i>be worked on at a later date with the target for savings 2015/16</i>				
Cost	Total Current service Budgets	Revised costs				
Potential redundancy costs	£2,301,000	Not available at present				

Dis-benefits

The high level restructure could place more pressure on staff and may lead to a weaker relationship with Welsh Government. However, it will protect the front line staff. It is imperative that roles and responsibilities are determined with clarity when the restructure has been finalised.

The Welsh Government Library Quality 4th Framework April 2011 to March 2014 highlights the following:
 Welsh Public library standard number 8(1) states that library authorities shall ensure that total staffing establishment levels should not fall below 0.37 per 1000 resident population. Monmouthshire's actual performance as at March 31st 2013 is 0.34. Paragraph 8(2) - Library authorities shall ensure that at least 23% of total staff shall be formally qualified in Library and Information Studies Science. Monmouthshire's current figure is 20.3. Paragraph 8(3) – library authorities shall ensure that the designated operational manager of library services shall be the holder of recognised professional qualifications in librarianship or information science or information management.

Key Risks and Issues

Constraints

High level restructure will follow the corporate consultation process e.g. Unions and staff

Assumptions

The mandate might need to change as a result of the staffs' innovation and idea generation work.

Evaluation and comparison of options

- The high level restructure should be complete by the end of the financial year 2013/2014.
- Overall level of cashable savings will be £180k although there could be additional savings arising out of the innovation and idea generating work.
- Overall cost or upfront investment required – none for the restructure. There may be some investment required for the staffs' innovation and idea generation work.
- Fit with future state – yes.
- Organisation capability and capacity to deliver – We can deliver the restructure, although it must be noted that a decrease in staff will impact on the capacity to deliver and working practices will fundamentally have to change.
- Services may not comply with statutory responsibilities.
- Complexity – the initial report to Strong Communities select and the further mandate has raised many concerns with Town and community councils and staff. There are many friends of/user groups associated with the one stop shops and the libraries. The process will require a further report to be presented to Strong Communities select.
- There are many established examples of models for “hubs”e.g. Denbighshire, Caerphilly, Cornwall Council, Bodmin, Hayle, Launceston, Redruth and St. Ives
- Degree of stakeholder support – mixed. Some for and some against.

Option 2

This option is with reference to investigating different models for provision of Gilwern and Usk Libraries to make them sustainable for the future.

Gilwern representatives are looking at a new community model for the service and are working hand in hand with the authority to make this achievable.

Dialogue is still on-going with the Save Usk Library group.

In the original mandate the wording was “Usk Library closing the service point £57k. There is potential for redesign of this service taking in to consideration the savings that need to be met”. The authors of the report would like to apologise for any misunderstandings associated with the wording. The authority would prefer to work to a sustainable model of provision rather than closing the libraries.

Cost-Benefit Analysis

Work is on-going for Gilwern and Usk.

Dis-benefits

Just closing the service in Gilwern and Usk will remove a service from a rural area.

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits						
Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
High level management restructure	High	High	By end March 2014	Tim Macdermott/Ann Jones	Change working practices as a consequence and requires discussions with Welsh Government.	Tim Macdermott/Ann Jones
Investigating and developing models for the	High	High	To be decided and	Tim Macdermott/Ann	Change working practices	Tim Macdermott/Ann

"hub"			dependent on the outcome of staffs' innovation and idea generation work	Jones		Jones
Investigate new sustainable models for Gilwern and Usk library	Medium	High (dependent on model)	Gilwern model progressing dialogue continuing with Usk	Tim Macdermott/Ann Jones	Business cases/help/support	Tim Macdermott/Ann Jones

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
High level management restructure	high	TM/AJ	Progress restructure, although this could change dependent on the staffs' innovation and idea generation work	TM/AJ
Investigate new models for the "hub" understanding that one size does not fit all	high	TM/AJ	Await outcomes of political decisions and staff innovation and idea generation work	TM/AJ
Investigate new sustainable models for Gilwern and Usk library	high	TM/AJ	Gilwern model progressing Dialogue continuing with the Save Usk Library group	TM/AJ

Constraints

To develop a different sustainable model for Gilwern. Carry on dialogue with the Save Usk Library Group.

Assumptions

The mandate might need to change as a result of the innovation and idea generation work.

At this current moment in time, a full “option appraisal” for different sustainable models for Usk library has not taken place.

Evaluation and comparison of options – Gilwern Library

Provide an evaluation of the options against criteria and weightings. Criteria could include:

- Timescale – Gilwern – move to a new sustainable model by 30th March 2014
- Overall level of cashable and no cashable savings – to be determined
- Overall cost or upfront investment required – to be determined
- Fits with future state
- Organisation capability and capacity to deliver – good exercise for the authority to work hand in hand with the community council at pace to deliver within the timescale
- Working with Welsh Government to investigate compliance with legislation
- Complexity – working with the Community Council and Adult education
- Degree of business change, including behaviour change – it will help to engender a spirit of enablement within the authority and develop true partnership working
- Leading edge solution
- Degree of stakeholder support – support from the community council and elected members

Evaluation and comparison of options – Usk Library

Provide an evaluation of the options against criteria and weightings. Criteria could include:

- Timescale – discussions on-going
- Overall level of cashable and no cashable savings – to be determined
- Overall cost or upfront investment required – to be determined
- Dependent on outcomes of discussions
- Organisation capability and capacity to deliver – good exercise for the authority to work hand in hand with the Save Usk Library Group
- Working with Welsh Government to investigate compliance with legislation
- Complexity – working with Save Usk Library Group, Adult education and the Roger Edwards Trust
- Degree of business change, including behaviour change – it will help to engender a spirit of enablement within the authority and develop true partnership working
- Leading edge solution
- Degree of stakeholder support – Currently there is a lack of support for changing the model of delivery.

Recommendation

1. To proceed with a high level management restructure, acknowledging associated stated risks, to achieve the required savings and to include the outcomes of staff's innovation and idea generating work.

2. To proceed with investigations in to the different potential models for the development of “hubs” within the County.
3. To proceed with the Gilwern Library sustainable model for the future.
4. To continue dialogue with the Save Usk Library Group.

High level Plan for delivery

Describe how the organisation will provide the necessary resources and capability required to carry out the preferred option successfully:

- The high level management restructure will need to be completed by the 30th March 2014. A project plan will be completed indicating consultation requirements. The work on a sustainable library model for Gilwern will be completed by the new financial year. Dialogue with the Save Usk Library Group will continue.
- Stakeholders involved and plan for engagement through implementation – For the high level management restructure arrangements will be made internally. For Gilwern Library we are working with elected members and the community council. For Usk Library we are maintaining open dialogue with the Save Usk Library group.
- Authorisation route – Project plans for each element of the mandate and feedback to the appropriate select committee will be arranged.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the preferred option for onward approval by Cabinet. Use the version and authority sign-off on the front page.

The following are a list of the challenges/thought processes that have been evident in producing equality challenges to date. The list is not meant to be exhaustive, just indicative of the approach:

<p>Is there any form of Discrimination?</p> <p>Direct</p> <p>Indirect</p> <p>Association:</p> <p>Positive Action:</p>	<p>Discrimination directly related to the protected characteristic/s.</p> <p>Where an action has, for other reasons, an impact eg: actions involving increased costs to service users could affect those with disabilities more than others as they are 3 times more likely to live in a family where no one is employed.</p> <p>People, such as carers, who are associated with people with a protected characteristic have the right to be given the same due regard.</p> <p>Positive action can be an action that addresses a pre-existing disadvantage or can be action that adversely affects one characteristic for the benefit of others – ie a saving in one area that protects the interests/services of others</p>
<p>Where the proposal concerns one protected characteristic, does it unintentionally disadvantage any sub-groups?</p>	<p>For example, a proposal for a cross-authority partnership to address Adult Learning Disability service users might be seen to disadvantage younger people if similar arrangements were not put in place for them.</p>
<p>The ‘significance’ of impacts will need to be assessed. What constitutes ‘significant’?</p>	<p>There are a number of elements – the number of service users affected; the degree of impact, the financial implications, health, access to key services, impact on employment, human rights etc.</p>

Is the proposal creating a post code lottery within the County?	Do we as a result of certain proposals create a disadvantage for people from different regions of Monmouthshire.
Have positive impacts been optimized?	The Equality Act 2010 is as strong on ensuring that effort is put into maximising positive benefits as it does into mitigating negative impacts.
Have all reasonable steps been taken to mitigate negative impacts (including making reasonable adjustments)?	Note: some decisions (normally financial) have to be made even though they have obvious negative impacts – this is lawful. However, how the impacts can be minimised has to have been thought through very carefully and mitigations need to be considered.
Does the proposal evidence an understanding of the current (baseline) situation with respect to the protected characteristics?	You can't assess impact without knowing where you are starting from! You need to know your service users – gathering relevant data! Where possible consider future changes and also future service users prevented from accessing services. If you lack data on specific on particular groups then you need to consider other ways of gathering information through engagement eg focus groups, face to face meetings etc.
Is this proposal associated with any others – is there a cumulative impact to be assessed?	Individual proposals can be appropriate and well considered, but when cumulative impacts are considered a protected characteristic can be affected disproportionately.

Appendix B

The “Equality Challenge” (Screening document)

Name of the Officer Ann Jones/Tim Macdermott		Please give a brief description of the aims proposed policy or service reconfiguration Usk Library/Gilwern Library – Consider a new model of service provision/ potential for closure	
Name Libraries and One Stop Shops		Date 12/11/2013	
0Protected characteristic affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
Age	x		
Disability	x		
Marriage + Civil Partnership		X	
Pregnancy and maternity	x		
Race		X	
Religion or Belief		X	
Sex (was Gender)		X	
Sexual Orientation		X	
Transgender		X	
Welsh Language		X	

What are the potential negative Impacts.	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments or engagement with affected parties).
➤ <i>A lack of access to a local service by the above groups</i>	➤ Discuss and revise the service model
➤	➤
➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below:

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

We have carried out a community engagement exercise and we have met with the Save Usk Library group three times to discuss a way forward. There is/was a public meeting on Thursday 14th November 2013. The current situation is that the group want to maintain the service exactly as it is and are not prepared to engage in a full option appraisal to look at other buildings and the potential for investigating new sustainable models.

Signed

Designation

Dated



monmouthshire
sir fynwy

Appendix C

Equality Impact Assessment Form

and

Sustainable Development Checklist

EQUALITY IMPACT ASSESSMENT FORM

Name of policy or change to service (Proposal)	Directorate:	Department:
Usk Library and Gilwern Library	Chief Executives/Regeneration and Culture	Libraries and Customer Access team
Policy author / service lead	Name of assessor	Date of assessment:
Tim Macdermott/Ann Jones	Tim Macdermott/Ann Jones	12 th November 2013

1. Have you completed the Equality Challenge form? **Yes / No.** If **No** please explain why

Yes

2. What is the **Aim/s** of the Policy or the proposed change to the policy or service (the proposal)

Dependent on further negotiations but the aim of the local authority is to work hand in hand with the community to investigate other models of provision to ensure Usk library is sustainable for the future. However, there is potential to close the library

3. From your findings from the “Equality Challenge” form did you identify any people or groups of people with protected characteristics that this proposal was likely to affect in a **negative** way? Please tick appropriate boxes below.

Age	x	Race	
Disability	x	Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

4. Please give details of any consultation(s) or engagement carried out in the development /re-development of this proposal.

Three meetings have been held with representatives of the Save Usk Library group and a full engagement exercise on budget options took place on 28th October 2013. A further meeting with the Save Usk Library group (at the time of writing the report) will take place on the 14th November 2013.

Several meetings have been held with the community and elected members with reference to Gilwern Library

5. Please list the data that has been used for this proposal? eg Household survey data, Welsh Govt data, ONS data, MCC service user data, Staff personnel data etc.

Library user (anonymised) data and financial costs

6. As a result did you take any actions to mitigate your proposal? Please give details below.

The council is interested in creating a sustainable Usk/Gilwern Library model for the future and looking to develop this with the save usk library group and Gilwern representatives.

Gilwern are moving to a new sustainable model with the support of Monmouthshire county council

Currently SUL wants the service to remain exactly as it is.

7. Final stage – What was decided?

•**No change made to proposal/s – please give details**

Awaiting the outcome of the public meeting on the 14th November 2013 for Usk Library

The move to the new sustainable model for Gilwern is on-going

•**Slight changes made to proposal/s – please give details**

Awaiting the outcome of the public meeting on the 14th November 2013

The move to the new sustainable model for Gilwern is on-going

• **Major changes made to the proposal/s to mitigate any significant negative impact – please give details**

Awaiting the outcome of the public meeting on the 14th November 2013

The move to the new sustainable model for Gilwern is on-going

Signed.....Designation.....Dated.....

Forthcoming document consideration

We always welcome any feedback or contributions anyone has to this document and our work towards equality. A database of completed equality impact assessments and the schedule of assessments by directorate and department will be available to review on our website.

If you would like to discuss the completion of this form or any issues arising out of its completion please contact:

Name: Alan Burkitt – Democracy and Performance. Tel: 01633 644010.

Contact Email: Equality@monmouthshire.gov.uk or alanburkitt@monmouthshire.gov.uk

Post: Democracy and Performance, Monmouthshire County Council, County Hall, Y Rhadyr, Usk, NP15 1XJ

Appendix A

The “Sustainability Challenge”

Name of the Officer Tim Macdermott/Ann Jones		Please give a brief description of the aims proposed policy or service reconfiguration Investigate new sustainable models for Gilwern and Usk Libraries	
Name Regeneration and Culture/Chief Executives		Date 13 th November 2013	
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food		x	
Improve housing quality and provision		x	
Reduce ill health and improve healthcare provision			x
Promote independence			x
Encourage community participation/action and voluntary work			x
Targets socially excluded			x
Help reduce crime and fear		x	

of crime			
Improve access to education and training			x
Have a positive impact on people and places in other countries		x	
PLANET			
Reduce, reuse and recycle waste and water		x	
Reduce carbon dioxide emissions			x
Prevent or reduce pollution of the air, land and water			x
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)		x	
Protect or enhance visual appearance of environment		x	
PROFIT			
Protect local shops and services			x
Link local production with local consumption		x	
Improve environmental		x	

awareness of local businesses			
Increase employment for local people			x
Preserve and enhance local identity and culture			x
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc			x
Increase and improve access to leisure, recreation or cultural facilities			x

What are the potential negative Impacts	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments)
➤ <i>If the Library is closed all of the positive impacts will become negative impacts</i>	➤ To work hand in hand with the Community to investigate and develop sustainable models for the future
➤	➤
➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below

This is dependent on whether we develop a sustainable library model

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

This is dependent on whether we develop a sustainable library model

Signed

Dated

If you would like to discuss the completion of this form or any issues arising out of its completion please contact:

Name: Hazel Clatworthy, Sustainability Community Officer, Tel: 01633 644843

Contact Email: hazelclatworthy@monmouthshire.gov.uk

36. BUSINESS CASE – RC WASTE AND RECYCLING

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	13 th November 2013	Draft	Rachel Jowitt/Glyn Edmunds	

Purpose

1. To outline to Strong Communities Select Committee the proposal contained in budget mandate no.36 – recycling and waste (cost neutral waste service).

Background

2. Recycling and waste is one of the few services to be delivered direct by a Council to every household every week. The range of services now provided by MCC is extensive:

Weekly

- Dry recycling – paper, glass etc
- Organics – food & garden waste (latter to be paid for)
- Nappies/Hygiene waste

Fortnightly

- Residual waste – grey bags
- Ashes – cold in a dustbin

Infrastructure

- Four Household Waste Recycling Centres
- Bring sites for paper & textiles (also some charity banks which are not associated with the MCC services)

3. Recycling and waste underwent a major service transformation in 2013-14 with the aims of increasing recycling, reducing residual waste as well as contributing savings to MCC's MTFP. A report was submitted Select Committee on 17th October outlining the initial data and impact of the changes.

The Proposals 2014-15

Increase Garden Waste Charge to £10 per permit/bag for an annual collection

4. The chargeable garden waste service was introduced in July 2013. The charge was £8 per permit/bag for that bag to be emptied weekly up until 31st March 2014. As the £8 related to $\frac{3}{4}$ of a year provision, it is proposed that a full year's charge of £10 be implemented.
5. As of Oct 2013 the chargeable garden waste service brought in £169,968k of income. This was based on 21,221 permits/bags being purchased and 12,700 (31%) of Monmouthshire residents registering.
6. It needs to be stressed that the income generation is not the only financial benefit of a chargeable garden waste service. At kerbside garden waste is mixed with food waste and has to be treated via Invesel Composting to meet stringent environmental and animal by-products regulations. This costs almost double that of open windrow, the process used to treat garden waste only. Therefore with a diversion of garden waste into HWRCs the service change is on course to meet its £200k target set in the MTFP.
7. To note:- an increase to £10 per permit would generate a further £40k income for the service.

Better Procurement – Bags

8. MCC is primarily a bag based authority and modelling has demonstrated that based on current prices and usage in 2014-15 we will spend:
 - £260,000 on food waste liners
 - £200,000 on red and purple recycling sacks
 - £80,000 on grey bags
 - £50,000 other bags (nappies, trade sacks, orange litter bags etc)
9. This is a significant cost to the authority. MCC has consistently bought and negotiated from approved procurement lists. However initial market engagement has demonstrated that MCC can save money by buying differently, committing to one supplier in a longer term partnership and also changing the specification of some of the bags.
10. We have been made aware that a number of LAs now use a product called Bi-modal for recycling bags. This is because it is significantly cheaper than the bags we currently use, without lessening the strength or performance of the bags. Another way of achieving savings is to remove the tie handles off the food waste bags and return to a straight top. Until the procurement process has been undertaken it is difficult to confirm which bags MCC will use in future, however it will be assured that the bags will be fit for purpose and if there is to be a change then communications will be designed to ensure that confidence is maintained in the bags provided.
11. It is proposed that the bag procurement will deliver £20k of savings.

Proposals 2015 and beyond

12. MCC has invested in route optimisation software to allow for more sophisticated modelling of routes, use of crews and vehicles. Due to the waste changes introduced in 2013-14 residual waste and total organic waste at kerbside has reduced and dry recycling has increased. It is believed, but not fully modelled, that efficiencies of up to 2 vehicles/crews (which amount to £125k each) could be saved. As well as simply assessing rounds, this piece of work will also model the feasibility of same day collections for every resident. Given the County wide scale of this work and the impact if it is done incorrectly (poor public reaction and engagement in the service) it is proposed that 2014-15 be used to undertake the necessary modelling and scenario planning prior to 2015-16 implementation. Within the current MTFP this would return a £250k saving.
13. Within the initial mandate there was also £40k to be saved by reducing expenditure on professional fees between 2015-2017. The department has invested in technical and project management staff to reduce expenditure on consultants and are pleased to report that so far the recycling review has been done completely in house. Any consultant support has been paid for by Welsh Government. The only fees that are currently paid to outside professionals are for route optimisation software and legal fees to support contract work. The Council's legal department are fully engaged in all waste contracts, but have acknowledged that specialist waste advice is necessary to achieve fit for purpose robust contracts. Legal fees are due to be incurred with the review of the Dragon Waste contract, procurement of organic waste as well as any other legal advice that may be required, such as contractor breach etc.
14. The heading of this mandate is "Cost Neutral Waste Service" which relates to the Recycling Review currently being undertaken. Through the Recycling Review which was recently reported to Committee Members have determined three priorities for the service:
 - Economic value of resources/recyclates are maximised
 - Communities, businesses and members of public are stimulated and supported to do more for themselves; and
 - General public is informed and engaged with the service.
15. The Review is due to report in Spring/Summer 2014 and it is therefore too early to state the scale and quantum of savings that could be achieved, if at all, with any change. The team will be undertaking comprehensive modelling as all impacts, particularly financial need to be carefully assessed and evaluated. Caution needs to be given though as a focus on income generation of the service i.e. selling our own materials, may mask the myriad of options and issues of how the material is collected, would this drive up collection costs and eat into any profit etc. These are the questions the Review will answer.

16. It also needs to be recognised that the Review's outcome could have an impact on the £250,000 for 2015-16. If the Review identifies that a change is required, for example to meet national policy and funding compliance, and the baseline of the fleet needs to be reconfigured there could be an impact on the £250,000 proposed. This will be determined with the submission of the Recycling Review in 2014.

Sustainable Development & Equality Implications

17. An initial screening assessment has been undertaken. The Equalities Officer has raised concern over the cumulative impact of increases in fees and charges and it is therefore proposed that the EQIA for garden waste be incorporated within the EQIA for the overall fees and charges report for Members.

18. In terms of SD implications, the service is all about delivering a better and more sustainable environment.

Resource Implications

19. There are no resource implications with the two proposals for 2014-15.

Conclusion

20. The budget proposals for 2014-15 equate to a £60k saving.

Appendix

The “Equality Challenge” (Screening document)

Name of the Officer completing “the Equality challenge” Rachel Jowitt		Please give a brief description of the aims proposed policy or service reconfiguration Remove to a cost effective recycling & waste service “cost neutral waste service”:- <ul style="list-style-type: none"> • Better procurement of bags • Increasing charge of garden waste charge 	
Name of the Division or service area Recycling & Waste		Date “Challenge” form completed 12 th November 2013	
Protected characteristic affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
Age	Increase in charge - There is a concern that elderly people may have less ability to pay for the service.		
Disability	Increase in charge - There is a concern that elderly people may have less ability to pay for the service.		
Marriage + Civil Partnership		No impact is foreseen on this protected characteristic	
Pregnancy and maternity		No impact is foreseen on this protected characteristic	
Race		No impact is foreseen on this protected characteristic	
Religion or Belief		No impact is foreseen on this	

		protected characteristic	
Sex (was Gender)		No impact is foreseen on this protected characteristic	
Sexual Orientation		No impact is foreseen on this protected characteristic	
Transgender		No impact is foreseen on this protected characteristic	
Welsh Language		No impact is foreseen on this protected characteristic	

What are the potential negative Impacts.	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments or engagement with affected parties).
➤ <i>Affordability for protected groups</i>	➤ The proposal to increase the charge for this service needs to be evaluated within the wider context of all fees and charges set by the Authority.
➤	➤
➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below:

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

The increase in this fee needs to be equality assessed alongside all the proposed fees and charges to determine cumulative impact.

Signed

Designation

Dated

Appendix 3 : Revised Pressures

	Indicative Base 2014/15 £000	Budget Proposals 2014/15 £000	Indicative Base 2015/16 £000	Revised Base 2015/16 £000	Indicative Base 2016/17 £000	Revised Base 2016/17 £000	Indicative Base 2017/18 £000	Revised Base 2017/18 £000	
		Dec Cabinet							
1.Budget Shortfall per base model	2,606	2,606	6,536	6,536	11,174	11,174	15,936	15,936	
2.Revised Budget shortfall per base model	6,403	6,403	11,204	11,204	12,865	12,865	14,740	14,740	Updated for new settlement forecast, -4%, -4%, 0%
3.Revised Budget shortfall per base model	7,144	7,144	9,775	10,775	11,437	12,437	13,311	14,311	Updated for provisional settlement forecast, -4.7%
Impact of transfers in on service grants	200	200	200	200	200	200	200	200	
	7,344	7,344	9,975	10,975	11,637	12,637	13,511	14,511	
Add pressures:									
Demographic pressure (ageing population)	300	250	300	250	300	250	300	250	
21st Century Schools - potential treasury impact 1	256	57	448	463	1,482	642	2,382	1,144	
Treasury Impact - externalising borrowing 1	0	297	0	540	0	647	0	650	
School based redundancies 2	325	325	325	325	325	325	325	325	
2013/14 budget savings still to be achieved 3	614	236	614	236	614	236	614	236	
2013/14 pressures in Children's social services 4	400	400	400	400	400	400	400	400	
Welfare reform / Universal Credit/ Discretionary Hsg Payments 5	60	60	60	60	60	60	60	60	
Pensions auto-enrolment 6	-	-	-	-	913	913	1,005	1,005	
Increase in employers national insurance 7	-	-	-	-	1,805	1,805	1,805	1,805	
CTRS funding 8	0	0	0	0	0	0	0	0	Now included in settlement figures above
Living wage 9	114	70	114	70	114	70	114	70	
Loss of grant income streams 10	0	232	0	232	0	232	0	232	
Cost of Local Development Plan 11	0	75	0	75	0	200	0	0	
Total Pressures	2,069	2,002	2,261	2,651	6,013	5,780	7,005	6,177	
Adjusted Budget Shortfall	9,413	9,346	12,236	13,626	17,650	18,417	20,516	20,688	
	9,413	9,346	2,823	4,280	5,414	4,791	2,866	2,271	

Notes:

- 1 Base MTFP model does not currently include any investment in 21st Century Schools. Initial incremental impact of programme being financed across the period 2014/15 to 2018/19. Treasury impact would rise in the event of an adverse rise in interest rates and delay in capital receipts materialising. Also included is the impact of needing to externally borrow.
- 2 Inclusion in the base budget of a figures for school based redundancies, recognising that any costs above this would need to be managed within the Individual schools budgets
- 3 Reviewed and revised in light of month 6 budget monitoring information
- 4 Reviewed in light of month 6 budget monitoring information
- 5 Impact of welfare reforms so far being felt in increase pressure on Discretionary housing payments
- 6 Cabinet agreed to transitional delay of auto-enrolment until May 2017. No impact modelling for new entrants in earlier years.
- 7 Increase in employers NI resulting from introduction of single-tier State Pension in 2016/17. The ability for members of a defined benefit occupational pension scheme to 'contract out' of the State Second Pension will end. Employees and employers will therefore no longer be entitled to pay a lower NICs rate.
- 8 In 2013/14 WG funded the Council tax reduction scheme at 100%, indications were that funding would be at 95% for 2014/15, however full funding is now included in RSG
- 9 Living Wage - Council motion to agree to consider in the budget process, figure has been reviewed and revised down
- 10 Grant funding is reducing by 8.6% in terms of the Sustainable waste management grant
- 11 Additional costs for consultants and Inspector/examination relating to the LDP have historically be met via reserve funding

¼, 0%
¼, -2.8%, 0%, 0%

Appendix 4 Summary MTFP position

	2014/15 £000	Revised 2014/15 £000	2015/16 £000	Revised 2015/16 £000	2016/17 £000	Revised 2016/17 £000	2017/18 £000	Revised 2017/18 £000	TOTAL £000	Revised Total £000
Budget shortfall 10th Oct 2013	8,822	8,822	4,993	4,993	5,413	5,413	2,866	2,866	22,094	22,094
Adjusted base for Provisional Settlement	7,344	7,344	9,975	10,975	11,637	12,637	13,511	14,511	42,467	45,467
Pressures	2,069	2,002	2,261	2,651	6,013	5,780	7,005	6,177	17,348	16,610
Revised shortfall	9,413	9,346	2,823	4,280	5,414	4,791	2,866	2,271	20,516	20,688
Savings targets	(5,211)	(5,263)	(3,457)	(3,102)	(2,805)	(2,805)	(1,310)	(1,310)	(12,783)	(12,480)
Council Tax income	(1,254)	(1,354)	(1,289)	(1,289)	(1,324)	(1,324)	(1,361)	(1,361)	(5,228)	(5,328)
Adjusted budget gap	2,948	2,729	(1,923)	(111)	1,285	662	195	(400)	2,505	2,880

Additional savings										
Reduce funding for increments		(400)								
Reduce the non pay inflation factor by 1%		(650)								
Reduce travel allowances budget		(100)								
Reserve funding of treasury pressure 1 year only		(297)		297						
Savings from cost centres not yet contributing		(158)								
Reserve Funding of LDP pressure		(75)								
Adjusted budget gap	2,948	1,049	(1,923)	186	1,285	662	195	(400)	2,505	1,497

Appendix 5 What useable reserves are available over the medium term?

Useable revenue reserve projection using latest available budget and MTFP information

Balances	Financial year ending 31st March						
	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2018 £000

Council Fund

Council Fund (Authority)	6,184	6,203	6,203	6,203	6,203	6,203	6,203
School Balances	1,025	1,240	1,240	1,240	1,240	1,240	1,240
Sub Total	7,209	7,443	7,443	7,443	7,443	7,443	7,443

Earmarked Reserves

Invest to Redesign Reserve	3,564	3,119	1,686	1,250	865	854	861
IT Transformation Reserve	1,698	1,383	715	715	715	715	715
Insurances & Risk Management Reserve	1,718	1,523	1,403	1,403	1,403	1,403	1,403
Capital Receipt Generation Reserve	519	332	129	4	(100)	(305)	(510)
Treasury Equalisation Reserve	1,125	1,125	924	883	883	883	883
Redundancy and Pensions Reserve	735	622	109	(206)	(477)	(554)	(631)
Capital Investment Reserve	2,122	1,592	1,626	1,626	1,108	589	589
Priority Investment Reserve	4,064	3,450	1,630	1,202	1,202	1,202	1,202
Single Status & Equal Pay Reserve	1,552	1,552	1,552	1,552	1,552	1,552	1,552
Museums Acquisitions Reserve	57	60	60	60	60	60	60
Elections Reserve	108	33	58	83	108	133	158
Grass Routes Buses Reserve	247	259	239	218	197	176	155
Restricted Use Reserves	579	502	502	502	502	502	502
Sub Total	18,086	15,552	10,632	9,291	8,017	7,209	6,938
Total Useable Revenue Reserves	25,295	22,995	18,075	16,734	15,460	14,652	14,381

