

Pecyn Dogfennau



Mark James LLM, DPA, DCA
Prif Weithredwr,
Chief Executive,
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County Hall, Carmarthen. SA31 1JP

DYDD MAWRTH, 16 CHWEFROR 2016

AT: HOLL AELODAU'R CYNGOR SIR

YR WYF DRWY HYN YN EICH GALW I FYNYCHU CYFARFOD O CYNGOR SIR CAERFYRDDIN A GYNHELIR YN SIAMBR, NEUADD Y SIR, CAERFYRDDIN AM 10.00 AM, DYDD MAWRTH, 23AIN CHWEFROR, 2016 ER MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Mark James

PRIF WEITHREDWR



AILGYLCHWCH OS GWELWCH YN DDA

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AGENDA

1. YMDDIHEURIADAU AM ABSENOLDEB.
2. DATGANIADAU O FUDDIANNAU PERSONOL.
3. CYHOEDDIADAU'R CADEIRYDD.
4. CWESTIYNAU GAN AELODAU:-
5. CWESTIYNAU GAN Y CYHOEDD (NID OEDD DIM WEDI DOD I LAW).
6. YSTYRIED ARGYMHELLION Y BWRDD GWEITHREDOL [01/02/2016] FEL Y GOSODWYD YN ADRODDIADAU'R CYFARWYDDWR GWASANAETHAU CORFFORAETHOL O RAN Y MATERION CANLYNOL:
 - 6 .1 STRATEGAETH CYLLIDEB REFENIW 2016/2017 I 2018/19; 3 - 130
(Gofynnir i'r Aelodau nodi na ddarparir copïau papur o'r atodiad 1 A(ii) oherwydd eu maint, a bod modd eu darllen ar wefan y Cyngor drwy ddilyn y ddolen gyswllt canlynol Cyfarfod y Bwrdd Gweithredol ar 1af Chwefror 2016:
<http://democratiaeth.sirgar.llyw.cymru/documents/g299/Pecyn%20adroddiadau%20cyhoeddus%2001af-Chwe-2016%2010.00%20Y%20Bwrdd%20Gweithredol.pdf?T=10&LLL=1>
 - 6 .2 RHAGLEN GYFALAF PUM MLYNEDD 2016/17- 2020/21; 131 - 148
 - 6 .3 CYFRIF CYLLIDEB REFENIW TAI A LEFELAU RHENTI 2016/17; 149 - 170
 - 6 .4 POLISI RHEOLI'R TRYSORLYS A STRATEGAETH 2016-2017. 171 - 218
7. DERBYN ADRODDIAD CYFARFOD Y BWRDD GWEITHREDOL A GYNHALIWYD AR Y 1AF CHWEFROR, 2016. 219 - 226

Y CYNGOR SIR 23^{ain} Chwefror 2016

Strategaeth Cyllideb Refeniw 2016/17 hyd 2018/19

Yr argymhellion / penderfyniadau allweddol sydd eu hangen:

BOD Y CYNGOR SIR YN CYMERADWYO:

- 1.1. Strategaeth y Gyllideb ar gyfer 2016/17 yn amodol ar y diwygiadau canlynol:-
 - 1.1.1. bod y gostyngiad arfaethedig i gyllideb Amddiffyn rhag Llifogydd, Draenio'r Tir a Diogelu'r Arfordir yn cael ei dynnu'n ôl ym mhob un o'r tair blynedd ariannol, sef cyfanswm o £118,000.
 - 1.1.2. bod y gostyngiad arfaethedig i gyllideb cynnal a chadw Seilwaith y Priffyrdd yn cael ei dynnu'n ôl o flwyddyn ariannol 2016-2017, sef cyfanswm o £512,000.
 - 1.1.3. bod y gostyngiad arfaethedig i gyllideb Gwasanaethau Glanhau a Gorfodi Materion Amgylcheddol yn cael ei dynnu'n ôl ym mhob un o'r tair blynedd ariannol, sef cyfanswm o £252,000.
 - 1.1.4. bod y cynnig i gyflwyno ffi am Gludiant Cartref i'r Coleg yn cael ei ddal yn ôl tan flwyddyn ariannol 2018-2019.
 - 1.1.5. bod y cynnig i gynyddu cost Pryd ar Glud gan £1.00 o £3.70 i £4.70 yn cael ei gyflwyno'n raddol dros dair blynedd, gan leihau'r arbedion ym mlwyddyn 1 £38,000.
 - 1.1.6. bod y gostyngiad arfaethedig o ran gofal cyfnod byr/seibiant ar gyfer plant a phobl ifanc anabl yn cael ei dynnu'n ôl yn gyfan gwbl, sy'n golygu £50,000 yn llai o arbedion.
 - 1.1.7. Bod buddsoddiad ychwanegol yn cael ei wneud yn y ddau faes gwasanaeth penodol canlynol:
 - 1.1.7.1. Y Gwasanaethau Ieuencid - £50,000 i gynnal capasiti proffesiynol a chynyddu arbenigedd o ran diogelu pobl ifanc agored i niwed.
 - 1.1.7.2. Cynnal a Chadw Priffyrdd – £200,000 i'w ddefnyddio at fenthycia darbodus i ariannu £2.4m o wariant cyfalaf ar rwydwaith y priffyrdd a'r seilwaith ategol yn yr ardaloedd o angen mwyaf.
- 1.2. bod Treth Gyngor Band D yn 2015/16 i'w osod ar £1,117.67 (cynnydd o 3.85% ar gyfer 2016-2017);
- 1.3. y bydd Cyfarwyddwr y Gwasanaethau Corfforaethol yn cynghori ac argymhell y Cyngor Sir ar 10^{fed} Mawrth 2016 o unrhyw effaith a champau canlyniadol a fydd yn ofynnol o'r Setliad Terfynol sydd i'w gyhoeddi gan Lywodraeth Cymru ar 2^{il} Mawrth 2016, ac i'w ddadlau ar 9^{fed} Mawrth 2016.
- 1.4. cadarnhau'r codiad cyflog o 1% a gytunwyd yn genedlaethol ar gyfer staff y Cyd-bwyllgor Trafod Telerau o 1^{af} Ebrill 2016 ymlaen a chymeradwyo codiad cyflog o 1% ar gyfer aelodau eraill o staff o 1^{af} Ebrill 2016 ymlaen a fyddai'n cael ei gadarnhau, ond heb fod yn ychwanegol at unrhyw godiad cyflog cenedlaethol a gytunwyd yn 2016

Y Rhesymau:

Galluogi'r Awdurdod i osod ei Chyllideb Refeniw ar gyfer Cronfa'r Cyngor a'r Dreth Gyngor ganlyniadol ar gyfer 2016-2017.

Angen ymgynghori â'r pwyllgor craffu perthnasol: OES

Angen i'r Bwrdd Gweithredol wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Y Cyng. David Jenkins

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw Pennaeth y Gwasanaeth:
Owen Bowen

Awdur yr Adroddiad:
Owen Bowen

Swyddi:

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Gwasanaethau Ariannol

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EXECUTIVE SUMMARY

County Council

23rd February 2016

Revenue Budget Strategy 2016/17 to 2018/19

1.1. Executive Board on 1st February 2016 considered the Revenue budget strategy 2016/17 to 2018/19 report following extensive consultation on the original budget proposals. The report indicated a council tax increase of 5.00% for 2016-17.

1.2. The full report considered by the Executive Board is appended to this report as follows:

Appendix	Document
1	Report on Revenue Budget Strategy 2016/7 to 2018/19
1(1)	Table 1 – Council Fund Summary
1 (ai and aii)	Consultation and Equality Impact Assessments
1 (b)	Cost reduction proposals
1 (c)	Recession, Demographic, Legislative or continuing pressures.

1.3. The Executive Board considered a number of amendments to the proposals detailed, following the consultation exercise, and proposed the following amendments to the report:

1.4.1. the proposed reduction in the Flood Defence, Land Drainage and Coastal Protection budget be withdrawn for each of the three financial years, total value of £118k

1.4.2. the proposed reduction in the Highways Infrastructure maintenance budget be withdrawn from the 2016-2017 financial year, total value £512k

1.4.3. the proposed reduction in the Cleansing Services and Environmental Enforcement budget be withdrawn for each of the three financial years, total value £252k

1.4.4. the proposal for the introduction of a charge for Home to College Transport be deferred until the 2018-2019 financial year.

1.4.5. the proposal to increase the cost of Meals on Wheels by £1.00 from £3.70 to £4.70 be phased over three years, reducing the saving in year 1 by £38k.

- 1.4.6. the proposed reduction in Short Breaks/Respite for Disabled Children and Young People be withdrawn altogether, taking away a cut of £50k
- 1.4.7. That additional investment be made into the following two specific service areas:
- 1.4.7.1. Youth Services £50,000 to bolster professional capacity and strengthen expertise in safeguarding vulnerable young people,
- 1.4.7.2. Highways infrastructure: £200,000, to be utilised for prudential borrowing to fund £2.4m of capital expenditure on the highways and supporting infrastructure network in the areas of greatest need
- 1.4. That the Band D council Tax for 2016/17 be set at £1,117.67 (an increase of 3.85% for 2016-2017);
- 1.5. that the Director of Corporate Services will advise and recommend to County Council on 10th March 2016 of any impact and consequential action required from the Final Settlement which is due to be published by Welsh Government on 2nd March 2016, and debated on 9th March 2016.
- 1.6. to consolidate the nationally agreed 1% pay award for JNC staff with effect from 1st April 2016 and approve a 1% pay award for all other staff with effect from 1st April 2016 which would be consolidated by, but not in addition to, any national pay award agreed in 2016
- 1.7. Based on the Executive Board recommendations to County Council the table below summarises the latest proposed position:

	2016-17 £'000	2017-18 £'000	2018-19 £'000
Original net budget	331,836	331,361	331,248
Deduct 'to be allocated'	-1,850	-710	-1,595
Flood Defence, Land Drainage & Coastal Protection	50	42	26
Highways Infrastructure maintenance	512		
Cleansing Services & Environmental Enforcement	85	84	83
Home to College Transport	65	451	-65
Meals on Wheels	38	-19	-19
Short Breaks / Respite for Disabled Children & Young People	50		
Youth Service	50		
Highways Infrastructure	200		
Other/validation movement	-76		
Cumulative effect from previous years		-938	-1,149
NET BUDGET	330,960	330,271	328,529
Band D Tax	1,117.67	1,171.19	1,207.92
Council Tax Increase	3.85%	4.79%	3.14%

Table 1 (Appendix 2, attached) also provides the latest position

DETAILED REPORT ATTACHED ?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Owen Bowen

Interim Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	NONE	YES	NONE	NONE	NONE	NONE

1. Policy and Crime & Disorder

The budget has been prepared having regard for the Council's Corporate Strategy 2015-2020.

Equalities Impact Assessments have been undertaken on the budget proposals in order to consider and assess the potential impact with respect to protected characteristic groups and the Welsh language. All budget proposals considered to have an impact on front line services have undergone a period of public consultation. The Equalities Impact Assessments will be further developed following consideration of possible mitigation measures.

2. Finance

Council Fund

Final financial implications will be dependant upon the budget recommended by Executive Board to County Council, however the implications on the latest proposals are as follows:

- Proposed Net County Council Budget of £330,960k
- Proposed Council Tax increase of 3.85% for 2016-17 - Band D tax of £1,117.67

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Owen Bowen

Interim Head of Financial Services

1. Scrutiny Committee – Not applicable

2. Local Member(s) – Not applicable

3. Community / Town Council – Not applicable

4. Relevant Partners – Consultation with relevant partners undertaken and results contained within the report.

5. Staff Side Representatives and other Organisations – Consultation undertaken and results contained within the report.

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2016/17 3 year Revenue Budget		Corporate Services Department, County Hall, Carmarthen.
WG Provisional & Final Settlement		Corporate Services Department, County Hall, Carmarthen.

REPORT OF DIRECTOR OF CORPORATE SERVICES

Executive Board

1st February 2016

REVENUE BUDGET STRATEGY 2016/17 to 2018/19

DIRECTOR & DESIGNATION.	DIRECTORATE	TELEPHONE NO.
C Moore, Director of Corporate Services	Corporate Services	01267 224120
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
O Bowen, Interim Head of Financial Services	Corporate Services	01267 224486

1. INTRODUCTION

1.1. Executive Board in November 2015 considered and endorsed the Revenue budget strategy 2016/17 to 2018/19 for consultation. The report had been prepared in advance of receipt of the provisional settlement and was based on officers projections of spending need and potential settlement with no forward indicators having been provided by Welsh Government (WG). It also reflected the departmental submissions for savings proposals and indicated a council tax increase of 5.00% in 2016-17. The Executive Board in endorsing the report for the consultation process expressed the view

‘that the contents of the budget report be noted and approved as a basis for consultation, and to specifically seek comments from consultees on the efficiency proposals detailed in appendix A to the circulated report’

1.2. This report updates members on the latest position for the Revenue budget including:

- Provisional Settlement Details
- Budget Consultation Results
- The Medium Term Spending Plans
- Implication on Council tax for 2016-2017.

The proposals have endeavoured to meet the aspirations of the Authority, whilst taking account of the continued tough economic climate. They address specific pressures in certain service areas

whilst recognising the need to minimise the impact on the local taxpayer.

1.3. The timetable for the Final settlement remains as follows:

- WG publish final budget 1st March 2016
- WG Publish Final Local Government Settlement 2nd March 2016
- WG move Final Welsh Budget 2016-17 for debate 8th March 2016
- WG Move Final Settlement for Debate 9th March 2016
- Setting of Council Tax for 2016/17 financial year: 10th March 2016

Due to the lateness of the final settlement and the legislative requirement, Executive Board recommendations to Council will need to be based on the provisional settlement figures, with any amendments to the budget requirement, should it be necessary, being made as part of the Council Tax setting report which will go to Council on the 10th March 2016.

1.4. In addition to the lateness of the Final Settlement, there are inherent risks attached to this Budget Strategy and they are detailed within the body of this report, however the Director of Corporate Services confirms that the proposed budget has been prepared in a robust manner.

1.5. The Executive Board needs to consider these detailed proposals and make recommendations to County Council in accordance with Council policy.

1.6. Whilst the Provisional Settlement has resulted in a better position than that anticipated, Local Government has again been faced with reductions which, in conjunction with significant validation requirement for such items as the NI rebate removal, continues to make the budget process extremely difficult. Decisions have had to be made in respect of prioritisation of services and the inclusion of substantial budget reductions in order to achieve what hopefully is an acceptable Council Tax increase.

2. CONSULTATION

2.1. The original proposals have been subjected to an extensive consultation exercise since the Budget Strategy reports were

presented to the Executive Board on the 16th November 2015, with the following groups and committees being invited to comment:-

- Public Consultation and Commercial Ratepayers
- School Budget Forum (School's Budget)
- Scrutiny Committees
- Trade Unions

2.2. A detailed report on the consultation results for each of the above is attached at Appendix A.

3. BUDGET REQUIREMENT 2016-17

3.1. Current Year Performance (2015/2016)

3.1.1. As the Authority's core spending requirements remains constant year on year, a review of current year's performance is important in identifying whether there are any underlying problems within the base budget.

3.1.2. The current projection for the Revenue Outturn for 2015/16 (based on the October 2015 monitoring) is as follows:

Service	Approved Budget £'000	Total Expenditure Forecast £'000	Variance Forecast For Year £'000
Chief Executive	10,609	11,019	410
Education and Children's Services	159,427	160,378	951
Corporate Services	22,905	22,649	-256
Communities	90,856	91,501	645
Environment	45,598	45,724	126
Departmental Expenditure	329,395	331,271	1,876
Cont from Dept/Earmarked Reserves		-949	-949
Capital Charges	-3,535	-4,735	-1,200
Pensions Reserve Adjustment	-5,085	-5,085	0
Levies and Contributions	9,214	9,214	0
Outcome Agreement Grant	-570	-570	0
Transfer to/ from Reserves	-1,198	-1,198	0
Net Expenditure	328,221	327,948	-273

The departmental overspends are primarily as a result of delays in the delivery of savings proposals put forward for 2015-16, and a review of the savings proposals that were agreed in February 2015 has identified that some £1.5 m of the original

proposals for 2015-16 are at risk of not being delivered/not being delivered in full.

The Education and Children's Services department is facing particular pressure, due in the main to school based EVR and redundancy costs, and whilst the department can meet the bulk of these pressures through a transfer from its departmental reserves in the current year, this will not be available in future years.

- 3.1.3. In considering next year's budget, consideration needs to be given to the ability of departments to address any ongoing pressures from the current year.

3.2. Validation

- 3.2.1. Validation reflects the changes in expenditure requirements to deliver the **current level** of services in future years. Primarily this is inflation, but also includes some service specific changes. The key validation factors contained in the budget strategy are as follows:

	2016/17	2017/18	2018/19
General inflation	0.6%	1.4%	1.8%
Electricity	3.0%	3.0%	3.0%
Gas	3.0%	3.0%	3.0%
Fuel	-12.5%	3.0%	3.0%
Pay Inflation - non teaching	1.0%	1.0%	1.0%
Pay Inflation - Additional cost of employers pay offer	£787k	£313k	£900k
Pay Inflation - Teaching	1.0%	1.0%	1.0%
Levies	1.0%	1.0%	1.0%
Pension Contributions	£297k	£309k	£312k
Teachers Superannuation	£575k		
Employers NI Changes	£4,100k		
Auto Enrolment		£1,600k	
Capital Charges	-	£250k	£250k
Main service Specifics:			
County Elections	£70k	£230k	-£300k
Adj to pay scales starting salary	£118k	-	-

- 3.2.2. Under the Local Authorities (Capital Finance and Accounting)(Wales)(Amendment) Regulations 2010 [the Amendment Regulations] the authority is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement at a rate that it considers to be prudent and having regard to the guidance issued. The Budget Strategy has been prepared based upon the Regulatory Method for supported borrowing in which the calculation is based on 4% of the opening Capital Financing

Requirement and the Asset Life Method for the Unsupported Borrowing e.g. Modernising Education Provision and Fleet replacement.

- 3.2.3. The most significant specific validation over the three year period remains the change in the Employers NI rates from April 2016, when defined benefit contracting out will be abolished. The consequence of this is that contracted out employers will stop receiving National Insurance rebate and instead pay the same NI rate as all other employers. The estimated impact of this on the Authority is £4.1m.
- 3.2.4. The original budget strategy assumed that the Mid and West Wales Fire Authority Levy would show a standstill position in its levy. The 2016-17 budget approved by the Mid and West Wales Fire Authority was an increase of 0.99% on the budget requirement falling on the Constituent Authorities. The effect of this has been an additional £92k budget requirement.
- 3.2.5. There is a clear risk to the Budget Strategy as departments may find it difficult to manage their expenditure within these parameters, especially where the lower inflationary increases have been applied by service providers. This risk is something that will require close monitoring during the year.
- 3.2.6. The Budget as constructed makes provision for a 1.0% pay award for all staff in 2016-17, added to which has been the cost of the recent employers pay offer (not yet accepted) which proposed increases ranging from 1.01% on SCP 17 to 6.4% on SCP9 for NJC staff. The teachers pay award has been provided at 1% from September 2016.
- 3.2.7. In total validation adds £12.7m to the current year's budget.

3.3. Cost Reduction Programme

- 3.3.1. As detailed in the report to Executive Board on 16th November 2015, in anticipation of the reductions in this settlement round, significant work in identifying service efficiencies/rationalisation proposals had been undertaken and a range of proposals were presented and categorised as follows:

Managerial – cost reductions that result in no perceivable change to the overall level of service delivery or council policy

Policy – Efficiency or service rationalisation proposals that will directly affect service delivery.

- 3.3.2. Equality Impact Assessments have been conducted on those proposals which could have an impact on service delivery. These are intended to identify whether these savings could have a disproportionate impact on one or more groups. Where this is the case appropriate consultation with representatives of such groups will be conducted and measures to mitigate the impact will be considered where possible.
- 3.3.3. An exercise has been undertaken to obtain 'expressions of interest' from staff who may be interested in voluntary severance/early retirement as well as other flexible working options. 21 releases have currently been supported for release on or before 31st March 2015, generating annual savings of £687k, with a further 14 expressions of interest provisionally supported for release during the 2016-17 financial year.
- 3.3.4. All 'policy' proposals have undergone public consultation and Equality Impact Assessments (see attached report Appendix Aii). In deciding which savings proposals to adopt, members are reminded of their duty to give 'due regard' (consideration) to equality, as defined in the Equality Act 2010. In practice, this means taking decisions in the light of possible equality impacts and understanding how impacts on affected groups could be lessened (mitigated)
- 3.3.5. The cost reductions now included in the final budget strategy are:

	2016/17 £m	2017/18 £m	2018/19 £m
Managerial	6,307	3,347	2,357
Existing Policy	554	806	300
New Policy	6,835	7,418	7,522
Total	13,696	11,571	10,179

(Detailed in Appendix B)

3.4. New Expenditure Pressures

- 3.4.1. New expenditure pressures are the combination of additional cost to meet existing service needs e.g. increased client base/greater service take up and the costs of meeting change in service provision e.g. policy changes.
- 3.4.2. Bearing in mind the budget pressures in the current year, and following a detailed review of the growth bids submitted, it is the

view of the Corporate Management Team that a sum of £2.420m be allocated as outlined at Appendix C.

- 3.4.3. It must be noted that the allocated sum does not meet all the pressures identified by departments, and accordingly departments will be required to strictly manage their budgets to remain within their allocated sums.

4. FUNDING

4.1. Provisional Revenue Settlement 2016-2017

- 4.1.1. On the 9th December 2015, the WG Minister for Public Services announced the provisional settlement for 2016-2017.
- 4.1.2. The total value of support for local government is £4,099 million (excluding specified bodies), compared with £4,125 million in 2015-16 (£4,156 million after adjusting for transfers). This represents a cash reduction of 0.6% compared with 2015-16. After adjusting for transfers, the reduction is 1.4% on an all Wales basis - for Carmarthenshire it is -1%, which in real terms is greater when the effects of inflation and new cost burdens are taken into account.
- 4.1.3. The Outcome Agreement Grant has now been transferred into the Settlement. £31.1m (£1.9m for Carmarthenshire) has been transferred in to the Revenue Support Grant for 2016-17 onwards.
- 4.1.4. WG has maintained £244 million within the Settlement for 2016-17 in relation to Council Tax Reduction Schemes and £4.77 million to support the cost of administering the scheme.
- 4.1.5. The main service blocks within the Settlement take account of increases in support for Schools of £35 million and £21m for Social Care. The Budget Proposals reflect the passporting of Carmarthenshire's allocation of these sums to the respective services.
- 4.1.6. Consideration is being given to whether further flexibility might be offered regarding certain grant funding for 2016-17 and beyond. In particular, whether the Education Improvement Grant, or part of it, might be transferred into the Revenue Settlement Grant in the Final Settlement for 2016-17. No decision has been taken on this as yet and there will be further engagement with Local Government representatives as part of the consultation on the Provisional Settlement.

4.1.7. WG has not provided any indicative AEF figures for 2017-18 and beyond, and in the absence of these the revised budget outlook reflects anticipated reductions of 2% per annum for both the 2017-18 and the 2018-19 financial years.

4.1.8. For specific revenue grants, in a number of policy areas, decisions about the implications for specific grants for 2016-17 have yet to be finalised. However, of the specific grants confirmed as part of the provisional settlement there has been an average reduction of 5%. In particular the Single Environment Grant (which encompasses the former Sustainable Waste Grant) has reduced by 6%. Initial projections by WG officials had indicated a significantly greater reduction for this grant, and the smaller reduction has assisted with service pressures identified in the original strategy.

4.1.9. Business Rate Poundage is to increase to 48.6p from 48.2p for 2016/17. (+0.8%)

4.1.10. The table below provides a summary of the overall position for this authority after the provisional settlement:

	2015-2016 Settlement £m	2016-2017 Provisional Settlement £m
Standard Spending Assessment	327,885	330,353
Aggregate External Finance	252,481	251,685

4.2. Internal Funding

4.2.1. Generally speaking whilst the use of reserves to support annual budgets should not be summarily discounted, it must be treated with caution. Funding on-going expenditure from such funds merely defers and compounds difficult financial problems to the following year. One-off items of expenditure within any budget proposal lend themselves better for such funding support.

4.2.2. In deliberating this point however, members must bear in mind any **inherent risks** that may be built into the budget strategy. These include:

- Challenging Efficiency targets
- Future inflation/interest rates
- Current economic climate continuing
- Additional pressure on demand lead Services

- Overestimation of the future settlements.
- Lack of Welsh Government forward indicators for 2017-18 onwards.

4.2.3. Sensitivity impact analysis:

Budget element	Movement	Annual Impact £m
Pay inflation	1%	2.3
General inflation	1% (expenditure only)	2.1
General inflation	1% (income only)	-1.2
WG Settlement	1%	2.5
Specific Grants	1%	0.7
Council Tax	1%	0.76

4.2.4. The following table summarises the main categories of reserves held by the Authority.

	1 st Apr 2015 £'000	31 st Mch 2016 £'000	31 st Mch 2017 £'000	31 st Mch 2018 £'000	31 st Mch 2019 £'000
Schools Reserves	3,940	1,801	1,201	351	0
General Reserves	8,500	8,431	8,431	8,431	8,431
Earmarked Reserves	72,002	52,476	35,869	18,131	16,950

4.3. School Reserves

4.3.1. Schools have delegated responsibility for the management of their own finances. The level of reserves held by an individual school at any point in time will depend on a number of factors including the level of contingency fund that the school governing body considers appropriate, and the particular plans each school has for expenditure. Officers have yet to be informed of any transfers to/from these reserves by individual schools for future years.

4.3.2. Legislation allows schools to carry forward reserves from one financial period to another. Recent guidance requires schools to limit their carry forward to £50,000 for Primary Schools and £100,000 for Secondary Schools or 5% of their budget dependant on what is greater. School Improvement officers are currently working with schools to ensure they comply with the guidance. As at 31st March 2015, 22 schools were in deficit and 23 schools held surplus balances in excess of the £50k/£100k threshold

5. GENERAL RESERVES

5.1.1. In the changeable and challenging environment currently facing Local Government the Authority is committed to maintaining a reasonable level of General reserves or Balances. Whilst there is no prescribed minimum level for Balances, Council has previously deemed 3% of net expenditure as being a prudent level, which has been accepted by our Auditors as being reasonable.

5.1.2. The overall level of balances are taken into consideration each year when the annual budget is set and has on occasions been utilised to augment expenditure/reduce council tax. Whilst the 2015-2016 budget was set on the basis of a £138k transfer from General Reserves, with the October monitoring forecasting an end of year underspend, the net effect is a projected £204k increase in the general balance.

5.1.3. Taking account of these changes the average level of the general reserves is forecasted to be around 2.6% of net expenditure during 2016/17. This equates to £8.4m.

5.2. Earmarked Reserves

5.2.1. The Authority holds earmarked reserves which have been set up to finance the delivery of specific projects, or in protecting the authority against future liabilities or issues. The reserves can be summarised as follows:

Reserve	1st Apr 2015 £'000	31st Mch 2016 £'000	31st Mch 2017 £'000	31st Mch 2018 £'000	31st Mch 2019 £'000
Insurance	9,625	9,425	9,225	9,025	9,025
Capital Funds	28,063	25,531	16,095	2,467	1,773
Development Fund	899	304	389	547	700
IAG/OAG	3,246	1,328	1,328	0	0
Corporate Retirement Fund	4,158	2,766	971	0	0
Joint Ventures	1,591	1,760	1,940	2,120	2,300
Other	24,420	11,362	5,921	3,972	3,152
TOTAL	72,002	52,476	35,869	18,131	16,950

5.2.2. As can be seen from the table above the level of earmarked reserves fluctuates greatly year on year, and whilst the level in each fund is not an exact science it is based on an informed

estimate and past experience of the likely call on the authority in future years in line with the intended purpose of each reserve. Great care must therefore be taken when considering utilising such funds for purposes other than those which they were created as this could lead to the authority being faced with substantial unfunded liabilities in the future.

- 5.2.3. A review of Earmarked Reserves has been undertaken, and additional funding of some £20.375m has now been identified and allocated within the new proposed capital programme, which allows the inclusion of the new strategic projects that have been submitted by Departments as detailed elsewhere on the Agenda today.

In total some £33.865m of reserve funding is included over the five years of the proposed capital programme.

- 5.2.4. The budget proposals assume a sum of £200k per annum being transferred from the Insurance Reserve to support the revenue budget for 2016-17 and 2017-18.
- 5.2.5. Taking account of the proposals within this report, including the use of reserves, the Director of Corporate Services confirms that overall the estimated level of financial reserves (as indicated above) is adequate for the financial year 2016/17, with the General Reserves being at the minimum that could be supported.

6. MEDIUM TERM FINANCIAL PLAN AND COUNCIL TAX PROPOSAL 2016/17

- 6.1. The table below provides members with a summary of the latest position which reflects the contents of this report.
- 6.2. It should be noted that the summary below has made provision for the pressures identified within this report, the latest employers pay offer and more importantly the additional support provided by Welsh Government for schools budgets, which equates to £2.1m for Carmarthenshire.
- 6.3. It must be noted that the AEF as stated earlier in the report is still provisional, and the Final Settlement will not be debated in WG until the 9th March 2016. In addition it should be noted that not all the anticipated specific grants for 2016-17 have been announced as yet. The Director of Corporate Services will advise on any implications and changes required to the budget requirement at the County Council meeting on 10th March 2016, when Council will be formally setting the Council Tax for 2016-2017.

6.4. The Authority's net expenditure for 2016/17 is estimated to be £331.836m, this gives a consequential Council Tax increase 5.00%.

The table also summarises the impact of the current Strategy on 2017/18 and 2018/19.

	2016 - 2017 £'000	2017 - 2018 £'000	2018 - 2019 £'000
Previous Years Budget	329,989	332,036	331,561
Validations/Adjustments	13,891	10,386	8,271
Validated Budget	343,880	342,422	339,832
To be allocated	1,850	710	1,595
less			
Efficiency/Service Rationalisation (Identified)	-13,694	-11,571	-10,179
Projected Budget	332,036	331,561	331,248
Less : Contribution from Balances	-200	-200	
	331,836	331,361	331,248
WG Settlement RSG & NNDR	-251,685	-246,651	-241,718
Call on Council Tax	80,151	84,710	89,530
Tax Base	70,929	71,397	71,868
Council Tax Rate (Band D)	£ 1,130.02	£ 1,186.46	£ 1,245.75
Council Tax Increase	5.00%	5.00%	5.00%

6.4.1. A full summary of the Budget Build up can be seen in Table1.

6.4.2. It can be seen from the table above that following the adjustments made reflecting the provisional settlement, there is a balance 'to be allocated'. This sum allows members the opportunity to give further consideration to the following items:

- The rate of Council Tax to be applied in 2016-17
- The consultation feedback on the savings proposals
- Increasing investment in certain service areas.

6.4.3. It must be emphasised that the figures for 2017 - 2018 and 2018 - 2019 are indicative only and must therefore be treated with caution as the settlement figures, growth pressures and the inflation assumptions contained therein will all be subject to

revision as the year progresses and firmer data becomes available.

6.4.4. As outlined in paragraph 4.1.8, Welsh Government has not provided any indicative AEF figures for 2017-18 and beyond.

6.4.5. Recommendations

6.5. That Executive Board consider and recommend to County Council:

6.5.1. The Budget Strategy for 2016/17 (subject to paragraph 6.4.4)

6.5.2. The Band D council Tax for 2016/17.

6.5.3. That the provisional medium term financial plan be approved as a basis for future years planning.

6.5.4. That the Director of Corporate Services will advise and recommend to County Council on 10th March of any impact and consequential action required from the Final Settlement which is due to be published by Welsh Government on 2nd March 2016, and debated on 9th March 2016.

Mae'r dudalen hon yn wag yn fwriadol

COUNCIL FUND REVENUE ACCOUNT**TABLE 1****SUMMARY STATEMENT**

2015/16 Approved Budget £'000	2015/16 Provisional Outturn £'000		2016/17 Proposed Budget £'000	2017/18 Indicative Budget £'000	2018/19 Indicative Budget £'000
10,609,265	11,019,359	Chief Executive	9,762,102	9,770,372	9,195,937
159,427,150	160,378,299	Education & Childrens Services	159,146,054	154,734,604	150,587,587
22,905,160	22,649,053	Corporate Services	25,330,606	31,504,357	36,367,402
90,856,396	91,501,129	Communities	91,402,073	89,934,784	89,254,436
45,597,203	45,723,600	Environment Services	45,909,764	44,789,596	44,670,764
329,395,174	331,271,440	Departmental Expenditure	331,550,599	330,733,713	330,076,125
-3,534,911	-4,735,224	Capital Charges/Asset Management Acc	-3,735,165	-3,485,165	-3,235,165
-5,084,948	-5,084,948	Pensions reserve adj	-5,085,052	-5,085,052	-5,085,052
		<u>Levies and Contributions</u>			
9,067,000	9,067,000	Mid & West Wales Fire Authority	9,157,143	9,248,714	9,341,202
147,000	147,000	Brecon Beacons National Park	148,014	149,494	150,989
329,989,315	330,665,268	Net Expenditure	332,035,539	331,561,704	331,248,099
-570,000	-570,000	Outcome Agreement Grant			
-138,000	135,047	Contribution from Balances Transfer to/from Departmental		0	0
-1,060,000	-2,009,000	Balances/Earmarked Reserves	-200,000	-200,000	
328,221,315	328,221,315	NET BUDGET	331,835,539	331,361,704	331,248,099
		TO BE FINANCED FROM:			
-252,481,384	-252,481,384	Aggregate External Finance	-251,684,698	-246,651,004	-241,717,984
75,739,931	75,739,931	CALL ON TAXPAYERS	80,150,841	84,710,700	89,530,115
1076.22		Band D Tax Council Tax Increase	1,130.02 5.00%	1,186.46 5.00%	1,245.75 5.00%

Mae'r dudalen hon yn wag yn fwriadol



CARMARTHESHIRE COUNTY COUNCIL

REVENUE BUDGET 2016-17 to 2018-19

CONSULTATION

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CARMARTHENSHIRE COUNTY COUNCIL

BUDGET 2016-19 CONSULTATION

INTRODUCTION

A mixed-method approach to ascertaining views on the 2016-19 budget took place during the period from November 2015, to January 2016.

In making savings, the Council is concerned to minimise the impact upon service delivery. Many savings are being made through internal efficiencies and the current financial strategy includes proposals totalling £12m under this heading. It is however recognised that some savings proposals will potentially have an impact on service delivery. These are known as 'policy' proposals and **29** (with a total value of £24.2 million) are being considered by the Council in making its budget for 2016-19.¹

There are a variety of legal and policy reasons why the Council must undertake full and meaningful consultation, where service changes are under consideration.² Ultimately, a flawed approach can be a means whereby decisions can be challenged through the courts, through a process of Judicial Review. A decision against the Council would damage the reputation of Council, at a time when it needs to focus on responding to its challenging financial position.

This report:

- 1) Outlines the **consultation approach** and the different consultation methods deployed;
- 2) Summarises the **key findings**;
- 3) Details the **specific consultation findings** in relation to each of the 29 proposals;
- 4) Presents initial findings in relation to possible **service delivery methods**; and
- 5) Lists some ideas from the consultation for **making savings or generating income**

1) OUTLINE OF APPROACH AND CONSULTATION METHODS

As in previous years, the settlement provided by Welsh Government has challenged the Council to make significant cost reductions. In response, Council departments identified proposals for making savings and a consultation exercise was undertaken to elicit views on levels of agreement, possible impacts and ways the impacts could be minimised (mitigation).

Councillor involvement

¹ It is important to note that nine proposals were subject to detailed consultation during the previous budget consultation undertaken during November 2014 to January 2015. The results from this exercise have been carried forward into this report.

² The 2010 Equality Act and the Council's Strategic Equality Plan require that 'due regard' be given to the views of designated groups in making decisions. In terms of consultation, a body of case law points to the need for public authorities to properly gather and consider the views of the public in reaching decisions.

A series of departmental seminars for all county councillors took place during the period November to early January.³ Proposals were considered in detail and feedback sought. Moreover, the efficiency proposals were tabled for discussion at a meeting of the Community & Town Councils Liaison Forum (TCCLF).

Alongside councillor engagement, public consultation took place in the following ways:

Publicity

Information about the budget consultation, and ways to become involved, was disseminated widely. The issue was highlighted in Carms News and weekly bilingual coverage was secured in the Carmarthen Journal and Llanelli Star newspapers during the consultation period.

In addition, the consultation was publicised through relevant equality groups, including Equality Carmarthenshire and the Carmarthenshire Disability Coalition for Action. Community council involvement was encouraged through a presentation and discussion at the liaison panel meeting held on the 8th December. Businesses were also approached for comment, through a direct mailing.

Budget road shows

Following publicity, sessions were held in three locations across Carmarthenshire.⁴ The road shows led to discussion and contact with a total of around 240 people. Budget surveys were distributed as were 'postcards' highlighting the opportunity to participate through the on-line survey.

On-line survey

The survey provided financial and service information on each of the 20 new policy proposals and asked respondents to express a view on the degree to which they supported the proposal.⁵ Views were also sought regarding the potential impact of implementing the proposal on people and communities.⁶ Hard copies were available by request. A total of 287 survey responses were received from various sections of the community.⁷

Question of the week

Awareness of the consultation was promoted through social media. During the consultation period, weekly engagement was encouraged through asking users their views on a particular proposal. The 'question of the week' approach also allowed feedback to users. A total of 62 submissions were received on the featured proposals.⁸

Insight

³ As democratically elected representatives, councillor views are of central importance. This is of course in addition to their decision making role, as Council, in deciding the budget.

⁴ Sessions were held in Llanelli (Elli Centre and Library), Ammanford (outdoor market and Tesco's) and Carmarthen (town centre and leisure centre).

⁵ The format of the survey was identical to the previous budget survey, to ensure comparability of results for all 29 proposals.

⁶ The responses are important in establishing the impact of Council proposals on people – a key consideration in undertaking good decision making based on evidence, and a requirement of the 2010 Equality Act.

⁷ Of the 287 respondents who gave completed answers to demographic questions: 96% were from individuals, 4% from Town and Community Councils, organisations or businesses; 92% described as white, 3% minority ethnic. Responses were received from all age groups (largest proportion – 23% from the 35-44 category). 51% of responses were from women (45% from men), and 25% were single. 15% described themselves as disabled, 38% held a religion or belief (42% did not), and 82% described themselves as heterosexual (5% either lesbian, gay or bisexual).

⁸ Four of the proposals featured in 'question of the week': meals on wheels (23 responses); libraries (4); schools (11); and highways (24).

The Insight session took place 12th November at Parc y Scarlets and involved year 12 and 13 students from Ysgol Dyfryn Amman, Ysgol Gyfun Emlyn, Ysgol Bro Dinefwr, QE High, Maes y Gwendraeth and Ysgol Gyfun y Strade.

Each school had around 10 attendees, and Executive Board roles were allocated (QE High had two groups). In all, around 70 young people participated in the budget consultation exercise. Following briefings on portfolios and proposals for making savings, students undertook a discussion and decision making exercise to decide which proposals they would support. Members of the Council's Executive Board were in the audience as each group presented its views on the proposals. Comments from the session are noted against relevant proposals.

Other

7 responses were made by email, letter or in person, including responses from the Disability Coalition, and Equality Carmarthenshire.

Equality Carmarthenshire is a partnership consisting of public bodies and various groups, organisations and interested individuals who either live with protected characteristics as defined in the Equality Act 2010, or work to support people and communities who do. Its response highlights concern about the cumulative effect of the proposals under consideration, particularly on disabled people, young people, old people and families with disabled children. Further comments are noted throughout the report.

The public consultation phase ran from 18th November 2015 to 3rd January 2016.

About Average Index Score (AIS). Sometimes known as a 'weighted average', the AIS is a way of distilling the 'balance and strength of opinion' down into one number. Useful for questions with options to 'strongly agree', 'disagree', etc., the technique is used throughout the report. Values range from 2 (*everyone* strongly agrees) to minus 2 (*everyone* strongly disagrees).

Example

10 people are asked whether they 'strongly agree', 'agree', 'have no opinion', 'disagree' or 'strongly disagree' that Wales will win the six nations.

Results...

3 strongly agree (each response worth 2, so=**6**)

3 agree (each response worth 1, so=**3**)

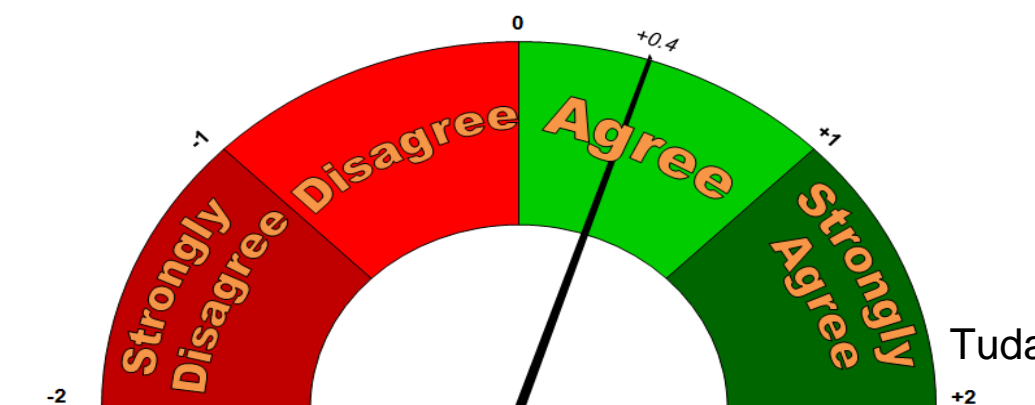
1 no opinion (each response worth 0, so=**0**)

1 disagree (each response worth -1, so= **-1**)

2 strongly disagree (each response worth -2, so=**-4**)

The AIS is calculated by adding all the numbers in bold: so, $6+3+0-1-4=4$;

Then dividing by the number of responses (10 in this case). The average index score is: $4\div 10=\mathbf{0.4}$ (shown graphically below)



2) SUMMARY OF KEY FINDINGS

Headline results – all 29 proposals

The table below shows the results from the on-line budget consultation survey. It shows details of the proposal, then gives results for the question: *'how strongly do you agree, or disagree, with this proposal'*.⁹ The table is ranked in order by AIS score. Those proposals with higher levels of support, reflected in higher AIS scores, appear first.¹⁰

It is important to note that the report considers 29 proposals, nine proposals of which were subject to detailed consultation during the previous budget consultation undertaken during November 2014 to January 2015.

⁹ The survey itself gave summary information about each proposal to inform the decisions of respondents.

¹⁰ Values near to zero may indicate no clear consensus, or may reflect apathy in relation to the proposal.

Proposal	3 Year Saving (£'000)	Consultation Year	Strongly Agree (%)	Agree (%)	Neither (%)	Disagree (%)	Strongly Disagree (%)	Average Index Score
Public Protection - Animal Welfare [pp. 10]	30	2015	46	33	13	3	5	1.12
Council Fund Housing - Options and Advice Services (2) [pp. 12]	10	2015	38	37	16	3	6	0.99
Oriel Myrddin [pp. 14]	14	2014	29	32	31	4	4	0.78
Children Looked After (Leaving Care, Taxis & Individual Review Service) [pp. 16]	50	2014	20	42	23	9	7	0.59
Revenues & Cash Desk [pp. 18]	25	2014	24	23	35	10	8	0.47
Sports, Leisure, Theatres Alternative Service Delivery Model [pp. 20]	550	2014	18	35	31	9	8	0.45
Youth Services [pp. 22]	20	2015	13	35	34	9	9	0.36
Secondary Speech & Language Provision [pp. 24]	50	2014	18	36	19	15	12	0.33
Catering Services - School Meals [pp. 26]	300	2015	22	36	9	17	16	0.31
Home to College Transport [pp. 28]	516	2014	20	34	17	13	16	0.28
Libraries [pp. 30]	240	2015	15	35	17	17	17	0.13
Meals on Wheels [pp. 32]	57	2015	12	35	13	22	19	0
Catering Services - Free School Breakfasts [pp. 34]	110	2015	18	26	15	18	23	0
Car Parks [pp. 36]	108	2015	15	30	11	18	26	-0.09
Delegated School Budget [pp.38]	18,280	2015	15	26	16	18	25	-0.11
School Crossing Patrols [pp. 40]	110	2014	13	22	25	20	20	-0.13
Council Fund Housing - Options and Advice Services (1) [pp. 42]	29	2015	13	22	21	26	18	-0.14
Home Care Service [pp. 44]	1,000	2015	9	30	21	17	23	-0.16
Local Authority Residential Homes for Older People (Glanmarlais & Tegfan) [pp. 46]	200	2014	11	21	25	23	19	-0.18
Cleansing Services and Environmental Enforcement [pp. 48]	252	2015	7	25	22	23	23	-0.32
Educational Psychology [pp. 50]	60	2015	10	22	18	26	25	-0.33
Public Protection - Welfare Rights and Citizens Advice [pp. 52]	100	2015	13	22	13	19	33	-0.37
Inclusion Services - Special Educational Needs (SEN) [pp. 54]	200	2014	10	16	22	29	23	-0.41
Education other than at School (EOTAS) & Behaviour Services [pp. 56]	50	2015	9	16	22	28	24	-0.42
Local Authority Residential Homes for Older People [pp. 58]	350	2015	7	17	17	32	27	-0.55

Proposal	3 Year Saving (£'000)	Consultation Year	Strongly Agree (%)	Agree (%)	Neither (%)	Disagree (%)	Strongly Disagree (%)	Average Index Score
Flood Defence, Land Drainage & Coastal Protection [pp. 60]	118	2015	7	18	14	29	33	-0.63
Highways Infrastructure Maintenance [pp. 62]	1,271	2015	6	17	16	27	33	-0.63
Inclusion Services - Special Educational Needs (SEN) [pp. 64]	120	2015	7	15	12	30	36	-0.73
Short Breaks / Respite for Disabled Children & Young People [pp. 66]	50	2015	4	8	14	40	34	-0.93

3) CONSULTATION FINDINGS – ALL PROPOSALS

Below, all 29 proposals are considered individually, in turn, in order to lay out a *comprehensive summary* of relevant consultation information.

Each summary begins by detailing relevant facts and figures, including the value of the proposal, its average index score (AIS), and its AIS rank against other proposals. It also gives an AIS for selected categories of respondent,¹¹ for comparative purposes, and also to help meet our Equality Duty of demonstrating ‘due regard’ to equality. It is important to recognise that some proposals will be of specific relevance to people in certain categories. This must be taken in account in reaching decisions.

Views expressed through the public consultation - whether through surveys, road shows, letters and emails - have been considered together and themes identified.

The ‘other relevant information’ section includes information from *specific* sources, such as representations and organisational responses.

The views of councillors, (as expressed through budget seminars or scrutiny committees) are included under the ‘councillor engagement’ heading.

In the AIS charts that follow for each proposal, negative values are highlighted to show where demographic groups are, on balance, in opposition.

¹¹ The selected categories are: staff (CCC staff); BME (minority ethnic groups); a number of age categories; disabled (disabled people); religion (those having a religion or belief) and LGB (people describing themselves as lesbian, gay or bisexual).

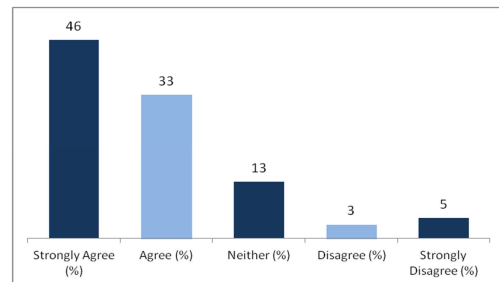
Public Protection – Animal Welfare

Total Budget: £45,000
3 Year Savings: £30,000

2016 - 17	2017 - 18	2018 - 19
30	0	0

Description: Increase in licensing fees for breeding, boarding and riding establishments.

Average index score: 1.12
Overall Rank (of 29): 1
Sample Size: 253



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.83	0.67	1.33	1.02	1.46	1.02	1.28	1.16	1.23	0.85	0.91
Sample	58	9	3	163	54	117	108	38	96	13	32

Key themes from the public consultation (53 comments):

- Too much breeding and too many animals need re-homing.
- Will prevent people keeping animals for the wrong reasons i.e. puppy farming
- Increase 'underground' breeding.
- Establishments should be strictly licensed and regulated,
- May encourage improved standards at establishments and less unwanted animals
- Increase in boarding costs for animal owners.
- Could jeopardise facilities such as riding for the disabled
- Tax dog owners, use the money to clean up the mess
- Mitigation - exclude charities; access for public to check traders are licensed (i.e. council website), re-introduce dog license fees.

Other relevant information:

N/A

Councillor engagement:

- General acceptance of the proposal

Equality Impact Assessment summary:

Description of impact
Increasing the cost of licences for animal boarding and breeding establishments
Affected groups:
The owners of these establishments. No equality impacts on protected characteristics are anticipated. The consultation shows all demographic groups favour the proposal
Mitigation
<ul style="list-style-type: none">• See above
Assessment undertaken: December 2015 (see appendix 1)

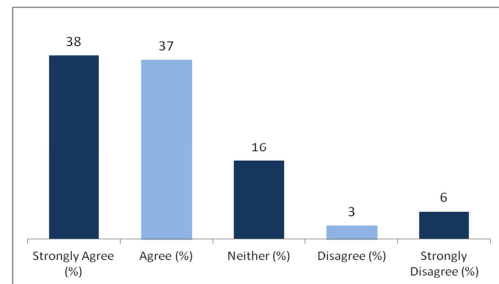
Council Fund Housing - Options and Advice Services (2)

Total Budget: £300,000
3 Year Savings: £10,000

2016 - 17	2017 - 18	2018 - 19
10	0	0

Description: Increased income from landlords licences for houses with multiple occupation.

Average index score: 0.99
Overall Rank (of 29): 2
Sample Size: 247



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.98	0.88	0.67	0.98	1.00	1.03	0.96	0.86	1.04	1.33	0.74
Sample	54	8	3	158	53	112	107	36	92	12	31

Key themes from the public consultation (36 comments):

- Buy to let scheme would be discouraged as it involves making money at the expense of the tenants and could restrict the number of houses for first time buyers.
- All landlords should be licensed and fees increased.
- Costs will more than likely be absorbed into the rental costs.
- Monitoring of landlords and tenants, many have neglected their duties i.e. inadequate standard of properties.
- On-line register of licences landlords/properties.
- Penalties for properties which are poorly maintained and do not meet regulations.
- Mitigation - council to ensure all landlords are licensed and inspected to ensure that premises meet regulations; fixed rental cost agreed by local authority; profits from licenses used to build new social housing, make the fee pro rata so that landlords of multiple properties pay more.

Other relevant information:

Councillor engagement:

- N/A

Equality Impact Assessment summary:

Description of impact
Charging landlords more for the issue of licences
Affected groups:
Landlords primarily. The consultation AIS results show all groups are in favour, with a number strongly so.
Mitigation
<ul style="list-style-type: none">• Advice on the changes, including conferences, will be provided to landlords
Assessment undertaken: xxx (see appendix 2)

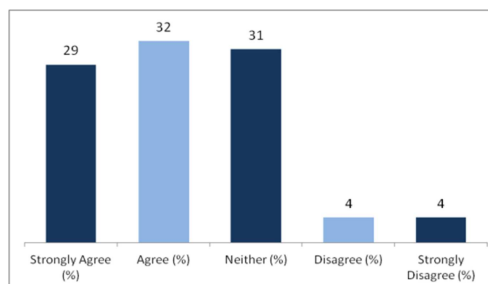
Oriel Myrddin Gallery (Carmarthen) (2014)

Total Budget: £102,000
3 Year Savings: £14,000

2016 - 17	2017 - 18	2018 - 19
14	0	0

Description: Phased transfer to independent trust status from 2016/17.

Average index score: 0.78
Overall Rank (of 29): 3
Sample Size: 602



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.65	1	0.63	0.81	0.8	0.77	0.77	0.69	0.77	0.56	N/A
Sample	190	5	30	352	186	296	258	80	321	9	N/A

Key themes from the public consultation (85 comments):

- A 'necessary evil'. Service take-up lower than for other services. Not classified as a 'front-line' service
- Appreciation that arts and entertainment budget cannot be ring-fenced. As such, many have a preference to protect theatres, not art galleries
- Bestowal of trust status grants additional benefits such as tax exemptions, ability to apply for grants
- Art galleries are an important outlet for artists and provide exposure. Closure threatens career of professional artists
- Will stunt growth of cultural activities and tourism
- Mitigation – clear communication with service users; support until trust established

Other relevant information:

- Expert Group representing Carmarthenshire Museum Service – it is necessary to preserve Carmarthenshire's rich heritage through the guardianship of artefacts. Inter-authority working would minimize administrative costs for Museum Services; Trust Status has had mixed success. Building maintenance, staff expertise and educational importance of service also requires careful deliberation.

Councillor engagement:

- Views generally in support of the proposal (budget seminar 2014); some comments relating to the position regarding on-going subsidy (budget seminar 2015)

Equality Impact Assessment summary:

Description of impact
The continued operation of the facility will involve a need to draw funding from sources other than the Council. A service reduction is not proposed.
Affected groups:
All demographic groups use the facility and no adverse effect is considered likely. The AIS shows all categories support the proposal.
Mitigation
<ul style="list-style-type: none">• Source funding from the arts and business community
Assessment undertaken: December 2015 (see appendix 3)

Looked After Children - Leaving Care, Taxis & Individual Review Service (2014)

Total Budget: £711,000

3 Year Savings: £50,000

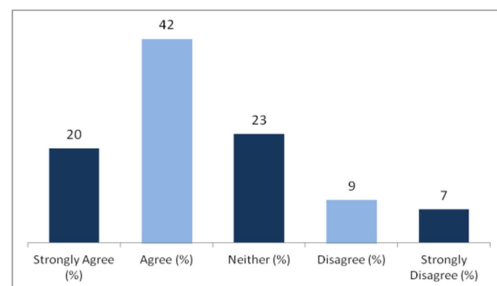
2016 - 17	2017 - 18	2018 - 19
0	50	0

Description: Taxis are used to transport children when Looked After, either going to school, or for contact. Care leavers receive ongoing support up to 21, or even 25 if in full time education. A reduction of children coming into care; and the additional resources to support their rehabilitation home through targeted resources should contribute to a fall in numbers; both those in care, and those leaving care, and as a result, should achieve a financial reduction in these areas over time.

Average index score: 0.59

Overall Rank (of 29): 4

Sample Size: 627



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.52	0.8	0.03	0.6	0.69	0.46	0.71	0.47	0.59	0.78	N/A
Sample	198	6	34	361	194	308	269	89	336	9	N/A

Key themes from the public consultation (103 comments):

- The Council should not identify efficiency savings in areas concerned with the protection of vulnerable individuals
- Some consider foster carers are well compensated and should be responsible for the provision of such journeys
- Use of taxis for long, across-county journeys should be reviewed
- Clarification sought on what is being proposed
- Given people will no longer be children, why is support provided up to age 25?
- Mitigation – more extensive use of public transport; transfer responsibility for transport to fosterers

Other relevant information:

N/A

Councillor engagement:

N/A

Equality Impact Assessment summary:

Description of impact
The aim is to reduce the number of children looked after by using preventative services
Affected groups:
The consultation results show those 16-24 are only slightly in favour of the proposal
Mitigation
<ul style="list-style-type: none">• See above
Assessment undertaken: November 2014 (see appendix 4)

Revenues and Cash Desk (2014)

Total Budget: £789,000

3 Year Savings: £25,000

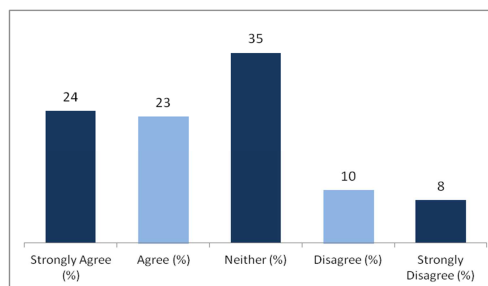
2016 - 17	2017 - 18	2018 - 19
25	0	0

Description: Closure of Llandeilo Cash Office.

Average index score: 0.47

Overall Rank (of 29): 5

Sample Size: 630



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.26	1.33	0.37	0.53	0.46	0.39	0.57	0.12	0.42	0.38	N/A
Sample	204	6	38	359	0.46	314	268	86	336	8	N/A

Key themes from the public consultation (219 comments):

- Noted that many people now make payments using other methods
- Regarded as an issue specific to local (perhaps older) residents of the Llandeilo area
- The importance of the Council having a local presence was stressed
- Cash desk making more use of the library.
- Leisure Centres used as a payment point.
- Having mobile access.
- Mitigation: encourage shift to on-line payment; move function to local shop/bank/post office

Other relevant information:

- T&CC – agreement providing functions can be transferred to local post offices (Llansteffan & Llanybri)

Councillor engagement:

- Explore options for alternative provision with banks and post offices

Equality Impact Assessment summary:

Description of impact
The closure would affect current users, though the numbers are low and reducing
Affected groups:
The proposal could affect older people, people with communication or access issues (due to race or disability). The AIS for the consultation shows these groups are in favour of the change
Mitigation
<ul style="list-style-type: none">• The proposed self service arrangements would be supervised, enabling support for those needing it• The service would be offered from alternative locations in close proximity• A mail shot of existing users would take place offering guidance on accessing the service in different ways (direct debit, Internet, post office, etc)
Assessment undertaken: December 2015 (see appendix 5)

Sports, Leisure, Theatres Alternative Service Delivery Model (2014)

Total Budget: £2,937,000

3 Year Savings: £550,000

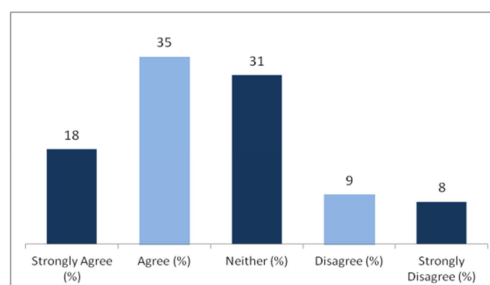
2016 - 17	2017 - 18	2018 - 19
0	250	300

Description: The proposal is to save money by delivering Sports, Leisure and Theatres in a different way - i.e. by a trust.

Average index score: 0.45

Rank (of 29): 6

Sample Size: 615



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.42	1	-0.33	0.44	0.65	0.42	0.47	0.46	0.44	0.33	N/A
Sample	192	6	33	357	190	301	266	83	329	9	N/A

Key themes from the public consultation (110 comments):

- Favour the change if it protects provision and we don't lose valuable assets.
- It is not obvious how a trust could deliver at a lower cost. More detail is needed
- They will no longer be accessible to communities when inflated charges are levied.
- New Trust to meet the Welsh Language requirements.
- Schools need to pay the proper rate for use
- Accountability – how would the trust relate to the Council?
- Mitigation: give thorough consideration of implications of trust status

Other relevant information:

- T&CC – the Trust should be a locally established entity (Llanelli Rural)
- Insight session – sports, leisure and theatres are/offer important activities for young people; concern over possible increase in charges and removal of free swimming; CCC should maintain some degree of control/steering

Councillor engagement:

- Acceptance of the need to consider a new model of delivery (including views concerning the advantages of commercial freedom); issues were raised in relation to service delivery and governance (budget seminar 2015)
- Clarification sought in relation to the status of Gwendraeth Leisure Centre (given closure of associated school) (budget seminar 2015)
- Clarification sought on implications of delivery via Trust on contractual arrangements of transferring staff (Scrutiny 2015)

- Trust model brings benefits of reduced subsidies (80% rate relief) and commercial freedom (Scrutiny 2015)

Equality Impact Assessment summary:

<i>Description of impact:</i>
Alternative delivery of sports, leisure and theatres. The intention is to maintain the same outcome specification as presently exists and no detrimental impact is anticipated
<i>Affected groups:</i>
The services are open to and used by all sections of the community. The AIS shows support from all groups except those 16-24
<i>Mitigation</i>
<ul style="list-style-type: none"> • The outcome specification can be determined by the Authority, ensuring continued high quality provision
<i>Assessment undertaken:</i> October 2014 (see appendix 6)

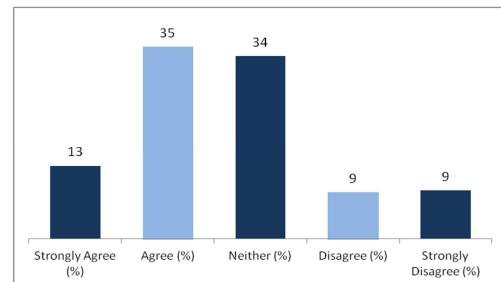
Youth Services

Total Budget: £427,000
3 Year Savings: £20,000

2016 - 17	2017 - 18	2018 - 19
0	20	0

Description: Review the use of the Quay Centre. Alternative arrangements within the Carmarthen town area would need to be explored to ensure that service provision is maintained in the locality.

Average index score: 0.36
Overall Rank (of 29): 7
Sample Size: 246



	Staff	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.26	-0.25	1.00	0.34	0.35	0.32	0.37	0.29	0.41	0.25	-0.09
Sample	54	8	3	160	51	114	104	34	92	12	33

Key themes from the public consultation (37 comments):

- Low number of overall comments, with most unaware of Quay Centre
- Proposal lacks information on current usage and doesn't specify alternative arrangements
- Importance of youth centres in combating anti-social behaviour and NEETs (Not in Education, Employment or Training) emphasised
- Costs incurred in setting up new premises will detract from 3 year savings
- A view that the savings don't go far enough
- **Mitigation:** hire out Quay Centre to generate income; co-working/co-location with community sector (e.g. Dr M'Z project in Carmarthen and St Peter's church)

Other relevant information:

- Llandoverly YMCA – youth centres have a wider community role and should be protected
- Equality Carmarthenshire – concern about the impact on families with disabled children

Councillor engagement:

- It was suggested that greater collaboration with Dr Mz could be beneficial; the proposal generally supported as a cost-saving measure (budget seminar)
- Continuity – some concerns about ensuring alternative arrangements are in place (budget seminar)
- Some views in relation to funding for the youth service in general, and the need to provide opportunities for young people (budget seminar)

Equality Impact Assessment summary:

Description of impact
The Quay Centre is currently used for post-16 youth work, including 'one to one' and 'drop in' work. No adverse equality impacts are anticipated
Affected groups:
Post-16 young people. The AIS for demographic groups shows support, except for the BME and carer categories.
Mitigation
<ul style="list-style-type: none">• Suitable alternative premises exist in Carmarthen
Assessment undertaken: December 2015 (see appendix 7)

Secondary Speech and Language Provision (2014)

Total Budget: £1,453,000

3 Year Savings: £50,000

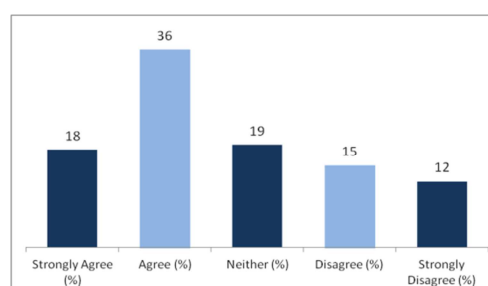
2016 - 17	2017 - 18	2018 - 19
50	0	0

Description: The County Council proposes to remodel how support is provided for secondary age pupils with speech, language and communication needs and move away from a special unit provision to enable support and provision in all schools.

Average index score: 0.33

Overall Rank (of 29): 8

Sample Size: 642



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.31	1	0	0.33	0.48	0.34	0.35	0.21	0.34	0.11	N/A
Sample	205	6	34	370	200	321	272	89	340	9	N/A

Key themes from the public consultation (183 comments):

- Support for the principle of integration into mainstream education
- Concern mainstream provision may not be best in every case
- Service needs more, not less, investment
- Schools may lack required expertise, leading to poorer outcomes
- In providing support, lessons may be disrupted
- Mitigation: ensure schools are equipped with the expertise to cope with added demands; implement re-modelled provision on a trial basis to ensure it meets needs

Other relevant information:

N/A

Councillor engagement:

N/A

Equality Impact Assessment summary:

Description of impact
Mainstreaming support in schools rather than within a specialist unit. Evidence suggests that functional and strategy-based approaches can be effective at secondary school level
Affected groups:
Pupils with additional speech and language needs; effected staff. The consultation shows no demographic groups are against the proposal.
Mitigation
<ul style="list-style-type: none">Schools and teachers will be given training to ensure pupils receive effective support within a mainstream environment
Assessment undertaken: November 2014 (revised December 2015 - see appendix 8)

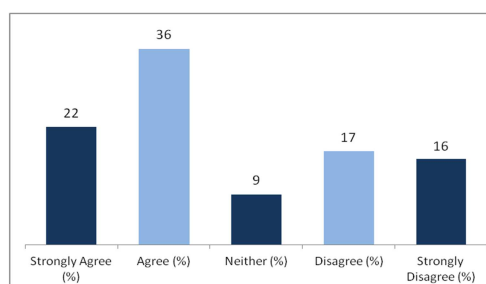
Catering Services - School Meals

Total Budget: £204,000
3 Year Savings: £300,000

2016 - 17	2017 - 18	2018 - 19
100	100	100

Description: It is proposed to increase the cost of a primary school meal price to £2.40 in April 2016, £2.50 in April 2017 and £2.60 in April 2018. There will be similar increases in charges for food in secondary schools. Increasing the price of a school meal progressively over the next 3 years may have an adverse impact on take-up.

Average index score: 0.31
Overall Rank (of 29): 9
Sample Size: 249



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.20	0.75	-2.00	0.17	0.72	0.16	0.48	0.34	0.34	0.64	0.09
Sample	55	8	3	160	53	116	105	35	94	11	33

Key themes from the public consultation (100 comments):

- The increase is fair and school meals offer good value; with some views to the contrary
- Concerns that rise may impact upon take up. This may have health impacts, because school meals are seen as healthier than other options (packed lunch or food purchased elsewhere at lunchtime)
- Low income and larger families will be affected to a greater extent – particularly those just above free school meals (FSM) threshold
- **Mitigation:** avoid price rises through finding cheaper suppliers or developing an alternative delivery method (e.g., externalise the service); giving discounts to larger families and those just about the FSM threshold; promote healthy eating to parents and students

Other relevant information:

- Insight session – impact on low income / large families recognised. Price increase too steep and will encourage unhealthy eating (packed lunch or chippy). Schools responsible for good nutrition
- TCCLF – agreement that the increase was reasonable and necessary
- T&CC – increase will affect take up (St Clears)
- Equality Carmarthenshire – concern about the impact on families of disabled children

Councillor engagement:

- Queries about the impact on take up of school meals, and issues of fairness relating to applying the same rate to children of different ages (budget seminar)

Equality Impact Assessment summary:

Description of impact
School meal price increases could impact upon take up.
Affected groups:
(Larger) families above free school meal threshold. In terms of AIS scores, those most in favour of the proposal were those 65+ and BME people; men were more strongly in favour than women
Mitigation
<ul style="list-style-type: none"> • Continue to promote the health, quality and value for money of school meals • Promote the benefits of healthy eating to all students
Assessment undertaken: December 2015 (see appendix 9)

Home to College Transport

Total Budget: £544,000

3 Year Savings: £516,000

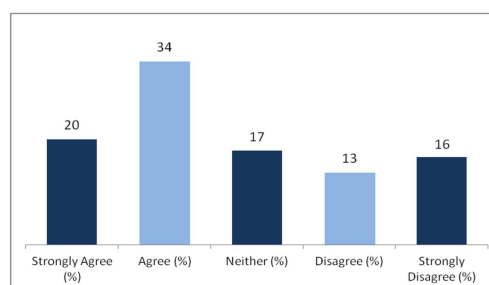
2016 - 17	2017 - 18	2018 - 19
65	451	0

Description: Post 16 transport is a discretionary service and statutory consultation is underway to sustain the service through the introduction of a charge.

Average index score: 0.28

Overall Rank (of 29): 10

Sample Size: 650



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.14	-0.6	-0.64	0.32	0.63	0.17	0.51	0.45	0.31	0.56	N/A
Sample	204	6	33	362	198	309	279	84	337	9	N/A

Key themes from the public consultation (115 comments):

- Reasonable proposal as further education is not mandatory. College users should bear some of the cost in order to maintain the service
- Saving necessary to protect front-line services
- Encourages younger people to manage money responsibly
- Urban/rural divide and imbalance: adverse impact on rural residents
- Proposal impacts on the most vulnerable in society and restricts social mobility
- Discriminates Welsh speaking sixth formers in schools
- Will segregate Year 12 and 13 pupils.
- Proposal will increase young people classified as NEET (Not in Education, Employment or Training) and hinder their prosperity
- Mitigation - greater use of e-learning; means test to support pupils from low-income families; charge minimal fee to maintain participation; introduce tapered charge over 3 years; support young drivers' schemes; implement cycle hire scheme; combine with public bus routes

Other relevant information:

- Youth Council – concern that this will constrain take-up of further education opportunities and force students to select courses that do not suit their career path (as may not be offered within nearest college)
- Insight session – points above reinforced, plus: taper charge to distance travelled; monthly payments; discounts for more than 1 bus pass per family

Councillor engagement:

- A balance of views against the proposal, given concern about the impact of charges on families (budget seminar). The validity of the proposal was

questioned, given the views of the School Transport Member Focus Group against its implementation (scrutiny)

Equality Impact Assessment summary:

Description of impact
Students currently having free post-16 transport will be required to pay. A concern that the charge will affect take up of further education
Affected groups:
Students from less well off backgrounds and those from rural areas. The AIS shows that BME people and those 16-24 were against the proposal
Mitigation
<ul style="list-style-type: none">• Introduce full charge over a number of years on a tapering basis• Payment of annual change in instalments• No charge for low income students
Assessment undertaken: December 2014 (see appendix 10)

Libraries

Total Budget: £2,381,000

3 Year Savings: £240,000

2016 - 17	2017 - 18	2018 - 19
0	92	148

Description:

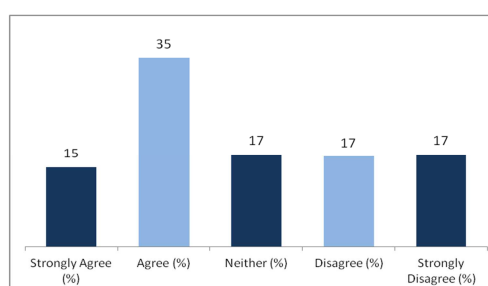
2016/17 - £92,000: The proposal is to change the way the mobile library service is delivered to make more effective use of the vehicles. Offering further services from mobile libraries (for instance, photocopying) is being considered as a way of improving the overall service.

2017/18 & 2018/19 - £148,000: To ensure a library service continues to be available in Carmarthenshire, the proposal is to close a number of branch libraries and rely on an enhanced mobile library service

Average index score: 0.13

Overall Rank (of 29): 11

Sample Size: 253



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	0.23	-0.22	1.33	0.10	0.25	0.12	0.17	0.14	0.1	0.08	0.12
Sample	57	9	3	163	53	118	107	36	96	13	34

Key themes from the public consultation (143 comments):

- Mobile libraries not comparable to branch libraries given frequency of access, fewer facilities and limited choice. Removes flexibility for borrowers, particularly parents and those in full-time work
- Library functions as a hub – place to read, browse, use computers, hold exhibitions and meetings and make use of timetabled educational activities
- A number of comments in support of the mobile library service. Upheld as indispensable for those with mobility issues (physical disability and rurality)
- Proposal is synchronous with current times – books are increasingly accessed by digital means
- Some agreement providing mobile service visits regularly, is better advertised (location & timings made clearer), choice of books is retained and town centre libraries remain open
- Mitigation: 'click & collect' (reserve books online for pick-up at mobile library); reduce opening hours of branch libraries; co-location (integrate with colleges)

Other relevant information:

- Insight session – bigger impact on elderly and rural residents; combine with coffee shops or schools (evening access); prioritise most popular libraries

- TCCLF – community buildings could house books, in order to help sustain the service. Each collection of books could be refreshed periodically by the Council
- T&CC – agreement with the proposed changes at St Clears, involving use of staff and volunteers (St Clears)

Councillor engagement:

- Views in favour of the review; sought clarity on involvement in decisions about closure of smaller branches
- Expand the range of services available through the mobile libraries, to include consideration of customer service centre (CSC) services, blue bag provision and banking services (budget seminar)

Equality Impact Assessment summary:

<i>Description of impact</i>
Mobile provision involves service improvement; some branches will need to be delivered in another way.
<i>Affected groups:</i>
Older people; digitally excluded; those in poverty. The AIS shows BME people are against the proposal, but others in support
<i>Mitigation</i>
<ul style="list-style-type: none"> • Proposal involves improving mobile provision • Opportunities for some smaller branch libraries to be delivered differently • Continued provision of housebound service to eligible (older and/or disabled) people • Welsh Public Library Standards will continue to be met
<i>Assessment undertaken:</i> December 2015 (see appendix 11)

Meals on Wheels

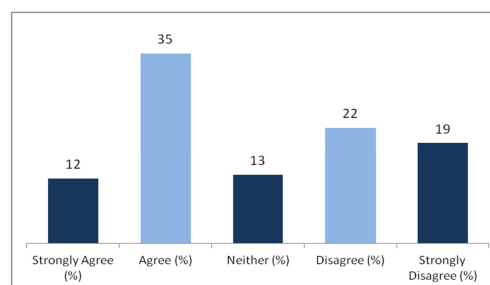
Total budget: £115,000
3 Year Savings: £57,000

2016 - 17	2017 - 18	2018 - 19
57	0	0

Description:

Increase meals cost by £1.00 from £3.70 to £4.70

Average index score: 0
Overall Rank (of 29): 12
Sample Size: 251



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.21	-0.56	-1.67	-0.04	0.36	-0.2	0.21	-0.16	0.04	-0.07	0.03
Sample	58	9	3	161	53	116	107	37	96	14	33

Key themes from the public consultation (105 comments):

- Meals on Wheels recipients should not have to pay more than the cost of making the meal themselves and some may not be able to meet the increased charges. Benefit claimants should be exempt from payment.
- More affluent residents prepared to pay the additional costs if the quality of the meal was adequate.
- Undertake means testing of income levels for residents receiving the service.
- Local restaurants or catering establishments supplying a meal for residents at a reduced cost.
- The 27% increase of an additional £5 a week is too steep.
- Could result in elderly residents cutting back on vital nutrition and impact on their wellbeing.
- Reducing the service further without a replacement will cause more social care packages to include meal preparation.
- Older and disabled (many lonely & isolated) people depend on this service.
- Mitigation - fund local cafes to provide meals for the elderly, assisting the local economy

Other relevant information:

- Insight session – above themes noted. Consensus that proposed increases are excessive and will impact isolation/loneliness. Involvement of local community groups and companies such as Wiltshire Farm Foods mooted
- TCCLF – take up in decline owing to private competition. Lack of volunteers to deliver meals a key constraint. Look to community luncheon clubs (undertake home delivery)

- T&CC – rise is likely to affect take up; value for money questioned (St Clears)
- Disability Coalition – incremental rise instead of single huge increase

Councillor engagement:

- A phased introduction of the increase would be more favoured
- Views against the proposed increase. Recognition of social aspect of meal delivery - combat loneliness. Larger voluntary organisations could sub-contract MoW service through smaller groups (Scrutiny)

Equality Impact Assessment summary:

Description of impact
An increased cost of meals provided to people with an assessed need
Affected groups:
Older people living in the community. Though the overall AIS shows no view, (positive or negative), the results are negative for the BME, single, female and disabled categories (among others)
Mitigation
<ul style="list-style-type: none"> • Delivery of the Integrated Community Nutrition and Hydration Strategy • Ensure accessible information on good nutrition is made widely available
Assessment undertaken: December xxx (see appendix 12)

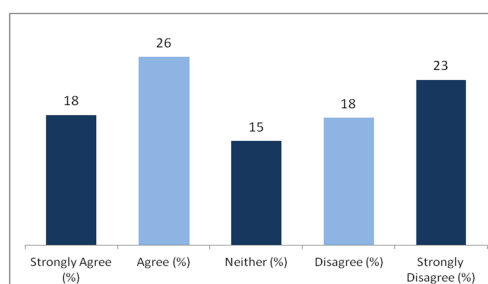
Catering Services – Free School Breakfasts

Total Budget: £842,000
3 Year Savings: £110,000

2015 - 16	2016 - 17	2017 - 18
100	10	0

Description: Remodel provision for Free Breakfasts in primary schools to reduce average time from 45 minutes to 30 minutes. There is a risk that some Free Breakfast settings may become unviable as a result of remodelling provision.

Average index score: 0
Overall Rank (of 29): 12
Sample Size: 249



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.04	-0.25	-0.67	-0.15	0.38	-0.22	0.16	0.17	-0.01	0.15	-0.13
Sample	52	8	3	160	52	116	105	35	93	13	31

Key themes from the public consultation (104 comments):

- The importance of the morning sessions to working parents was stressed. Many agreed that a cut in the session to half an hour was reasonable, although the reduced time may be detrimental to children with special needs
- It was noted that breakfast is important to the maximisation of individual learning, particularly where children do not have the meal provided at home (e.g., due to low income)
- Some suggested that provision of breakfast is solely a parental responsibility
- It was commented that parents who do not need the provision of a breakfast were taking advantage of the sessions as free child care.
- Concerns that sessions could become unviable because staff could not be identified to work for only half an hour
- Mitigation: suggestion that sessions should stay as 45 minutes, but agreement for the idea that parents pay for the balance of time (perhaps even extending the session providing childcare); keep session as it is in areas of deprivation only.

Other relevant information:

- TCCLF – proposal achievable, though it was cautioned that clubs are sometimes used as a 'babysitting' facility. May be sufficient demand to continue the non-breakfast element of provision on a commercial basis
- Equality Carmarthenshire – concern about the impact on families of disabled children

Councillor engagement:

- N/A

Equality Impact Assessment summary:

Description of impact
Reducing the time to ½ hour could affect the viability of some school breakfast clubs.
Affected groups:
Children attending smaller, Welsh speaking schools could be affected. Predominantly female workers could be affected by reduced hours. The AIS shows that age groups - other than those 65+ - are against the proposal
Mitigation
<ul style="list-style-type: none">• Options to continue provision where services may be at risk will be discussed with governing bodies• Discussions with schools and staff to overcome issues arising
Assessment undertaken: December 2015 (see appendix 13)

Car Parks

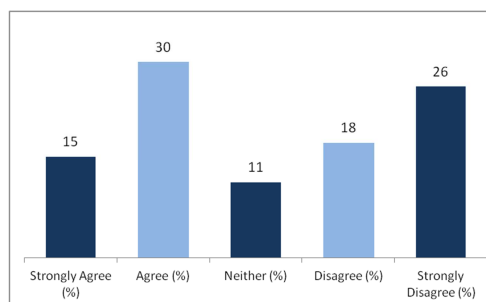
Total Budget: -£1,505,000 (net income)

3 Year Savings: £108,000

2016 - 17	2017 - 18	2018 - 19
0	54	54

Description: A 20 pence increase in car park charges at major town centres will contribute £54,000 (yearly) to sustain transport and highway related services. Increased charges would take effect in 2017.

Average index score: -0.09
Overall Rank (of 29): 14
Sample Size: 246



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.52	-1.13	-0.33	-0.01	-0.13	0.09	-0.21	-0.58	-0.11	-0.83	-0.42
Sample	56	8	3	158	53	116	102	36	92	12	33

Key themes from the public consultation (104 comments):

- Opposing views – some regard current charges as ‘prohibitive’, others as ‘reasonable’ in comparison with neighbouring and English authorities
- Concern that further increases will severely deplete the health of town centres
- Proposal is a setback for independent shops given tough retail environment
- Increased charges will have a disproportionate impact on full-time employees who work within town centres and pay for parking
- Proposal will ease congestion and encourage use of alternative forms of transport such as buses and walking
- 20p increase permissible if money is reinvested into Carmarthenshire’s transport infrastructure
- A view that the abolition of car parking charges will boost local trade/tourism
- **Mitigation:** Smaller increases across all Council car parks; Council staff to pay for parking; suspend proposal in the interim to revitalise town centres; introduction of half-hour slots; better enforcement (traffic wardens) would negate need for increases; decrease parking costs, increase business rates

Other relevant information:

- Insight session – proposal discourages town centre shopping and may foster illegal parking. Increase penalty (not ticket) charges & use pay-upon-exit
- TCCLF – it was generally agreed that the increased charges could be considered
- Disability Coalition – consider reinstating free Blue Badge parking in Council car parks

Councillor engagement:

- A Task and Finish group is presently considering the issue and there was a concern not to pre-empt the outcome (budget seminar)

Equality Impact Assessment summary:

<i>Description of impact</i>
Increased user charges
<i>Affected groups:</i>
Car park users. The AIS shows that all groups are against the proposal (to varying extents) except for women.
<i>Mitigation</i>
<ul style="list-style-type: none">• Introduce small charge for very short stay parking; improve public transport
<i>Assessment undertaken:</i> December 2015 (see appendix 14)

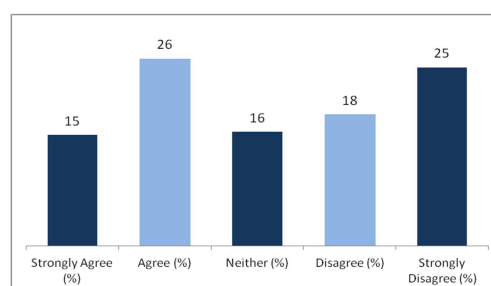
Delegated school budget

Total Budget: £109,708,000
3 Year Savings: £18,280,000

2016 - 17	2017 - 18	2018 - 19
5,500	6,000	6,780

Description: Education is a significant area of spend for the Council. This proposal is to reduce the total budget to schools and support schools in achieving a number of cost savings, for example, further collaboration between schools, reducing "back office" costs to prioritise classroom provision, etc.

Average index score: -0.11
Overall Rank (of 29): 15
Sample Size: 247



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.04	-0.63	0.67	-0.25	0.2	-0.48	0.23	-0.2	-0.26	-0.38	-0.25
Sample	54	8	3	160	54	114	106	35	95	13	32

Key themes from the public consultation (80 comments):

- Importance of ensuring a fit and proper education for future generations
- Status quo – school budgets already stretched; many back-office staff have been made redundant
- Proposal (in particular, collaboration) will increase pressure on teachers (class sizes) and deter individuals from taking up the profession
- Will impact on equality of opportunity and widen gap between best and worst performing schools (e.g., some schools do not offer swimming lessons as a consequence of charges imposed by Council)
- Proposal does not make clear how schools will be affected by changes
- Scepticism that degree of savings can be realised through collaboration and back office costs alone. It is thought teacher redundancies, larger classes, reduced support for SEN pupils and fewer GCSE options will be likely
- Proposal seen as reasonable: a more central and/or collaborative system would avoid duplication; pooling of resources agreeable
- **Mitigation:** hire out school facilities in evening and weekends; closure of schools with below optimal number of pupils; smaller cuts over a longer period to best preserve standards; review new schools programme; academy schools; amalgamation should be situational

Other relevant information:

- Insight session – proposal will affect quality of teaching, breadth of curriculum and class sizes. May lead to more schools placed in special measures. Acceptance that schools need to be run efficiently. Share specialised staff

- Chair of Governors Coedcae School – proposal will lead to larger class sizes and teacher redundancies
- TCCLF – cuts may have an impact upon staffing levels and standards could be put at risk
- T&CC – severe impact on primary and secondary schools (St Clears)

Councillor engagement:

- Support for the idea of grouping smaller schools for the sharing of administration and back office functions

Equality Impact Assessment summary:

Description of impact
Schools would be required to run on a reduced budget, while maintaining standards
Affected groups:
Younger people of school age; possibly SEN pupils; reductions could affect provision for Gypsy Travellers and EAL students. School staff are predominantly female; non-Welsh speaking staff may be disadvantaged as services are remodelled. The AIS shows women are against the proposal, with men in favour; the age group most likely to consist of relevant parents (15-64) are against the proposal.
Mitigation
<ul style="list-style-type: none"> • Schools Finance Group established to pursue savings whilst limiting the impact on learners • The Council to continue holding schools to account for standards • Appropriate arrangements to be in place for any arising staffing issues
Assessment undertaken: December 2015 (see appendix 15)

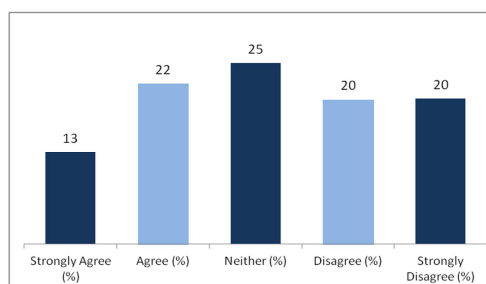
School Crossing Patrols (2014)

Total Budget: £218,000
3 Year Savings: £110,000

2016 – 17	2017 – 18	2018 – 19
0	55	0

Description: Efficiencies can be gained by de-selection of School Crossing Patrol sites using the criteria for the assessment of school crossing patrol sites, published in RoSPA's School Crossing Patrol national guidance document. Where the School Crossing Patrol is affected, we will work with the school to look at alternative provision if required.

Average index score: -0.13
Overall Rank (of 29): 16
Sample Size: 631



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.28	-0.63	-0.3	-0.1	-0.05	-0.16	-0.06	-0.08	-0.1	0.3	N/A
Sample	193	9	33	357	194	305	267	85	332	10	N/A

Key themes from the public consultation (139 comments):

- A child's safety is of paramount importance. Increases risk of serious collision and injury
- Proposal unwarranted given increase in number of cars on the road and propensity to park/drop-off pupils in hazardous locations near the school
- More populous areas should be protected, irrespective of formulaic assessments. Criteria for selection of patrol sites should include school size and traffic flow
- Schools and/or parents should assume some or all responsibility for costs
- Crossing patrols are of limited significance as most pupils travel to school with a responsible adult
- Mitigation – greater use of pelican and zebra crossings; enforcement of 20mph speed limit; speed cameras; sponsorship; utilise volunteers; include road safety education in the curriculum

Other relevant information:

- Insight session – no need for school crossing patrols where there are traffic lights or calming measures; lollipop wardens in high risk areas only; service important for primary schools, automate process at secondary schools

Councillor engagement:

- Any changes would need to be based on a thorough site-specific risk assessment. Consider attracting financial support from local businesses (budget seminar)
- Teaching staff could undertake patrol duties (Scrutiny, 2015)

Equality Impact Assessment summary:

Description of impact
Remove some crossing patrols (subject to safety criteria)
Affected groups:
Pupils between age 4 and 17; evidence suggests boys are at greater risk of being injured in a road traffic collision. The AIS shows all groups are opposed (except LGB)
Mitigation
<ul style="list-style-type: none">• 55% of sites do not meet threshold criteria and could be removed; introduce crossings (e.g., traffic lights); more emphasis on road safety education and awareness; volunteer-run service
Assessment undertaken: December 2015 (see appendix 16)

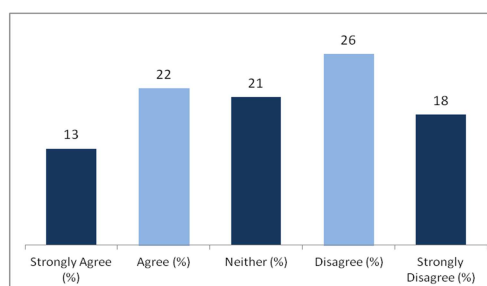
Council Fund Housing - Options and Advice Services (1)

Total Budget: £300,000
3 Year Savings: £29,000

2016 – 17	2017 – 18	2018 – 19
29	0	0

Description: Reduce grants to Women's Aid and Shelter. Both organisations are changing working practices to try to minimise impact of services available to their client groups.

Average index score: -0.14
Overall Rank (of 29): 17
Sample Size: 254



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.23	-1.00	0.00	-0.23	0.15	-0.47	0.19	-0.42	-0.08	-0.31	-0.3
Sample	61	8	3	164	53	120	106	31	95	13	33

Key themes from the public consultation (66 comments):

- Homeless or Domestic Violence victims unable to seek the support that is needed.
- Services which are vital to the most vulnerable in our society and could put people's lives at risk.
- Organisations survive on a shoestring budget and volunteers.
- Drugs and alcohol lead to these services being a priority.
- Inadequate support available and issues increasing due to migration from other areas.
- Domestic violence tends to increase due to stress/poverty.
- Marginal savings do not justify or warrant the likely impacts on vulnerable groups. The people who rely on these organisations find themselves in desperate situations.
- Mitigation – continue support to voluntary groups that can utilise external funding; more social housing accommodation for single people in need.

Other relevant information:

- T&CC – a need for greater collaborative working (St Clears)

Councillor engagement:

- An acknowledged need to review support for agencies across the third sector (budget seminar)

Equality Impact Assessment summary:

Description of impact
Review of housing options service will result in the Section taking on the housing-related aspect of what has been provided by Shelter and Women's Aid. Specialist support will remain in place through these organisations
Affected groups:
People at risk of homelessness and/or domestic violence.. The Consultation results show a mix, but many groups are against the proposal, including, women, disabled and LGB people.
Mitigation
<ul style="list-style-type: none">• Proactive work with perpetrators; reducing Shelter's overheads by offering office accommodation; alternative funding mechanisms are being pursued
Assessment undertaken: December 2015 (see appendix 17)

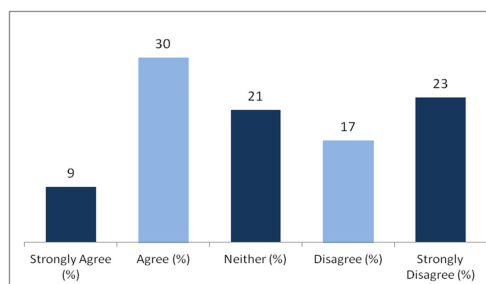
Home Care Service

Total Budget: £14,966,000
3 Year Savings: £1,000,000

2016 - 17	2017 - 18	2018 - 19
0	500	500

Description: Implementation of alternative service model either through externalising the service or developing a Local Authority Trading Company model.

Average index score: -0.16
Overall Rank (of 29): 18
Sample Size: 248



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.04	0	0.33	-0.22	-0.06	-0.29	0.01	0.19	0.01	-0.5	-0.71
Sample	57	9	3	158	53	112	108	37	93	14	31

Key themes from the public consultation (105 comments):

- Assists people to live in their homes for as long as possible.
- Prevents 'bed blocking'.
- Local Authority provision much more professional than private sector, better quality of service.
- Provision to remain under the umbrella of CCC: well trained and reliable staff.
- Externalising this service would see it driven by profit not priorities.
- Service should be regularly monitored and audited. Accountability for this service needs to be determined.
- Reasonable wages and adequate training for staff working in this profession
- Time to undertake the relevant duties required.
- Welsh speaking staff for clients that require them.
- Mitigation: Local carers for clients would result in less travelling time and costs; an option for clients to self-budget their care provision; joint working with the Health Service.

Other relevant information:

- Insight session – a range of views: some favouring third sector models, others retention by CCC. Standards of care thought to be poorer in private sector. Service reduces pressure on NHS
- TCCLF – there was agreement that an arrangement in which the Council retained oversight was strongly preferred
- T&CC – agree, so long as it is the LA trading company model that is pursued (St Clears)

Councillor engagement:

- Clarification needed on the legal and governance structures that are being considered (budget seminar)

Equality Impact Assessment summary:

<i>Description of impact</i>
The proposal would provide the same service standards to client groups, through a different delivery mechanism. Change is intended to help promote user choice
<i>Affected groups:</i>
Services are provided for older people; and disabled people; staff are predominantly female. The AIS shows that unpaid carers are strongly against the proposal
<i>Mitigation</i>
<ul style="list-style-type: none">• Consultation and engagement with affected groups would be undertaken• Rigorous monitoring of delivery standards would be needed• Regular consideration of the EIA as part of the governance arrangements for the project development process
<i>Assessment undertaken:</i> December 2015 (see appendix 18)

Local Authority Residential Homes for Older People (2014)

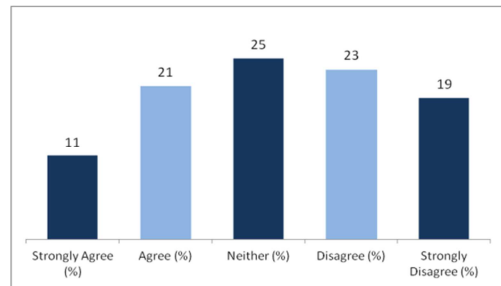
Total Budget: £4,795,000
3 Year Savings: £200,000

2016 - 17	2017 - 18	2018 - 19
200	0	0

Description:

Full year saving from closure of Glanmarlais/Tegfan and opening an extra care facility in the Ammanford area.

Average index score: -0.18
Overall Rank (of 29): 19
Sample Size: 613



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.33	0.2	-0.26	-0.16	-0.18	-0.31	-0.08	-0.49	-0.24	-0.33	N/A
Sample	188	6	34	354	191	298	267	83	324	9	N/A

Key themes from the public consultation (143 comments):

- Displacement will trigger anxiety and illnesses. Stress of settling in at new home and meeting new people. Loss of valued friendships
- Concerns about capacity and quality of alternatives; impact on delayed transfers
- Ensure residents of Glanmorlais and Tegfan are supported through the change.
- Need adequate local provision catering for local need
- Lack of understanding of flexi beds and Ammanford Extra Care scheme
- Realism: priority should be given to home care services (independence)
- Mitigation – effective respite care to reduce number of admissions; undertake short familiarisation visits prior to move; evaluate new arrangements

Other relevant information:

- T&CC –ageing population may increase demand (Gorslas)

Councillor engagement:

- Emphasis needs to be given to the provision of high quality and timely information to councillors, staff, residents and families, should the proposal be supported (budget seminar)

Equality Impact Assessment summary:

Description of impact
The proposal is part of a strategy to promote independence, improve service and integration, and put users at the centre of plans, while modernising accommodation. The primary risk concerns the potential adverse effect of moving older people
Affected groups:
The proposal primarily concerns residents (older people), who may be more likely to be women or disabled. The consultation shows most demographic groups oppose the proposal (except BME): notably disabled people; single people; LGB and women.
Mitigation
<ul style="list-style-type: none">• Communication and consultation strategy; information to stakeholders; user involvement in making the change• Adherence to the Protocol for Local Authority Care Home Closure Arrangements• Redeployment Protocol will be followed with relevant staff
Assessment undertaken: December 2014 (see appendices 19a & 19b)

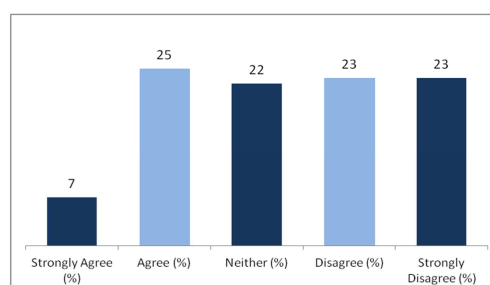
Cleansing Services & Environmental Enforcement

Total Budget: £2,355,000
3 Year Savings: £252,000

2016 - 17	2017 - 18	2018 - 19
85	84	83

Description: Re- configuration of service delivery and methods of operation, and the re-assessment of service standards. The proposal also includes reducing the Environmental Enforcement supplies and equipment budgets by £13,000 over the period 2016-19. Likely impacts include (i) a reduction in the frequency of litter picking and sweeping in town centres and urban areas, with cessation of routine litter collection in outlying and residential areas; (ii) aesthetic appearance of residential, urban and rural areas and (iii) effects on income generation for commercial premises and tourism.

Average index score: -0.32
Overall Rank (of 29): 20
Sample Size: 241



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.43	-0.75	0.00	-0.25	-0.62	-0.26	-0.38	-0.39	-0.31	0.08	-0.84
Sample	51	8	3	153	53	110	104	36	91	13	32

Key themes from the public consultation (82 comments):

- Routine street cleaning and emptying bins of litter is an important Council function, irrespective of area. Poor cleanliness standards will lead to more littering
- Detrimental impact on tourism, civic pride and morale. Would encourage use of cleaner out of town retail parks. Effects on income generation should be weighed against targeted savings
- Proposal runs counter to the Council's plans to make Carmarthenshire's communities healthier and cleaner. Unpicked litter will attract vermin
- A view that the degree of savings does not justify probable impacts
- Compounds urban/rural disparity. Urban areas would be cleaner than rural areas, blighting idyllic countryside (roadside litter cited as a concern)
- Mitigation: education; greater role for community councils; volunteering (including volunteer litter wardens); community service; enforcement of penalties for littering; increased fines; work with fast-food outlets

Other relevant information:

- Insight session – above points emphasised. Also: litter picking by schools (Welsh BAC); prioritise service in summer (tourism); anti-littering campaigns
- TCCLF – impact of increased litter on tourism. Community councils could contribute towards costs of street cleaning within their areas

- T&CC – increase enforcement; relevant business to take greater responsibility (e.g., fast food) (St Clears)

Councillor engagement:

- Consider increasing fines; concern about service standards and the potential impact on tourism (budget seminar)

Equality Impact Assessment summary:

<i>Description of impact</i>
Increased visibility of litter is possible
<i>Affected groups:</i>
All Carmarthenshire residents. AIS scores from the public consultation suggest opposition from most demographic groups
<i>Mitigation</i>
<ul style="list-style-type: none"> • Increase fines and enforcement; community litter picks; more responsibility from relevant businesses (e.g., fast food)
<i>Assessment undertaken:</i> December 2015 (see appendix 20)

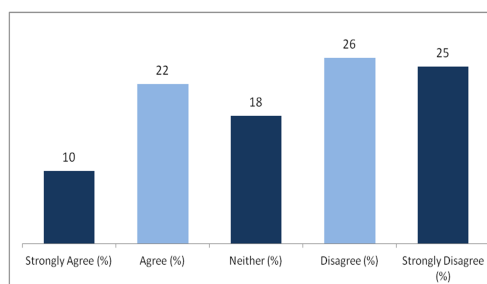
Educational Psychology

Total budget: £883,000
3 Year Savings: £60,000

2016 - 17	2017 - 18	2018 - 19
0	60	0

Description: Reduction of 1 post through review of existing structure. Reduced capacity for psychology support to schools and vulnerable children.

Average index score: -0.33
Overall Rank (of 29): 21
Sample Size: 249



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.36	-0.50	-0.67	-0.37	-0.21	-0.62	-0.02	-0.68	-0.43	0.31	-0.26
Sample	55	8	3	160	53	117	105	37	94	13	31

Key themes from the public consultation (54 comments):

- Proposal is of detriment to vulnerable pupils requiring specialist support
- Reduced support will compound waiting lists, shorten time spent with vulnerable pupils and may have secondary impacts on wider class
- A view that the current service is overstretched and in need of improvement
- Mental ill-health is on the rise and is unlikely to abate in the near future
- Proposal is ambiguous – does not mention the number of psychologists employed nor number of pupils receiving the service
- Concern that schools are being hit hard by current round of proposals
- Mitigation: impacts can be alleviated if less time is spent preparing reports (prioritise 1:1 support); provide access to other counselling services; train volunteers

Other relevant information:

- TCCLF – insufficient information to comment
- Disability Coalition – how is demand for service to be managed?
- Equality Carmarthenshire – concern about the impact on families of disabled children. Educational psychologists are often the gateway to further services and support

Councillor engagement:

- N/A

Equality Impact Assessment summary:

Description of impact
Reduced psychology support
Affected groups:
Young people 0-19 with SEN; disabled children and young people (up to 25) The AIS scores show opposition from all groups, except LGB.
Mitigation
<ul style="list-style-type: none">• Prioritise activity to those with most significant need
Assessment undertaken: December 2015 (see appendix 21)

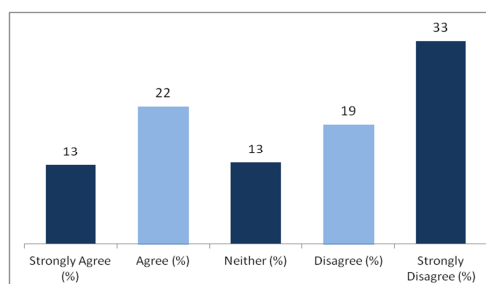
Public Protection - Welfare Rights and Citizens Advice

Total Budget: £148,000
3 Year Savings: £100,000

2016 - 17	2017 - 18	2018 - 19
100	0	0

Description: Make savings by reviewing contribution to voluntary organisations providing Benefits Advice (Catch up / CAB / Mencap).

Average index score: -0.37
Overall Rank (of 29): 22
Sample Size: 275



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.68	-1.44	0.33	-0.36	-0.29	-0.52	-0.18	-0.62	-0.26	-0.21	-0.58
Sample	65	9	3	181	55	127	117	37	96	14	36

Key themes from the public consultation (137 comments):

- High demand service in austere times. Will impact on those in greatest need
- Important given reduction in availability of legal aid – people need access to impartial advice
- These organisations offer home or group visits (access cited as an issue for some rural areas) and are often a preferred option to DWP
- These services contribute to the local economy.
- Impact on people unable to source an alternative.
- Mitigation - train front line staff; combine organisations providing service (one stop shop); incorporate this service into the HUB; make statutory agencies more approachable; ensure a forum of service providers is maintained; information should be available on the internet.

Other relevant information:

- Llandovery YMCA – weekly CAB sessions at YMCA could be put at risk
- TCCLF – there is often duplication of benefits advice
- T&CC – need for more collaborative working (St Clears)
- Disability Coalition – Catchup provides unique service; can't sustain cut of this scale
- Equality Carmarthenshire – concern about the impact on families with disabled children

Councillor engagement:

- An acknowledged need to review support for agencies across the third sector (budget seminar)

Equality Impact Assessment summary:

Description of impact
The reduction may affect the availability of welfare advice, however, there may be duplication of provision
Affected groups:
Those in or facing poverty; rural users. The AIS results show all groups are against the proposal (except those 16-24)
Mitigation
<ul style="list-style-type: none">• Promotion of the variety of information sources available
Assessment undertaken: December 2015 (see appendix 22)

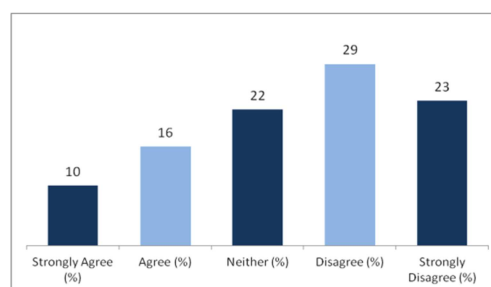
Inclusion Services – Special Educational Needs (2014)

Total Budget: £1,453,000
3 Year Savings: £200,000

2016 – 17	2017 – 18	2018 – 19
200	0	0

Description: When learners with a Statement of Special Education Needs leave school the Statement comes to an end. It is planned to reduce the level of funding provided to schools by giving up some of the funding associated with statements that expire. Consequently, there will be less funding available to schools to support children and young people with additional needs.

Average index score: -0.41
Overall Rank (of 29): 23
Sample Size: 644



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.47	0	-0.44	-0.51	-0.14	-0.57	-0.2	-0.6	-0.51	0	N/A
Sample	205	6	34	370	201	318	276	90	343	8	N/A

Key themes from the public consultation (171 comments):

- Proposal impacts upon vulnerable young people who need support
- May increase class disruption
- Support is currently under-funded. 30% cut is too great
- Reduced support may lead to further problems in future, such as increasing those NEET¹². Children deserve opportunities to fulfil their potential
- Stop pocket money for children in care.
- **Mitigation:** additional training to enable teachers to manage needs; greater involvement of charities who support disabled children

Other relevant information:

- School governing body – council should have regard to the costs of implementing new national arrangements for supporting pupils with Additional Learning Needs

Councillor engagement:

- Issues are best tackled at an early stage in partnership with parents (budget seminar)

¹² Not in education, training or employment

Equality Impact Assessment summary:

<i>Description of impact</i>
The change would involve delegation of funding to schools who then have greater opportunity to develop solutions fitting local need
<i>Affected groups:</i>
Pupils with a SEN requirement. The consultation shows most demographic groups oppose the proposal (notably disabled people, and the group most likely to have children at school – those 25-64)
<i>Mitigation</i>
<ul style="list-style-type: none">• N/A
<i>Assessment undertaken:</i> December 2015 (see appendix 8)

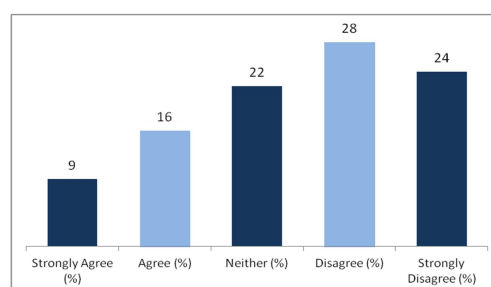
Education Other Than At School (EOTAS) & Behaviour Services

Total Budget: £1,464,000
3-Year Savings: £50,000

2016 – 17	2017 – 18	2018 – 19
0	50	0

Description: Remodelling behavioural management services, informed by the strategic review of current provision, which includes Rhydygors Day Centre. Possible impacts include a reduced service for schools in respect of behaviour support which could lead to higher exclusion rates.

Average index score: -0.42
Overall Rank (of 29): 24
Sample Size: 248



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.42	-0.38	0.33	-0.49	-0.28	-0.68	-0.17	-0.59	-0.44	-0.23	-0.45
Sample	53	8	3	160	53	116	105	34	95	13	33

Key themes from the public consultation (58 comments):

- Effect on education and attendance of young vulnerable people who need support
- Impacts on other children in mainstream schools; has a detrimental effect on pupil attainment, which could see an increase in anti social behaviour.
- Schools do not have the ability and support to provide the specialist assistance for pupils. Children with problems who are not helped and supported grow into adults with problems, which affects communities.
- Higher exclusion rates leads to unproductive adults in low paid or no jobs resulting in higher welfare costs.
- Parents should be more involved in the behaviour of their children.
- Mainstream education is not effective for all pupils, they need to be able to access the curriculum to gain skills that will benefit them and their community.
- Mitigation - alternative support ensuring young people are not isolated from mainstream; more support in local schools; behaviour management training for school staff.

Other relevant information:

- T&CC – a reduced service will significantly impact on quality and standards (St Clears)
- Disability Coalition – no difficulties, assuming service is maintained
- Equality Carmarthenshire – concerns about the impact on families with disabled children

Councillor engagement:

- N/A

Equality Impact Assessment summary:

Description of impact
Reduction of operational costs through redesigning service. Possible impact on exclusions and standards
Affected groups:
Children and young people (4-16) with special/additional educational needs; disabled children and young people (4-25); parents and carers. The consultation shows most groups are strongly opposed; in particular, women, disabled people and carers.
Mitigation
<ul style="list-style-type: none">• The redesign will build the capacity of schools to meet needs within their own establishments• Redesign will include consideration of maximising support services, including: psychology; social, emotional and behavioural provision; and mental health services
Assessment undertaken: December 2015 (see appendix 23)

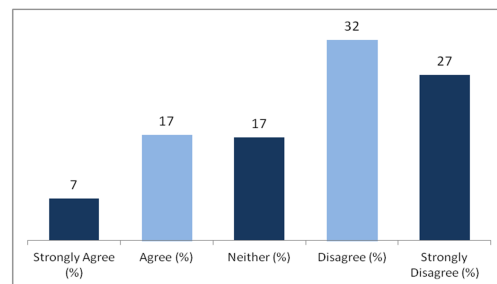
Local Authority Residential Homes for Older People (2015)

Total Budget: £4,355,000
3 Year Savings: £350,000

2016 – 17	2017 – 18	2018 – 19
0	0	350

Description: Implementation of alternative service model either through externalising the service or developing a Local Authority Trading Company model. This may compromise residents' ability to obtain a placement of choice close to family and friends.

Average index score: -0.55
Overall Rank (of 29): 25
Sample Size: 250



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.53	-0.33	0.33	-0.59	-0.54	-0.78	-0.33	-0.24	-0.38	-1.07	-1.06
Sample	57	9	3	160	54	115	108	37	95	14	33

Key themes from the public consultation (107 comments):

- Older people should be able to choose the location of their residential home, perhaps close to family and friends. A placement away from familiar surroundings could have a detrimental effect on social and mental wellbeing.
- Visiting hours impact on the family if not suitable with public transport timetables.
- Private homes expensive and unaffordable to many residents, driven by profit and maximising income rather than prioritising services.
- Quality of care provided at private homes not acceptable in comparison to the care received at local authority homes.
- More local authority homes required.
- Difficult to locate accommodation, even in an emergency situation.
- Staff need adequate training, decent wages and time to undertake tasks.
- Welsh language speaking staff required for residents who require it.
- Mitigation - limit the profits; more work on health promotion and exercise schemes to keep people active and independent longer; create a not for profit organisation instead of privatisation.

Other relevant information:

- T&CC – support for local authority trading company approach (St Clears)
- Disability Coalition – concerns over quality and standards

Councillor engagement:

- Clarity needed on the legal structure and governance arrangements for the service

Equality Impact Assessment summary:

Description of impact
The proposal will provide the same service standards to client groups, through a different delivery mechanism. Change is intended to help promote user choice
Affected groups:
Services are provided for older people; and disabled people; staff are predominantly female. The AIS shows all groups are against the proposal (except those 16-24)
Mitigation
<ul style="list-style-type: none"> • Consultation and engagement with affected groups to be undertaken • Rigorous monitoring of delivery standards • Regular consideration of the EIA as part of the governance arrangements for the project development process
Assessment undertaken: December 2015 (see appendix 18)

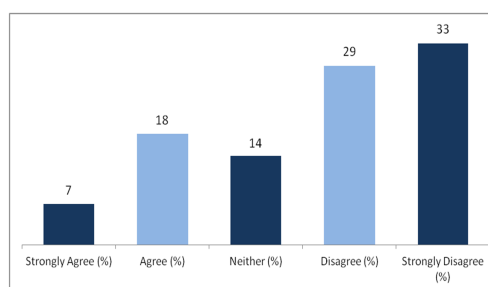
Flood Defence, Land Drainage & Coastal Protection

Total Budget: £393,000
3 Year Savings: £118,000

2016 – 17	2017 – 18	2018 – 19
50	42	26

Description: Reduction in preventative maintenance of flood defence and coastal protection assets potentially reducing our ability to react to future storm and severe weather events. Emergency works will have to be addressed through the re-prioritisation of departmental budgets.

Average index score: -0.63
Rank (of 29): 26
Sample Size: 246



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.78	-0.13	1.00	-0.6	-0.91	-0.75	-0.54	-0.89	-0.60	-0.69	-0.79
Sample	55	8	3	156	54	115	103	35	91	13	33

Key themes from the public consultation (65 comments):

- Proposal is penny wise and pound foolish – short term savings will be nullified by longer term costs (e.g. remedial works)
- Proposal is at variance with climate change predictions. Council should be preparing for an increase in flooding related incidents. Half measures will not adequately protect Carmarthenshire residents
- Recent events have brought to the fore the social and economic devastation caused by flooding – homelessness, loss of life etc.
- Flood defence spend is already low. Costs of one major flooding event will exceed proposed three year savings. Strengthening of defences needed
- A view that Natural Resources Wales should take greater responsibility
- Mitigation: prevention better than cure; prohibit floodplain developments; more effective planning; build resilient communities; community preparedness; artificial reefs to prevent coastal erosion (reduces wave energy)

Other relevant information:

- TCCLF – 3 year savings are a significant proportion of overall spend. Community councils likely to oppose the reduction
- T&CC – foolish given recent adverse weather (St Clears)

Councillor engagement:

- A lack of support, and a view this could be a 'false economy'. A view that inspection needs strict prioritisation (budget seminar)

- Mention was made of the effects of global warming and recent floods in Cumbria. It was suggested that a lack of specialist vehicles to maintain gullies and culverts could lead to unnecessary flooding (Scrutiny).

Equality Impact Assessment summary:

Description of impact
Reduced preventative flooding and coastal protection works
Affected groups:
Communities in affected areas. The consultation shows all groups against (except 16-24) with a number strongly against, including people 65+ and disabled people
Mitigation
<ul style="list-style-type: none"> • Not giving permission to build on floodplains
Assessment undertaken: December 2015 (see appendix 24)

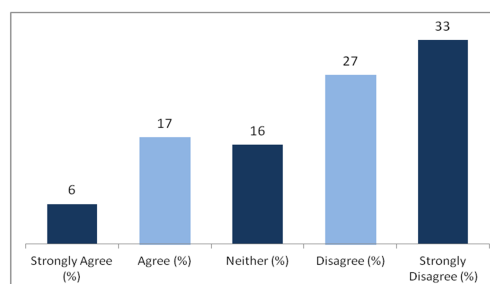
Highways Infrastructure maintenance

Total Budget: £7,082,000
3 Year Savings: £1,271,000

2016 - 17	2017 - 18	2018 - 19
512	478	281

Description: Reduction in routine maintenance of highways infrastructure assets (bridges, retaining walls / support embankments, drainage and highways/footway works). In practice, this means: a reduction in the number of gully emptiers; a reduction in the number of mechanical sweepers; a reduction in the general maintenance and response to category 1 (emergency) defects, such as potholes, flooding etc; mowing and weed treatment curtailed to address safety issues only with no general mowing and treatment taking place and, in respect of winter maintenance gritting, the current primary presalt routes will be reduced by up to 25%. Emergency works will have to be addressed through the re-prioritisation of departmental budgets.

Average index score: -0.63
Overall Rank (of 29): 27
Sample Size: 249



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.64	0.00	-0.33	-0.61	-0.74	-0.66	-0.6	-0.95	-0.43	-0.46	-1.06
Sample	55	8	3	160	53	116	105	37	93	13	32

Key themes from the public consultation (93 comments):

- Correlation between functioning transport network and local economy
- Proposal is a serious risk to public safety and will give rise to litigation
- Future trends – increase in adverse weather conditions (flooding, icy and snowy weather) and number of road users as population grows
- Important to retain emphasis on prevention – reactive measures will cost more than preventative measures
- Rurality – rural areas will be hardest hit by the proposal. Some roads said to be in a state of disrepair given low levels of maintenance. Concern that rural roads will become impassable, resulting in lost work days
- Impact on cyclists
- Mitigation – review payment structure (overtime); reduce spending on signage and traffic calming measures; reduce grass-cutting on highway verges; incentivise public transport; regional working; prioritise work on basis of seasons; keep maintenance work in-house

Other relevant information:

- Insight session – safety concerns shared; danger of ageing bridges; cut is significant and will hit rural areas; tourism impact; more effective repairs

- T&CC – concerns for safety and impact on tourism (St Clears)
- TCCLF – 3 year savings considerable. Community councils commented on how they could assist in identifying works of local priority, which could help ensure the best use of limited resources.

Councillor engagement:

- A lack of support. A general view that the saving may lead to longer term pressures, including increased exposure to litigation (budget seminar)
- Concern expressed over current state of roads/bridges; backlog faced and record against key performance indicators (Seminar)

Equality Impact Assessment summary:

Description of impact
Less routine highway maintenance
Affected groups:
Carmarthenshire’s road users. The consultation shows demographic groups are generally strongly opposed – particularly carers and the disabled
Mitigation
<ul style="list-style-type: none"> • Prioritise works in response to public consultation (reduce signage, cutting of verges, etc).
Assessment undertaken: December 2015 (see appendix 25)

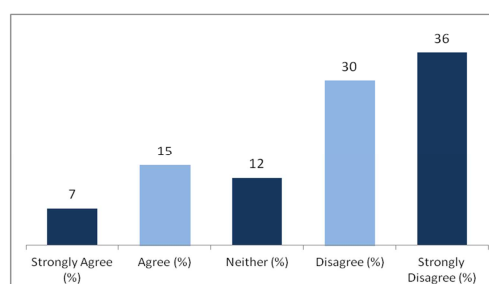
Inclusion Services - Special Educational Needs (SEN)

Total Budget: £1,983,000
3 Year Savings: £120,000

2016 - 17	2017 - 18	2018 - 19
120	0	0

Description: Remodel provision for Additional Learning support. This may result in reduced staffing and support for learners and could impact attendance and standards.

Average index score: -0.73
Overall Rank (of 29): 28
Sample Size: 250



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.60	-0.50	-0.33	-0.86	-0.66	-1.07	-0.50	-0.77	-0.75	-0.54	-0.94
Sample	53	8	3	161	53	116	106	35	95	13	33

Key themes from the public consultation (63 comments):

- Concerns that the proposal will have an adverse impact on SEN students in achieving their potential. Some holding this view considered that more, not less resource should be available to the service
- Support for the need to provide services to SEN students
- Any changes introduced to the service must secure fair outcomes for SEN students
- Comments suggesting that reduced provision will result in longer term costs for individuals and society
- Mitigation: hold inclusive community support groups for students struggling with key stage subjects; volunteers or parents to provide additional support

Other relevant information:

- T&CC - reduced service will impact on standards and quality of service (St Clears)
- TCCLF – some concerns raised, with members suggesting the broader trend is an increase in the need for SEN provision
- Disability Coalition – against the proposal, since service is needed at its present level
- Equality Carmarthenshire – concern about the impact on families with disabled children

Councillor engagement:

- N/A

Equality Impact Assessment summary:

Description of impact
The change would involve delegation of funding to schools who then have greater opportunity to develop solutions fitting local need
Affected groups:
Pupils with a SEN requirement. The consultation shows all demographic groups oppose the proposal (notably women, carers, and the group most likely to have children at school – those 25-64)
Mitigation
<ul style="list-style-type: none">• N/A
Assessment undertaken: December 2015 (see appendix 8)

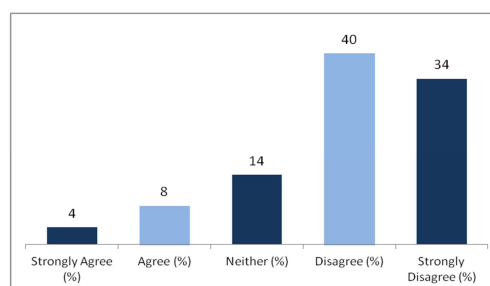
Short Breaks / Respite for Disabled Children & Young People

Total Budget: £338,000
3 Year Savings: £50,000

2016 - 17	2017 - 18	2018 - 19
50	0	0

Description: Reduce County Council's School Improvement team, reducing support for humanities subjects. Reduce scale of specialist provision out of school hours. The reduction of this funding will mean the likely closure of two Breakthro' services which serve the needs of children with disabilities, particularly supporting them through holiday periods.

Average index score: -0.93
Overall Rank (of 29): 29
Sample Size: 250



	Single	BME	16-24	25-64	65+	F	M	Dis-abled	Rel-igion	LGB	Carer
AIS	-0.89	-1.50	-2.00	-0.97	-0.8	-1.14	-0.8	-1.11	-0.70	-0.54	-0.91
Sample	55	8	3	160	54	116	106	36	94	13	33

Key themes from the public consultation (66 comments):

- A prevailing view that the proposal is unjust and targets vulnerable individuals
- Breakthro' recognised as a much needed service providing invaluable support to families
- Increased hardship. May result in family breakdowns, distress and more children in care (thereby straining foster care services)
- Respite provides an opportunity for disabled children to interact with others
- Lack of alternative support
- Taken together with other proposals, such as Inclusion Services – SEN, cumulative impact on disabled children and young people is considerable
- Mitigation – develop specialist family placement scheme; charge for service; work in partnership with voluntary sector

Other relevant information:

- T&CC - service users would be disadvantaged (St Clears)
- TCCLF – insufficient information to comment
- Disability Coalition – strongly against; parents need support
- Equality Carmarthenshire – concern about the impact on families with disabled children

Councillor engagement:

- A lack of support, due to the potential impact upon this vulnerable group (budget seminar)

Equality Impact Assessment summary:

Description of impact
Reduced provision could affect family life, isolation from peers; and an increase in looked after children
Affected groups:
Disabled children and young people, and their families. The AIS shows all groups are against the proposal
Mitigation
<ul style="list-style-type: none">• See consultation comments above
Assessment undertaken: December 2015 (see appendix 26)

4) DELIVERING SERVICES

In considering how to deal with sustained budget reductions, councils are examining the ways in which services can be delivered, including partnership working, delivery through the voluntary and/or private sectors and community ownership. The following outlines the public acceptability of delivering in these ways.¹³

	Preferred choice	2 nd choice	3 rd choice	4 th choice	last choice
Consumer protection	CCC (47%)	CCC & partners (47%)	Voluntary sector (20%)	Private sector (12%)	Community ownership (9%)
Council Housing	CCC (60%)	CCC & partners (39%)	Private sector (13%)	Voluntary sector (10%)	Community ownership (10%)
Council Housing Repairs	CCC & partners (51%)	CCC (45%)	Private sector (24%)	Voluntary sector (10%)	Community ownership (7%)
Environmental Health / Trading Standards	CCC (62%)	CCC & partners (43%)	Private sector (10%)	Voluntary sector (7%)	Community ownership (3%)
Services and facilities for older people	CCC & partners (57%)	CCC (51%)	Voluntary sector (27%)	Private sector (19%)	Community ownership (12%)
Services and facilities for ill and disabled people	CCC (54%)	CCC & partners (53%)	Voluntary sector (26%)	Private sector (16%)	Community ownership (10%)
Youth clubs & facilities for young people	Voluntary sector (50%)	CCC & partners (49%)	Community ownership (34%)	CCC (26%)	Private sector (17%)
Countryside Access	CCC & partners (42%)	CCC (38%)	Voluntary sector (34%)	Community ownership (28%)	Private sector (16%)
Waste & recycling	CCC (62%)	CCC & partners (41%)	Private sector (24%)	Voluntary sector (10%)	Community ownership (9%)
Leisure centres	CCC & partners (47%)	CCC (44%)	Private sector (33%)	Community ownership (23%)	Voluntary sector (14%)
Theatres & art galleries	Private sector (45%)	CCC & partners (42%)	Community ownership (36%)	Voluntary sector (30%)	CCC (26%)
Parks, including Millennium Coastal Park, open spaces	CCC (55%)	CCC & partners (45%)	Community ownership (29%)	Voluntary sector (18%)	Private sector (15%)
Playgrounds	CCC (49%)	CCC & partners (38%)	Community ownership (33%)	Voluntary sector (16%)	Private sector (12%)
Festivals and events	Private sector (50%)	CCC & partners (42%)	Community ownership (36%)	Voluntary sector (33%)	CCC (22%)
Bus services	CCC (50%)	CCC & partners (45%)	Private sector (36%)	Community ownership (9%)	Voluntary sector (8%)

¹³ Percentages will not aggregate to 100 as respondents could select multiple options

Bus shelters	CCC (46%)	CCC & partners (43%)	Private sector (26%)	Community ownership (18%)	Voluntary sector (8%)
Pavement maintenance / repairs	CCC (71%)	CCC & partners (37%)	Private sector (14%)	Voluntary sector (5%)	Community ownership (3%)
Road maintenance / repairs	CCC (76%)	CCC & partners (34%)	Private sector (12%)	Voluntary sector (3%)	Community ownership (2%)
Public car parks	CCC (60%)	CCC & partners (40%)	Private sector (16%)	Community ownership (11%)	Voluntary sector (3%)
Public conveniences	CCC (56%)	CCC & partners (42%)	Community ownership (20%)	Private sector (15%)	Voluntary sector (8%)
Street cleaning	CCC (65%)	CCC & partners (36%)	Private sector (18%)	Community ownership (11%)	Voluntary sector (9%)
Recycling facilities	CCC (55%)	CCC & partners (44%)	Private sector (28%)	Community ownership (10%)	Voluntary sector (8%)
Refuse collection	CCC (72%)	CCC & partners (38%)	Private sector (15%)	Community ownership (3%)	Voluntary sector (3%)
School transport	CCC (50%)	CCC & partners (42%)	Private sector (29%)	Voluntary sector (12%)	Community ownership (11%)
Street lighting	CCC (71%)	CCC & partners (36%)	Private sector (10%)	Community ownership (6%)	Voluntary sector (2%)
Planning services	CCC (73%)	CCC & partners (33%)	Private sector (12%)	Community ownership (3%)	Voluntary sector (2%)
Nursery education	CCC (53%)	CCC & partners (41%)	Private sector (27%)	Voluntary sector (20%)	Community ownership (14%)
Primary & Secondary education	CCC (84%)	CCC & partners (28%)	Community ownership (6%)	Voluntary sector (3%)	Private sector (3%)
Adult education	CCC (51%)	CCC & partners (48%)	Private sector (21%)	Voluntary sector (20%)	Community ownership (19%)

Respondents prefer Carmarthenshire County Council to deliver 22 out of 29 listed services. In these cases, alternative models of service delivery attracted variable degrees of support. To illustrate, 76% of respondents thought CCC should carry out road maintenance and repairs, 34% thought joint working (CCC and partners) was acceptable, whilst 12% felt this service should be performed by the private sector (also: vol. sector 3%; community ownership 2%).

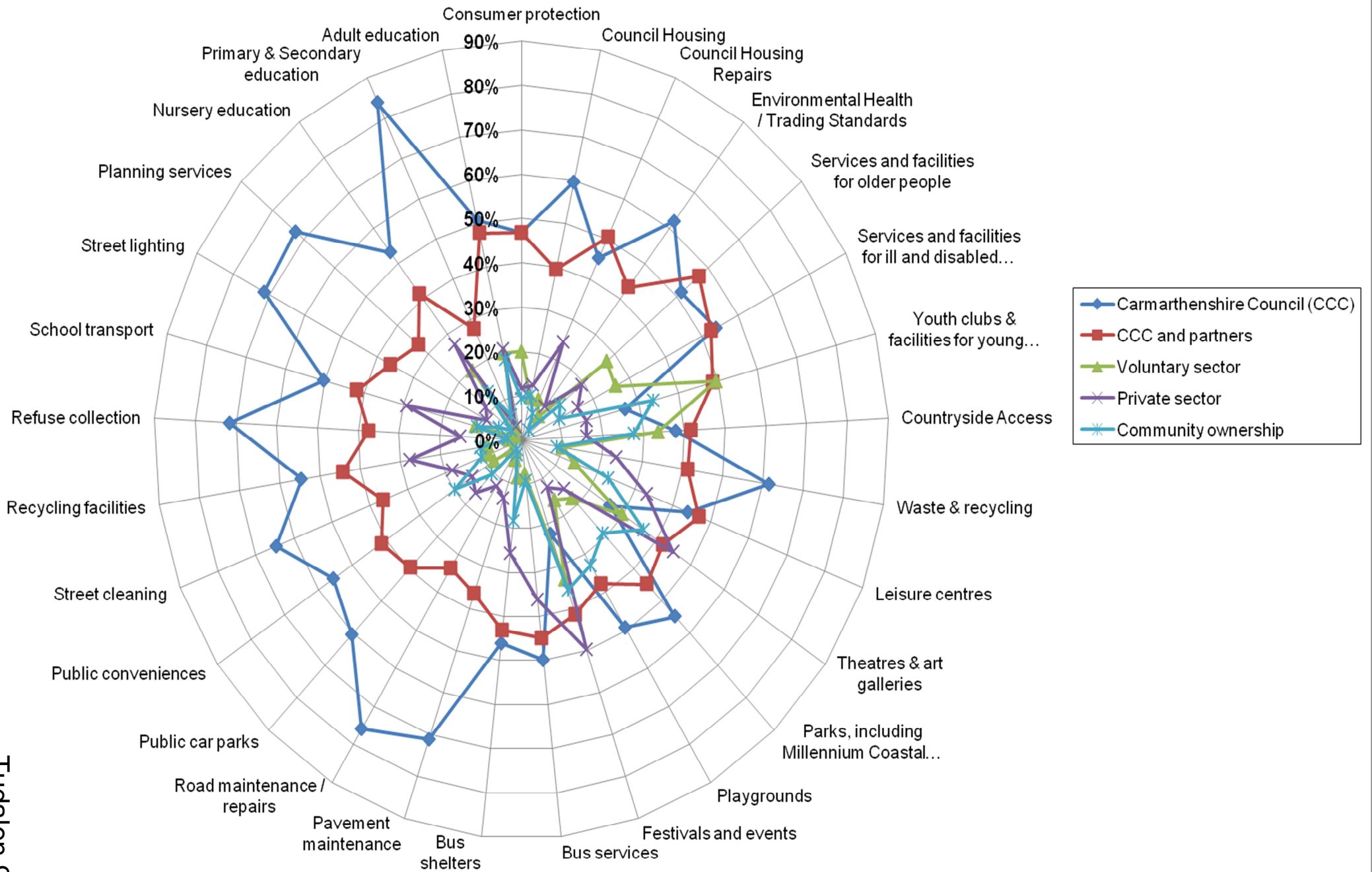
Only one in five (22%) thought the Council should deliver festivals and events in isolation and, similarly, around one in four (26%) thought youth clubs and facilities should be the sole responsibility of the Council, suggesting that respondents are amenable to the involvement of other stakeholders.

Delivery via the private sector is supported to some degree for a number of services, in particular those concerned with leisure and regeneration. Support for private sector involvement is highest for festivals and events (50%) and theatres and art galleries (45%) and lowest for education (3%) and environmental health / street lighting (both 10%). Generally, it takes up a position as the third most popular option, behind CCC and CCC and partners. In the main, service delivery models which transfer provision to the voluntary sector or local communities do not garner much support, although there are some exceptions (see youth clubs/facilities).

The chart overleaf is useful in showing the overall distribution/spread of values. It reinforces, for example, that delivery by Carmarthenshire County Council is typically the preferred option, attracting high degrees of support. In contrast, community ownership is tightly clustered around the lower percentage values though does have several outliers; attracting support for services such as festivals and events.

On the topic of delivering services in different ways, the following additional points were raised:

- Acknowledgement that it is not financially viable, nor cost effective, for the Council to provide all services
- Prioritising on basis of statutory / non-statutory functions is justifiable, however ceasing non-statutory services may have knock-on effects on statutory ones
- Pursuit of joined-up working strongly encouraged
- Service-specific comments, including a view that the (contentious) involvement of the private sector in matters such as planning, waste collection and environmental health could be counterbalanced by retaining directors in an overseer role



5) SUGGESTIONS FOR MAKING SAVINGS OR RAISING INCOME

As with last year, this budget consultation survey asked whether people had comments or suggestions about how the Council could save money or generate income. Given the commonality of issues raised, the approach to this section has been to combine the results from the previous budget consultation exercise with comments from this exercise.

In total, over 1105 comments were made through the public consultations.¹⁴ This section reflects the key themes.

The consultation demonstrates widespread **public understanding** of the financial constraints facing the Council. This is reflected in the many very realistic comments and suggestions made. However, where a view is expressed on the subject, the Council is encouraged to exercise restraint in respect of any rises to Council Tax.¹⁵

A number of comments were made concerning the **staffing structure** of the organisation. This is unsurprising given workforce cost is a major component of Council service delivery. It is typically felt that the need for management roles in general should be critically examined, and that the number, and salary, of senior management ought to be reviewed.

Furthermore, comments suggest the view that effective public service delivery depends to a great extent on staff at the **'front line'**. There is support for the view that maintaining high quality services relies on the 'front line' taking precedence over support and 'back office' functions. Councillors involved in budget consultation discussions have likewise generally supported the view that processes need to be as efficient as possible, in order services deliver the maximum value to the public.

A commonly held view related to reducing the costs associated with the **democratic process**, namely expenses, allowances and number of members. A number believed there was further scope for savings in this area.

A group of responses related to the **approach** the Council ought to take in considering the budget. There was support for the idea that there should be priority to statutory services, reductions should be fair and equitable, and that there should be no areas of protection. An alternative view with support was the idea that certain services need protecting – in particular, public transport, services for vulnerable people, and public toilets. This distinction was also in evidence in relation to each of the 52 proposals discussed earlier.

Another common view was that the Council should seek **different ways of doing things**. There was widespread support for further 3rd sector (charities and non-profit making organisations) involvement in service delivery, though much less support for private sector involvement, especially in areas such as social care. Some stressed the greater role that town and community councils could play in service delivery. Of

¹⁴ The breakdown of results is 970 (2014) and 135 (2015).

¹⁵ This should not be interpreted as indicating general opposition to Council Tax rises, rather that some respondents identified it as being an issue.

interest is evidence to suggest that reorganisation may be considered acceptable, if this enabled the quality of service delivery to be protected.

Other comments related to the need to further examine options such as asset transfer, and perhaps more radically, the establishment of a trading arm of the Council

Specific ideas for **saving money** included:

- Consider alternative service delivery methods (to include trading company, third or private sector options)
- Reducing the number of Council buildings and offices
- Outsource maintenance work to private contractors
- Reducing the frequency of domestic waste and recycling collection; consider privatising the service
- Reducing cutting schedules for highway verges, or just maintaining areas such as junctions
- Use of libraries as mini Customer Service Centres
- Reducing street lighting (see specific proposal)
- Reducing publicity and marketing
- Printing documents in either Welsh or English, according to language choice
- Not allowing fleet vehicles to be taken home; and replace less frequently
- Flagship projects are not a priority and can be a drain on resources (sports and entertainment specifically referenced)
- Reducing expenditure on traffic calming measures and unnecessary signage
- Suggestions in relation to council housing. These included reducing voids, undertaking only necessary upgrades, and transferring upkeep to tenants

A number of suggestions for savings were made specifically in relation to the **internal arrangements** of the Authority:

- Share more functions with neighbouring authorities and other public sector organisations
- Cut all forms of waste
- Challenge every budget to ensure value for money
- Undertake a 'zero-based' budget review every five years
- Cut 'back office' provision within the Council and its departments
- Regularly process map procedures to ensure they work in most efficient way possible
- Ensure that procurement achieves best value for money
- Review Council structure and merge departments where this represents an efficiency
- Addressing energy use in Council buildings (heating and lighting)
- Delivering more through competitive tenders (Technical Services)
- Prohibit use of consultants

Furthermore, a number of ideas were put forward concerning **maximising income**.

- Greater use of school premises to generate income
- Increasing Council Tax on second homes and charge business rates on holiday and 'buy to let' homes
- Charging for the issue of concessionary bus passes

- Linking all charges to the CPI (consumer price index)
- Selling surplus Council assets (land and buildings, etc.)
- Investment in renewable energy schemes
- Investment in a waste-to-heat plant, producing energy from non-recyclable waste incineration
- Consideration of roundabout sponsorship, and sponsorship of appropriate services (e.g., waste collection sponsorship by fast food companies)
- More effective enforcement of parking charges
- Increasing debt collection rates

Councillor engagement

The involvement of councillors is critical to effective engagement in respect of the budget consultation. The following issues were highlighted through the councillor budget seminars, or through scrutiny committee budget discussions.

Statutory provision – such services must be provided, but (as with other services) judgements need to be made concerning the quality specification of service delivery.

Collaboration - which results in cost savings - should be exhaustively pursued. For instance, it is sensible to link with Local Service Board organisations when considering requirements for office space. Furthermore, consideration should be given to the most efficient configuration of highway depots. Can we share facilities with other organisations to achieve savings?

Alternative service delivery – more information for members on alternative delivery models and implications. Theme relates to leisure provision, ‘outsourcing’ of home care etc but also to the general question of what the Council is doing to prepare the 3rd sector for a potentially greater role in service delivery. Consideration should also be given to the development of a trading arm as a source of income.

Performance – consideration of the financial, or other, impacts of reducing performance in particular areas of service delivery. This will assist in addressing financial challenges in a way that continues to meet public needs.

Further issues included:

- **Cuts elsewhere** – considering what can be learnt from looking at examples in England.
- **Integrated services** – there is a need to ensure obligations are met at the interface with social care. Additional concerns arose in respect of growing demands for social care (given demographic trends)
- **Workforce** – a need to develop a greater pool of generic job roles across council services; consideration of the role of the severance scheme in reducing costs
- **School reserves** – work with schools to support use where prudent
- **Back office functions** across the Council. Examine, with a view to achieving reductions.
- **Third sector¹⁶ grants** - review corporate impact to ensure value for money.

¹⁶ The term third sector refers to organisations includes charities and other not for profit organisations.

- **Asset transfer** - discussions need to be concluded with greater urgency, where there is agreement. Disposal of assets should be undertaken as soon as under-utilisation is identified.

6) SCRUTINY COMMITTEES:

COMMUNITY SCRUTINY 10th December 2015

The Committee considered the Revenue Budget Strategy 2016/17 to 2018/19 (Appendix A) which had been endorsed by the Executive Board for consultation purposes at its meeting on 16th November 2015. It was advised that Welsh Government (WG) had announced the provisional settlement the previous day and that Carmarthenshire would see a 1% cut in budget rather than the 3.3% on which the Strategy was predicated. WG was also protecting schools budgets although the extent of the protection was as yet unclear. The Strategy had been based on there being no protection of school budgets. There had been no indication for the settlement in future years. In summary, the shortfall in efficiency savings identified for 2016/17 might not now be needed, however delivery of the £13.6m identified savings was essential. Council tax was set to increase by 5% in the Strategy and a 1% movement equated to £760k.

The following issues were discussed during consideration of the report:

It was proposed and seconded that the report be deferred given the uncertainties surrounding the settlement. The Group Accountant advised that it was important that Members commented on the proposed efficiency savings as these would need to be confirmed early in the New Year. Deferring the report would not allow this. Following a vote, the motion was defeated.

(In accordance with CPR 16.5, Councillors S.L. Davies, T. Devichand and R. Thomas asked that their vote in favour of the motion be recorded.)

It was asked if the managerial saving proposals of realignments in Leisure and Sports services had previously been brought to the Committee's attention. The Head of Leisure & Sport confirmed that they had over the last 2 – 3 years.

It was asked whether or not there was a proposal to amalgamate leisure facilities particularly within the countryside function. The Head of Sports & Leisure advised that the proposal to deliver certain functions via a Trust included sports and leisure facilities as well as theatres. The majority of countryside facilities would remain under the control of the Authority however consideration was being given to including the Ski Centre in Pembrey Country within the Trust. In response to an additional question, he reminded the Committee that it had considered a detailed report looking at management options for sports and leisure services last September. This had included the rationale for proposing a Trust in terms of cost benefits and income generation for services where there was market experience. The next steps were to develop a tender which could take 6 months or so and then to test the market. The final decision would rest with Elected Members.

It was asked if staff transferring into the proposed Trust under TUPE arrangements would have their terms and conditions protected, particularly in relation to zero hours contracts. The Head of Sports & Leisure stated that prior to the process being completed there would be a period of competitive dialogue during which these issues would be explored. The Authority's existing policies aim to steer away from zero hours contracts and any Trust would be required to join the Dyfed Pension Fund for any staff transferring over. It was also intended to ask any potential partners what they had done in the past with other authorities and also what their intention was for staff and workforce practice here. Another driver could be that potential partners may wish to bid for contracts elsewhere in the region and would therefore be seeking to develop positive relationships with staff and the authority as potential referees. It was not possible however to guarantee the terms and conditions of transferring staff in the future, just as there are no guarantees if the service were to stay 'in-house' with

the authority. A number of positive workshops had been held with staff and trade unions regarding a potential transfer and its implications, and further information was available to all staff via the Council's intranet site.

A question was asked about the level of research that had been done regarding trust models and their sustainability, particularly within such a competitive market as leisure. The Head of Sports & Leisure confirmed that a significant amount of research had been done through visiting and speaking to other authorities with trusts and using a consultant with expertise in the area to appraise the various options. There were examples of successful trusts elsewhere in Wales, in England and the majority of leisure services in Scotland were delivered through trusts. He reminded the Committee that the division had delivered significant savings over the last 5 years however the level needed from 2017/18 onwards meant that the facilities would be not be sustainable under the current arrangements and the alternative may be closures or a significant reduction in opening hours.

It was asked if a subsidy would be required to support a trust model. The Head of Sports & Leisure advised that some facilities would always require subsidies given their nature and location. A trust model would reduce the subsidy level significantly as it would get 80% rate relief which equated to around £500k per annum for the whole of Leisure. It would also have more freedom to trade commercially which was needed in a competitive sector.

The latest position regarding the Archives service was requested. The Head of Sports & Leisure stated that a report had recently been considered by the Executive Board which had decided that the Archives should be retained in Carmarthen or within the county if possible. A tender process had been completed for the removal of collections for specialist cleaning by a company in Oxford and temporary storage in Glamorgan Archives. Options within the county and Carmarthen were being carefully considered with potential partners such as the University of Trinity Saint David. There was also some merit in having discussions on a regional basis in terms of identifying strategic leads and the digital service agenda.

Further information was requested in relation to the efficiency proposal within Minerals and Waste. The Head of Planning Services clarified that the service was being reviewed via the TIC process. Seven different agreements were currently in place, with inconsistencies in how information was obtained from other authorities and how payments were made. She would be meeting with all the authorities early in the New Year and was also aware of some other authorities who were interested in using the service. It was therefore important to understand the level of resources that was required to deliver it.

Forward Planning was referred to and it was asked what issues could affect this in the future. The Head of Planning Services advised that the Local Development Plan (LDP) adopted last year required review every 4 years to ensure it was still fit for purpose in terms of meeting needs. The new Planning Act required Welsh Government (WG) to produce a National Development Framework (NDF) for public consultation in 2017. The LDP would have to reflect the content of the NDF. There might also be Strategic Development Plans (SDP) in between to consider and plan cross border issues such as housing demand in an integrated way. WG had already suggested Cardiff and Swansea and surrounding counties as potentially needing a SDP (Carmarthen might therefore be included). She advised that authorities were able to make Expressions of Interest (EOI) for a SDP as of now however it would need a considerable amount of research to underpin the EOI.

It was asked what the impact of reducing grants to Women's Aid and Shelter would be given the importance of the work of both organisations. The Housing Services Manager advised that this was the third year of a planned reduction in grant that both

organisations were committed to. Both were also supported in other ways that were appropriate such as the co-location of Shelter in Eastgate which had resulted in closer working relationships.

Further information was requested in relation to the efficiency savings proposed for the mobile library service. The Head of Sports & Leisure stated that the provision would be largely retained and most of the savings were from reducing the cost of the vehicles. Replacing the current fleet with more agile and accessible vehicles was being considered.

It was noted that the Housing (Council Fund) budget estimates over the next 3 years remained largely static. It was asked if these were liable to change. The Housing Services Manager advised that these were conservative estimates as the service needed to understand the implications of the new Housing Act which had some WG grant funding at the moment. The Group Accountant added that the budget estimates reflected validation and any growth areas less the efficiency saving proposals over the next 3 years.

An update was requested in relation to Burry Port Harbour. The Head of Leisure & Sport stated that colleagues in the Environment Department were developing a brief for the dredging and other maintenance issues including the Harbour walls. They were also looking to appoint contractors via the framework to take this work forward. He would report the cost of the tender and timeline going forward. In response to an additional question, he confirmed that the mooring fees had been frozen for the last couple of years because of the access issues caused by the siltation of the Harbour.

It was noted that there were limited increases planned for fees within culture and heritage. The Head of Leisure & Sport advised that there was realistically little potential to increase fees for theatres in particular and also it was important not to set income targets too high in case they could not be met. Both charging and income targets had been challenged by the HoS, however, the Theatres Management team felt that the proposals were realistic and deliverable given the current market.

It was asked why some charges in leisure had not been implemented in the previous year. The Head of Leisure & Sport stated that some charges such as those in Pitch and Putt were the maximum and managers had discretion to reduce them for certain groups. In some cases they had not been fully implemented and this was being discussed further with the relevant site manager.

RESOLVED to:

6.1 Receive the report

6.2 Endorse the charging digests.

ENVIRONMENTAL AND PUBLIC HEALTH SCRUTINY 11th December 2015

The Committee considered the Revenue Budget Strategy 2016/17 to 2018/19 (Appendix A) which had been endorsed by the Executive Board for consultation purposes at its meeting on 16th November 2015. The Interim Head of Financial Services advised that Welsh Government had announced the provisional settlement earlier that week (9th December) and that Carmarthenshire would see a 1% cut in budget rather than the 3.3% on which the Strategy was based. Whilst the settlement would mean an extra £7.5m for Carmarthenshire, most of this additional funding would be allocated to cover other requirements such the shortfall in efficiency savings and the recently agreed Employees Pay Offer. He added that the extent of the Welsh Government's protection of schools budgets was as yet unclear, even though the Council's strategy had been based on there being no protection of school budgets. The Director of Environment and the Public Health Services Manager also gave a brief overview of their respective service areas.

The following issues were discussed during consideration of the report:

Reference was made to the Welsh Government's settlement announcement and it was asked whether the figures outlined in the budget strategy would change and if so, would this not make consideration of the report irrelevant. The Interim Head of Financial Services strongly advised the Committee to consider and comment on the proposed efficiency savings and charging digests as delivery of the identified savings was essential and these would need to be confirmed early in the New Year. Deferring the report would not allow sufficient time for this.

Reference was made to the Environment Department's Policy & Performance Division and it was asked whether this, as an administrative function costing in excess of £900,000, should also be bearing significant efficiency savings when front-line services were being reduced or cut. The Director of Environment reminded the Committee that in order for the department to operate successfully, there would always be a need for a back-office function. However, there were always opportunities to make such functions more efficient and that this would be looked at as part of other corporate initiatives to rationalise back-office services, systems and infrastructure.

It was suggested that there was a dichotomy between the information presented in the report relating to public lighting and the information provided to members at the Environment departmental budget session earlier in the week. It was claimed that whilst the report stated that the proposal was to reduce operating costs without turning lights off, the information at the seminar indicated that the savings might not be achieved and would result in total shut-off of the public lighting system. The Street-Scene Manager clarified that the Welsh Government Invest to Save funding would be used to install LED lighting and timers for part-night illumination during the first two years. The scheme would then be evaluated to assess the extent of its success against expected outcomes. The Director of Environment added that the business case had been developed on the basis that the savings would be realised but an evaluation would still be required after two years.

It was asked whether the managed car pool system savings of £200,000 would be achieved if other departments did not sign up to the scheme and clarification was sought as to how the pool cars were monitored to prevent misuse. The Head of Transport & Engineering informed the Committee that staff mileage in the current year had reduced significantly and the proposal was to roll-out a managed pool car scheme per building/site across the Authority to assist with the savings target and this would impact on all departments. The business case included a proposal to fit the pool cars with a GPS tracking system to monitor performance and active monitoring of mileage was required. Approximately 75% of the Authority's existing vehicle fleet was already fitted with tracking devices.

Reference was made to the proposal for charging for post-16 transport and it was suggested that it should not be included in the budget report prior to the findings of the recent consultation. The Executive Board Member for Technical Services reminded the Committee that this was included in the proposals as it had been passed as part of the 2015/16 budget by County Council in February 2015. The Head of Transport & Engineering acknowledged elected members' feelings on this issue but reminded the Committee that officers were seeking to sustain the service for a modest charge of circa £5.60 per week and that following the extensive consultation, a report would be presented to elected members in due course. The Director of Environment noted that if the charge was not introduced, there would be a £516,000 gap which would need to be found. This might lead to a removal of the service completely. The proposal presented, sought to avoid this.

It was suggested that the annual budgetary proposals were about what the Council wanted rather than what residents needed and that there was no reference to opportunities to income generate. The Director of Environment noted that the proposals did include some income-generating proposals but it was an option that should be given more consideration.

It was asked what alternatives were in place for schools who faced not only cuts to their budgets but the loss of a school crossing patrol operative. The Executive Board Member for Technical Services reminded the Committee that assessments were made for all schools and where a road was deemed safe and a patrol was not required, such positions would not be re-advertised. However, no existing patrols were being removed. The Head of Transport & Engineering informed the Committee that where there was a vacancy, the Authority would always seek to recruit and when there had been difficulties covering absence due to illness or leave, schools and Police Community Support Officers had been contacted to

provide assistance. In response to an additional suggestion that teaching staff could undertake crossing patrol duties, the Head of Transport & Engineering confirmed that the Authority's insurance would indemnify school staff if they were required to undertake such duties on behalf of the Authority. He added that the assessments for the respective school sites (a Royal Society for the Prevention of Accidents assessment template), could be made available to local members if required.

Concern was expressed at the effects of global warming and reference made to the recent flooding in Cumbria. It was also suggested that the lack of specialist vehicles to maintain and empty gullies and culverts could also lead to unnecessary flooding in some areas of the county. The Street-Scene Manager clarified that the proposals outlined in the report would affect the provision of new works, but much of the County's flood defence infrastructure has been upgraded to modern standards over the past 10-15 years. Routine maintenance works on the existing defences would continue to be prioritised and the further development of flood risk plans would allow the Authority to target resources where required.

It was asked whether the current task and finish review of car parking charges would have any impact on the proposed 20p increase in car parking charges, outlined in the report. The Executive Board Member for Technical Services stated that this was also included in the proposals as it had been passed as part of the 2015/16 budget by County Council. Upon taking on her portfolio, she had requested that this not be implemented in 2015/16 and wished to wait for the Task and Finish Group to make its proposals.

Serious concerns were expressed at the state of the county's highways and bridges, the backlog of work that faced the Authority and its continued poor performance in respect of key performance indicators. It was also suggested that the Authority would be open to litigation due to poor maintenance of its infrastructure and it was asked when the corporate manslaughter development session, requested in a previous meeting, would be provided for elected members. The Executive Board Member for Technical Services acknowledged the concerns but reminded the Committee that Carmarthenshire did have the second longest highway network in Wales and that whilst it appeared that highway services were being reduced, officers were seeking to work in more effective and efficient ways in order to minimise the effect on these front-line services. The Assistant Consultant informed the Committee that its request for a development session had been included on the Elected Members' Development Programme but that a date had yet to be finalised. He agreed to clarify this with the Learning & Development Unit.

In response to a question on the tendering exercise for future waste and recycling services, the Street-Scene Manager informed the Committee that a significant

amount of work had been undertaken to date, especially in conjunction with the Authority's Legal Services. Whilst no further details could be disclosed at this stage, the interim contract with CWM Environmental was still in place and he assured members that progress was being made with respect to scoping and preparatory work to provide valuable information to inform the debate with regard to the best solution for the future.

Concern was expressed at the potential 25% reduction in the Sustainable Waste Management (SWM) Grant and how this would impact on the Authority's ability to meet the Welsh Government's expectations in relation to reducing waste and increasing recycling. The Interim Head of Financial Services noted that at the time of writing, the forecast had been up to 25% but recent indications were now of a 6.5% reduction (approximately £250,000) for Carmarthenshire.

It was suggested that the information provided in relation to the pumping stations in Appendix A(ii) was insufficient and further detail was requested. The Director of Environment informed the Committee that officers had since been in discussions with Welsh Water which would now carry out the work on behalf of the Authority and meant that these pressures would not now be as great. Discussions were on-going but more details could be provided for the Committee in due course.

It was asked why the Authority was continuing to fund CCTV operations as members were of the understanding that this service had ceased. The Community Safety Manager reminded the Committee that whilst the Executive Board had decided to cease 'live' monitoring of the cameras, it had made a commitment to cover on-going costs relating to the operation of the cameras, namely the electricity and links. The Police were able to review the recordings taken by the cameras should they be required in conjunction with a particular incident. However, the Police's contribution in the future had yet to be determined due to a Force review of the future use of CCTV. The Authority did not have any contractual agreements with the cameras' manufacturers/suppliers but a legal agreement between itself and the Police was being drafted in order to clarify the roles, responsibilities and financial contribution of each organisation in the future.

Reference was made to licence fee increases as it had been noted in a previous meeting that these would be reviewed. The Public Health Services Manager reminded the Committee that due to previous legal challenges brought against other local authorities, the Authority could only charge fees to cover the cost of its work and was not permitted to make a profit. She also reminded the Committee that this was the subject of the next item on the agenda.

Clarification was sought as to the funding prognosis for the Bwcabus service and its future operations. The Head of Transport & Engineering acknowledged that this was a flagship service and dialogue with the Welsh Government was on-going in order to secure future funding. A detailed report was also being prepared for the relevant minister.

In response to a question about fees for sports pitches, the Executive Board Member for Technical Services informed the Committee that a meeting between officers and sports clubs representatives was scheduled for January. She believed that agreements had been reached with most clubs although there were some difficulties with other clubs which had declining memberships (e.g. lawn bowls).

Clarity was sought as to whether vets inspection costs were included within the proposed dog breeding and riding establishment fees. The Public Health Services Manager stated that there might be specific contracts in place with certain veterinary providers for these services but that she would clarify this for the Committee.

RESOLVED that the report be received.

Social Care and Health Scrutiny 14th December 2015

The Committee considered the Revenue Budget Strategy 2016/17 to 2018/19 (Appendix A) which had been endorsed by the Executive Board for consultation purposes at its meeting on 16th November 2015. It was advised that Welsh Government had announced the provisional settlement earlier that week (9th December) and that Carmarthenshire would see a 1% cut in budget rather than the 3.3% on which the Strategy was based. The Welsh Government was also protecting schools budgets although the extent of the protection was as yet unclear. The Strategy had been based on there being no protection of school budgets. In summary, the shortfall in efficiency savings identified for 2016/17 might not be needed however, delivery of the £13.6m identified savings was essential. Council tax was set to increase by 5% in the Strategy and a 1% movement equated to £760,000. The Director of Community Services also gave a brief overview of the Social Care Service area.

The following issues were discussed during consideration of the report:

It was asked how the Authority addressed schools with budget deficits. The Interim Head of Financial Services informed the Committee that in such circumstances, a school would be required to produce a plan to show how it was intending to address its budget deficit. The Director of Community Services noted that very often, schools budgets were affected by falling pupil ratios and it was essential that schools had effective and appropriate financial arrangements in place. The Authority did have powers to intervene in certain situations. In response to an additional question regarding the uncertainty around protecting school budgets, the Interim Head of Financial Services noted that the Welsh Government was usually quite explicit about how it wished budgets to be protected and so forth. However, following the recent announcement, there was no further guidance on this matter. A meeting of senior local authority officers and the Welsh Government had been held and further discussions were planned in order to come to an agreement and gain clarity on the matter.

An explanation for the reduction in grants to voluntary organisations in relation to Older People & Physical Disabilities and Learning Disabilities Services was sought. The Director of Community Services informed the Committee that the reduction was in relation to the way in which the Authority was now buying provision from these organisations. The Authority was now moving to spot contracts where it paid for the services it used rather than via block contracts and was a far more efficient method of procuring services. In response to a suggestion that these reductions could be spread over three years, the Interim Head of Mental Health & Learning Disabilities Services noted that this could be considered but informed the Committee that some of the reductions had been planned for some time, one example being the Llanelli & District Gateway Club which was due to close in the near future. Other reductions such as the £65,000 for Mencap had been built-in to recently agreed grant funding. The Director of Community Services reassured the Committee that the reductions in grants did not mean that the affected organisations would close and was part of an on-going efficiency drive and that officers had been working closely with the relevant groups.

Clarification was sought with regards to progress in implementing alternative service models for the Local Authority's Residential Homes for Older People either by externalising the service or developing a Local Authority Trading Company model. The Director of Community Services reminded the Committee that this had been approved by County Council following consideration of the Carmarthenshire Vision for Sustainable Services for Older People 2015-2025, at its meeting in October 2015. A business plan was being developed for what was a complex proposal and would

be presented to the Committee later in 2016. In response to a further question, the Director advised the Committee that there were a variety of models that could be adopted as well as a number of freedoms delegated to the arms length entity by the Authority, which would remain as the main shareholder. He assured the Committee that the detailed report would provide members with a range of options for its consideration.

In response to a query regarding the reasons for the reduction in private sector residential home placements, the Head of Integrated Services noted that the Delayed Transfers of Care performance did not mean that the Local Authority was not providing social care and that there were often health-related problems which prevented transferring older people from hospital beds back in to their homes or other residential settings. She added that the Transfer of Care & Advice and Liaison Service (TOCALs) provided a real opportunity to work with hospital staff to further progress and improve performance in this area. The Welsh Government had also informed Health Boards that it expected to see improvements in discharge planning.

In response to concerns expressed at the proposed increase in charges for Meals on Wheels, the Director for Community Services reminded the Committee that the increase was not about closing the service but about cost recovery and ensuring that funding to provide this service was not taken from other service areas. The Director also reminded the Committee that the reality was that the demand for this service was changing significantly. Many individuals, who may have previously received meals in their homes, were now buying frozen meals which could be heated at a time of their choosing. Officers were now working with the WRVS (Royal Voluntary Service) who had been tasked by the Executive Board Member for Social Care & Health to look at how the service could be enhanced to cater for more than just meal delivery, with a special focus on preventing loneliness.

Following further discussion regarding the proposed increase to charges for Meals on Wheels (Appendix Ai) and Community Meals (Appendix C), it was suggested that increasing these charges across three years be explored, rather than introducing it in 2016/17. The Committee agreed to this proposal.

It was asked whether the larger national voluntary organisations operating within the county could operate services by sub-contracting through smaller local groups. The Director of Community Services acknowledged that this was a way in which smaller local groups could be safeguarded and supported and that the Authority had a role to play in ensuring that this was included in any procurement exercise. However, it was often the case that voluntary groups had seen each other as competitors rather than seeking to work together to offer the best services to the county's residents.

RESOLVED that:

- 7.1 The Corporate Budget Strategy for 2016/17 – 2018/19 be received.
- 7.2 The Charging Digest for the Social Care & Health Department be endorsed.
- 7.3 The option for spreading the proposed increases in Meals and Wheels and Community Meals across three years, be explored.

POLICY AND RESOURCES SCRUTINY 6th January 2016

The Committee considered the Revenue Budget Strategy 2016/17 to 2018/19 (Appendix A) which had been endorsed by the Executive Board for consultation purposes at its meeting on 16th of November 2015. It was advised that Welsh Government (WG) had announced the provisional settlement on the 9th of December and that Carmarthenshire would see a 1% cut in budget rather than the 3.3% on which the Strategy was predicated. This equated to an additional £7.5m for the 2016/17 budget however this also included the Outcome Agreement Grant. WG had

funded £35m to protect education and £21m to protect social care on an all Wales basis which equated to £2.1m and £1.3m respectively for Carmarthenshire. It was still unclear what the protection of school budgets entailed. Eleven grants had not yet been confirmed however the reduction in the Waste Grant (now the Single Environment Grant) was far less than anticipated at 6% rather than the 25-50% which was previously indicated by the Minister. In summary, the deficit in efficiency savings identified for 2016/17 would not now be needed, however delivery of the £13.6m identified savings was required.

Concern was expressed about the timing of the WG announcement of the final settlement in early March, given the need to set the level of Council Tax by 11th of March. It was asked what might be the impact of any variations in the final settlement. The Director of Corporate Services advised that this was difficult to answer. A means of accommodating minor adjustments were being planned for and WG officers had previously indicated that they were not anticipating much movement. The picture would be clearer in early February following the end of the consultation period on 20th of January. The overall timescales and the lateness of the announcements were linked to the Westminster Comprehensive Spending Review.

Disappointment was expressed that the protection of education was unclear. The Director of Corporate Services stated that our Strategy is to plan to passport the £2.1m onto schools which would reduce the efficiency savings they were expected to deliver in 2016/17 to £3.4m. The Chief Executive advised that he was representing Local Government in dialogue with WG about the protection of education. It was his understanding that all local authorities were planning to pass their share of the £35m onto schools. There was also ongoing dialogue about potentially including £90m specific education grants in the Revenue Support Grant (RSG) which would mean £5.4m more for Carmarthenshire. He added that 4 rural authorities had suffered the highest cuts under the provisional settlement and WG was proposing a rural deprivation grant of £5m to assist them.

It was noted that the benchmarking of support services across Wales had been referred to in the member budget seminars. An update was requested. The Director of Corporate Services stated that the Regional Treasurers Group of 6 local authorities was working through the KPMG report commissioned by WG to consider the reasons for any variations. It was however some months from conclusion.

The Charging Digest was referred to and it was asked why some fees had not increased. The ACE Regeneration & Policy advised that generally increases were based on inflation however some within her remit were statutory fees, whilst others were set on a market basis. The Director of Corporate Services added that the general policy was that fees should be increased at a minimum in line with inflation unless there was a justified reason not to, for example, the level of inflation was sometimes so low that the administrative cost of implementing an increase outweighed the benefit.

Further information was requested in relation to the new charge for payroll overpayment invoicing of external organisations. The Interim Head of Financial Services advised that that the charge would be applied where organisations had not notified payroll of transfers or terminations.

RESOLVED to:

6.1 Accept the report.

6.2 Endorse the Charging Digest.

7) SCHOOL BUDGET FORUM 19TH NOVEMBER 2015

The Interim Head of Financial Service addressed the Forum and circulated a report entitled "Revenue Budget Strategy 2016/17 to 2018/19". The Executive Board, in September 2015, received a report on the Revenue Budget Outlook for 2016/17 to 2018/19 which appraised members of the financial outlook and the proposals for taking forward the budget preparation for the 3 year period.

Current Medium Term Financial Plan

	2016/17	2017/18
Council Tax Rise	5.0%	5.0%
Efficiencies Required (Schools)	£18.2m (£7.4m)	£13.8m (£6.5m)
Welsh Government Funding	£244.15m	£236.09m

Forward Financial Plan

WG Settlement Assumptions

- Comprehensive spending review due 24th November 2015
- Provisional settlement 9th December 2015.
- WG setting final budget 1st March 2016.
- Final settlement 2nd March 2016
- Council Tax setting meeting 10th March 2016
- 1 year settlement figures
- Outlook reflects annual 3.3% reductions in the WG settlement (£8.6m in 2016/17).

Headline Figures

Forecasted overspend at Departmental level - £2.3m

Main Validations (1)

- General inflation 0.6% (Yrs 16/17); 1.4% (Yrs 17/18); 1.8% (Yrs 18/19)
- Pay Awards: 1% per annum
- Fuel: -12.5% (Yrs 16/17); 3% per annum
- Energy Costs 3% per annum

Main Validations (2)

- National Insurance rebate of 3.4% for staff in pension funds removed in 2016/17: £4.1m
- Auto Enrolment from April 2017: £1.6m
- The Teachers Pension Scheme – rate increased from 14.1% to 16.4% from 1st September 2015. Additional £575k cost in 2016-17.
- Council Tax modelled at 5% increase per annum.

A copy of the power point presentation will be circulated to Forum members.

The Interim Head of Financial Services was thanked for his presentation and attendance at the meeting.

The Chief Education Officer addressed the Forum and shared the information discussed at the Members Budget Consultation meeting held on the 18th November regarding School Budgets.

Schools Funding

- Last year for WG funding protection for schools 2015/16
- Current proposals assume no service protection going forward
- Target saving for schools:
2016-17 £5.5m (4.9%)
2017-18 £6.0m (5.5%)
2018-19 £6.7m (6.4%)

Total: £18.280m

The Chief Education Officer informed the Forum that further discussions will be undertaken regarding efficiency savings:-

- Benchmarking exercises – teachers; support staff, TLRs;
- Back office remodelling
- Collaboration
- Supply insurance and cover
- Impact on EVR/Redundancy budget
- HR advice and support
- Impact on Service Level Agreements
- Procurement
- Protection for small schools for 1st year

The Chief Education Officer will provide all schools with a copy of his power point presentation

The Director of Education and Children stated that it is inevitable that money will be taken out of the system. All schools will be required to work collaboratively to reach the savings required.

The Head of Ysgol Bro Banw asked if information had been received regarding the statutory Regulations relating to the Foundation Phase. The Chief Education Officer informed the Forum that he is attending the Ministers Annual Meeting on the 18th November and will be asking this question at that meeting.

The Chief Education Officer will update Forum members.

8) CONSULTATION MEETING WITH THE TRADES UNIONS

Corporate Employee Relations Forum - Budget Consultation 22 October 2015

Present: Caroline Green (CG), GMB Branch Secretary
Mark Evans (ME), UNISON Branch Secretary
Mark Preece (MP) UNITE Branch Secretary
Chris Moore (CM) Director of Corporate Services (part meeting)
Paul Thomas, (PT) Assistant Chief Executive (part meeting)
Robert Jones-Young (RY), Deputy HR Manager

The Director of Corporate Services referred to the Preliminary Executive Board Report (14/9/15) - Revenue Budget Outlook 16/17 to 18/19 - which had been circulated in advance of the CERF meeting.

The Director of Corporate Services stated that WG provisional budget would not be released until 8th December, two months later than is usual. Assumption made that budget will reduce by 3.3%

Updated report to be taken to Executive Board on 16 November which will trigger round of consultation with stakeholders.

The Director of Corporate Services estimated that £40 million of savings would need to be made over the next three years.

Assumption made that, unless Welsh Government confirm a level of protection for schools, education budget would be reduced in line with other services.

Trade unions considered that there are areas where efficiency savings can be made and that they have highlighted these previously eg standby

MP questioned the use of NPS when it is believed that purchases can be made locally at a lower cost.

The Director of Corporate Services acknowledged the concerns in respect of NPS and is aware that some other authorities have similar concerns. The Director of Corporate Services thought it likely that a report would be provided for Corporate Management Team in the near future.

Corporate Employee Relations Forum - Budget Consultation 22 January 2016

Present: Carmarthenshire CC
Chris Moore Director of Corporate Services
Paul Thomas Assistant Chief Executive
Robert Young Deputy HR Manager
Dylan Jones Schools Finance Manager

Unions
Mark Evans Unison
Mark Preece Unite
Caroline Greene GMB

The Director of Corporate Services stated that the first consultation exercise had taken place at the end of October 2015 where an overview of the financial outlook was given.

At this time, the indications were that the Authority would face a funding reduction of 3.3%, however the publication of the provisional settlement in December 2015 stated that Carmarthenshire CC would face a reduction of 1%, a difference equating to £7 million. Although this settlement figure is better than originally expected, it will present a significant challenge once inflationary factors are considered. Welsh Government have only provided a one year indication and also there are 11 grants not declared as yet. Welsh Government have continued to protect schools at 1% above their budget. The Director of Corporate Services went on to explain that additional items such as the Apprenticeship levy, the new rate of National Insurance for those in an occupational pension scheme and growth items make the task of delivering these savings even more difficult.

The Director of Corporate Services stated that the Final Settlement is due to be published on 2 March 2016, which would be after the Authority had set its budget for 2016-17. The situation could also become even more difficult as the Welsh Government are currently looking at 'rural flooring' to ease the impact on those authorities hardest hit by funding reduction, and possibly reallocate funding between authorities by the Final Settlement.

Unison re-iterated their stance regarding a 'no cuts budget' and that the budget they provided last year would still apply.

In response to comments made regarding the way the consultation was carried out and concerns that the responses do not reflect a true view of the public, the Director of Corporate Services and the Assistant Chief Executive stated that any feedback would be welcomed that could improve response and capture a greater audience.

CONSULTATION WITH TOWN & COMMUNITY COUNCILS 8th December 2015

Cllr Jenkins introduced the discussion by explaining the Council's financial position in broad terms, stressing there are hard times ahead with further reductions in the money available to councils over the coming few years.

Chris Moore, Director of Corporate Services, then gave a detailed presentation. The report that went to the Council's Executive Board was circulated for reference. A question was raised in respect of the lack of note made of consulting with town and community councils over the budget. The Director of Corporate Services explained that the report was considered in advance of the consultation exercise. Subsequent reports later in the process will reflect consultation such as this meeting.

The Director of Corporate Services explained that the UK Government position has implications for Wales and these effects can then 'knock on' to affect Welsh local government. The July budget signalled a continuation of 'austerity' policies. The UK Government's Comprehensive Spending Review (CSR) was concluded fairly recently. Due to levels of protection for health and education, the amount allocated to Wales was better than expected (an increase of 0.7%). The Director of Corporate Services suggested the reduction for Carmarthenshire CC may not be as bad as anticipated, though the provisional settlement for local government was pending tomorrow (9th December).

The Director of Corporate Services explained the difficulty in agreeing the budget, since the actual settlement for the Council is not expected until March, yet the Council must agree its budget by 11th March at the latest (1982 Act statutory deadline for precepting authorities). He explained that a 1% variance in the amount from WG had a value of £2.5 million, compared to £760,000 for a 1% variance for Council Tax. £51 million in savings have been delivered by the Council over the last 5 years, with further savings necessary until at least 2020, due to austerity policies at a UK level.

The Director of Corporate Services went on to describe the impact of education and social care spending. Education is the largest area of spend (stable), followed by social care (pressures due to demographic changes). When budgets overall are reducing, over a period of time, less money is available to deliver all the other Council services. Should WG protect education spending, the impact on other services will be greater.

The Council's financial projections are based on a number of considerations, including:

- 5% Council Tax rise (maximum)
- 0.6% inflation
- 1% pay award
- 3.4% due to removal of 3.4% National Insurance rebate
- Financial impact of the new auto-enrolment system with respect to pensions

- Pension increases for teachers

It is currently unclear how the £40 million promised by WG for education will affect the situation. Council departments have worked to identify proposals for saving money over the coming three years. The 'policy' proposals amount to £7.4 million (2016-17); £8.2 million (2017-18); and £8.6 million (2018-19).

Following the overview, the Director of Corporate Services explained the Council's approach. Its' priorities are: rural development; job creation; regeneration; and protecting front-line services. Proposals for saving have been developed as illustrated in the consultation survey (copies were circulated to assist the discussion).

A number of comments were made. A question concerned the level of reserves held by schools and whether these could assist the Council's budget. The Director of Corporate Services indicated the total reserve was around £5 million and, although difficulties would exist in the Council claiming reserves, there is an expectation that schools have plans in place to spend the money. In addition, School Improvement Officers are working with schools to address their use of reserves and it was suggested that community councillors take the message concerning the use of reserves back to their school governing bodies.

There was discussion over the Council's overall reserves. The Director of Corporate Services advised that these amounted to £72 million (earmarked for specific purposes) and £8.5 million (general), and were slightly lower than Wales Audit Office-recommended levels. Capital is being used to help fund the Modernising Educational Provision programme, amongst other things.

A discussion ensued on potential impacts of cuts of school budgets on education standards. It was suggested that cuts would have an impact upon staffing levels and that standards could be put at risk. Cllr Jenkins related the view that all the reductions under consideration were undesirable, but that choices need to be made. The governing body of Ysgol Dyfryn Amman, for example, were discussing significant reductions. The Director of Corporate Services informed the meeting that discussions were taking place with head teachers and there was general agreement that the £5.5 million saving proposed for next year was achievable. Cllr Stephens stressed the need for schools to consider all options in addressing savings, including levels of federation. It was commented that there was a real risk to smaller rural schools.

The issue of achieving savings through collaboration was raised. The Director of Corporate Services assured the meeting that avenues were being actively pursued and cited the examples of joint posts with the health service, and a joint head of IT, with Pembrokeshire County Council. It depends on the function in question, though a great deal of consideration is being given to collaborating wherever possible. Collaboration was also cited in response to a question concerning preparedness for local government reorganisation.

The matter of public interest in the salaries of senior staff was discussed. The reduction in the number of directors and heads of service over recent years was explained. Cllr Jenkins related that public attendees of the budget road shows had been almost exclusively concerned with this topic. He pointed out contractual obligations, which would arise should senior staff be made redundant, work against moves in that direction.

There was discussion over the proposal to reduce support for organisations providing benefits advice, at a time when the service is much needed. Cllr Jenkins commented that there is duplication of benefits advice which needs addressing. Cllrs Jenkins and Stephens assured the meeting that Executive Board is primarily concerned with protecting vulnerable people.

The meeting then moved to consider specific savings proposals, as set out in the budget consultation survey.

Cllr Jenkins observed that the information in relation to the proposals could have been more detailed and committed to making improvements in subsequent years. Cllr Stephens highlighted the importance of the meeting as an opportunity to have a face-to-face conversation with community councillors.

School meals – agreement that the increase was reasonable and necessary.

School breakfast clubs. It was explained that some parents use these as ‘babysitting’ for their children, whereas their intended purpose is to provide a breakfast to all pupils. Breakfast could be supplied in a shorter period, involving less time. It was suggested that there may be sufficient demand to continue the non-breakfast element of provision on a commercial basis.

Special educational needs (SEN). Cllr Stephens explained that the Education and Children’s Services department is expecting a decline in expenditure on SEN. Some concerns were raised, with some members suggesting the broader trend is in increase in the need for SEN provision.

Youth services. In reference to the use of the Quay Centre, it was suggested that greater collaboration with Dr Mz could be beneficial.

Members of the meeting considered that there was insufficient information to support comment on the educational psychology and short breaks proposals.

Libraries. The Director of Corporate Services explained that the proposal concerned updating the service to provide a better facility in a more cost effective way. The mobile library would be updated to include IT facilities and other services. Some smaller branch libraries would be closed as part of the proposal. It was suggested that community buildings could house books, in order to help sustain the service. Each collection of books could be refreshed periodically by the Council.

Home care service. The proposal involves considering the development of an arm’s length organisation, which could provide the service at a lower cost and could attract grants. The Director of Corporate Services clarified that the company could operate as a wholly-owned subsidiary of the Council – according to the current arrangement in relation to Cwm Environmental. There was agreement that an arrangement in which the Council retained oversight was strongly preferred.

Meals on wheels. Cllr Stephens described the service and explained that take up is in decline, partly due to commercial operators, such as Wiltshire Farm Foods. A lack of volunteers to deliver meals is a key constraint on the service. A comment was made concerning community luncheon clubs who also undertook home delivery.

Flood defence. It was noted that the proposed saving was very large in comparison to the overall budget. Some affected community councils would oppose the reduction. The Director of Corporate Services explained that the proposal has resulted from a reduction of specific funding from Welsh Government (WG).

Highway maintenance. Again, it was noted that the proposed saving was very large against the overall budget. Cllr Stephens asked communities to consider the help they may be able to give. Cllr Evans explained that she understood the frontline nature of this service, but that her department needed to take its share of the cuts. A number of community councils commented on how they could assist in identifying works of local priority, which could help ensure the best use of limited resources.

Cleansing services. It was asked that the impact of increased litter on tourism be given weight. Some representatives indicated that their community council may be prepared to fund street cleaning within their areas.

Car parks. It was generally agreed that the increased charges could be considered.

Mae'r dudalen hon yn wag yn fwriadol

Current Proposals

	MANAGERIAL				EXISTING POLICY PROPOSALS				NEW POLICY PROPOSALS				TOTAL PROPOSALS			
	2016/17	2017/18	2018/19	Total	2016/17	2017/18	2018/19	Total	2016/17	2017/18	2018/19	Total	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	863	365	429	1,657	0	0	0	0	0	0	0	0	863	365	429	1,657
Education	453	130	125	708	250	50	0	300	370	240	100	710	1,073	420	225	1,718
Schools Delegated				0	0	0	0	0	5,500	6,000	6,000	17,500	5,500	6,000	6,000	17,500
Corporate Services	752	401	568	1,721	25	0	0	25	0	0	0	0	777	401	568	1,746
Community Services	2,912	1,859	775	5,546	214	250	300	764	318	520	978	1,816	3,444	2,629	2,053	8,126
Environment	1,327	592	460	2,379	65	506	0	571	647	658	444	1,749	2,039	1,756	904	4,699
	6,307	3,347	2,357	12,011	554	806	300	1,660	6,835	7,418	7,522	21,775	13,696	11,571	10,179	35,446

New strands of savings:	2016/17	2017/18	2018/19	Total
	£000	£000	£000	£000
1. Collaborate to save	45	10	25	80
2. New ways of working to save	7,988	7,613	7,951	23,552
3. Re-structure to save	1,440	832	724	2,996
4. Specification to save	3,860	2,689	968	7,517
5. Invest to save	363	373	357	1,093
6. Transformation, innovation and challenge	0	54	154	208
	13,696	11,571	10,179	35,446

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
	£000	£000	£000	£000		
Chief Executive						
Chief Executive						
Printer Rationalisation	109			109	Printer Rationalisation	2
Health & Safety	85	100	35	220	Restructuring of Health & Safety function within the authority to yield savings from a reduction in expenditure on external contractors and eliminate duplication of Health & Safety Management	2
Carbon Tax	140			140	Charging Schools and Housing Revenue Account for their properties consumption of Carbon Tax	2
Chief Executive & Support Services	30			30	Reduction in Support Services budget for Chief Executive's office.	3
Total Chief Executive	364	100	35	499		

People Management & Performance

Human Resources	40	0	40	80	Severance	3
Learning & Development	40	40	35	115	Realignment and reduction in course fees by collaborating with other local users	2
Total People Management & Performance	80	40	75	195		

Customer Focus & Policy

Registrars	12	13	4	29	Increased income and reduced overtime	2
Communications - Press	25	0	46	71	Service Review	3
Net Customer Services	18	18		36	Transfer of part of service covered by Senior Manager i.e Careline to Communities, and rest of service to be realigned	3
Direct Communications	10	35	4	49	Increased income	2
Net Policy	20	0	35	55	Reduction in projects & activities and additional income	2
Customer Service Centres	20	20	65	105	Service review and potentially reducing opening times. Also a possibility of moving to an 'appointments only' service with as much traffic as possible encouraged towards online self-service, or failing that, to the telephone, and wider distribution of simple services, eg blue bag provision, via libraries and other possible outlets	2
Contact Centre	55	30	5	90	Service review which will result in increased use of 'self help' via council website, increase in telephone call traffic arising from further reductions in CSC opening hours, plus introduction of appointments only CSC service (appointments made via contact centre)	2
Performance Management	30	30	5	65	2016-17 - Maintenance agreement on GIS software to cease with implementation of new in-house developed GIS application (Planweb); 2017-18 & 2018-19 Income generation from provision of Performance Management software to other Authorities	2
Total Customer Focus & Policy	190	146	164	500		

	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total		
Chief Executive	£000	£000	£000	£000	Increased income from landlords licences for houses with multiple occupation.	Strand of Saving 1 - 6
Administration & Law						
Departmental - Legal	6	12		18	2016/17 - £2k Reduction in Printing; £2k - Other Hired and Contracted Services; £2k - Staff Travelling. 2017/18 - £10k - Reduction in working hours; £2k - Reduction in costs of Practising Certificates	2
Land Charges	20			20	2016/17 - £20k -Reductions in costs of Land Charges software;	2
Net Departmental Administration	6	6	3	15	2016/17 - Further £6k reduction in stationery budget; 2017/18 - £3k Other Hired and Contracted Services; £3k Reduction in printing	2
Corporate Management	2	2	0	4	2016/17 - £2k Advertising; 2017/18 - £2k Printing; £2k	2
Democratic Process	17	7	0	24	2016/17 - £4k - Reduction in Conferences; £5k - Reduction in members travelling budget based on previous years claims; £2k Reduction in fuel; £3k - Reduction in Civic vehicles from 2 to 1; £1k - Reduction in newspapers and books; £2k - Reduction in spend on refreshments for meetings 2017/18 - £1k - Further reduction in fuel; £2k - remaining balance on Civic vehicle; £4k - Reduction in spend on Conferences	2
Departmental Democratic			20	20	2018/19 - Possible Reduction in Working hours/VER	3
Total Administration & Law	51	27	23	101		
Regeneration						
Marketing Tourism Development	31	52	19	102	Realignment of whole of the Division to focus on new economic priorities and to meet efficiencies	3
Community Grants	25	0		25	Realignment of the whole of the division to focus on new economic priorities and to meet efficiencies	3
Rural Carmarthenshire	4	0		4	Reduction in hired services	2
3 T's			48	48	Severance	3
Physical Regeneration	24	0	0	24	Realignment of whole of the Division to focus on new economic priorities and to meet efficiencies,	3
Amman Gwendraeth Regeneration	2	0		2	Realignment of whole of the Division to focus on new economic priorities and to meet efficiencies,	3
Llanelli Regeneration	6	0		6	Realignment of whole of the Division to focus on new economic priorities and to meet efficiencies,	3
Support Services	75	0	25	100	Realignment of whole of the Division to focus on new economic priorities and to meet efficiencies,	3
Business Support Projects	1	0	0	1	Realignment of whole of the Division to focus on new economic priorities and to meet efficiencies	3
West Wales European Centre	10	0	40	50	Review of premises and other costs 17/18; Severance 18/19	3
Total Regeneration	178	52	132	362		
Chief Executive Total	863	365	429	1,657		

Education & Children

Director & School Related Budgets

	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
	£000	£000	£000	£000		
Education strategy	30			30	WJEC have reviewed and reduced annual fees	4
Total Director & School related budgets	30	0	0	30		

Strategic Development & Schools' Catering

Catering Services	40			40	Adjustment of labour table by 10% to bring in line with neighbouring Authorities (CCC is currently the highest)	4
Catering Services	0	40	0	40	Review of catering central support resulting in 1 FTE reduction through severance	4
Business Support	0	20	0	20	Reduction in support to Departmental Management Team through severance	3
Business Support	20	0	0	20	Change in creditor payment processes, leading to reduction in staff resource through severance	2
Total Strategic Development & Schools' Catering	60	60	0	120		

Governance & Inclusion

School Governance	20	0	0	20	Restructure of Governor Support Service, release of member of staff through severance. To be dealt with through local restructuring.	3
School Improvement & Governance	30	0	0	30	Review of existing work practices and grant utilisation	3
SEN & Governance		20		20	Remove external licensed software for SEN and Governor management and replace with internal solution	3
Early Years	30	0	0	30	Assume continued non take-up of places in non-maintained settings	4
Youth Service	20	0	0	20	Release of Youth Worker as a result of contract ending March 2016	4
YOPS	18	0	0	18	Reduction in support staff	3
Total Governance, Inclusion & School Catering	118	20	0	138		

Children's Services

Support Services	80			80	Reduction of back office support following move to electronic case file system	2
Risk Assessment team	80			80	Discontinuation of the Risk Assessment Team in Children's Services	2
Education Welfare	0	0	25	25	Release of staff member through severance	4
Legal Fees for Child Protection Proceedings	30	0	0	30	Assuming that volume of proceedings will reduce in line with reduction in number of Looked After Children	5
Direct Payments	30	0	0	30	Assume decline in requests for direct payments continues	5
Accommodating Looked After Children		50	100	150	Assuming that trends in reducing the number of looked after children can be sustained into future years	5
Short Breaks	25	0	0	25	Release of member of staff through severance	3
Total Children's Services	245	50	125	420		

Education & Children Total

	453	130	125	708		
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Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Corporate Services	£000	£000	£000	£000		
Finance						
Accountancy	87	127	186	400	2016-17 £57k Structure Realignments, £30k NI savings Car leasing scheme; 2017-18 £30k NI savings Car leasing scheme, £97k structure realignment. 2018-19 Structure realignment	3
Council Tax	10			10	Girobank charges - savings on fees	2
Cashiers	20			20	Security Plus - new contract and collection arrangements	2
Revenues	35			35	Restructure of Fraud Team	3
Revenues	32			32	Controls - Team leader post	3
Revenues	32			32	Recovery/Debtors - realignment	3
Payments	45			45	Structure Realignment	3
Total Financial Services	261	127	186	574		
Audit, Risk & Procurement						
Audit, Risk & Procurement		33	57	90	Structure Realignments	3
Total, Audit Risk & Procurement	0	33	57	90		
Information Technology						
Information Technology	103	100	95	298	2016/17 Removal of 2 FTE (£103k) . 2017/18 & 2018/19 Savings from collaboration with Pembs	3
Corporate Network	100			100	2016/17 Reduction in Corporate Network Budgets by up to £100K but also seek initiatives from across the Division	2
IT Operational	216		100	316	2016/17 Reduce IT Operational codes by up to £200K but also seek initiatives across the Division. 2018-19 savings from collaboration with Pembs.	2
Total Information Technology	419	100	195	714		
Corporate Property						
Admin Buildings	25	141	130	296	Savings on building running costs: £15k Sale of 1 & 2 Spilman St, £10k Sale of Coleshill Sale of Nurses home and Jobs Well House, £40k Vacation and Sale of Ty'r Nant, £50k vacation of Pibwrlwyd Offices, £40k Office Accommodation following staff reduction/agile working 2016-17: £11k 2017-18: £11k 2018-19: £130k Office Accommodation following staff reduction/agile working	2
Admin Buildings	20			20	Reduction in caretaking staffing costs	2
Admin Buildings	7	0		7	Savings in Energy costs following Solar installation	5
Industrial	5			5	Pembrey airfield - above inflation rent increase	2
Provisions market	4			4	Savings following tendering of skip hire and security contracts	2
Livestock Market	4			4	Above-inflation rent increases arising from increased throughput	2
Commercial Properties	7			7	Reduction in holding costs following sale / transfer of Education Centre, Ferryside	2
Total Corporate Property	72	141	130	343		
Corporate Services Total	752	401	568	1,721		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
	£000	£000	£000	£000		
Community Services						
Housing & Public Protection						
Temporary Accommodation	4			4	Reduced admin budgets	4
Social Lettings Agency	4			4	Reduced admin budgets	4
Housing & Public Protection	36	35	34	105	No application of increases in supplies, transport & premises	4
Options and Advice	25			25	Deletion of post	3
Public Protection		50	50	100	Development fund application for a Financial investigator - forecast income streams for years 2 & 3 (net of salary costs)	5
Housing & Public Protection		50		50	Service Review / Severances - H&PP Council Fund Services	3
HOUSING (Council Fund) TOTAL	69	135	84	288		
Commissioning						
L.A Residential Homes	100			100	Service review of in house provision	4
Domiciliary care	20	20	10	50	Operational efficiency	4
	120	20	10	150		
Older People Physical Disabilities						
Review of Contract Replacement Care Contract for Older People	150			150	Adjustment to Crossroads contract	4
Private Sector Residential Homes	350	300		650	Reduction in placements	4
Extra Care	350			350	Service review and renegotiation of contract	4
Private Sector Home Care	450	300		750	Reduction in care packages	4
Grants to Voluntary Organisations	55			55	Reduction of grants to voluntary sector (Amman Valley Dementia (£10k), Crossroads (£10k), Hafan Gobaith (£15k), Care & Repair (£14K) and Llanelli Assoc for the blind (£6k))	4
Careline		30		30	Increased income	2
Divisional Supplies & Services	40	93	122	255	No inflationary uplift	4
Management & Support	75	40		115	Workforce modernisation and service redesign	3
	1,470	763	122	2,355		
Learning Disabilities						
LA Day services & Employment Training	40			40	Management restructure	3
LA Day services & Employment Training	40			40	Reconfiguration of craft centre	1
Private Sector Residential Homes	500	500		1000	£500k each year from Accommodation strategy	4
Grants to Voluntary Organisations	123			123	Reduction of grants to voluntary sector (MIND (£27k), Mencap (£65k), Llanelli & district Gateway Club (£23k), Links (£8k))	4
Divisional non pay budgets	159	360	470	989	No inflationary uplift	4
	862	860	470	2,192		
Support Costs						
Back Office realignment	50			50	Realignments	3
Support Costs	98	71	69	238	Rationalisation of functions	3
	148	71	69	288		

Leisure	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
	£000	£000	£000	£000		
Sports & Leisure - County Wide						
Sport & Leisure General	10			10	Realignment to reduce staff costs 1 FTE	3
Total Sports & Leisure - County Wide	10	0	0	10		
Sport & Leisure West						
Sport & Leisure Management West	15			15	Reduction of grants to individuals participating in sports event (£10k)(retention of £5k for hardship fund) and reduction in other hired services (£5k)	4
Carmarthen Leisure Centre	20			20	Realignment to reduce staff costs 1 FTE (£15k)/increased dryside income (£5k)	3
Bro Myrddin Indoor Bowling Club		5		5	Phased hand-over to Bowling committee, no subsidy from 2018/19.	1
Newcastle Emlyn Leisure Centre	20			20	Realignment to reduce staff costs 1 FTE (£15k)/reduced pool subsidy (£5k)	3
St Clears	6			6	Increased income (£5k) / General efficiencies (£1k)	2
Total Sport & Leisure West	61	5	0	66		
Sport & Leisure East						
Dinefwr Bowling Club	5	5		10	Phased hand-over to Bowling committee, no subsidy from 2018/19.	1
Amman Valley Leisure Centre	10			10	Increased income on dryside, wetside and health & fitness	2
Llandoverly Swimming Pool	14			14	Review of hours (closed daytime when not delivering school swimming) therefore a realignment to reduce staff costs 1 FTE	4
Total Sport & Leisure East	29	5	0	34		
Sport & Leisure South						
Llanelli Leisure Centre	24			24	Re-alignment to reduce staff costs 1 FTE (£9k) / increase dryside income (£15k)	3
Sport & Leisure Management South	5			5	Realignment to reduce staff costs	3
Coedcae Sports Hall	2			2	Increased income	2
Total Sport & Leisure South	31	0	0	31		
Outdoor Education						
Pendine School Camp	12	0		12	Savings identified as part of internal staffing realignment in 2015-2016	3
Total Outdoor Education	12	0	0	12		
Countryside Facilities						
Pembrey Country Park	15			15	Review of Operational Service Contracts	4
Countryside General	12			12	Realignment of staffing structure with delivery of 1-2 FTEs	3
Countryside General	30			30	Countryside and Leisure realignment	3
Total Countryside Facilities	57	0	0	57		
Culture & Heritage						
Theatres			20	20	Realignment of staffing structure with delivery of 1-2 FTEs	3
Libraries	5	0		5	£5k Review operational procedures and costs e.g. IT, contract cleaning, spend on book fund. Re-charges for use of premises.	4
Archives	28			28	Realignment of staffing structure with delivery of 1 FTE	3
Museums	10			10	Charges at MOS	2
Total Culture & Heritage	43	0	20	63		
Total Leisure	243	10	20	273		
Community Services Total	2,912	1,859	775	5,546		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
	£000	£000	£000	£000		
Environment						
Policy and Performance						
Policy divisional cost centre	92	81	0	173	No posts identified as yet. Efficiencies will be dependant on the outcome of the departmental Admin review and subsequent departmental restructuring.	3
Total Policy and Performance division	92	81	0	173		
Streetscene						
Streetscene division	50	70	0	120	Individual service reviews currently underway on Streetscene functions in order to rationalise service provision in conjunction with a divisional re-structure.	3
Highway Lighting	196	173	107	476	Saving in energy consumption arising from investment in LED lighting and installation of timers for part night illumination. Funding options have been explored and a submission for WG Invest 2 Save funding has been made. Proposal is to reduce operating costs without turning lights off.	5
Ammanford Cemetery	3	4	0	7	Majority of testing and remedial works will be completed during 2014/15. Remaining budget to be utilised to undertake cyclical grounds maintenance and cyclical testing. Impact : Ensure continued safety to the general public. Reduced ability to undertake substantial remedial works.	2
Total Streetscene	249	247	107	603		
Transport						
Public Transport Support	144	0	0	144	16/17 deliverable from network and procurement efficiencies achieved from the public transport and school transport networks.	4
General - Public & School Transport	0	0	100	100	Procurement efficiencies	6
Fleet procurement efficiencies	180	0	0	180	Efficiencies gained from changing the method of procurement	4
School Crossing Patrols	55	0		55	Efficiencies can be gained through natural wastage as SCP's retire at sites with low traffic flows and risks.	3
Managed car pool system	200	0	0	200	Yet to be delivered - covered by Public Transport and School Transport network and procurement efficiencies in 2015/16. Future years savings to be reviewed. This is a corporate saving that will need to be allocated across all Departments of the Council.	2
Total Transport	579	0	100	679		
Property Services						
Building Maintenance, Operational & Services	0	26		26	Further savings on non operational costs centralised from the other budget headings.	2
Energy budgets	300	0	0	300	Efficiencies generated via review of energy budgets	2
Property Services	70	0	59	129	Divisional re-alignment and severances	3
Total Property Services	370	26	59	455		
Planning						
Development Management	12	33	20	65	2017/18 - 1 FTE in planning support and fee generation; 2018/19 - new way of working (additional income from pre-application advice)	2
Building Control - Admin	10	30	0	40	2016/17 - £10k reduction in travelling costs; Comprehensive review of structure as part of the corporate review of Property Services in 17/18.	3
Minerals & Waste	0	0	25	25	Collaboration through providing mineral and waste service (review of SLAs)	1
Forward Planning	0	0	14	14	New ways of working - development briefs for service departments	2
Planning Admin Account	15	40	0	55	New ways of working leading in the reduction of consultant costs and general expenditure 16/17 and 17/18	2
Total Planning	37	103	59	199		
Service rationalisation	0	65	135	200	Review of service basis currently being undertaken with a view to producing efficiencies in the forthcoming years.	2
Review of structure	0	70	0	70	Review of Senior Management in the department	3
Environment Total	1,327	592	460	2,379		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Education & Children	£000	£000	£000	£000		
Inclusion Services - SEN	200			200	When learners with a Statement of Special Education Needs leave school the Statement comes to an end. It is planned to reduce the level of funding provided to schools by giving up some of the funding associated with statements that expire. Consequently, there will be less funding available to schools to support children and young people with additional needs.	2
Secondary Speech & Language Provision	50			50	The County Council proposes to remodel how support is provided for secondary age pupils with speech, language and communication needs and move away from a special unit provision to enable support and provision in all schools.	2
Children Looked After incl Leaving Care, Taxis & Ind Review Service		50		50	Taxis are used to transport children when Looked After, either going to school, or for contact. Care leavers receive ongoing support up to 21, or even 25 if in full time education. A reduction of children coming into care; and the additional resources to support their rehabilitation home through targeted resources should contribute to a fall in numbers; both those in care, and those leaving care, and as a result, should achieve a financial reduction in these areas over time.	2
Education and Children Total	250	50	0	300		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Corporate Services	£000	£000	£000	£000		
Revenues & Cash Desk	25			25	Closure of Llandeilo Cash Office linked to Llandeilo hub and relocation of library	2
Corporate Services Total	25	0	0	25		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Community Services	£000	£000	£000	£000		
L.A Residential Homes for Older People	200			200	Full year saving from closure of Glanmarlais/Tegfan and opening an extra care facility in the Ammanford area	2
Sports, Leisure, Theatres Alternative service delivery model (Trust)		250	300	550	The proposal is to save money by delivering Sports, Leisure and Theatres in a different way - i.e. by a trust.	2
Oriel Myrddin CCC	14			14	Phased transfer to independent status	2
Community Services Total	214	250	300	764		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Environment	£000	£000	£000	£000		
Home to College Transport	65	451	0	516	post 16 transport is a discretionary service and statutory consultation is underway to sustain the service through the introduction of a charge.	4
School Crossing Patrols	0	55	0	55	Efficiencies can be gained by deselection of School Crossing Patrol sites using the criteria for the assessment of school crossing patrol sites, published in RoSPA's School Crossing Patrol national guidance document. Where the School Crossing Patrol is affected, we will work with the school to look at alternative provision if required.	2
Environment Total	65	506	0	571		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Education & Children	£000	£000	£000	£000		
Catering Services - School Meals	100	100	100	300	It is proposed to increase the cost of a primary school meal price to £2.40 in April 2016, £2.50 in April 2017 and £2.60 in April 2018. There will be similar increases in charges for food in secondary schools.	5
Catering Services - Free School Breakfasts	100	10	0	110	Remodel provision for Free Breakfasts in primary schools to reduce average time from 45 minutes to 30 minutes.	4
Inclusion Services - SEN	120			120	Remodel provision for Additional Learning support.	4
Rhydygors Day Centre		50		50	Remodelling behavioural management services, informed by the strategic review of current provision	3
Youth Services	0	20	0	20	Review the use of the Quay Centre.	2
Educational Psychology	0	60	0	60	Reduction of 1 post through review of existing structure.	4
Short Breaks / Respite for Disabled Children & Young People	50	0	0	50	Reduce scale of specialist provision out of school hours.	4

Delegated Schools Budget

Delegated school budget	5,500	6,000	6,000	17,500	Education is a significant area of spend for the Council. This proposal is to reduce the total budget to schools and support schools in achieving a number of cost savings, for example, further collaboration between schools, reducing "back office" costs to prioritise classroom provision, etc.	2
Education and Children Total	5,870	6,240	6,100	18,210		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Community Services	£000	£000	£000	£000		
Council Fund Housing - Options and Advice Services	29			29	Reduce grants to Women's Aid and Shelter. Both organisations are changing working practices to try minimise impact of services available to their client groups.	4
Public Protection	100			100	Make savings by reviewing of contribution to voluntary organisations providing Benefits Advice (Catch up / CAB / Mencap).	4
Council Fund Housing - Options and Advice Services	10			10	Increased income from landlords licences for houses with multiple occupation.	2
Public Protection	30			30	Increased income licences - animal health	2
Meals on Wheels	57			57	Increase meals cost by £1.00 from £3.70 to £4.70	2
L.A Residential Homes for Older People			350	350	Implementation of alternative service model either Externalising the service or developing a Local Authority Trading Company model	2
Domiciliary care		500	500	1000	Implementation of alternative service model either Externalising the service or developing a Local Authority Trading Company model	2
Libraries	92	20	128	240	Year 1 - The proposal is to change the way the mobile library service is delivered to make more effective use of the vehicles. Offering further services from mobile libraries (for instance, photocopying) is being considered as a way of improving the overall service. Years 2 & 3 - to ensure a library service continues to be available in Carmarthenshire, the proposal is to close a number of branch libraries and rely on an enhanced mobile library service	2
Community Services Total	318	520	978	1,816		

Department	'2016-17 Proposed	'2017-18 Proposed	'2018-19 Proposed	Total	EFFICIENCY DESCRIPTION	Strand of Saving 1 - 6
Environment	£000	£000	£000	£000		
Flood Defence, Land Drainage & Coastal Protection	50	42	26	118	Reduction in preventative maintenance of flood defence and coastal protection assets potentially reducing our ability to react to future storm and severe weather events. Emergency works will have to be addressed through the re-prioritisation of departmental budgets.	4
Highways Infrastructure maintenance	512	478	281	1271	Reduction in routine maintenance of highways infrastructure assets (bridges, retaining walls / support embankments, drainage and highways/footway works). Emergency works will have to be addressed through the re-prioritisation of departmental budgets.	4
Cleansing Services & Environmental Enforcement	85	84	83	252	Re- configuration of service delivery and methods of operation, and the re-assessment of service standards. The proposal also includes reducing the Environmental Enforcement supplies and equipment budgets by £13k over the period 2016-19.	2
Car Parks	0	54	54	108	A 20 pence increase in car park charges at major town centres will contribute £54,000 to sustain transport and highway related services	6
Environment Total	647	658	444	1,749		

Demographic, Legislative or continuing pressures					
	2016-2017	2016-2017	2017-2018	2018-2019	Description
	£'000	ALLOCATED £'000	£'000	£'000	
<u>Chief Executive's</u>					
Registration of Electors	30	30			Voter registration changes
Coroners			35		Review of pay arrangements
Language Translation	205	205			Increased costs arising from implementing the new Welsh Standard
	235	235	35	0	
<u>Communities</u>					
Full year effect of proposed increase in Residential Care Home fees	711				
Demand pressures – existing commitments	500				
Re-instatement of budget for Day services - No council decision	500	1,800			
Living Wage - Impact on charges from private sector	449				£449k minimum scenario - worst case £2.560m
	2,160	1,800	0	0	
<u>Environment</u>					
<u>Streetscene</u>					
Waste strategy	79		166	544	as per Waste strategy costings. Legislative pressure due to Part 4 of the Environment Bill (increase trade waste recycling rates)
Potential reduction in SWM Grant (25%)	1,000	260			
<u>Transport</u>					
Safe walking routes to schools	32				Implementation of revised statutory guidance on the criteria for Safe Walking routes to School
MEP	125	125	125	125	Demographic & MEP pressures.
<u>Property Services</u>					
Pumping Stations	88				Current budget is inadequate to cover all maintenance and utility costs - Overspend has been covered by Hydrology surpluses in previous years however with the transfer of the WW contract back to WW this will become a direct pressure on the department. Potential Environmental consequences if additional budget is not allocated.
	1,324	385	291	669	
	3,719	2,420	326	669	

Mae'r dudalen hon yn wag yn fwriadol

COUNCIL FUND REVENUE ACCOUNT**TABLE 1****SUMMARY STATEMENT**

2015/16 Approved Budget £'000	2015/16 Provisional Outturn £'000		2016/17 Proposed Budget £'000	2017/18 Indicative Budget £'000	2018/19 Indicative Budget £'000
10,609,265	11,019,359	Chief Executive	12,859,631	12,870,117	12,298,508
159,427,150	160,378,299	Education & Childrens Services	162,366,213	157,957,478	153,813,382
22,905,160	22,649,053	Corporate Services	23,462,173	28,845,008	32,032,955
90,856,396	91,501,129	Communities	90,889,106	89,403,359	88,703,853
45,597,203	45,723,600	Environment Services	46,891,853	46,360,073	46,301,682
329,395,174	331,271,440	Departmental Expenditure	336,468,976	335,436,035	333,150,379
-3,534,911	-4,735,224	Capital Charges/Asset Management Acc	-9,518,559	-9,268,559	-9,018,559
-5,084,948	-5,084,948	Pensions reserve adj	-5,085,052	-5,085,052	-5,085,052
		<u>Levies and Contributions</u>			
9,067,000	9,067,000	Mid & West Wales Fire Authority	0	0	0
147,000	147,000	Brecon Beacons National Park	9,295,637	9,388,593	9,482,479
329,989,315	330,665,268	Net Expenditure	331,161,002	330,471,018	328,529,247
-570,000	-570,000	Outcome Agreement Grant			
-138,000	135,047	Contribution from Balances Transfer to/from Departmental Balances/Earmarked Reserves		0	0
-1,060,000	-2,009,000		-200,000	-200,000	
328,221,315	328,221,315	NET BUDGET	330,961,002	330,271,018	328,529,247
		TO BE FINANCED FROM:			
-252,481,384	-252,481,384	Aggregate External Finance	-251,686,000	-246,651,004	-241,717,984
75,739,931	75,739,931	CALL ON TAXPAYERS	79,275,002	83,620,014	86,811,263
1076.22		Band D Tax Council Tax Increase	1,117.67 3.85%	1,171.19 4.79%	1,207.92 3.14%

Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR SIR
DYDDIAD 23ain CHWEFROR 2016**

**RHAGLEN GYFALAF PUM MLYNEDD (CRONFA'R CYNGOR) -
2016/17 - 2020/21**

ARGYMHELLION Y BWRDD GWEITHREDOL:

Bod y Cyngor Sir yn cymeradwyo:

1. Y Rhaglen Gyfalaf Pum Mlynedd a'i ariannu yn unol ag Atodiad B, gyda chyllideb 2016/17 yn un bendant a chyllidebau 2017/18 i 2020/21 yn rhai mynegiannol, yn amodol ar argymell (4).
2. Bod cyllideb 2020/21 yn cael ei hadolygu yn ystod y flwyddyn er mwyn delio â'r diffyg ariannu.
3. Bod y rhaglen yn cael ei hadolygu, fel sy'n arferol, os na cheir y cyllid allanol neu'r Cyngor Sir a ragwelwyd.
4. Bydd Cyfarwyddwr y Gwasanaethau Corfforaethol yn rhoi gwybodaeth ac argymhellion i'r Cyngor Sir ar 10fed Mawrth 2016 mewn perthynas ag unrhyw effaith a chamau ôl-ddilynol sydd eu hangen yn sgil y Setliad Terfynol y mae disgwyl iddo gael ei gyhoeddi gan Lywodraeth Cymru ar 2il Mawrth 2016, a'i drafod ar 9fed Mawrth 2016.

Y RHESYMAU:

Galluogi'r Awdurdod i gytuno Rhaglen Gyfalaf Pum Mlynedd 2016/17 i 2020/21.

Ymgynghorwyd â'r Pwyllgor Craffu perthnasol DO
Angeu i'r Bwrdd Gweithredol wneud penderfyniad OES
Angeu i'r Cyngor wneud penderfyniad OES

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol
Awdur yr Adroddiad:
Owen Bowen

Swydd:
Pennaeth Dros-Dro Gwasanaethau
Cyllidol

Rhif ffôn: (01267) 224886
Cyfeiriad E-bost:
Obowen@sirgar.gov.uk

**EXECUTIVE SUMMARY
COUNTY COUNCIL
DATE 23RD FEBRUARY 2016**

**FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND) – 2016/17
TO 2020/21**

The report brings together the latest proposals for the Five Year Capital Programme 2016/17 to 2020/21. The report also takes account of the consultation exercise undertaken and the revenue implications arising from the capital programme.

The Executive Board considered the attached report and has recommended that an additional £2.4m be included in the capital programme to cover Highways Infrastructure. This will be utilised on the highways and supporting infrastructure network in the areas of greatest need. It is proposed that this is funded by unsupported borrowing with £200k set aside in the revenue budget to finance the loan costs. The attached Appendix B shows the updated 5 year capital programme including the proposed £2.4m which has been profiled over three years with £1.150m in 2016/17, £1m in 2017/18 and £250k in 2018/19.

The capital programme proposed gross expenditure for 2016/17 is £62.856m with the projected funding of the programme being £44.520m from the County Council through the use of borrowing, capital receipts, reserves, general capital grant and outcome agreement grant. The balance of funding of £18.336m will come from external sources.

The capital programme is projected to be fully funded over the first 4 years from 2016/17 through to 2019/20 while the final year 2020/21 shows a shortfall which will be reviewed over the coming year.

The full report considered by Executive Board is appended to this report as follows:-
Appendix A - Executive Board Report 01/02/16
Appendix A(i) – Capital Budget Consultation
Appendix B – Five Year Capital Programme

DETAILED REPORT ATTACHED ?

YES

INTEGRATION

I confirm that the Community Strategy Integration Tool has:

Not been used to appraise the subject of this report as it is not appropriate to do so.

Signed: O. Bowen

Interim Head of Financial Services.

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: O. Bowen

Interim Head of Financial Services.

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	Organisational Development	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	YES

Finance

The updated Capital Programme is projected to be fully funded from 2016/17 through to 2019/20 but 2020/21 has a funding shortfall of £2.804m which will be reviewed over the coming year. If any of the currently anticipated funding does not materialise, the Capital Programme will need to be revisited.

Physical Assets

New assets created from the Capital Programme will be added to the Council's portfolio. In addition the Programme proposes expenditure to improve the existing assets and comply with statutory responsibilities.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: O. Bowen

Interim Head of Financial Services

1. Local Member(s) N/A.
2. Community / Town Council N/A
3. Relevant Partners Full consultation has been undertaken
4. Staff Side Representatives and other Organisations Full consultation has been undertaken

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
These are detailed below

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2015-20 Capital Programme		Corporate Services Dept, County Hall, Carmarthen
2016-21 Capital Programme		Corporate Services Dept, County Hall, Carmarthen

REPORT OF DIRECTOR OF CORPORATE SERVICES

EXECUTIVE BOARD 1st FEBRUARY 2016

FIVE YEAR CAPITAL PROGRAMME (COUNCIL FUND)

2016/17 TO 2020/21

HEAD OF SERVICE & DESIGNATION.	DIRECTORATE	TELEPHONE NO.
O Bowen Interim Head of Financial Services	Corporate Services	01267 224886
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
O Bowen Interim Head of Financial Services	Corporate Services	01267 224886

1. INTRODUCTION

- 1.1. Executive Board on the 4th January 2016 considered and endorsed the Five Year Capital Programme 2016/17 to 2020/21 report for consultation purposes.
- 1.2. This report updates members on the latest position taking account of the consultation results and aims to establish the Authority's Five Year Capital Programme.
- 1.3. The Authority is required to approve a rolling capital programme each year as part of the budget process. This facilitates forward planning, is consistent with the requirements of the Prudential Code in terms of financial planning and funding, and assists officers in bidding for external funding.
- 1.4. The Executive Board needs to consider the detailed proposals within the report and approve the recommendations in accordance with Council policy.

2. CONSULTATION

- 2.1. The Budget Strategy has been subject to a full consultation exercise since the initial report was presented to Executive Board on the 16th November 2015, and comprehensive feedback is detailed within the Revenue Budget report which is being presented to the same meeting.
- 2.2. The detailed Capital Programme (Appendix B) has been presented to the Policy and Resources Scrutiny Committee on the 6th January 2016 to seek its views on the 5 year proposals. The minutes of the meeting are attached in Appendix A for review.

Appendix A

- 2.3. The Capital Programme has also been presented to an all members seminar on the 18th January 2016. Minutes of the meeting to follow when finalised.

3. FUNDING

- 3.1. The final settlement has not yet been confirmed but the provisional settlement indicated capital funding of £9.406m for the Authority in 2016/17. This is made up of Supported Borrowing of £5.848m and General Capital Grant of £3.558m. This means a small increase in funding of £36k or 0.4% compared to the current financial year 2015-16. This increase is the same when compared to the indicative figure assumed in the forecast funding for 2016-17 as approved by County Council in February 2015. In the absence of any forward indications by WG this level of funding has been assumed for each year of the five year programme.
- 3.2. As a consequence of the settlement the Outcome Agreement Grant (OAG) has been transferred into the Revenue Support Grant (RSG) and is therefore no longer linked to performance. This means that the funding is now secured within the RSG but there is an impact on the capital programme as it will not be available for the last three years of the programme 2018/19, 2019/20 and 2020/21. Funding of £1.328m per year is still included for 2016/17 and 2017/18 under the previous OAG regime.
- 3.3. The level of capital receipts funding included within the programme has been revised in line with latest estimates. General capital receipts of £13.585m are forecast over the 5 year period together with earmarked Education receipts from the sale of school buildings at £677k. The level of receipts is continually monitored during the year and may require future capital programmes to be adjusted if there is a shortfall.
- 3.4. Earmarked reserves were approved as part of last year's report and were included as funding for the current capital programme. Additional funding of some £20.375m has now been identified and allocated within the new proposed programme, which allows the inclusion of the new strategic projects that have been submitted by Departments. In total some £33.865m of reserve funding is included over the five years of the programme as set out in this report.
- 3.5. Within the Modernising Education Programme (MEP) additional resources have been approved in recent years for the Band A 21st Century Schools projects. This had arisen as the WG had asked Authorities to bring forward their Band A projects for completion by 2018/19. This investment includes supported borrowing, earmarked reserves and capital receipts and is part of the County Council's 50% contribution towards the Band A projects with the balance coming from the WG. The Authority will need to monitor closely the development of this programme in order to ensure that funding is available to cover the projects as they are committed.

4. CAPITAL PROGRAMME 2016/17 TO 2020/21

- 4.1. When the capital programme was approved for consultation purposes by Executive Board it was fully funded for the first 4 years from 2016/17 through to 2019/20 but there was a funding shortfall of £2.804m for the final year 2020/21. Following the consultation period the shortfall remains as before and it is proposed that the programme in 2020/21 be reviewed or re-profiled over the coming year.
- 4.2. The capital programme has not changed overall since the consultation exercise and the following paragraphs summarise the outcome of the review carried out previously.

Community Services

- 4.3. Within Community Services the main addition to the existing programme is the Llanelli Leisure Centre Development with an estimated cost of £16.5m. Part of the funding could potentially be met from within the Llanelli Waterside Joint Venture (subject to Welsh Government agreement and sale of certain development sites).
- 4.4. Other new projects in Communities include the track resurfacing and safety fencing at the Carmarthen Park Velodrome £286k (16/17) and the dredging of Burry Port Harbour £400k (16/17). A new Cycle Track at Pembrey Country Park £500k (16/17) is also included, together with the Carmarthen Archive Relocation £2m (£250k 16/17, £1.750m 17/18).
- 4.5. There has also been a reprofiling of the Social Care Llanelli Area Review project which previously showed a budget of £7m in 2016/17. The latest forecast is a spend of £1.5m in 2016/17 with a slippage of £5.5m to 2017/18.
- 4.6. In 2020/21 within Private Sector Housing, funding is provided for Disabled Facility Grants £2m and Emergency Repairs Assistance £200k, while in Leisure the Rights of Way Improvement Programme is allocated £50k.

Environment

- 4.7. In the Environment programme a new project is included in 2016/17 for the Pantyglyn Retaining Wall and Culvert £500k. Urgent works are required due to the poor condition of the wall and culvert.
- 4.8. A number of new proposals for the 2020/21 year have been included. Some of these are a continuation of existing rolling programmes of work such as Highway Improvements/ Bridge Maintenance £500k, Coastal Defence £300k and Road Safety Improvement £250k.
- 4.9. There is also further funding allocated in 2020/21 to existing projects such as the Cross Hands Economic Link Road Phase 2 with £300k CCC funding and the Tywi Valley Transport Corridor Concept £500k CCC funding.

Education and Children

Appendix A

- 4.10. In the Education and Children capital programme the MEP includes the final elements of the Dinefwr transformation and the Band A 21st Century Schools improvement programme. The programme has been reprofiled to reflect updated costs and the phasing of work. A new scheme has also been included for the proposed school in Carmarthen West £7.5m (18/19 to 20/21) which is funded by Welsh Government grant and Developer contributions.
- 4.11. Further funding has also been allocated in 2020/21 for the next stage of the 21st Century Schools improvement programme. The Band B projects have been allocated County Council funding of £5m and it has been assumed that WG will provide 50% as is the case with Band A, although this is yet to be confirmed.
- 4.12. In 2020/21 a new scheme has been included for the upgrade of dormitory/bathrooms and school facilities at the Rhydygors school site in Carmarthen £500k.

Chief Executives and Corporate Services

- 4.13. In the Chief Executive and Corporate Services programme, which now includes Economic Development, new proposals have been included in earlier years including the redevelopment of the Glanamman Industrial Estate £1m (16/17), the Rural Enterprise Fund £2m CCC (16/17 and 17/18) for the development of new and existing commercial buildings and the Transformation Commercial Property Development Fund £3m CCC (16/17 and 17/18) for the acquisition and development of key strategic buildings.
- 4.14. Additional funding has also been included in 2016/17 for the existing Cross Hands East employment site £1.1m, Llanelli Market renewal works £300k and East Gate fit-out £114k.
- 4.15. Funding has also been allocated in 2020/21 for the continuation of ongoing schemes such as IT Strategy Developments £250k, Capitalised Maintenance £3m and the Transformation Strategy Project Fund £1.5m.

5. SUMMARY

The table below shows an overall summary of the expenditure and its funding both by County Council and externally.

Capital Programme Summary

	2016/17	2017/18	2018/19	2019/20	2020/21
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Appendix A

	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>					
Community Services	7,286	19,800	10,800	2,300	2,300
Environment	18,595	9,946	7,720	8,680	5,985
Education & Children	18,856	24,273	12,748	3,911	15,000
Chief Executive and Corporate Services	16,969	15,055	8,025	7,750	7,750
Total Expenditure	61,706	69,074	39,293	22,641	31,035
<u>Funding</u>					
External Funding	18,336	27,042	19,081	9,475	16,275
Net Expenditure Funded by CCC	43,370	42,032	20,212	13,166	14,760
<u>CCC Funding</u>					
Supported Borrowing	5,848	5,848	5,848	5,848	5,848
Unsupported Borrowing	0	4,500	0	0	0
General Capital Grant	3,558	3,558	3,558	3,558	3,558
Capital Receipts	4,509	2,538	3,076	1,962	1,500
Capital Reserves	11,307	13,446	3,047	0	817
Outcome Agreement Grant	1,328	1,328	0	0	0
Additional Borrowing - MEP	0	886	2,183	1,868	0
Prudential Borrowing - Fleet Replacement	7,433	1,826	0	0	0
Prudential Borrowing – 21 st Century Schools	5,600	2,311	0	0	0
MEP Revenue Contribution/Cap Receipts	1,971	3,791	0	163	0
Joint Venture Funding Llanelli Leisure Centre	0	2,000	2,500	0	0
Carmarthen West New Road	1,816	0	0	0	0
Funding Carried Forward	0	0	0	-233	233
Overall Net Position - Surplus (+)/Deficit (-)	0	0	0	0	-2,804

6. REVENUE IMPLICATIONS

- 6.1. No revenue implications have been validated within the revenue budget and if funding is required Departments will need to find resources from within their existing budgets.

7. CONCLUSION

- 7.1. The capital programme for the years 2016/17 through to 2019/20 as presented in this report is fully funded. There is a shortfall of £2.804k in the final year of the programme 2020/21.
- 7.2. Over the five years the total cost of the capital programme is £223.749m. County Council funding of £130.736m has been identified together with External Funding of £90.209m which leaves a shortfall of £2.804m. The

Appendix A

final proposed 5 Year Capital Programme for 2016/17 to 2020/21 is attached in Appendix B.

8. RECOMMENDATIONS

8.1. That Executive Board approve and recommend to County Council:

- 8.1.1. The Five Year Capital Programme and funding as detailed in Appendix B, with 2016/17 being a hard budget and 2017/18 to 2020/21 soft/indicative budgets.
- 8.1.2. That the 2020/21 budget be reviewed over the coming year in order to address the funding shortfall.
- 8.1.3. That the programme be reviewed, as is usual, if anticipated External or County Council funding does not materialise.
- 8.1.4. That the Director of Corporate Services will advise and recommend to County Council on 10th March 2016 of any impact and consequential action required from the Final Settlement which is due to be published by Welsh Government on 2nd March 2016 and debated on 9th March 2016.

APPENDIX A(i)

REPORT OF DIRECTOR OF CORPORATE SERVICES		
EXECUTIVE BOARD		
1st FEBRUARY 2016		
<u>Capital Budget Consultations</u>		
HEAD OF SERVICE & DESIGNATION. O Bowen Interim Head of Financial Services	DIRECTORATE Corporate Services	TELEPHONE NO. 01267 224886
AUTHOR & DESIGNATION O Bowen, Interim Head of Financial Services	DIRECTORATE Corporate Services	TELEPHONE NO 01267 224886

SCRUTINY COMMITTEE – BUDGET CONSULTATIONS COMMENTS

POLICY AND RESOURCES SCRUTINY COMMITTEE – 6th JANUARY 2016

The Committee considered the 5 year capital programme which had been approved by the Executive Board for consultation on the 4th of January. It was advised that the timing of the provisional settlement had meant that this Scrutiny Committee was the only one being consulted however it was also planned to present the programme to a members' seminar. The overall programme was more than £221m capital investment and was strongly linked to regeneration and job creation in the county. The EBM Resources added that he was keen to hear the Committee's views.

It was asked whether or not it was intended to complete the Carmarthen West new school within the 5 year span of the programme and also if the external funding was the "roof tax" from the housing development. The Director of Corporate Services advised that the completion of the school was subject to the timing of the housing development build although the funding model provided the school within the 21st Century Band A programme timeline. The infrastructure needs would utilise the first tranche of the roof tax however subsequently the funds would be used for the school.

Recent press reports about the utilisation of an additional £20m of earmarked reserves to support the new capital programme were referred to and clarification requested about WG's position in light of these. The Director of Corporate Services stated that reserves earmarked for the capital programme had been set aside for a number of years. A review of all earmarked reserves had been carried out, as had been undertaken in previous years and some, such as the reserve for job evaluation and single status, could now be released. The WG Minister might bring

in legislation following the Assembly elections requiring his approval to use reserves, however this Council would have a long term supported capital programme linked with regeneration and job creation and would be able to demonstrate the prudent and planned use of reserves.

It was asked if the £2m set aside each year for Disabled Facilities Grants was adequate to meet demand. The Director of Corporate Services advised that the overall programme was developed with departments input. Historical demand data showed that £2m was adequate however the situation would be monitored.

A question was asked whether or not the £300k budget for coastal erosion was sufficient given recent climatic events and flooding. The Director of Corporate Services stated that the bids from departments were assessed by the Strategic Asset Steering Group which also monitored the programme and would respond to any changes in demand.

Further information was requested in relation to the Tywi Valley Transport Corridor Concept. The Director of Corporate Services advised that this was a cycleway proposed from Carmarthen to Llandeilo planned over a number of years utilising the WG Local Transport Grant (LTG). The ACE Regeneration & Policy added that the project had huge links with tourism and other external funding sources were being investigated.

It was asked why the Ammanford Valley Distributor Road Phase 2 had not been considered a priority in the draft capital programme given the links with regeneration in the area, particularly in light of some of the projects included in the programme. The Director of Corporate Services stated that priority was given to projects with external funding. The Phase 2 project was linked with WG LTG and dependent on the timing of that being available. He added that the Wind Street/ Tirydail Junction project in Ammanford was included and fully funded. The Chief Executive noted that Phase 2 was not high on the WG priority list and the Executive Board continued to lobby WG Transport Minister to place it higher up the list and provide the funding. A motion was proposed and seconded to ask the Executive Board to re-consider including the Ammanford Valley Distributor Road Phase 2 in the new capital programme. An amendment was proposed and seconded to add a request to the Executive Board to continue to lobby the WG for funding for the Phase 2 project.

UNANIMOUSLY RESOLVED

7.1 That the draft Five Year Capital Programme 2016/17 – 2020/21 be endorsed subject to 7.2.

7.2 To request that the Executive Board re-consider including the Ammanford Valley Distributor Road Phase 2 in the new capital programme and continue to lobby the Welsh Government for Local Transport Grant funding for the project.

Five Year Capital Programme 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21

Capital Programme

COUNCIL FUND	County			County			County			County			County		
	Council Funding 2016/17 £'000	External Funding 2016/17 £'000	Total Scheme 2016/17 £'000	Council Funding 2017/18 £'000	External Funding 2017/18 £'000	Total Scheme 2017/18 £'000	Council Funding 2018/19 £'000	External Funding 2018/19 £'000	Total Scheme 2018/19 £'000	Council Funding 2019/20 £'000	External Funding 2019/20 £'000	Total Scheme 2019/20 £'000	Council Funding 2020/21 £'000	External Funding 2020/21 £'000	Total Scheme 2020/21 £'000
COMMUNITY SERVICES															
Private Sector Housing															
Disabled Facility Grants	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000
Emergency Repairs Assistance	250	0	250	250	0	250	200	0	200	200	0	200	200	0	200
Social Care															
Llanelli Area Review	1,500	0	1,500	5,500	0	5,500	0	0	0	0	0	0	0	0	0
Leisure															
Sports & Leisure															
Llanelli Leisure Centre	0	0	0	6,000	2,000	8,000	6,000	2,500	8,500	0	0	0	0	0	0
Parks & Countryside															
Rights of Way Improvement Programme	50	50	100	50	50	100	50	50	100	50	50	100	50	50	100
Rights of Way Bridge Strengthening Programme	250	250	500	200	200	400	0	0	0	0	0	0	0	0	0
Strategic Open Spaces - site development and linkages	0	0	0	400	400	800	0	0	0	0	0	0	0	0	0
Pembrey Country Park - strategic infrastructure development	250	750	1,000	0	0	0	0	0	0	0	0	0	0	0	0
Carmarthen Park Velodrome	286	0	286	0	0	0	0	0	0	0	0	0	0	0	0
Burry Port Harbour	400	0	400	0	0	0	0	0	0	0	0	0	0	0	0
Closed Circuit Cycle Track	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0
Arts & Culture															
Oriel Myrddin Gallery Redevelopment, Carmarthen	0	0	0	250	750	1,000	0	0	0	0	0	0	0	0	0
Libraries & Museums															
Carmarthenshire County Museum Abergwili	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0
Carmarthenshire Archive Relocation	250	0	250	1,750	0	1,750	0	0	0	0	0	0	0	0	0
Total Community Services	6,236	1,050	7,286	16,400	3,400	19,800	8,250	2,550	10,800	2,250	50	2,300	2,250	50	2,300

Five Year Capital Programme 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21

Llanelli

Capital Programme

COUNCIL FUND	County			County			County			County			County		
	Council Funding 2016/17 £'000	External Funding 2016/17 £'000	Total Scheme 2016/17 £'000	Council Funding 2017/18 £'000	External Funding 2017/18 £'000	Total Scheme 2017/18 £'000	Council Funding 2018/19 £'000	External Funding 2018/19 £'000	Total Scheme 2018/19 £'000	Council Funding 2019/20 £'000	External Funding 2019/20 £'000	Total Scheme 2019/20 £'000	Council Funding 2020/21 £'000	External Funding 2020/21 £'000	Total Scheme 2020/21 £'000
ENVIRONMENT															
Street Scene															
Highway Improvements Plus Bridge Strengthening	500	0	500	500	0	500	500	0	500	500	0	500	500	0	500
Highways Infrastructure															
- Highways	1,000	0	1,000	500	0	500	250	0	250	0	0	0	0	0	0
- Bridges	150	0	150	500	0	500	0	0	0	0	0	0	0	0	0
Street Lighting Replacement & Upgrade	360	0	360	360	0	360	360	0	360	0	0	0	0	0	0
Street Lighting - LED Lanterns	950	0	950	0	0	0	0	0	0	0	0	0	0	0	0
Coastal Defence	350	0	350	300	0	300	300	0	300	300	0	300	300	0	300
Pantyglyn Retaining Wall & Culvert	500	0	500	0	0	0	0	0	0	0	0	0	0	0	0
Transportation															
Multi Storey Car Park, Llanelli	50	0	50	50	0	50	60	0	60	60	0	60	60	0	60
Road Safety Improvement Schemes	250	0	250	250	0	250	250	0	250	250	0	250	250	0	250
Cross Hands Economic Link Road Phase 3	50	1,750	1,800	75	2,425	2,500	0	3,000	3,000	1,750	1,750	3,500	300	1,200	1,500
Tywi Valley Cycle Way	25	725	750	25	975	1,000	0	1,000	1,000	500	1,000	1,500	500	1,000	1,500
Ammanford Distributor Road Phase 3	0	0	0	0	0	0	0	100	100	100	400	500	150	350	500
Llanelli Rail Station	0	0	0	25	475	500	0	0	0	0	0	0	0	0	0
Walking & Cycling Linkages	25	725	750	25	725	750	25	725	750	125	875	1,000	125	875	1,000
Transport Interchange & Bus Corridor Improvements	0	200	200	0	200	200	0	200	200	20	200	220	0	0	0
Safe Routes in the Communities	25	225	250	25	225	250	0	250	250	25	225	250	25	225	250
Wind St/Tirydail Junction Ammanford	25	850	875	100	900	1,000	25	325	350	0	0	0	0	0	0
A4138 Hendy Link Road	0	0	0	25	225	250	25	475	500	100	400	500	25	0	25
Highway Junction Improvements/Signals Upgrade	0	0	0	25	75	100	25	75	100	25	75	100	25	75	100
Carmarthen West New Road - Developer Contribution	1,816	1,761	3,577	0	110	110	0	0	0	0	0	0	0	0	0
Fleet Replacement - Prudential Borrowing	7,433	0	7,433	1,826	0	1,826	0	0	0	0	0	0	0	0	0
Total Environment	13,509	6,236	19,745	4,611	6,335	10,946	1,820	6,150	7,970	3,755	4,925	8,680	2,260	3,725	5,985

Five Year Capital Programme 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21

Capital Programme

COUNCIL FUND	County			County			County			County			County		
	Council Funding 2016/17 £'000	External Funding 2016/17 £'000	Total Scheme 2016/17 £'000	Council Funding 2017/18 £'000	External Funding 2017/18 £'000	Total Scheme 2017/18 £'000	Council Funding 2018/19 £'000	External Funding 2018/19 £'000	Total Scheme 2018/19 £'000	Council Funding 2019/20 £'000	External Funding 2019/20 £'000	Total Scheme 2019/20 £'000	Council Funding 2020/21 £'000	External Funding 2020/21 £'000	Total Scheme 2020/21 £'000
EDUCATION & CHILDREN															
Modernising Education Programme															
Ffwrnes - Replacement Building	20	0	20	0	0	0	0	0	0	0	0	0	0	0	0
Dinefwr - Dyffryn Aman / Maes Y Gwendraeth / Bro Dinefwr	849	0	849	0	0	0	0	0	0	0	0	0	0	0	0
Ysgol Carreg Hirfaen	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0
Burry Port - New School	75	0	75	0	0	0	0	0	0	0	0	0	0	0	0
Coedcae Phase 1	1,585	0	1,585	100	0	100	0	0	0	0	0	0	0	0	0
Seaside - New School	3,250	0	3,250	3,679	1,352	5,031	163	87	250	0	0	0	0	0	0
Strade Phase 1	246	0	246	0	0	0	0	0	0	0	0	0	0	0	0
Llanelli Vocational Village	40	0	40	0	0	0	0	0	0	0	0	0	0	0	0
Trimsaran	1,044	2,600	3,644	1,120	800	1,920	100	0	100	0	0	0	0	0	0
Cwm Tywi - New Area Primary School	553	813	1,366	915	915	1,830	273	272	545	0	0	0	0	0	0
St John Lloyd Phase 1	193	1,107	1,300	404	692	1,096	137	213	350	0	0	0	0	0	0
Ammanford Primary - Major Development	100	0	100	3,120	4,120	7,240	3,063	3,380	6,443	1,031	0	1,031	0	0	0
Llandeilo A	100	0	100	597	1,598	2,195	1,131	1,429	2,560	1,000	0	1,000	0	0	0
Parc Y Tywyn	5,000	0	5,000	2,861	2,000	4,861	500	500	1,000	0	0	0	0	0	0
Carmarthen West New School	0	0	0	0	0	0	0	1,500	1,500	0	1,500	1,500	0	4,500	4,500
Ysgol Llangennech Infants - Double Mobile	110	0	110	0	0	0	0	0	0	0	0	0	0	0	0
Heol Goffa Hydro Pool	0	700	700	0	0	0	0	0	0	0	0	0	0	0	0
Provisions Expenditure	171	0	171	0	0	0	0	0	0	0	0	0	0	0	0
21st Century Schools Band B	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	10,000
Pupil Referral Unit	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0
Ysgol Brynamman Car Park/Bus Stop	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0
Rhydygors School Refurbishment	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500
Catering															
Ysgol Griffith Jones Kitchen Refurbishment	0	0	0	0	0	0	0	0	0	130	0	130	0	0	0
Emlyn Comprehensive Kitchen Refurbishment	0	0	0	0	0	0	0	0	0	150	0	150	0	0	0
Brynsarthen Kitchen Refurbishment	0	0	0	0	0	0	0	0	0	100	0	100	0	0	0
Total Education & Children	13,636	5,220	18,856	12,796	11,477	24,273	5,367	7,381	12,748	2,411	1,500	3,911	5,500	9,500	15,000

Five Year Capital Programme 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21

Capital Programme															
COUNCIL FUND	County Council Funding 2016/17 £'000	External Funding 2016/17 £'000	Total Scheme 2016/17 £'000	County Council Funding 2017/18 £'000	External Funding 2017/18 £'000	Total Scheme 2017/18 £'000	County Council Funding 2018/19 £'000	External Funding 2018/19 £'000	Total Scheme 2018/19 £'000	County Council Funding 2019/20 £'000	External Funding 2019/20 £'000	Total Scheme 2019/20 £'000	County Council Funding 2020/21 £'000	External Funding 2020/21 £'000	Total Scheme 2020/21 £'000
CHIEF EXECUTIVE & CORPORATE SERVICES															
IT Strategy Developments															
Enhancements to County Backbone Network	200	0	200	200	0	200	200	0	200	0	0	0	0	0	0
Public Sector Broadband Aggregation	150	0	150	0	0	0	0	0	0	0	0	0	0	0	0
Licence Management	50	0	50	50	0	50	50	0	50	0	0	0	0	0	0
E Government / Service Transformation Developments	75	0	75	75	0	75	75	0	75	0	0	0	0	0	0
IT Security Provision	50	0	50	50	0	50	50	0	50	0	0	0	0	0	0
Systems Consolidation	50	0	50	50	0	50	50	0	50	0	0	0	0	0	0
Mobile Developments	50	0	50	50	0	50	50	0	50	0	0	0	0	0	0
Applications Interfacing	50	0	50	50	0	50	50	0	50	0	0	0	0	0	0
Virtual Unix Replacement	200	0	200	200	0	200	0	0	0	0	0	0	0	0	0
I/O Virtualisation	0	0	0	200	0	200	0	0	0	0	0	0	0	0	0
IT Strategy Developments	0	0	0	0	0	0	0	0	0	250	0	250	250	0	250
Corporate Property															
Capital Maintenance	3,250	0	3,250	3,250	0	3,250	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000
County Farms - Farm houses & Outbuildings	300	0	300	300	0	300	0	0	0	0	0	0	0	0	0
St Davids Park	0	0	0	750	0	750	0	0	0	0	0	0	0	0	0
Glanamman Industrial Estate Redevelopment	1,000	0	1,000	0	0	0	0	0	0	0	0	0	0	0	0
Llanelli Market	300	0	300	0	0	0	0	0	0	0	0	0	0	0	0
East Gate Fit Out	114	0	114	0	0	0	0	0	0	0	0	0	0	0	0
Regeneration															
Transformation Strategy Project Fund	1,500	3,000	4,500	1,500	3,000	4,500	1,500	3,000	4,500	1,500	3,000	4,500	1,500	3,000	4,500
Rural Enterprise Fund	1,000	1,000	2,000	1,000	1,000	2,000	0	0	0	0	0	0	0	0	0
Cross Hands East Phase 2	1,100	0	1,100	0	0	0	0	0	0	0	0	0	0	0	0
Pembrey Peninsula Study	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0
Llanelli Regeneration Plan	100	0	100	0	0	0	0	0	0	0	0	0	0	0	0
Transformation Commercial Property Development Fund	1,500	1,830	3,330	1,500	1,830	3,330	0	0	0	0	0	0	0	0	0

Five Year Capital Programme 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21

Capital Programme

COUNCIL FUND	County Council Funding 2016/17 £'000	External Funding 2016/17 £'000	Total Scheme 2016/17 £'000	County Council Funding 2017/18 £'000	External Funding 2017/18 £'000	Total Scheme 2017/18 £'000	County Council Funding 2018/19 £'000	External Funding 2018/19 £'000	Total Scheme 2018/19 £'000	County Council Funding 2019/20 £'000	External Funding 2019/20 £'000	Total Scheme 2019/20 £'000	County Council Funding 2020/21 £'000	External Funding 2020/21 £'000	Total Scheme 2020/21 £'000
Total Chief Executive & Corporate Services	11,139	5,830	16,969	9,225	5,830	15,055	5,025	3,000	8,025	4,750	3,000	7,750	4,750	3,000	7,750
TOTAL COUNCIL FUND	44,520	18,336	62,856	43,032	27,042	70,074	20,462	19,081	39,543	13,166	9,475	22,641	14,760	16,275	31,035
County Council Funding															
Supported borrowing	5,848			5,848			5,848			5,848			5,848		
Unsupported borrowing	1,150			5,500			250			0			0		
General Capital Grants	3,558			3,558			3,558			3,558			3,558		
Capital Receipts	4,509			2,538			3,076			1,962			1,500		
Reserves	11,307			13,446			3,047			0			817		
Outcome Agreement Grant (Allocated not yet secured)	1,328			1,328			0			0			0		
Additional Borrowing MEP	0			886			2,183			1,868			0		
Joint Venture Funding Llanelli Leisure Centre	0			2,000			2,500			0			0		
Education Revenue/Reserve Contribution	1,633			3,615			0			0			0		
Education Capital Receipts	338			176			0			163			0		
Prudential Borrowing - Fleet Replacement	7,433			1,826			0			0			0		
Prudential Borrowing - 21st Century Schools LGBT	5,600			2,311			0			0			0		
Carmarthen West New Road	1,816			0			0			0			0		
Funding Carried Fwd										-233			233		
Total County Council Funding	44,520			43,032			20,462			13,166			11,956		
Net Position	0			0			0			0			-2,804		

Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR SIR
23AIN CHWEFROR 2016**

**Cyfrif Cyllideb Refeniw Tai a Lefelau Rhenti Tai 2016/17 –
Refeniw a Chyfalaf**

ARGYMHELLION Y BWRDD GWEITHREDOL:

1. Cynyddu'r rhent tai cyfartalog 2.97% (£2.27) y breswylfa yr wythnos yn unol polisi Rhenti Tai Cymdeithasol y Llywodraeth Cymru gan fydd hyn yn llunio cynllun busnes cynaliadwy a pharhau i gyflawni a chynnal Safon Tai Sir Gaerfyrddin +;
2. Parhau a'r cynnydd mwyaf posibl a ganiateir ar gyfer rhenti yn is na'r targed, nes bod y targed rhenti yn cael eu gyflawni.
3. Cynyddu rhenti garejys i £8.75 yr wythnos (o £8.50 yn 2015/16) a sail garejys i £2.20 yr wythnos (o £2.15 yn 2015/16)
4. Cymhwyso'r polisi tal am wasanaeth i sicrhau bod y tenantiaid sy'n derbyn y budd o wasanaethau penodol yn talu am y gwasanaethau hynny.
5. Cynyddu'r taliadau am ddefnyddio ein gweithfeydd carthion gan 2.97%
6. Cymeradwyo Rhaglen Gyfalaf arfaethedig a chyllid cymwysiadol 2016/17 ynghyd â'r gwariant dangosol ar gyfer 2017/18 a 2018/19 a nodir yn Atodiad C.
7. Cymeradwyo Cyllideb Cyfrif Refeniw Tai 2016/17 (2017/18 & 2018/19 bod yn cyllideb meddal) a nodir yn Atodiad B.

Y RHESYMAU:

Er mwyn i'r Awdurdod bennu Cyllideb ei Gyfrif Refeniw Tai a'r lefelau Rhenti Tai am 2016/17

Ymgynghorwyd â'r pwyllgor craffu perthnasol - OES

Angen i'r Bwrdd Gweithredol wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Cyng. David Jenkins

Y Gyfarwyddiaeth:

Enw Cyfarwyddwr:

Chris Moore

Awdur yr Adroddiad:

David Eldred

Swydd:

**Cyfarwyddwr Gwasanaethau
Corfforaethol**

Cyfrifydd-Grwp

**Rhifau ffôn /Cyfeiriadau E-
bost:**

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**EXECUTIVE SUMMARY
COUNTY COUNCIL
23RD FEBRUARY 2016**

**Housing Revenue Account Budget and Housing Rent
Setting for 2016/17**

This report has been prepared in conjunction with officers from the Communities Department and brings together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2016/2019. The report has been presented to the Community Scrutiny Committee on the 15th January 2016 as part of the budget consultation process .

The report has been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan , which is the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus*(CHS+) for the future. The proposed investment within the current business plan delivered the CHS by 2015 (to those homes where tenants agreed to have work undertaken), provides investment to maintain CHS+ and commences investment for our Affordable Housing Commitment.

Appendix A Summarises the CHS+ : Delivering What Matters 2016/19.

Appendix B of this report provides the proposed Revenue Account Budget for 2016/19.

Appendix C provides the proposed Capital Programme for 2016/19.

Appendix D – Scrutiny Consultation

DETAILED REPORT ATTACHED ?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Chris Moore

Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

FINANCE

The report details the HRA proposals to be considered by Executive Board. If the proposals are agreed the budget for the HRA will be set for 2016/17 with an expenditure level of £33M. The average rent will increase from £76.46 to £78.73 (2.97%).

The proposed Capital Programme will be £13.7M for 2016/17, £15.6M for 2017/18 and £13.7M for 2018/19.

Physical Assets

The capital programme continues the works to bring the housing properties up to/maintain the Carmarthenshire Home Standard+ as per the 30 year business plan.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below
Signed: Chris Moore
Director of Corporate Services

1. Local Member(s) - Not applicable
2. Community / Town Council – Not applicable
3. Relevant Partners - Not applicable
4. Staff Side Representatives and other Organisations – Not applicable

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Social Housing Rents Policy		Financial Services, County Hall, Carmarthen
30 year Housing Business Plan		Financial Services , County Hall, Carmarthen

Mae'r dudalen hon yn wag yn fwriadol

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

COUNTY COUNCIL

23RD FEBRUARY 2016

HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2016/17

- REVENUE AND CAPITAL

DIRECTOR & DESIGNATION.	DIRECTORATE	TELEPHONE NO.
C Moore Director of Corporate Services	Corporate Services	01267 224160
AUTHOR & DESIGNATION	DIRECTORATE	TELEPHONE NO
D Eldred Group Accountant	Corporate Services	01267 228747

1. INTRODUCTION

1.1. This report explains the proposed 2016/17 Housing Revenue Account (HRA) budget for both revenue and capital. It has been prepared in conjunction with officers from the Communities Department and was presented to Community Scrutiny on 15th January 2016 as part of the budget consultation process. The views expressed by Community Scrutiny are attached to this report for Executive Board's consideration when setting the 2016/17 HRA budget and Housing Rents.

1.2. The HRA budget for 2016/17 is being set to reflect:

- Social Housing Rent Policy (set by WG)
- Proposals contained in the Carmarthenshire Homes Standard *Plus* (CHS+) Business Plan (which will be presented by the Head of Housing & Public Protection to the Community scrutiny committee 12/02/16 and county council on the 10/03/16); and
- Exiting the Housing Revenue Account Subsidy (HRAS) system ,which occurred on 1/4/15

1.3. IMPACT OF HRAS REFORM

Carmarthenshire County Council along with the other 10 local authorities (LAs) in Wales, exited the HRAS on 1/4/15.

The financial impact of exiting the Housing Revenue Account Subsidy (HRAS), as part of the agreement between the U.K. and Welsh Governments, is that the 11 housing stock authorities paid a settlement figure to the Treasury of £919million. To achieve this LAs were required to raise long term borrowing to fund the settlement. The loan repayment costs for the 11 authorities is £38.3million per annum. For Carmarthenshire, this entailed borrowing £79million with annual repayments of approximately £4.9million comprising estimated interest payments of £3.3million and £1.6million principal debt repayment (Minimum Revenue Provision – MRP). However, those payments would be offset against the £6.2million negative subsidy repayments that the authority previously repaid annually to the UK treasury.

As part of the agreement between WG and the Treasury, a borrowing cap of £1.87 billion has been set for all the stock retaining authorities. This borrowing will include:

- The debt incurred to buy ourselves out of exiting system (£919million).
- Existing borrowing to meet the Welsh Housing Quality Standard (£462million).
- New borrowing to meet the Welsh Housing Quality Standard (£358million).

This left £114million of borrowing which was distributed between the stock retaining authorities for projects such as new build council homes and housing development programmes. For Carmarthenshire the borrowing headroom allocation was £5.3million. This gave Carmarthenshire a final limit of indebtedness (Borrowing Cap) of £228million.

After the initial agreement between WG and the treasury, the treasury issued a further £17million addition to the borrowing cap. This is yet to be allocated by WG.

WG have now set up a steering group to identify strategic priorities, improve collaborative working and review the broader aspects of moving to the new financing system. Initial meetings have taken place to identify terms of reference and a forward work programme for the steering group.

As part of the HRAS reforms, LAs with retained stock were required to adopt the new Social Housing Rents Policy set by the Welsh Government (WG). County Council approved the implementation of the policy on 24/02/15.

1.4 Capital investment

A capital investment of £231m was undertaken to deliver the CHS+ by 2015. This includes £117million of unsupported borrowing. This investment was funded by Major Repairs Allowance received from the WG, capital receipts from the sales of land and dwellings, HRA revenue funding, external grants and borrowing.

The (CHS+) 2016-19 highlights the approach that will be taken over the next three years and will be presented to the next scrutiny meeting on 12/02/16. An overview of the Business Plan is attached on appendix A. It includes further investment over the next 5 years of £45million to maintain the CHS+ and £31million for our affordable homes programme

In order to support the future viability of the Business Plan, nearly £3million of capital receipts will be required by 2021/22. The timing and method of sale is being kept under review to ensure that receipts are maximised, while retaining the current target to support the Business Plan. It is recognised that CHS+ supports the building of new council homes and utilising existing Council land for future housing opportunities.

The profile of capital expenditure required to maintain the CHS+ and invest in affordable homes will be £13.8million in 2016/17. Further investment will continue with £15.7million in 2017/18 and £13.8million being invested in 2018/19. The plan is extremely sensitive to change and is currently being fully reviewed every 6 months, with ongoing monthly monitoring to identify any potential issues.

2. BUSINESS PLAN ASSUMPTIONS

2.1. There are many assumptions within the Business Plan, including future rental levels, interest rates, inflation etc. Business Plan guidance from the WG is yet to be received for 2016/17 as the date for submission has been changed from December to February.

The main Business Plan assumptions are currently as follows:

- **Rents** continue with the new Social Housing Rents Policy introduced by the Welsh Government (WG) for 2015/16. Every year the WG will increase the target rent by September 2015 CPI plus 1.5%, and for those properties below the target rent with a maximum of £2 per week increase until the target rent is reached (this was the policy agreed by County Council last year).
- **Major Repairs Allowance (MRA)** has not changed and is calculated by our stock levels. This has not been increased for future years, but has been varied for changing stock numbers. Our MRA is estimated to be £6million for 2016/17.
- **Capital Receipts from the sale of land** are 100% useable. The programme of sales has been re-profiled with fewer sales planned

over the next 5 years. This is considered to be a prudent measure considering the current prevailing market conditions.

- **Void Loss** incurred on dwellings currently set at 2.7% however it is expected during the year that the loss will reduce as part of the continued work on reducing voids. Any reduction will be accommodated as part of budget monitoring in 2016/17.
- **Central Support Costs** are based on services received by departments, these have been validated accordingly.
- **Stock Numbers** have been updated based on the latest forecast.
- **Interest on Balances** is estimated to be £48k based on an interest rate of 0.5%

2.2. As outlined in 1.3. of this report exiting the HRAS has provided additional resources to the HRA. The business plan assumptions for 2016/17 are yet to be confirmed by WG but we know that the rent increase for 2016/17 is September 2015 CPI (-0.1%) plus 1.5%=1.4% (plus progression which is a maximum of £2).

Members should note that our capital expenditure is limited over the life of the financial model by the borrowing cap of £228million.

As most of the schemes in delivering Housing projects have a significant lead in time, there will be an ongoing review of what is needed to maintain CHS+ and deliver our affordable housing commitment.

3. EXPENDITURE

3.1. The expenditure levels in the Business Plan have been set in anticipation of the Business Planning guidance from the WG which has not been received to date (target rents were notified to local authorities 16/12/15)

3.2. Maintenance and Stock Improvement

Revenue repairs and maintenance expenditure is forecast to be £8.69million in 2016/17. This is an increase on the 2015/16 budget (£8.58million) which reflects local building costs, forecast outturn for 2015/16 and changes in stock numbers.

The capital programme for achieving and maintaining the CHS+ for 2016/17 is £7.3million. This gives an overall spend of £15.99million on stock improvement and maintenance (the total for 2015/16 was £24.78million).

The capital programme and funding sources for this programme up to 2018/19 are detailed in Appendix C.

3.3 Affordable Housing Commitment

We have set aside £31 million over the next five years as part of the capital programme to increase the supply of affordable homes. The Delivery Plan detailing how this funding will be spent is due to be approved by Council on the 10th March. Within 2016/17 £6.5million has been identified for the Delivery Plan (including development costs).

Validation

The proposed Business Plan includes the following validations for 2015/16, which is in line with the proposed budget strategy:

- general payroll costs are set as per the current employer's pay offer.
- Increased National Insurance employer's contribution approximately £89k
- general inflation has been accommodated at +0.6% .
- Electricity, gas & oil at +3%.
- Fuel at -13%
- Increased employer's pension costs from 17.2% to 17.5%

3.4.Capital Financing and Subsidy

The capital financing costs reflect the borrowing requirement inclusive of the exit from HRAS.

3.5. Details of the budget for Housing Revenue Account for the period up to 2018/19 is shown in Appendix B

4. INCOME

4.1. Carmarthenshire's current average rent is £76.46 per week, which leaves us just below the low-end WG target rent level of £76.73. Housing Association rents in Carmarthenshire's area currently average £81.46 and private sector rents are approximately £100. At the present time there are about 1,004 homes above this target rent (1,136 last year) 5,608 homes below this level (7,828 last year) and 2,332 are at target rent . All these properties are required to meet the target rent set by WG within the next four year period.

The formula used for future annual rent increases has been set by the WG in the Social Housing Rents Policy which commenced in 2015/16 and is fixed for a 5 year period.

When setting rents for 2016/17 the rent calculation will be fixed as follows:

For those properties at target rent the increase will be:-

Consumer Price Index (CPI for September 2015 @ -0.1%) + 1.5% = 1.4%.

For those properties where rent is below target the increase can be:

Consumer Price Index (CPI for September 2015 @ -0.1%) + 1.5%=1.4%

plus a maximum of £2 progression

Those rents above target are frozen until such time that they meet the target. When a property becomes empty it is placed in the target rent band. All the above principles were agreed at county council 23/02/15.

4.2.Transitional Protection (as per WG policy)

The additional £2 maximum increase gives protection to tenants particularly if they are not in receipt of Housing Benefits. The maximum £2 per week has been included to restrict rent increases should some homes be significantly below target rent at the present time. If we need to increase average weekly rent so that it falls within the target rent band, transitional protection for tenants will apply. So legally, the rent for an individual tenant cannot be increased by more than £2 per week, in addition to the agreed annual rate of rent increases.

4.3.Target Rents for Carmarthenshire

Current targets and those for 2016/17 are set out below :-

	Houses and Bungalows (£)					Flats(£)				Bedsits (£)
	1Bed	2Bed	3Bed	4Bed	5+Bed	1Bed	2Bed	3Bed	4+Bed	
Target Rent 2015/16	72.17	80.19	88.21	96.23	104.24	65.30	72.55	79.81	87.06	58.04
Target Rent 2016/17	73.45	81.61	89.77	97.93	106.09	66.45	73.84	81.22	88.61	59.07

Post-SAP policy rent band, 2016-17		
Low end (£ per week)	Mid point (£ per week)	High end (£ per week)
78.08	82.19	86.30

Table1: Current Average Weekly Rents , Target Rents and WG Policy Rent Bands 2016/17

For Carmarthenshire our average target rent for 2016/17 is £78.08 (low end).The all Wales average is £85.69 with Carmarthenshire’s being the 2nd lowest.

Based on applying the policy for 2016/17 rent plus £2 progression we would be above the low end by 65p at £78.73. Continuing to progress towards target rents will eventually give scope to amend rents in areas of high and low demand while remaining within the rent envelope.

The second part of the policy requires us to harmonise our rents. Though we will achieve target rent we still have a number of properties that do not fall within the rent harmonisation banding on property type. Below is a table outlining the numbers of properties reaching target rents over the next 4 years. The options given below will help us achieve rent harmonisation over a period of time.

Note the significant increase in properties which do not meet the rent target post 2020/21 if the maximum progression is not implemented in table below :-

Year	1.4%+ £2 max increase cap	1.4%+ £1.50 max increase cap	1.4%+ £1 max increase cap
2016	2848	2799	2394
2017	1115	515	455
2018	657	650	466
2019	1088	631	596
Post 2020	2292	3405	4089

Table 2: Properties achieving target rents per year - assuming 1.4% increase plus cap at £2/£1.50 & £1

4.4. Impact on the HRA Business Plan

Our Business plan makes certain assumptions about rent levels which then determine capital projects and revenue projections for the delivery of services and maintaining the CHS.

The risk of not implementing the maximum progression during this transitional period (up to 2019/20) could be loss of rental income that may

not be recovered in future years. It should be noted a number of properties will take some years to reach the new target rent subject to these arrangements. Within the policy there are powers available to Welsh Ministers to ensure local authorities comply with the policy. The WG intend to review the Policy in 3 to 5 years time post implementation.

	Target 52 wk, Capped Increases, No Decreases
Cap applied to increase.	
Total rent envelope based on current proposals at £1 progression	36461k
16/17 rent envelope from 15/16 business plan	36709k
deficit (-) /surplus compared to 15/16 business plan	- 248k
forecast average rent	78.13
increase in average rent from 15/16	2.18%
% age deficit (-)/ surplus compared to 15/16 business plan	-0.68%
Total rent envelope based on current proposals at £1.50 progression	36604k
16/17 rent envelope from 15/16 business plan	36709k
deficit (-) /surplus compared to 15/16 business plan	- 105k
forecast average rent	78.44
increase in average rent from 15/16	2.59%
% age deficit (-)/ surplus compared to 15/16 business plan	-0.41%
Total rent envelope based on current proposals at £2 progression	36738k
16/17 rent envelope from 15/16 business plan	36709k
deficit (-) /surplus compared to 15/16 business plan	29k
forecast average rent	78.73
increase in average rent from 15/16	2.97%
% age deficit (-)/ surplus compared to 15/16 business plan	0.07%

Table3 : financial impact of a £1 cap, £1.5 cap and £2 cap

4.4.1.Options for Consideration

1. Increase rents as per the WG policy of CPI+1.5% plus a maximum of £2 progression. This increases the average rent from £76.46 to £78.73 (2.97%). This is within the target rent band set by WG and leaves Carmarthenshire £3.46 below the target rent (mid-point).

By agreeing to a rent increase capped at £2 with no decrease for those properties above target rent, we will generate income similar to the 2015/16 Business Plan assumptions as agreed by members.

2. Increase rents as per the WG policy of CPI plus 1.5% plus a maximum of £1.50 progression. This increases the average rent from £76.46 to

£78.44 (2.59%). This is within the target rent band set by WG and leaves Carmarthenshire £3.75 below the target rent (mid-point).

It produces a rent envelope approximately £75k below the assumptions made in the 2015/16 Business Plan.

3. Increase rents as per the WG policy of CPI plus 1.5% plus a maximum of £1 progression. This increases the average rent from £76.46 to £78.13 (2.19%). This is within the target rent band set by WG and leaves Carmarthenshire £4.06 below the target rent (mid-point).

It produces a rent envelope approximately £220k below the assumptions made in the 2015/16 Business Plan.

Rents not at target rents

By agreeing to a rent increase capped at £2 with no decrease for those properties above target rent, we will be compliant with the 2016/17 Business Plan assumptions.

Currently we have 36% tenants receiving no support through Housing Benefit (HB) ,28% receiving partial HB and 36% receiving full HB.

Details of the rent increases on individual householders are below :-

Receive an increase of :-	No. of householders affected by:-		
	2.97% increase	2.59% increase	2.18% increase
No increase	574	574	574
up to £2.00	2768	2768	2844
£2.00 to £2.99	466	5588	5526
£3.00 to £3.99	5136	14	0
£4.00 to £4.99	0	0	0
	8944	8944	8944

Table 4 : No .of Householders affected by average increases (not decreases)

4.5. Garage Rental Income

The HRA currently receives a net rental income of £109k per annum. This equates to a weekly charge of £8.50 per week. The average rental for garages in the private sector is about £8 per week, dependant on location. It is proposed that garage rents are increased by 2.8% in line with the rent

increase to £8.75 per week. This will increase the net rental income to £119k for 2015/16. Garage bases will rise similarly from £2.15 per week to £2.20 per week.

4.6. Service and Heating charges

Service charges are now calculated in line with the policy adopted in 2011 and is based on actual expenditure for the previous financial year. In line with the policy and to reflect the additional work carried out, an administration fee of 10% is added. Implementing the Service Charge Policy will ensure those who receive additional services now pay for those services in a fair and transparent way. We have also separately identified charges relating to the cost of extra services that some tenants benefit from, over and above the services covered by basic rent. The Environment department currently carries out grounds maintenance and grass cutting for communal areas and all HRA owned land. It is proposed at present not to implement a service charge to recover the cost of grounds maintenance for HRA public open places on Council estates but to continue to pool these costs. This can be reviewed when guidance is issued by the Welsh Government.

However there is a case to charge and recover costs from tenants that benefit from grounds maintenance of areas directly around or outside specific properties where there is a common and exclusive boundary. It is proposed that Officers investigate further the introduction of such charges for future years.

The impact on tenants is outlined in the table below :-

Service Charge Weekly Increase	Number of Householders Affected	
	2015/16	2016/17
Capped at £3.30	127	52
Rise of between £2 and £3.30	90	24
Rise of between £1 and £2	276	111
Rise of less than £1	415	186
No Change	6	0
Reduced by less than £1	213	275
Reduced by between £1 and £2	98	176
Reduced by greater than £2	79	473
No Charge in year	0	7
Total	1304	1304

Table 5 : No .of Householders affected by service charge changes.

4.7 Sewerage Treatment Works

The cost of running and maintaining the works falls on the HRA. The treatment works were originally built to serve 140 rural council owned properties built at around the same time. Since the initial commissioning of treatment works, 75 of the original council properties have been subject to Right to Buy and are no longer in council ownership. Income generated from charges for use of these facilities comes to approximately £45k. It is proposed for 2016/17 that current charges are increased as per our rent increase. In the meantime Officers are reviewing the future use and running of the Works as part of the Asset Management Plan.

5. BALANCES

5.1. The final forecasted balances will obviously be subject to the decisions made on the income levels proposed within this report. If the rental increase is set at 2.97% the overall proposed budget will result in a surplus on the Housing Revenue Account of £4.89 million for the year. It should also be noted in Appendix B that balances are required to support the current strategy of funding our capital expenditure and continue to make our business plan affordable over a 30 year period.

6. RECOMMENDATIONS

6.1. That Executive Board consider the following and recommend to County Council.

- **To increase the average housing rent by 2.97% (£2.27) per dwelling per week as per WG Social Housing Rents Policy. This will produce a sustainable Business Plan and continue to achieve & maintain CHS+ and is supported by DCHS Steering Group**
- **To continue with maximum progression permissible for rents below target, until target rents are achieved.**
- **To increase garage rents to £8.75 per week (from £8.50 in 2015/16) and garage bases to £2.20 per week (from £2.15 in 2015/16)**
- **Apply the service charge policy to ensure tenants who receive the benefit from specific services pay for those services**
- **To increase charges for using our sewerage treatment works by 2.97%**

Mae'r dudalen hon yn wag yn fwriadol

CHS+: Delivering What Matters 2016-2021

At the end of 2015, the work programmes to achieve the CHS have been completed.

This work has been completed over a period of over 8 years, costing over £231 million, and achieved with the support of our tenants, members and other stakeholders.

As part of the CHS+, we have made a commitment to continue our work to achieve the CHS and maintain tenants' homes. This includes:

- Supporting tenants and residents by:
 - Continuing to provide as much support and advice to tenants who are impacted by Welfare Reform
 - Increasing the training and employment opportunities for tenants, prospective tenants and the homeless
 - Continuing to check homes to ensure they are in a good state of repair through an annual "MOT"
 - Carrying out improvements to sheltered schemes to ensure they continue to meet the needs of their tenants
 - Looking at the way we assist with community activities for residents to deliver things that they want. We will look to further use Time Credits to do this
 - Delivering a trial project on the use of LED lighting in homes to save tenants money
 - Continuing to increase the number of Fuel Clubs where there is no mains gas supply
 - Identifying opportunities to make the purchasing of broadband more affordable for tenants

- Invest in Tenants Homes by:
 - Completing work to homes where tenants have previously declined the CHS
 - Maintaining the CHS over the next 5 years by:
 - Surveying the condition of 840 kitchens and 417 bathrooms; replacing ones that no longer meet the Standard
 - Upgrading the electrics at 228 homes
 - Servicing heating appliances at 8,910 homes, 190 of which will be nearing 15 years old
 - Rendering 1,400 homes
 - Re-roofing 639 homes
 - Completing additional work to homes that do not have an energy performance certificate of 65

- Providing more homes

The Affordable Housing Commitment was agreed by Council in 2015. It clearly states our key principles on how we will increase the supply of affordable homes.

We have set aside £31 million over the next five years as part of the capital programme to increase the supply of affordable homes. The Delivery Plan detailing how this funding will be spent is due to be approved by Council on the 10th March.

Mae'r dudalen hon yn wag yn fwriadol

Appendix B

Housing Revenue Account Revenue Budgets 2016-2019	2016-17 Budget £'000	2017-18 Budget £'000	2018-19 Budget £'000
Income			
Rents	- 35,861	- 37,080	- 38,545
Charges	- 659	- 672	- 690
Interest	- 48	- 72	- 100
Recharges	- 366	- 370	- 375
Grants/other income	- 1,031	- 707	- 721
Total Income	- 37,965	- 38,901	- 40,431
Repairs & Maintenance	8,692	8,962	9,284
Supervision & Management	6,202	6,303	6,396
Central Support Charges/recharges	3,034	3,054	3,080
Direct Revenue Financing	463	445	445
Subsidy	-	-	-
Provision for Bad Debt	705	708	709
Capital Financing Cost	13,981	14,353	14,613
Total Expenditure	33,077	33,825	34,527
Surplus(-)/Deficit in year	- 4,888	- 5,076	- 5,905
Housing Revenue Account Balances			
	2016-17 Budget £M	2017-18 Budget £M	2018-19 Budget £M
BALANCE B/F	-7.916	-12.804	-17.880
BUDGETED SURPLUS(-)/DEFICIT(+)	-4.888	-5.076	-5.905
BALANCE C/F	-12.804	-17.880	-23.785

Appendix C

Scheme	Budget 2016/17 (£000s')	Budget 2017/18 (£000s')	Budget 2018/19 (£000s')
Improving / Upgrading kitchens, bathrooms, heating and electrical	1,733	4,208	2,187
Environmental works, including garage sites	380	395	401
Rendering	1,652	1,316	1,285
Energy efficiency works	40	526	632
Adaptations	926	506	514
Housing development programme	6,498	6,480	6,480
Re-roofing	706	759	771
Empty homes needing major work	300	304	308
Planned replacement programme i.e. Boiler replacements	782	356	343
Sheltered Scheme Improvements	100	354	360
Structural works on estates i.e. Boundary walls	501	304	308
Programme management	167	169	172
TOTAL	13,785	15,677	13,761
Funding Source	Budget 2016/17 (£000s')	Budget 2017/18 (£000s')	Budget 2018/19 (£000s')
Major Repairs Allowance	6,025	6,025	6,025
Useable receipts	0	620	0
External income	0	0	0
Direct revenue financing	463	445	445
Borrowing	7,297	8,587	7,291
Total Funding	13,785	15,677	13,761

COMMUNITY SCRUTINY COMMITTEE Friday, 15 January 2016**HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2016/17
(REVENUE AND CAPITAL)**

The Committee considered the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2016/17 which was being presented as part of the budget consultation process. The report, a revised version of which was circulated, reflected the latest proposals contained in the Housing Revenue Account Business Plan, which was the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+).

The following issues were raised in relation to the report and its appendices:

- The Committee was advised that under the original Carmarthenshire Homes Standard programme all work requested by tenants had been completed;
- In terms of sewage charges it was pointed out that where properties were not connected to the mains sewage, and this was particularly the case in rural areas, tenants could apply for assistance to ensure appropriate arrangements were in place. The Head of Public Protection agreed to check that no tenants were paying Welsh Water excessively for any arrangement;
- It was clarified that service charges primarily related to sheltered housing schemes and flats and the Head of Public Protection agreed to circulate Members with a breakdown of the service charges. Tenants automatically received a breakdown;
- Concerns were expressed over the possible impact of the rent increases proposed particularly where tenants were not in full time employment and/or had to pay for school transport;
- Rents charged by Housing Associations were currently in the region of £8.00-10.00 per week above the Council's charges but the Welsh Government wished to see a move towards one level charge over about 5 years;
- The Director of Corporate Services, in response to a query, agreed to circulate members with details of the long term loans raised to fund the exit from the HRAS [Housing Revenue Account Subsidy];
- It was agreed that a more appropriate description of Table 2 in the report would be 'Properties achieving target rents per year'. Officers agreed to circulate Members with a more detailed explanation of Table 2;
- The Committee was advised that income from the sale of any Council houses was crucial in meeting the need for housing throughout the County.

UNANIMOUSLY RESOLVED to endorse the report and the following proposals to the Executive Board:

- **To increase the average housing rent by 2.97% (£2.27) per dwelling per week as per WG Social Housing Rents Policy. This will produce a**

sustainable Business Plan and continue to achieve & maintain CHS+ and is supported by DCHS Steering Group;

- **To continue with maximum progression of £2, for rents below target, until target rents are achieved;**
- **To increase garage rents to £8.75 per week (from £8.50 in 2015/16) and garage bases to £2.20 per week (from £2.15 in 2015/16);**
- **Apply the service charge policy to ensure tenants who receive the benefit from specific services pay for those services;**
- **To increase charges for using our sewerage treatment works by 2.97%.**

**CYNGOR SIR
23AIN CHWEFROR 2016**

Y Pwnc

Pwrpas: Polisi Rheoli'r Trysorlys a Strategaeth 2016-2017

ARGYMHELLDION Y BWRDD GWEITHREDOL:-

- 1. Cymeradwyo Polisi a Strategaeth Rheoli'r Trysorlys 2016-17 a'r argymhellion sydd ynddynt;**
- 2. Cymeradwyo Dangosyddion Rheoli'r Trysorlys a'r argymhellion sydd ynddynt .**

Y Rhesymau:

Er mwyn cydymffurfio ag adolygiad Cod Darbodaeth CIPFA ac adolygiad Cod Ymarfer CIPFA o ran Rheoli'r Trysorlys 2011.

**Ymgynghorwyd â'r pwyllgor craffu perthnasol
DO**

**Y pwyllgor craffu a'r dyddiad
Pwllgor Craffu Polisi ac Adnoddau 3^{ydd} Chwefror 2016**

**Angen i'r Bwrdd Gweithredol wneud penderfyniad OES
Angen i'r Cyngor wneud penderfyniad OES**

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Cyng David Jenkins (Adnoddau)

**Y Gyfarwyddiaeth: Gwasanaeth
Corfforaethol**

Cyfarwyddwr: Chris Moore

**Awdur yr Adroddiad: Anthony
Parnell**

Swyddi:

**Cyfarwyddwr Gwasanaethau
Corfforaethol**

**Rheolwr Pensiwn a
Buddsodiadau Gyllidol**

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**EXECUTIVE SUMMARY
COUNTY COUNCIL
23RD FEBRUARY 2016**

SUBJECT

Treasury Management Policy and Strategy 2016-17

1. BRIEF SUMMARY OF PURPOSE OF REPORT.

It is a requirement of the revised CIPFA Code of Practice on Treasury Management, which Council have adopted, that

- a. The Council maintains a Treasury Management Policy which states the policies and objectives of the Authority's treasury management activities

and

- b. The Council approves a Treasury Management Strategy annually before the start of the financial year to which it relates.

In addition, under the Local Government Act 2003 the Council approves the Treasury Management Indicators for the coming year.

DETAILED REPORT ATTACHED ?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: C Moore Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

Council has adopted the revised CIPFA Code of Practice on Treasury Management, one of the requirements is that an annual Treasury Management Policy and Strategy be approved by Council before the commencement of the year to which it relates.

2. Legal

Under the Local Government Act 2003 and the revised CIPFA Code of Practice on Treasury Management, local authorities must set out their Treasury Management Indicators that relate to the Authority's capital spending and its borrowing.

3. Finance

The Treasury Management Policy and Strategy details the procedures that the Authority adheres to in managing its treasury management function.
Interest paid and earned has a direct impact on the Authority's Revenue Budget. The estimated projections are included in the Budget which is to be presented to Council on 23rd February 2016.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore Director of Corporate Services

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

1. Scrutiny Committee

Policy and Resources Scrutiny Committee will be consulted on the 3rd February 2016.

2. Local Member(s)

Not Applicable

3. Community / Town Council

Not Applicable

4. Relevant Partners

Not Applicable

5. Staff Side Representatives and other Organisations

Not Applicable

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
The Local Government Act 2003		County Hall, Carmarthen
Guidance issued by Welsh Government		County Hall, Carmarthen
Revised CIPFA Treasury Management Code of Practice and Cross-Sectoral Guidance Notes		County Hall, Carmarthen
Revised CIPFA Prudential Code for Capital Finance in Local Authorities		County Hall, Carmarthen

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

TREASURY MANAGEMENT POLICY AND STRATEGY 2016-2017

A. INTRODUCTION

This Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2013. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2011.

The revised Code identifies three key principles:

1. The Council should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
2. The Council's policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their Council. The Council's appetite for risk should form part of its annual strategy and should ensure that priority is given to security and liquidity when investing funds.
3. The Council should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible Councils to employ in support of their business and service objectives; and that within the context of effective risk management, the Council's treasury management policies and practices should reflect this.

B. CIPFA PRUDENTIAL CODE AND CIPFA TREASURY MANAGEMENT CODE OF PRACTICE

1. This Council has adopted the Revised CIPFA Prudential Code 2013 and the Revised CIPFA Treasury Management Code of Practice 2011.

This Revised CIPFA Treasury Management Code of Practice 2011 stipulates that there should be Member scrutiny of the treasury policies, Member training and awareness and regular reporting.

The Council has adopted the four clauses shown in 1.1 as part of its financial procedure rules and the Policy and Resources Scrutiny Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council.

The policies and parameters within this report provide an approved framework within which the officers undertake the day to day treasury activities.

1.1 The four clauses adopted are:

- (1) This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
- (2) This Council will receive reports on its treasury management policies, practices and activities, including an annual strategy in advance of the year, a mid year review report and a year end annual report, in the form prescribed in its TMPs.
- (3) This Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices, and the quarter 1, mid year and quarter 3 monitoring reports to the Executive Board, and for the execution and administration of treasury management decisions to the Director of Corporate Services, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- (4) The Council nominates the Policy and Resources Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

1.2 **Treasury Management Practices (TMPs)**

The Schedule of TMPs is shown in Appendix A.

C. TREASURY MANAGEMENT POLICY

1. This Council defines its Treasury Management activities as:

The management of the Council's investments and cash flows, its banking, money market and capital market transactions and the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

This policy holds indefinitely until circumstances dictate that a change is necessary. Any changes must be done before the beginning of the financial year to which it relates, or in exceptional circumstances within the year if approved by Council.

It is the Director of Corporate Services responsibility to implement and monitor the Treasury Management Policy, revising and re-submitting the Policy for consideration to the Executive Board and the Council if changes are required.

D. TREASURY MANAGEMENT STRATEGY 2016-17

1. INTRODUCTION

1.1 The Treasury Management Strategy provides details of the expected activities of the Treasury Management function in the financial year 2016-17.

1.2 The Council's financial procedure rules require an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. Further treasury reports will be produced during the year if the strategy needs updating and a year-end annual report on actual activity for the year.

1.3 The strategy covers:

- Treasury Indicators and Limits on Activity
- Prospects for interest rates
- Borrowing Strategy
- Investment Strategy
- Debt Rescheduling and Premature Repayment of Debt
- Performance Indicators
- Treasury Management Advisers
- Member and Officer Training

1.4 HRA Reform in Wales

The Council made a one off payment of £79m to the Welsh Government, under the recent Housing Reform, on 2nd April 2015 which removed the Council's obligation to the Housing Subsidy System. This one off payment is compensation, ensuring the HRA will no longer make future annual payments to the Welsh Government. It is expected that the overall impact will be beneficial to the Council

This amount was borrowed from the Public Works Loan Board and met the requirements of the HRA business plan and the overall requirements of the Council..

The additional borrowing of £79m has been reflected throughout the Policy & Strategy document and accompanying appendices.

2. TREASURY INDICATORS AND LIMITS ON ACTIVITY

2.1 Under the Local Government Act 2003 and the Prudential Code for Capital Finance in Local Authorities (revised in 2013), local authority capital spending and its borrowing to fund that spending is limited by what is affordable, prudent and sustainable. The Prudential Code sets out a number of indicators that enables the authority to assess affordability and prudence. The Prudential Indicators that related to Treasury Management were reclassified as Treasury Indicators in recent revisions of the Codes and are:

- Upper Limit for Fixed Rate Exposure
- Upper Limit for Variable Rate Exposure
- Limits on the Maturity Structure of Borrowing
- Limits on Total Principal Sums Invested Long Term

In addition the Prudential Code requires that the total external debt does not exceed the Authorised Limit for external debt and only exceeds the Operational Boundary for external debt temporarily on occasions due to variation in cash flow. Full Council when approving the Budget sets the Authorised Limit and the Operational Boundary.

2.2 The Treasury Management Indicators for 2016-17 are:

2.2.1 Interest rate exposure limits for 2016-17 are estimated as follows:

Estimated Average Position for 2016-17			
	Fixed Interest Rate	Variable Interest Rate	Total
	£m	£m	£m
Borrowed	+402	+3	+405
Invested	(20)	(30)	(50)
Net Debt	+382	(27)	+355
Proportion of Total Net Debt	+108%	(8%)	+100%

It is recommended that the following exposure limits are adopted:

	Fixed Interest Rate	Variable Interest Rate
Proportion of Total Net Debt	150%	10%

2.2.2 It is recommended that the following exposure limits for 2016-17, 2017-18 and 2018-19 are adopted:

Interest Rate Exposures	2016-17	2017-18	2018-19
	Upper	Upper	Upper
	£m	£m	£m
Limits on fixed interest rates based on net debt	445	445	455
Limits on variable interest rates based on net debt	20	20	20

2.2.3 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows:

	Upper Limit	Lower Limit
Under 12 months	15%	0%
12 months to 2 years	25%	0%
2 years to 5 years	50%	0%
5 years to 10 years	50%	0%
10 years to 20 years	50%	0%
20 years to 30 years	50%	0%
30 years to 40 years	50%	0%
40 years and above	50%	0%

2.2.4 Maximum principal sums invested longer than 364 days:

	2016-17	2017-18	2018-19
	£m	£m	£m
Maximum principal sums invested longer than 364 days	10	10	10

3. PROSPECTS FOR INTEREST RATES

Based on the average projection from a number of sources we can expect the trend in the Bank Rate, set by the Monetary Policy Committee, over the next three years to be as follows:

	Current	2016-17	2017-18	2018-19
	%	%	%	%
Average Bank Rate	0.50	0.88	1.50	1.94

4. **BORROWING STRATEGY 2016-17 – 2018-19**

- 4.1 The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will continue to take a cautious approach to its treasury management strategy.

Borrowing interest rates have been volatile during 2015 as, alternating bouts of good and bad news have prompted optimism, and then pessimism in financial markets. Director of Corporate Services, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.

The option of delaying borrowing and running down investment balances is likely to continue for the time being. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times due to an overall current trend of falling rates. It reduces counterparty risk and hedges against any expected fall in investment returns.

The Council continues to maintain an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

The timing of any action is important and the Director of Corporate Services and treasury advisers will monitor prevailing rates for any opportunities during the year.

- 4.2 **The Council's agreed policy is to raise funding only from the following:**

Public Works Loan Board (PWLB)
Market Long-Term including European Investment Bank (EIB)
Market Temporary
Local Authorities
Overdraft
Internal Capital Receipts and Revenue Balances
Leasing
Welsh Government and Central Government

- 4.3 **Borrowing in advance of need**

The Council has some flexibility to borrow funds in advance of future years.

The Director of Corporate Services may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Director of Corporate Services will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing needed (CFR) over the three year planning period; and
- Not to borrow more than 12 months in advance of need.

Risks associated with any advance borrowing activity will be appraised in advance and subsequently reported through the quarterly reporting mechanism.

5. **INVESTMENT STRATEGY 2016-17 – 2018-19**

5.1 **INTRODUCTION**

5.1.1 The Investment Strategy has been prepared with due regard to:

The Local Government Act 2003

Regulations made under the Local Government Act 2003 (as amended)

2013 Revised Prudential Code for Capital Finance in Local Authorities

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008

Guidance issued by the Welsh Government

2011 Revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes

5.1.2 **Key Objectives**

The Council's investment strategy primary objectives are:

- safeguarding the repayment of the principal and interest of its investments on time
- ensuring adequate liquidity
- the investment return being the final objective

Following the interest rate views above, the current investment climate has counterparty security risk as the over-riding risk consideration. As a result of concerns over Eurozone sovereign debt and the potential negative impact on the banking industry, officers have implemented detailed operational procedures which are included in the treasury management procedure manual. These procedures tighten the controls already in place in the approved investment strategy.

5.1.3 Risk Benchmarking

A development in the revised Codes and the WG Investment Guidance is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. The approach taken is attached at Appendix B.

5.2 DEFINITIONS

5.2.1 A credit rating agency is one of the following three companies: Fitch Ratings Limited (Fitch), Moody's Investors Service Limited (Moody's) and Standard and Poors (S&P).

5.2.2 An investment is a transaction that relies upon the power in section 12 of the Local Government Act 2003 and is recorded in the balance sheet under the heading of investments within current assets or long-term investments.

5.3 INVESTMENT COUNTERPARTIES

The Director of Corporate Services maintains a counterparty list in compliance with the following criteria and revises the criteria and submits them to Council for approval as necessary. This criteria is separate to that which approves Specified and Non-Specified investments as it selects which counterparties the Council will approve rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by all three agencies, one meets the Council's criteria, the others do not, the institution will fall outside the lending criteria.

5.3.1 Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. To meet this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

5.3.2 **UK Banks 1 (Upper Limit)** – This Council will use banks which have at least the following Fitch, Moody's and Standard & Poors ratings:

Short Term – F1, P-1, A-1

Long Term – AA-, Aa3, AA-

UK Banks 2 & UK Building Societies (Middle Limit) – This Council will use all UK Banks and Building Societies which have at least the following Fitch, Moody's and Standard & Poors ratings:

Short Term – F1, P-1, A-1

Long Term – A, A2, A

UK Banks Part Nationalised – Royal Bank of Scotland Group plc (Royal Bank of Scotland and National Westminster Bank). These banks will be included if they continue to be part nationalised or they meet the ratings above.

The UK Government (HM Treasury) holds 72.9% stake within Royal Bank of Scotland Group.

UK part nationalised banks which are significantly owned by the UK Government will be included as investment counterparties, as long as they continue to have appropriate UK Government support. UK Government backing provides a credit quality overlay above that provided by the credit rating agencies. The Royal Bank of Scotland Group plc will be monitored for any material reduction in state ownership or deterioration of the credit rating which suggests a reduction of its use or suspension from the counterparty list.

UK Banks 3 – The Council's banker for transactional purposes if it falls below the above criteria. Balances will be minimised in both monetary size and time.

Money Market Funds – The Council will use AAA rated money market funds (MMFs) that are credit rated by at least two of the three credit rating agencies. These are pooled investment funds whose primary aims are liquidity and security and allow daily access to funds when required. Their operations are strictly regulated by the credit rating agencies and are operated by a financial institution but do not form part of that institutions assets, should the sponsoring institution fail the MMF is entirely separate, effectively owned by the investors. These types of funds invest in a range of instruments and institutions and therefore provide a low risk spread of investments.

UK Government (including gilts and the DMADF)

Local Authorities (including Police & Fire Authorities)

5.3.3 Use of additional information other than credit ratings

Additional requirements under the Revised CIPFA Treasury Management Code of Practice 2011 require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example, negative rating watches/outlooks, individual/viability and support ratings) will be applied to compare the relative security of differing investment counterparties.

The UK Government, like other Western governments, are initiating market regulations which will mean they may not bail out financial institutions in the future. This will not be initiated until corresponding rules and regulations are in place so that institutions are much stronger and less likely to fail. Whilst not an immediate concern, officers will continue to monitor the situation and changes to future investment strategies are likely.

5.3.4 The time and monetary limits for institutions on the Council's Counterparty List are shown below: (Specified and Non-Specified Investments)

	Fitch	Moody's	Standard & Poors	Money Limit	Time Limit
Upper Limit Category - Short Term and Long Term	F1 AA-	P-1 Aa3	A-1 AA-	£10m	3 years
Middle Limit Category - Short Term and Long Term	F1 A	P-1 A2	A-1 A	£7m	1 year
Part Nationalised	-	-	-	£7m	1 year
Council's Banker (not meeting criteria above)	-	-	-	£3m	1 day
Other Institution Limits:					
- Any One Local Authority (including Police & Fire authorities)	-	-	-	£10m	3 years
- Any AAA Rated Money Market Fund	-	-	-	£5m	Daily Liquidity
- Debt Management Account Deposit Facility	-	-	-	£40m	6 months

5.3.5 There are two types of investments – Specified and Non Specified

5.3.5.1 Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

- (1) The UK Government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity).
- (2) A local authority, police authority and fire authority.
- (3) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
- (4) A body that has high credit quality (which may include a high credit rating by a credit rating agency) such as a bank or building society. For this purpose a body with a short term rating of F1, P-1 or A-1 will be considered high quality.

5.3.5.2 Non Specified Investments

These investments are any other type of investment (i.e. not defined as Specified in 5.3.5.1 above).

The maximum sum and time limit for non specified investments is £5m per counterparty with a limit of 3 years.

Non specified investments will only be made in local authorities, bodies with a minimum long-term credit rating of AA– and in AAA rated money market funds.

Note: Barclays Bank plc are the Council's current bankers. The bank's credit ratings have fallen below the criteria for a specified investment; therefore no deposits will be made with the exception of the bank's overnight (Moneymaster) account. Barclays Bank plc will be monitored for any credit rating increase which could lead to a reintroduction to the counterparty list.

The average day to day operational balance on the account will not exceed £3m in these circumstances. See 5.3.4 above.

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded.

5.3.6 The Monitoring of Investment Counterparties

The credit ratings of counterparties are monitored regularly. The officers receive credit rating information (changes, rating watches and rating outlooks) from the treasury management advisers as and when ratings change, and counterparties are checked promptly. Occasionally ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Services, and if required new counterparties which meet the criteria will be added to the list.

The criteria for choosing counterparties set out above provide a sound approach to investment in “normal” market circumstances. Whilst Members are asked to approve this base criteria above, under exceptional current market conditions the Director of Corporate Services will temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to “normal” conditions. Similarly the time periods for investments will be restricted.

Further restrictions would be the greater use of the Debt Management Account Deposit Facility (DMADF – an account within the Government Debt Management Office which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

The present Schedule of Approved Counterparties for Lending 2016-17 is shown in Appendix C.

5.4 LIQUIDITY OF INVESTMENTS

Investments are made for periods which coincide with the Council’s cash flow requirements.

When investing (within the risk criteria mentioned above), the aim is to achieve a level of return greater than would be secured by internal investments. The “7 day LIBID rate” is the recognised rate which the Council aims to improve on when lending money.

5.5 SERVICE INVESTMENTS

In addition to the regular treasury management lending, the Council undertakes service investments. These are distinctly different from the treasury investments, as the allocation of resources generally supports a service strategy or policy decision and consequently the investments will have variable time limits. These type of investments usually provide either cash flow support or capital support to an outside organisation.

Prior to making these investments, appropriate financial review procedures will be undertaken, including Profit and Loss, Balance Sheet and cash flow monitoring, as appropriate.

6. **DEBT RESCHEDULING AND PREMATURE REPAYMENT OF DEBT**

As short term borrowing rates are likely to be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Council at the earliest meeting following its action.

7. **PERFORMANCE INDICATORS**

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators used for the treasury function are:

- Debt (Borrowing) – New borrowing rate to outperform the average PWLB rate for the year
- Debt – Average weighted debt rate movement year on year
- Investments – Return on Investments to outperform the average “7 day LIBID rate”

The results of these indicators will be reported in the Treasury Management Annual Report for 2016-17.

8. TREASURY MANAGEMENT ADVISERS

The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors.

Capita provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports
- Economic and interest rate analysis
- Debt services which includes advice on the timing of borrowing
- Debt rescheduling advice surrounding the existing portfolio
- Generic investment advice on interest rates, timing and investment instruments
- Credit ratings/market information service comprising the three main credit rating agencies

The current contract with Capita Asset Services expires on the 31st October 2016. A tendering process will be undertaken prior to this date.

Under current market rules and the Revised CIPFA Treasury Management Code of Practice 2011 the responsibility for treasury management decisions remains with the Council at all times ensuring that undue reliance is not placed upon the external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9. MEMBER & OFFICER TRAINING

The increased member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for members and officers. This Council has addressed this important issue by:

- Reviewing the treasury management function and ensuring officers are suitably qualified
- Arranging external training for officers
- Arranging training for those members charged with governance of the treasury management function

RECOMMENDATIONS

1. That Council formally approves the Treasury Management Policy and Strategy for 2016-17 and recommendations therein.
2. That Council formally approves the Treasury Management Indicators, Prudential Indicators and the MRP Statement and recommendations therein.

Mae'r dudalen hon yn wag yn fwriadol

TREASURY MANAGEMENT PRACTICES (TMPs)

TMP1 RISK MANAGEMENT

General Statement

The Director of Corporate Services or those persons to which delegation has been made will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out below.

1.1 Credit and Counterparty Risk Management

Explanation

The risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

Council Action

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the Annual Treasury Management Policy and Strategy Statement. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

A detailed list of counterparties to which the Council will lend is appended to the Annual Treasury Management Policy and Strategy Statement.

1.2 **Liquidity Risk Management**

Explanation

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional budgeted costs, and that the organisation's business/service objectives will therefore be compromised.

Council Action

The Council through its Treasury Management officers will ensure that at all times there will be a surplus of cash available which can be called upon at a moment's notice. Through its investments the Council holds cash on call account(s) which is available at any time. By the use of an effective projected cash flow exercise the likelihood of cash being not readily available when required would be rare.

Robust daily, weekly, monthly and annual cash flow forecasting is in place. Call accounts and fixed term investments are utilised to their full potential.

This Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

1.3 **Interest Rate Risk Management**

Explanation

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Council Action

This Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

1.4 **Exchange Rate Risk Management**

Explanation

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Council Action

Currently the Council only invests in sterling products. Hence, there is no exchange rate risk.

1.5 **Refinancing Risk Management**

Explanation

The risk that maturing borrowings, capital project or partnership financing cannot be refinanced on terms that reflect the provisions made by the organisation or those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Council Action

This Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

1.6 **Legal and Regulatory Risk Management**

Explanation

The risk that an organisation itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Council Action

This Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 credit and counterparty risk management it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimize the risk of these impacting adversely on the Council.

1.7 **Fraud, Error and Corruption, and Contingency Management**

Explanation

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

Council Action

This Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

1.8

Market Risk Management

Explanation

The risk that, through adverse market fluctuations in the value of the principal sums the organisation invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

Council Action

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP2

PERFORMANCE MEASUREMENT

Explanation

Performance measurement is a process designed to calculate the effectiveness of a portfolio's or manager's investment returns or borrowing costs and the application of the resulting data for the purposes of comparison with the performance of other portfolios or managers, or with recognised industry standards or market indices.

Council Action

This Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope of other potential improvements.

DECISION MAKING AND ANALYSIS

Explanation

It is vital that the treasury management decisions of organisations in the public service should be subjected to prior scrutiny. In addition all records should be kept of the processes and the rationale behind those decisions. In respect of each decision made the Council should:

- 3.1 ensure that its results are within the limits set in the Prudential Indicators.
- 3.2 be clear about the nature and extent of the risks to which the Council may become exposed.
- 3.3 be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.
- 3.4 be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interest, and to deliver good housekeeping.
- 3.5 ensure that third parties are judged satisfactorily in the context of the Council's credit worthiness policies, and that limits have not been exceeded.
- 3.6 be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.
- 3.7 in respect of borrowing the Council should evaluate the economic and market factors that influence the manner and timing of any decision to fund.
- 3.8 consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- 3.9 consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- 3.10 consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.
- 3.11 in respect of investment decisions, the Council should consider the optimum period, in the light of cash flow availability and prevailing market conditions.
- 3.12 consider the alternative investment products and techniques available, especially the implications of any which may expose the Council to changes in the value of its capital.

Council Action

This Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

Explanation

It is important that the Council is clear about the treasury management instruments, methods and techniques used as one of the main issues to be taken into account when reaching decisions in the need to protect public funds. This treasury management practice requires that the Council is equipped with the skills and experience to evaluate and control the risks and advantages associated with using the instruments available to it before including them in the approved list. This principle applies to investment, borrowing and other means of raising capital and project finance, and to the use of one off-market or financial derivative instruments such as interest rate swaps.

Council Action

This Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the policy, and within the limits and parameters defined in Treasury Management Practice 1 Risk Management.

TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

Explanation

It is considered vital that there should be a clear division of responsibilities, included in a written statement of the duties of each post engaged in Treasury Management. It is especially important that staff responsible for negotiating and closing deals are not responsible for recording them, or for maintaining the cash book. This is in order to create a framework for internal check, and reflects both the variety of activities in treasury management and the very often large sums involved.

Council Action

This Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with Treasury Management Practice 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Director of Corporate Services will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.

The Director of Corporate Services will ensure there is a proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

TMP6

REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Explanation

It is recommended that the Council's treasury management policy statement should specify formal reporting arrangements by the Director of Corporate Services to full Council.

Council Action

This Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies, on the effects of decisions taken and transactions executed in pursuit of those policies, on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities and on the performance of the treasury management function.

The following reporting process has been agreed by the Council:

6.1 Annual Reporting Requirements before the start of the year:

- Review of the Council's approved clauses, treasury management policy statement and practices
- Strategy report on proposed treasury management activities for the year
- Proposed Treasury Management and Prudential Indicators

6.2 Quarter 1 and Quarter 3 Reporting Requirements during the year which will be presented to both Executive Board and Policy and Resources Scrutiny Committee:

- Activities undertaken
- Variations (if any) from agreed policies/practices
- Performance report
- Performance against Treasury Management and Prudential Indicators

6.3 Mid Year Reporting Requirements during the year which will be presented to Council, Executive Board and Policy and Resources Scrutiny Committee:

- Activities undertaken
- Variations (if any) from agreed policies/practices
- Performance report
- Performance against Treasury Management and Prudential Indicators

6.3 Annual Reporting Requirements after the year end

- Transactions executed and their revenue (current) effects
- Report on risk implications of decisions taken and transactions executed
- Compliance report on agreed policies/practices, and on statutory/regulatory requirements
- Performance report

- Report on compliance with Revised CIPFA Treasury Management Code of Practice 2011 recommendations
- Performance against Treasury Management and Prudential Indicators

By undertaking the above it will ensure, as a minimum, that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Explanation

It is recommended that the Council brings together for budgeting and management control purposes, all of the costs and revenues associated with the Council's treasury management activities, regardless of how the Council has actually organised the treasury management function. In this context the Council's treasury management budgets and accounts should clearly identify.

- Manpower numbers and related costs
- Premises and other administrative costs
- Interest and other investment income
- Debt and other financing costs (or charges for the use of assets)
- Bank and overdraft charges
- Brokerages, commissions and other transaction-related costs
- External advisers' and consultants' charges

It is normal practice for the external auditor to have access to all papers supporting and explaining the operation and activities of the treasury management function. The auditor will be expected to enquire as to whether the Revised CIPFA Treasury Management Code of Practice 2011 has been adopted, and whether its principles and recommendations have been implemented and adhered to. Any serious breach of the recommendations of the Revised CIPFA Treasury Management Code of Practice 2011 should be brought to the external auditor's attention.

Council Action

The Director of Corporate Services will prepare, and this Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance Measurement, and TMP4 Approved instruments, methods and techniques. The Director of Corporate Services will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The calculation and compliance of Treasury Management and Prudential Indicators will be examined by the Wales Audit Office.

This Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

This Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfillment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

TMP8 CASH AND CASH FLOW MANAGEMENT

Explanation

The preparation of cash flow projections on a regular and timely basis provides a sound framework for effective cash management. Procedures for their preparation and review/modification, the periods to be covered, sources of data etc. should be an integral part of the schedules to the Council's approved treasury management practices.

Council Action

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Corporate Services and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Corporate Services will ensure that these are adequate for the purposes of monitoring compliance with Treasury Management Practice 1 liquidity risk management and Prudential Indicators.

TMP9 **MONEY LAUNDERING**

Explanation

Money Laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. Also, organisations such as Councils that undertake business under the Financial Services Act, or engage in certain specified activities, are required to set up procedures to comply with Money Laundering Regulations 2007. These require Councils:

- To set up procedures for verifying the identity of clients
- To set up record-keeping procedures for evidence of identity and transactions
- To set up internal reporting procedures for suspicions, including the appointment of a money laundering reporting officer
- To train relevant employees in their legal obligations
- To train those employees in the procedures for recognising and reporting suspicions of money laundering

The Council should establish whether the Money Laundering Regulations 2007 apply to them. And it is for individual organisations to evaluate the prospect of laundered monies being handled by them, and to determine the appropriate safeguards to be put in place. It is the legal responsibility of every person engaged in treasury management to make themselves aware of their personal responsibilities, but the Revised CIPFA Treasury Management Code of Practice 2011 recommends that Councils bring them to their staff's attention and consider the appointment of a member of staff to whom they can report any suspicions.

Council's Action

This Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

TMP10 TRAINING AND QUALIFICATIONS

Explanation

All Councils should be aware of the growing complexity of treasury management. Modern treasury management demands appropriate skills, including a knowledge of money and capital market operations, an awareness of available sources of funds and investment opportunities, an ability to assess and control risk, and an appreciation of the implications of legal and regulatory requirements.

Every Council should provide the necessary training, having assessed the professional competence of both those involved in the treasury management function, and those with a policy, management or supervisory role. If necessary, they should ensure that access exists to the necessary expertise and skills from external sources. Arrangements to ensure the availability of suitable skills and resources should recognize the prospect that staff absences may, at times, demand that others step in who do not normally have involvement on a day-to-day basis with the treasury management function.

When feasible in the context of the size of a particular organisation and its treasury management function, career progression opportunities should be provided and succession issues should be properly addressed. Secondments of senior management to the treasury management function for appropriate periods may benefit the effectiveness of the function as a whole.

Council Action

This Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Corporate Services will recommend and implement the necessary arrangements.

The Director of Corporate Services will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 USE OF EXTERNAL SERVICE PROVIDERS

There are a number of service providers available to support the treasury management activities of public service organisations.

Perhaps the most active and long-standing of these have been the money-broking companies, whose role it is to act as intermediaries, making introductions between the prospective parties to transactions.

It is not the role of brokers to provide advice on the creditworthiness of those organisations to which public service organisations may lend. They may provide information already in the public domain, but may not interpret it. The use of brokers is a matter for local decision. But it is considered good practice, if their services are used, to ensure that business is spread between a reasonable number of them, and certainly no fewer than two. And it is not uncommon for their services to be the subject of a competitive tendering process every few years.

Direct dealing with principals is a not uncommon feature of treasury management in the public services which, if nothing else, can provide a useful check on brokers' performance.

An issue that causes some debate is whether it is necessary or desirable for public service organisations to tape conversations with brokers and principals. This is a matter for local discretion, particularly in the context of the costs involved, but is generally to be recommended.

Most public service organisations require the services of clearing bankers, and a growing number make use of the services of a wider group of banks, particularly to meet their need for private finance and partnership funding. The principles of competition need to be recognised here, too. Certainly, it is highly desirable to subject clearing banking services to competition, perhaps as frequently as every three or four years.

There has also been a growing tendency for public service organisations to employ external advisers and consultants, often for the purposes of a general treasury management advisory service, but also for specific purposes, such as the securing and structuring of funding and for partnership arrangements. These, too, should be the subject of regular competitive tendering.

Further, many public service organisations employ the services of external investment managers to help manage their surplus cash and, where relevant, their pension fund, trust fund or endowment fund assets.

CIPFA advises all organisations using the services of external service providers to document comprehensively the arrangements made with them.

Council Action

The Council recognises that responsibility for treasury management decisions remain with the Council at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Corporate Services.

TMP12 CORPORATE GOVERNANCE

The Revised CIPFA Treasury Management Code of Practice 2011 recommends that public service organisations state their commitment to embracing the principles of corporate governance in their treasury management activities, notably openness and transparency.

It is CIPFA's view that:

- adoption of the principles and policies promoted in the Revised CIPFA Treasury Management Code of Practice 2011 and in these guidance notes will in itself deliver the framework for demonstrating openness and transparency in an organisation's treasury management function
- publication of and free access to information about an organisation's treasury management transactions and other public documents connected with its treasury management activities will further assist in achieving this end
- establishing clear treasury management policies, the separation of roles in treasury management and the proper management of relationships both within and outside the organisation will establish the integrity of the function
- robust treasury management organisational structures, together with well-defined treasury management responsibilities and job specifications, will enhance accountability
- equality in treasury management dealings, absence of business favouritism and the creation of keen competition in treasury management will lay the groundwork for fairness.

The following paragraphs further emphasise the practices that CIPFA believes an organisation should employ to ensure the principles of corporate governance are successfully implemented.

Procedural responses

The policies, strategies of treasury management should link clearly to the organisation's other key policies and strategies. In the management of risk, in particular, treasury risk management should be an integral part of its overall risk management processes, culminating in a well-defined, organisation-wide strategy for the control of risk and contingency planning.

The management and administration of treasury management should be robust, rigorous and disciplined. Over the years, some of the most significant examples of treasury mismanagement, in both the public services and the private sector, have resulted from procedural indiscipline. This has frequently been as a result of a failure to apply otherwise well-documented management and administration systems, or through failures in transmission, documentation or deal recording processes.

Reporting arrangements should be applied so as to ensure that those charged with responsibility for the treasury management policy have all the information necessary to enable them to fulfil openly their obligations; and that all stakeholders are fully appraised of and consulted on the organisation's treasury management activities on a regular basis.

The procedures for monitoring treasury management activities through audit, scrutiny and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change.

The application and interpretation of performance data should be clear, concise and relevant to the organisation's treasury management activities.

Stewardship responsibilities

The Director of Corporate Services should ensure that systems exist to deliver proper financial administration and control, and a framework for overseeing and reviewing the treasury management function.

As regards a control framework, an organisation's formal policy documents should define clearly procedures for monitoring, control and internal check.

With regard to delegation it is vitally important that those involved in the implementation of treasury management policies and the execution of transactions are unambiguously empowered to undertake their tasks, and that reporting lines are well-defined.

An organisation's adoption of and adherence to the Revised CIPFA Treasury Management Code of Practice 2011 should be widely broadcast, as should the

principles of the Revised CIPFA Treasury Management Code of Practice 2011 and the method of its application in the organisation.

The organisation's procedures for reviewing the value of the treasury management function, and the implementation of opportunities for improvement, should be both continuous and open to examination.

The governance of others

In respect of the organisation's dealings with counterparties, external service providers and other interested parties, clear procedures should exist to enable the organisation, as far as is practicable, to monitor their adherence to the legal or regulatory regimes under which they operate.

Council Action

This Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

In respect of external service providers appropriate financial review procedures will be undertaken, including Profit and Loss, Balance Sheet and cash flow monitoring, as appropriate.

This Council has adopted and has implemented the key recommendations of the Revised CIPFA Treasury Management Code of Practice 2011. This is considered vital to the achievement of proper corporate governance in treasury management, and the Director of Corporate Services will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Mae'r dudalen hon yn wag yn fwriadol

SECURITY, LIQUIDITY AND YIELD BENCHMARKING

Member reporting on the consideration and approval of security and liquidity benchmarks will continue. These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Management Report.

1. **Security**

In context of benchmarking, assessing security is a subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poor's). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy.

The table below shows average defaults for differing periods of investment grade products for each Fitch/Moody's and Standard & Poor's long term rating category.

Long term rating	1 year	2 years	3 years
AAA	0.04%	0.09%	0.17%
AA (includes AA- and AA+)	0.01%	0.03%	0.13%
A	0.06%	0.20%	0.37%
BBB	0.15%	0.50%	0.91%
BB	0.71%	2.21%	3.94%
B	3.15%	7.44%	11.46%
CCC	22.21%	31.48%	37.72%

The Council's minimum long term rating criteria is currently "AA-" for any investment greater than one year and "A" for any investment up to one year. The average expectation of default for a one, two or three year investment in a counterparty with a "AA-" long term rating would be 0.06% of the total investment and the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.06% of the total investment. This is only an average, any specific counterparty loss is likely to be higher, but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- **0.13% historic risk of default when compared to the whole portfolio.**
-

In addition, the security benchmark for each individual year is:

	1 year	2 years	3 years
Maximum	0.06%	0.03%	0.13%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Annual Treasury Management Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

2. Liquidity

This is defined as "having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives" (Revised CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft facility - £0.5m
- Liquid short term deposits of at least £10m available immediately on call

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark is to be used:

- **WAL benchmark is expected to be 0.5 years, with a maximum of 1 year.**

3. Yield

Benchmarks are currently widely used to assess investment performance. The local measure of the yield benchmark is:

- Investments – Return on Investments to outperform the average 7 day LIBID rate

Security and liquidity benchmarks are intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. Proposed benchmarks for the cash type investments are shown above and form the basis of reporting in this area.

**Schedule of Approved Counterparties for Lending 2016-2017
(as at 4th January 2016)**

	<u>Fitch</u>		<u>Moody's</u>		<u>Standard and Poors</u>		<u>Money Limit</u> £'m	<u>Time Limit</u> years
	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>		
<u>Upper Limit</u>	<u>F1</u>	<u>AA-</u>	<u>P-1</u>	<u>Aa3</u>	<u>A-1</u>	<u>AA-</u>	<u>10</u>	<u>3</u>
UK Banks								
HSBC Bank Plc	F1+	AA-	P-1	Aa2	A-1+	AA-	10	3
<u>Middle Limit</u>	<u>F1</u>	<u>A</u>	<u>P-1</u>	<u>A2</u>	<u>A-1</u>	<u>A</u>	<u>7</u>	<u>1</u>
UK Banks								
Banco Santander Central Hispano Group - Santander UK Plc	F1	A	P-1	A1	A-1	A	7	1
Lloyds Banking Group - Bank of Scotland Plc - Lloyds Bank	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A A	7 7	1 1
UK Building Societies								
Nationwide	F1	A	P-1	A1	A-1	A	7	1
<u>UK Banks Part Nationalised</u>								
Royal Bank of Scotland Group - National Westminster Bank Plc - Royal Bank of Scotland Plc							7 7	1 1
<u>Council's Banker - Barclays</u>							3	1 day
<u>Other Institution Limits</u>								
Local Authorities								
Any One Local Authority (including police and fire authority)							10	3
Money Market Funds								
Any AAA Rated Money Market Fund							5	1
Debt Management Office							40	6 months

Mae'r dudalen hon yn wag yn fwriadol

1. THE PRUDENTIAL INDICATORS

The following indicators are based on the figures put forward within the Capital and Revenue Plans set out in this report.

1.1. Affordability

1.1.1. Estimates of ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non-HRA	5.77%	6.49%	6.81%
HRA (inclusive of settlement figure)	37.46%	35.99%	34.48%

The estimates of financing costs include current commitments and the proposals in this budget report.

The indicators show the proportion of income taken up by capital financing costs. Indicative Aggregate External Finance (AEF) for 2017/2018 is a 2% decrease on 2016/2017 and for 2018/19 a 2% estimated decrease on 2017/2018.

1.1.2. Estimates of the incremental impact of capital investment decisions on the Council Tax

A fundamental measure of affordability.

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

All capital projects that would have had revenue implications have been removed from the capital programme. This will reduce the call on council tax payers since less revenue is needed to fund new projects.

Incremental Impact on Council Tax			
£	2016/17	2017/18	2018/19
Increase in Band D Council Tax	3.65	3.30	0.56

These figures show the likely effect on Council Tax of the proposals; they are **not** Council Tax estimates.

1.1.3. Estimates of the incremental impact of capital investment decisions on housing rent levels

A fundamental measure of affordability.

Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

The proposed changes are shown as the total revenue impact on Housing Rents. Items in the capital programme where there is already a commitment to carry out that scheme are excluded from this Indicator.

Incremental Impact on Weekly Housing Rent			
	2016/17	2017/18	2018/19
Increase in Housing Rent	0.00	0.00	0.00

The final affect on the housing rent will be constrained by the Welsh Government Social Housing Rents Policy.

1.2. Prudence

1.2.1. The Capital Financing Requirement (CFR)

This prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

£m	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non-HRA	263	266	261
HRA	137	143	148
HRAS	77	76	74
TOTAL	477	485	483

1.2.2. The Gross Borrowing and Capital Financing Requirement indicator

The control mechanism to limit external debt.

Estimated gross borrowing for the four years starting with the last full year (2014/15) must not exceed the CFR in the medium term, but can in the short term due to cash flows.

Ensures borrowing is only for approved capital purposes.

The Director of Corporate Services reports that the authority complied with this requirement in 2014/15 and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

Details of Gross Borrowing:

£m	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Debt at 1 st April	259	280	381	405	425
Expected Change in Debt	21	22	24	20	23
HRAS	-	79	-	-	-
Gross debt at 31st March	280	381	405	425	448
CFR	374	463	477	485	483
Under / (Over) borrowing	94	82	72	60	35

1.2.3. External Debt

The Authorised Limit and the Operational Boundary:

The Authorised Limit prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

£m	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Borrowing	523.5	532.5	530.5
Other Long- Term Liabilities	0.5	0.5	0.5
Total	524.0	533.0	531.0

The Operational Boundary for external debt is based on the same estimates as the authorised limit, but without the additional headroom for unusual and unexpected cash movements, and equates to the level of projected external debt. This is clearly subject to the timing of borrowing decisions.

£m	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Borrowing	476.9	484.9	482.9
Other Long-Term Liabilities	0.1	0.1	0.1
Total	477.0	485.0	483.0

The Council is asked to approve both the Authorised Limit and the Operational Boundary shown above.

1.2.4. Actual External Debt

The Council's actual external debt at 31st March 2015 was £280m. The actual external debt is not directly comparable to the authorised limit and operational boundary because the actual external debt reflects the position at a point in time.

It is recommended that the above Prudential Indicators are adopted and that the Director of Corporate Services is given delegated authority by Council to change the balance between borrowing and other long-term liabilities.

Other long-term liabilities are other credit arrangements, which are, in the main, finance leases.

MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP).

Welsh Government regulations were issued with effect from 1st April 2010 which require the full Council to approve a Minimum Revenue Provision (MRP) Statement in advance each year. A variety of options were provided to councils to replace the existing Regulations, as long as there is a prudent provision.

Council have already approved the following approaches for calculating MRP:

Supported Borrowing and Capital Expenditure incurred before 1st April 2008

Based on CFR

The calculation is based on 4% of the opening Capital Financing Requirement (CFR) each year.

Unsupported Borrowing

Asset Life Method

Under this method the borrowing value is divided by the estimated life of the asset.

Capital Expenditure on the Modernising Education Programme (MEP) and Local Government Borrowing Initiative (LGBI) 21st Century Schools is classed as Unsupported Borrowing. It is estimated that asset lives within these programmes are 30 years and this is the period that will be used to determine the MRP.

Asset lives within the Fleet Programme range from 1 to 10 years, these are the periods that will be used to determine the MRP.

Local Government Borrowing Initiative (LGBI) Highways. It is estimated that asset lives within this programme are 20 years and this is the period that will be used to determine the MRP.

Housing Revenue Account

The calculation is based on 2% of the opening Capital Financing Requirement (CFR) each year.

Council is recommended to approve the following MRP Statement for 2016/2017:

For Supported and Unsupported Capital Expenditure, the MRP policy will continue to follow the approaches above.

Mae'r dudalen hon yn wag yn fwriadol

Monday, 1 February 2016

PRESENT: Councillor E. Dole (Chair);

Councillors:

H.A.L. Evans, L.D. Evans, M. Gravell, D.M. Jenkins, G.O. Jones, T.J. Jones,
P.A. Palmer, L.M. Stephens and J. Tremlett;

Present as Observers:

Councillors D.M. Cundy, T. Devichand, J. Edmunds, P. Hughes-Griffiths and G. Thomas.

The following Officers were in attendance:

M. James, Chief Executive;
C. Moore, Director of Corporate Services;
R. Mullen, Director of Environment;
R Sully, Director of Education & Children;
L.R. Jones, Head of Administration and Law;
J.A. Rees, Head of Learner Programmes;
R. Staines, Head of Housing and Public Protection;
P.R. Thomas, Assistant Chief Executive (People Management & Performance);
W. Walters, Assistant Chief Executive (Regeneration & Policy);
O. Bowen, Chief Accountant;
D. Williams, Press Manager;
M. Hughes, Assistant Consultant;
K. Pett, Policy, Consultation & Engagement Officer;
M.S. Davies, Democratic Services Officer.

Chamber, County Hall - 10.00 am - 12.00 pm

1. APOLOGIES FOR ABSENCE.

There were no apologies for absence.

2. DECLARATIONS OF PERSONAL INTEREST.

There were no declarations of interest.

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE EXECUTIVE BOARD HELD ON THE 4TH JANUARY 2016.

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Executive Board held on the 4th January 2016 be signed as a correct record.

4. QUESTIONS BY MEMBERS

The Chair advised that no questions on notice had been submitted by members.

5. PUBLIC QUESTIONS

The Chair advised that no public questions had been received.

6. PROPOSALS FOR 3-19 CURRICULUM AND ASSESSMENT - REFORM IN CARMARTHENSHIRE SCHOOLS

The Executive Board considered a report entitled 'Palmantu'r Ffordd / Paving the Way' which was a 3-19 strategic review of curriculum and assessment arrangements in Carmarthenshire. Partially building on existing practice, the report

offered strategic and operational proposals to promote and develop the Donaldson (Successful Futures) recommendations, the Furlong Review and the New Deal in all Carmarthenshire's schools and special settings. Reference was made to other policy drivers such as the Lead Creative Schools initiative, Global Futures and the Bilingual +1 nation. Currently, the 116 page document had 47 recommendations and approached curriculum and assessment reform at several scales.

UNANIMOUSLY RESOLVED

6.1 that the internal interim report, entitled 'Palmantu'r Ffordd / Paving the Way', be received;

6.2 to seek approval for the main findings of Paving the Way.

7. MODERNISING EDUCATION PROGRAMME - PROPOSED DISCONTINUATION OF COPPERWORKS INFANT AND NURSERY SCHOOL AND LAKEFIELD PRIMARY SCHOOL ESTABLISH A NEW PRIMARY SCHOOL

The Executive Board was advised that in accordance with its decision on the 15th June 2015 (minute 4 refers) a Statutory Notice had been published on the 3rd November 2015 detailing the Council's intention to proceed with the discontinuation of Copperworks Infant and Nursery School and Lakefield Primary School, and providing any objectors a period of one month in which to object to the proposal. It was reported that as no objections had been received to the proposal consideration would need to be given as to whether the Council should now proceed with the closure of the schools which had been endorsed by the Education and Children Scrutiny Committee at its meeting held on the 21st January 2016.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL to proceed with its proposal to discontinue Copperworks Infant and Nursery School and Lakefield Primary School and to implement the proposal as detailed in the Statutory Notice dated 3rd November, 2015.

8. NATIONAL BOTANIC GARDEN OF WALES

Further to Minute 10 of the meeting held on the 15th June 2015 the Board considered a report detailing the National Botanical Garden's response to the request that it consider introducing an all-year round discount on admission charges for Carmarthenshire residents in view of the support provided by the Council. The Trustees had confirmed their gratefulness for the County Council's continued support and had offered a special discounted price for Carmarthenshire residents in respect of the annual membership from April 2016- March 2017 where this was paid by direct debit.

Cllr. D.M. Jenkins, the Council's representative on the Garden's Board of Trustees, commented that in his meetings with representatives of the NBGW he had been encouraged by their acknowledgement of the need to finance the Garden on a more commercial basis and reduce reliance on public funding.

Reference was made to the fact that the Garden was due to appoint a replacement Director for Dr. Rosie Plummer who was standing down. Dr. Plummer was thanked for her contribution to the Garden and it was suggested, in view of the financial support given by the Council, that Cllr. D.M. Jenkins should be involved in the appointment of her replacement.

UNANIMOUSLY RESOLVED

8.1 to accept the offer of a discounted membership rate for Carmarthenshire residents as detailed and agree payment of the annual grant for 2015/16;

8.2 that the NBGW be requested to involve the Council's representative on the Board of Trustees in the process for the appointment of a new Director.

9. TREASURY MANAGEMENT POLICY AND STRATEGY 2016-17.

The Executive Board was reminded that as part of the requirements of the revised CIPFA Code of Practice on Treasury Management, the Council had agreed to maintain a Treasury Management Policy which detailed the policies and objectives of the Authority's treasury management activities and to also approve a Treasury Management Strategy annually before the start of the financial year to which it related. In addition, under the Local Government Act 2003 the Council was required to approve the Treasury Management Indicators for the coming year.

The Executive Board thanked officers for the report and in accordance with the above requirements, considered the Council's Treasury Management Policy and Strategy for the 2016-17 financial year prior to its formal submission to the Council for final adoption.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL that

9.1 the Treasury Management Policy and Strategy for 2016-17 and the recommendations contained therein be approved;

9.2 the Treasury Management Indicators and recommendations therein be approved.

10. TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 1ST APRIL 2015 TO 31ST DECEMBER 2015.

The Executive Board considered an update on the treasury management activities from 1st April 2015 to 31st December 2015.

The Executive Board was informed that previously reported 82.5% of the claim submitted to the administrators of the Kaupthing Singer and Friedlander Icelandic Bank remained unchanged and it was expected that a total repayment of up to 85% of the claim would be received.

UNANIMOUSLY RESOLVED that the report be approved.

11. DEVELOPMENT FUND APPLICATION.

The Executive Board considered a report detailing an application from the Communities Department to the Development Fund for financial assistance for the appointment of an accredited financial investigator for the restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002. The funding requested was £151,500.00.

UNANIMOUSLY RESOLVED

11.1 to approve the sum of £50,500 per annum for a period of three years to fund the appointment of an accredited financial investigator for the restraint and confiscation of assets of any person committing criminal offences under the Proceeds of Crime Act 2002;

11.2 that interest be not charged as per amended Development Fund conditions;

**11.3 that Development Fund criteria no. 5 be set aside for this application;
11.4 that the repayment for the above scheme be over four years.**

12. WALES AUDIT OFFICE - CORPORATE ASSESSMENT REPORT 2015.

The Executive Board considered a Corporate Assessment Report of Carmarthenshire County Council for 2015, published by the Wales Audit Office [WAO], the purpose of which was to provide a position statement of the authority's capacity and capability to deliver continuous improvement. Carmarthenshire County Council had been highly praised by the WAO for having a well established vision that was driven forward by a strong collective leadership from both Executive and Corporate Management Teams. A clear framework of well-aligned plans and strategies that translated high level outcomes the Council had agreed with partners into priorities for action had also been recognised ensuring a strong ethos of continuous improvement ran through everything the Council did. The Auditor General had concluded that 'Carmarthenshire County Council, demonstrating ambition in its vision, with collective leadership and more robust and transparent governance, is delivering improved outcomes for its citizens although some out-dated approaches may limit the speed of progress.'

The Executive Board paid tribute to the assistance offered to them by staff during the audit process.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL

12.1 that the content of the Corporate Assessment Report 2015 be approved;

12.2 that an action plan is produced to address the Proposals for Improvement made within the Report.

13. DEVELOPMENT OF ALTERNATIVE SERVICE DELIVERY MODELS IN SOCIAL CARE AND HOUSING SERVICES.

The Executive Board considered a report which provided an update on the work being undertaken to develop an awareness and understanding of the alternative models of delivering social care and housing services. Where appropriate and beneficial this might result in detailed options and business case(s) for alternative service delivery models for identified and agreed services.

It was confirmed that arrangements had been made for an all-member seminar to be held on the 2nd March 2016 in connection with the aforementioned.

UNANIMOUSLY RESOLVED

13.1 that the approach for the consideration and development of alternative service delivery models for social care and housing services be confirmed;

13.2 to approve the planned engagement with Members and staff during February 2016 on the approach to developing an awareness and understanding of the range of alternative service delivery models, and their appropriateness to a number of services in the Communities Department.

14. REVENUE BUDGET STRATEGY 2016/17 TO 2018/19

[NOTE: All officers, apart from the Democratic Services Officer who had been asked by the Executive Board to remain in the meeting to record the decision, left the meeting during consideration and determination of proposals regarding the pay

award for staff.]

The Executive Board considered a report which brought together the latest proposals for the Revenue Budget 2016/2017 with indicative figures for the 2017/2018 and 2018/2019 financial years and summarised the latest budgetary position giving an update on the budget validation, spending pressures, the Welsh Government final settlement and the responses from the budget consultation.

The Executive Board Member - Resources advised that following the consultation period the Executive Board had considered amendments to a number of proposals detailed within the report and it was hoped that this would demonstrate that the Authority had listened to the views expressed as part of the consultation exercise. The following amendments were therefore proposed:-

Environment Department

- The reduction in the Flood Defence, Land Drainage and Coastal Protection budget is withdrawn for the 3 years, total value of £118k;
- The reduction in Highways Infrastructure maintenance budget is removed for year 1, total value of £512k;
- The reduction in the Cleansing services and Environment Enforcement budget is removed for each of the 3 years, total value of £252k;
- The proposal to introduce a charge for home to school transport is deferred for 2 years.

Communities Department

- The Meals on Wheels increase in the meal cost be phased over 3 years as opposed to be implemented in one, reducing the saving in year 1 by £38k.

Education Department

- The saving for short breaks/respite for Disabled Children and young people be removed altogether, taking away a cut of £50k.

In addition to the above it was proposed that there be additional investment into the following two specific service areas:

1. Youth Service - £50k to 'Bolster professional capacity to strengthen expertise in safeguarding vulnerable young people, especially with respect to sexual exploitation and the risk of radicalisation, thereby supporting prevention and early intervention strategies to avoid disengagement, supporting pathway to employment or training opportunities and minimising the number of young people at risk of becoming NEET.'
2. Highways Infrastructure - £200k to fund £2.4m of capital expenditure on the highways and supporting infrastructure network in the areas of greatest need.

It was considered that adopting these proposals would use a significant amount of the money identified in the report [p.186] but would also allow the Council the opportunity to review the level of Council Tax increase and it was therefore proposed that the Council Tax increase be reduced to 3.85%.

The Executive Board thanked officers for their hard work in preparing a realistic

and sustainable budget and for organising a comprehensive consultation process.

In response to a question from Councillor J. Edmunds as to whether savings could be achieved on the budget allocated to meet redundancy costs in schools the Chief Executive advised that school staffing decisions rested with the schools and the Authority had no input yet had to pick up the cost. The Authority would however continue to lobby to change this arrangement. In response to a further question from Councillor J. Edmunds regarding care home costs the Chief Executive advised that, taking into account private care home costs and inflation, the proposals in terms of the Council's care homes were considered to be fair.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL:-

14.1 that the Budget Strategy for 2016/17, be approved subject to the amendments and proposals detailed above;

14.2 that the Band D council Tax for 2016/17 be set at £1,117.67 (an increase of 3.85% for 2016-2017);

14.3 to consolidate the nationally agreed 1% pay award for JNC staff in 2016/17 with effect from 1st April 2016 and approve a 1% pay award for all other non teaching staff with effect from 1st April 2016 which would be consolidated by, but not in addition to, any national pay award agreed in 2016;

14.4 That the Director of Corporate Services will advise and recommend to County Council on 10th March of any impact and consequential action required from the Final Settlement which is due to be published by Welsh Government on 2nd March 2016, and debated on 9th March 2016.

15. FIVE YEAR CAPITAL PROGRAMME 2016/17 - 2020/21.

The Executive Board considered a report which brought together the latest proposals for the Five Year Capital Programme 2016/17 to 2020/201 The report took into account the consultation exercise undertaken and the revenue implications arising from the capital programme.

The Board noted that the capital programme proposed gross expenditure for 2016/17 of £61.706m with the projected funding of the programme being £43.370m from the County Council through the use of borrowing, capital receipts, reserves, general capital grant and outcome agreement grant. The balance of funding of £18.336m would come from external sources. The Director of Corporate Services advised that the capital programme was projected to be fully funded over the first 4 years from 2016/17 through to 2019/20 although 2020/21 showed a shortfall which would be reviewed over the coming year.

The Chair commented that the programme aimed to counteract austerity with regeneration.

In response to a question from Councillor D. Cundy regarding the future of Parc Howard Mansion the Chair reiterated that he had started consultation with members of Llanelli Town Council, the Parc Howard Association and other parties to discuss a way forward on the basis that the building, and park, had a future but it needed to have a purpose combined with sensitive commercialisation to make it sustainable without being a draw on public funding.

In response to a question from Councillor J. Edmunds regarding the £7m allocated to the Social Care Llanelli Are Review the Chief Executive advised that

opportunities were still being explored in regard to potential sites for a new care home. In response to a further question from Councillor J. Edmunds regarding the proposed cycle path from Carmarthen to Llandeilo and the liability for its maintenance costs the Chief Executive commented that whilst the business case was still being looked into it would be a significant attraction for tourists to Carmarthenshire which, with the plans for renovating the Carmarthen velodrome and the various other cycle paths that already existed, was rapidly gaining a reputation amongst the cycling fraternity as an attractive holiday and short break destination.

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL

- 15.1 that the Five Year Capital Programme and funding as detailed in Appendix B, with 2016/17 being a hard budget and 2017/18 to 2020/21 soft/indicative budgets be approved;**
- 15.2 that the 2020/21 budget be reviewed over the coming year in order to address the funding shortfall;**
- 15.3 that the programme be reviewed, as is usual, if anticipated External or County Council funding did not materialise.**

16. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2016/17.

The Executive Board considered a report which had been prepared by the Director of Corporate Services in conjunction with officers from the Communities Department and brought together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2016/2019. The report had been considered, and endorsed, by the Community Scrutiny Committee at its meeting held on the 15th January 2016 as part of the budget consultation process.

The Director of Corporate Services advised that the report had been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan which was the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future and it was noted that the proposed investment within the current business plan delivered the CHS by 2015.

Councillor D. Cundy asked if any assistance could be provided to families whose income might be static and who might also have to pay for school meals. In response the Head of Housing and Public Protection advised that the Authority was able to offer assistance to families who might find themselves in difficulty with rents. The Chief Executive added that families could also apply for free school meals and without worry of any stigma as a result of the technology used by schools in canteens.

In response to a question from Councillor T. Devichand officers agreed to circulate details of the number of households which would see a decrease in their rent.

The Executive Board having considered the Carmarthenshire Homes Standard Steering Group recommendations,

UNANIMOUSLY RESOLVED TO RECOMMEND TO COUNCIL

- 16.1 to increase the average housing rent by 2.97% (£2.27) per dwelling per week as per WG Social Housing Rents Policy (inclusive of progression for tenants below target rents) as this will produce a sustainable**

Business Plan and continue to achieve & maintain CHS+;

- 16.2 to continue with maximum progression permissible for rents below target, until target rents are achieved;**
- 16.3 to increase garage rents to £8.75 per week (from £8.50 in 2015/16) and garage bases to £2.20 per week (from £2.15 in 2015/16);**
- 16.4 to apply the service charge policy to ensure tenants who receive the benefit from specific services pay for those services;**
- 16.5 to increase charges for using our sewerage treatment works by 2.97%;**
- 16.6 to approve the proposed Capital Programme and applicable funding for 2016/17 and the indicative spends for 2017/18 and 2018/19 as set out in Appendix C;**
- 16.7 to approve the Housing Revenue Account Budget for 2016/19 (2017/18 & 2018/19 being soft budgets) as set out in Appendix B.**

CHAIR

DATE