

Legal and Regulatory Services /
Gwasanaethau Cyfreithiol a Rheoleiddiol
Direct line / Deialu uniongyrchol: 01656 643147
Ask for / Gofynnwch am: Andrew Rees

Our ref / Ein cyf:
Your ref / Eich cyf:

Date / Dyddiad: 20 February 2015

Dear Councillor,

CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE

A meeting of the Corporate Resources & Improvement Overview & Scrutiny Committee will be held in Committee Rooms 2/3, Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 26 February 2015 at 2.00 pm.**

AGENDA

1. Apologies for Absence
To receive apologies for absence (to include reasons, where appropriate) from Members/Officers.
2. Declarations of Interest
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1 September 2008 (including Whipping declarations)
3. Approval of Minutes 3 - 10
To receive for approval the minutes of the Corporate Resources & Improvement Overview and Scrutiny Committee of 15 December 2014.
4. Building Refurbishment and Construction and Design Management 11 - 20
Invitees:
Cllr M Gregory – Cabinet Member Resources
Ness Young – Corporate Director Resources
Mark Evans – Group Manager Built Environment
5. Budget Monitoring - Quarter 3 2014-15 21 - 46
Invitees:
Cllr M Gregory – Cabinet Member Resources
Ness Young – Corporate Director Resources
Deborah Exton – Group Manager Financial Planning and Budget Management
6. Forward Work Programme Update 47 - 50

Yours faithfully

P A Jolley

Assistant Chief Executive Legal and Regulatory Services

Distribution:

Councillors:

G Davies
GW Davies MBE
E Dodd
CA Green
DM Hughes

Councillors

EM Hughes
CL Jones
RC Jones
DRW Lewis
JR McCarthy

Councillors

CL Reeves
M Reeves
JC Spanswick
HM Williams

Agenda Item 3

CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE - MONDAY, 15 DECEMBER 2014

MINUTES OF A MEETING OF THE CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON MONDAY, 15 DECEMBER 2014 AT 2.00 PM

Present

Councillor M Reeves – Chairperson

Councillors
GW Davies MBE
RC Jones
HM Williams

Councillors
E Dodd
JR McCarthy

Councillors
CA Green
CL Reeves

Councillors
EM Hughes
JC Spanswick

Officers:

R Keepins
A Rees

Scrutiny Officer
Senior Democratic Services Officer – Committees

Invitees:

Councillor M Gregory
N Young
R Hemingway

Cabinet Member Resources
Corporate Director - Resources & Section 151 Officer
Head of Finance and ICT

128. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members for the reasons so stated:

Councillor G Davies – Personal Commitment
Councillor C L Jones – Family Commitment
Councillor D R W Lewis – Unwell.

129. DECLARATIONS OF INTEREST

None.

130. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Corporate Resources & Improvement Overview and Scrutiny Committee of 6 November 2014 be approved as a true and accurate record.

131. DRAFT BUDGET CONSULTATION PROCESS

The Scrutiny Officer introduced a report, the purpose of which was to provide the Draft Cabinet Budget proposals for 2015/16.

The Scrutiny Officer informed the Committee of the public consultation process undertaken on the budget review and that a budget workshop had been held for Members using a budget simulator. A series of comments had been developed on the budget proposals by the Standing BREP.

The Committee asked whether the public consultation had been helpful to officers in the budget setting process. The Corporate Director Resources informed the Committee that the budget consultation process had involved a great deal of work and that the response by the public had been disappointing. She stressed the importance of getting the public

to participate in the budget consultation process; however the responses received from the public were helpful with such things as support for charging householders for black bags and pest control services. The Corporate Director Resources explained that the budget consultation process had been publicised through the Council's Facebook and Twitter accounts and a radio campaign over a 4 week period. She stated that the feasibility of emailing residents to inform of next year's budget consultation process could be explored. The Cabinet Member Resources informed the Committee there had been public support for the introduction of charging for car parking for people with blue badges. The Corporate Director Resources informed the Committee that consultation on the budget proposals would take place with the Citizens Panel in January.

The Committee questioned whether Councils shared best practice with each other on the budget setting consultation process. The Corporate Director Resources informed the Committee that best practice on the budget setting process was shared amongst the Society of Welsh Treasurers. She stated that the Council was the only one in Wales to have used an online budget simulator as part of the budget consultation process.

The Committee referred to the 14 MTFS principles and questioned officers on what it considered to be sufficient resources to be made available to deliver the Bridgend Change Programme. The Corporate Director Resources informed the Committee that as and when budget proposals are developed an allocation would be made to the Bridgend Change Programme which would be subject to Council approval as part of the budget setting process. She stated there is a separate earmarked reserve for the Change Programme to cover redundancy and to engage external consultants.

The Committee requested further detail on the reason for the additional £360k required to address existing problems which had emerged during the refurbishment of the Civic Offices and to meet essential safety requirements on Level 1. The Corporate Director Resources informed the Committee that in order to satisfy health and safety provision there was a need to install panic alarms and to provide interview rooms on Level 1. The Committee expressed concern at the possibility of an overspend on the MST project akin to the Porthcawl Harbour project. The Corporate Director Resources advised the Committee that while there had been an over spend on the Porthcawl Harbour project, the MST project had not because Council approval had been obtained for additional budget before the additional costs had been incurred. In response from a question from the Committee, the Corporate Director Resources stated that she would confirm the impact of the Maximising Space and Technology programme on the Evergreen Hall.

The Committee questioned whether £11m of capital receipts from the sale of school sites for match funding the 21st century schools programme was achievable. The Corporate Director Resources confirmed it was planned to raise £11m of capital receipts to match fund the 21st century schools programme and that the majority of capital receipts were planned to take place in 2016-17 and 2017-18. The Committee questioned whether all surplus school sites had been identified. The Cabinet Member Resources confirmed that all surplus school sites had been identified and that when the new school had been developed the Council would have 2 surplus school sites to be disposed of. The Corporate Director Resources informed the Committee that she would provide the Committee with a list of surplus school sites. The Committee questioned whether the Welsh Government funding for Prudential Borrowing would be available to the Council towards the 21st century schools programme under the Local Government Borrowing Initiative irrespective of which Council BCBC merged with. The Corporate Director Resources informed the Committee that funding would be available to the Council for the 21st century schools programme once it had signed off by the Welsh Government.

The Committee questioned the recurring budget pressure and loss of rent of £100k to the Council following the vacation of the Bryncethin accommodation by V2C. The Corporate Director Resources explained that the loss arose because V2C had vacated Bryncethin and the accommodation was not suitable for commercial letting.

The Committee requested an update on progress on the status of the cash collection and cash payment contracts and the re-negotiation of the banking contract. The Head of Finance and ICT informed the Committee that the banking contract was progressing with Barclays Bank who had been appointed following a competitive tender process. He stated that negotiations were continuing on the terms and conditions proposed by the supplier for the cash collection and cash payment service.

The Committee requested detail on the terms of the renegotiation of the Council's contribution to the Vale of Glamorgan Council for the Internal Audit service. The Corporate Director Resources informed the Committee that a £20k reduction had been agreed with the Vale of Glamorgan Council for the delivery of the Internal Audit service. There was the possibility of further collaboration by the Internal Audit service with other local authorities. The Committee requested clarification of the budget of £403k for the Internal Audit service. The Corporate Director Resources informed the Committee that the sum of £403k represented this Council's contribution to the Internal Audit service which was predicated on the number of hours agreed in the Business Plan.

The Committee referred to the review of the cleaning service which had won awards and questioned the reasons for the 82% reduction in budget. The Corporate Director Resources informed that the change in budget was misleading as it did not recognise the income generated by the service. She explained that the reduction would be delivered through a reduction in schools cleaning and the re-structuring of cleaning of staff.

The Committee questioned the reasons for some savings being achieved in the proposed CCTV collaboration with the Vale of Glamorgan. The Corporate Director Resources informed the Committee that savings of £60k were anticipated from the CCTV collaboration. She stated that the performance of the Telephone Contact Centre is strong despite sickness levels.

The Committee questioned the 10% reduction in budget to the voluntary sector and whether an assessment on the impact of the voluntary sector had been undertaken. The Corporate Director Resources informed the Committee those proposals for budget reductions had been developed and agreed by a project board comprising officers across the council as well as BAVO and Citizens Advice Bureau who represented the third sector. All services commissioned by the Council to the third sector had been reviewed where there is a service level agreement and contract in place. She stated that alongside the proposed reductions the Council was seeking to develop a more strategic approach to commissioning services from the third sector.

The Committee questioned the reason for some of the boxes in the savings proposals being blacked out. The Corporate Director Resources advised that they simply reflected that there was no individual budget associated with that budget reduction proposal and she gave the EDRM project as an example. She stated that the Council planned additional borrowing in relation to the use of prudential borrowing to finance minor capital works. The Corporate Director Resources undertook to provide the Committee with further information on the cost of rationalisation project management across the Council, which was complicated by the fact that it was held in different Departments. The Corporate Director Resources informed the Committee that there was no separate

schools budget for carbon reduction and that it had been delegated to schools to meet the requirement.

Conclusions

Additional Information

Members requested that they receive:

Further detail relating to £360,000 additional funding that has been required for the refurbishment of the Civic Offices.

A list of school and other sites, and their associated plans that are scheduled to be sold to partially match fund the School Modernisation Programme.

Comments

a) Members questioned the black boxes within the Proposals in Appendix B and asked that where possible the budget be identified, and if not, a reason be provided as to why this is the case.

b) Members expressed concerns over the reduction of funding to the voluntary sector and requested that they receive early sight of any Equality Impact Assessments carried out in relation to this reduction.

c) Members expressed concerns over the current underspend within the Legal and Regulatory Services (LARS) Directorate. The Committee commented that the underspend appeared disproportionate in relation to other directorates and that there appeared to be a significant amount of reliance from other directorates on this underspend in order for the overall Council's budget to balance for the year. The Committee further questioned whether the cuts within LARS were going too far, too soon and could affect minimum standards to clients.

d) Members felt that the Council's policy regarding carrying over budgets seemed unfair in that if directorates had an overspend, it was their responsibility and they had to carry it over to the following year, whereas if they had a fortuitous underspend, it was absorbed by the Corporate Centre.

e) Given the increased budget needed for the Civic Offices refurbishment this year, Members felt that the wording of the MTFs Principle 12: '*Sufficient resources are made available to deliver the Bridgend Change Programme*', was too open and implied a commitment regardless of cost implications. The Committee proposed that this be revised to read something similar to:

"Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review to maintain alignment with the MTFs."

Or

"Corporate Directors will budget accordingly in order to allocate suitable resources towards delivering the Bridgend Change Programme".

MTFS Consultation

- f) The Committee recognised and praised the efforts that had been put in to the six week consultation on the MTFS and understood the disappointment of Officers in relation to the small number of respondents.
- g) Members generally supported any improvements and investigation of best practice that were being looked into to encourage a greater engagement next year, such as emailing constituents.
- h) The Committee also suggested that an earlier start to this process might be better and also to avoid half term.
- i) Finally, Members commented that the budget simulator was not compatible with tablets and thus asked that this be fixed for any future engagement process.

132. COUNCIL'S PERFORMANCE AGAINST IT'S CORPORATE PLAN 2013-17

The Scrutiny Officer introduced a report which informed the Committee of the Resources Directorate Dashboard report which gave an overview of the Council's progress in delivering its commitments for 2014-15 and covered performance of services relevant to the Committee at the end of Quarter 2.

The Corporate Director Resources reported that the net revenue budget for the Directorate for 2014-15 is £16.622m and due to a change in CIPFA guidance where £325k of spend previously charged to the capital programme was no longer deemed eligible to spend had generated a net overspend for the Directorate. She stated that the net capital budget for the Resources Directorate for 2014/15 is £4.641m, with no slippage / underspends planned at this stage.

The Corporate Director Resources informed the Committee that of the nine performance indicators for the Directorate, four were green in status and 5 were shown as amber in status as at Quarter 2. She stated that the amount of sickness absence in the Directorate had improved slightly however there was concern over long term sickness which accounted for 805 of sickness and which was being managed actively by officers.

The Corporate Director Resources informed the Committee that Job Evaluation appeals continued to cause a pressure being time consuming and it was planned to have the appeals completed by the end of March 2015.

The Corporate Director Resources also informed the Committee of the high corporate risks which affect the Directorate namely, welfare reform; using resources effectively and equal pay claims.

The Committee questioned whether the status for performance indicator P6.2.2 should be green in status when refurbishment works to the Civic Offices had overspent requiring an additional £360k to be allocated to the budget. The Corporate Director Resources informed the Committee that from an efficiency process this performance indicator should remain as green in status as it measured progress against the business plan and did not relate to the budget for the scheme.

In response from a question from the Committee, the Corporate Director Resources stated that she would provide further detail on the sickness absence information as the figures presented per full time equivalent were not accurate.

Conclusion

The Committee continued to query the Green statuses for the Actions relating to the refurbishment of the Civic Offices under Improvement Priority Six given that an extra £360,000 has been required for this project. Members acknowledged that these statuses specifically referred to performance against the Business Plan, and therefore did not refer to the budget behind them. Members concluded that further information on the Capital Programme and Capital Budget was required within these performance reports in order that the full picture of progress and performance is presented and understood.

Additional Information

Members requested that they receive further detail in relation to the Additional Sickness Absence Information as the Committee were not clear how the figures presented in the report were calculated.

133. QUARTERLY BUDGET MONITORING

The Scrutiny Officer outlined the role of the Committee in relation to its consideration of monitoring financial performance.

The Committee questioned the projected underspend of £21k in Directorate budgets and whether the underspend of £429k in Legal and Regulatory Services would go into the corporate budget. The Corporate Director Resources informed the Committee that at the end of the financial year that neither underspends nor overspends were carried forward. She stated that the underspend in Legal and Regulatory Services was not planned. A case for the use of an underspend would need to be considered by the Corporate Management Board. The Committee considered that the underspend in Legal and Regulatory Services was similar to the underspend in the last year and whether the budget pressure put forward last year for possible litigation challenges as a result of the Public Law Outline had been utilised or whether it formed part of the underspend for LARS.

The Committee referred to the overspend in the Looked After Children budget and questioned whether the budget was sufficient when Looked After Children numbers had decreased. The Corporate Director Resources commented that the number Looked After Children had reduced and that adoption numbers had increased which would be the better outcome for the child and it would also reduce the costs to the Council if they remained looked after.

The Committee expressed concern and questioned the cost of using agency staff in Commissioning and Social Work. The Corporate Director Resources informed the Committee that she would provide the Committee with the cost of employing agency staff in social work. She stated that HR and the Children's Directorate were working to find a solution to avoid the use of agency staff in social work.

The Committee asked whether there is a plan to avoid an overspend in Learning Disabilities Homecare. The Corporate Director Resources informed the Committee the overspend in this service would be offset by underspends elsewhere in the Wellbeing Directorate.

The Committee questioned the savings proposal to review funding for the dementia liaison service. The Corporate Director Resources informed the Committee that the

savings proposal related to providing the service differently and in partnership with others.

The Committee questioned whether steps were being taken in respect of the savings proposals ASC17, ASC18 and COM1 which were shown as red. The Corporate Director Resources informed the Committee that proposal ASC17 was being resolved, COM1 was being procured and she would enquire as to the status of proposal ASC18 which would result in a saving of £100k through the better use of resources.

Conclusion

Referral to Children and Young People Overview and Scrutiny Committee

The Committee welcomed the increase in the number of adoptions, recognising that this supports the objective of providing children with stability and a permanent placement. This also reduces long term costs should these children have remained a Looked After Child. However, given the fact that this increase in adoptions means that Child and Family Services are already £190,000 overspend at the end of Quarter 2, Members queried whether the budget pressure of £54,000 identified for next year's budget is sufficient. The Committee requested that the CYP Scrutiny Committee examine this further to determine whether the budget set for Adoptions is correct and sufficient to meet the increasing demand.

The Committee expressed concern over the use and associated overspend on Agency staff within the Children's Directorate. Members requested that CYP Scrutiny Committee examine this further to determine what is being done to reduce the amount of Social Worker Agency staff.

Despite reassurances from Officers that the end of year budget would balance, Members expressed concerns given the fact that three out of the five directorates are projecting an overspend at year end and therefore placing all reliance on the LARS underspend in order to break even.

Additional Information

Members requested that they receive detail as to whether the budget pressure put forward last year of £220,000 for possible litigation challenges as a result of the Public Law Outline has been utilised or whether this forms part of the underspend for LARS.

The Committee requested that they receive further information on what the Dementia Liaison Service is, (identified in Appendix B, ASC8), with the view to possibly referring the subject to the Health and Wellbeing Overview and Scrutiny Committee.

134. **FORWARD WORK PROGRAMME UPDATE**

The Scrutiny Officer presented a report which detailed the items to be considered at the meeting on 19 January 2015 and sought confirmation of the information required for the meeting of the Committee on 26 February 2015.

Conclusion: The Committee noted the topics due to be considered at the meetings of 19 January and 26 February 2015.

135. **URGENT ITEMS**

There were no urgent items of business.

The meeting closed at 4.29 pm

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CORPORATE RESOURCES AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

26 FEBRUARY 2015

REPORT OF THE CORPORATE DIRECTOR REOURCES

BUILDING REFURBISHMENT AND CONSTRUCTION AND DESIGN MANAGEMENT

1. Purpose of Report

- 1.1. The purpose of this report is to provide members with an update on changes within the Built Environment Service.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.

- 2.1 Making the best use of resources and providing a more efficient, effective and commercially viable service to the Authority

3. Background.

- 3.1 A full review of the service was undertaken in early 2014 to determine the viability and value for money of the service. The process of challenge and review of the service entailed reviewing productivity of all involved in the design and construction process, the existing rates and charges, the administrative and financial processes and the time-recording processes. The review sought an in-depth understanding of the functions to allow a fully informed decision on whether to retain the in-house service fully, in part or to seek alternative providers. The review led to a number of changes to the service including a reduction in fee levels, remodelling planning and service delivery. These changes have been implemented in 2014-15 and have improved the quality and competitiveness of the service.
- 3.2 The total 2014-15 budget for the built environment function is £4.8M, but only £970K (20%) is financed from the net revenue budget and this relates to the Health and Safety, building surveying, mechanical & electrical maintenance and the Energy Teams. The rest of the budget is financed through three trading accounts (i.e. architects, quantity surveyors, design engineers; and the direct services. The trading account income comes from charging directorates for the work which the above services deliver. Directorates pay for these charges from a mixture of their capital and net revenue budgets and/or external grants.

4. Current Situation / proposal.

- 4.1 The review identified scope for improvement in three key aspects of the service: fees, workload management and productivity. A combination of measures described below has been developed to improve value for money and deliver required Medium Term Financial Strategy (MTFS) budget reductions.

Fees

- 4.2 In 2013-14 the hourly rate charged for the Architectural Service¹ was challenged. Following the review and taking account of new Chartered the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines on capital charges the hourly rate has been reduced by over 30% per hour in 2014-15. The in-house team is now more competitive and better value for money than an external company on the Welsh Government framework of suppliers. The reduction in the hourly rate has freed up capital funding that can be used to support other costs within the capital programme.
- 4.3 In addition to this saving, in instances when the service contracts out work it retains the role of Principal Contractor, employing sub-contractors directly and avoiding additional costs for every contract let. Appendix A explains this pictorially. In 2014-15 if external Principal Contractor services had been procured externally for all the projects undertaken this year the Council would have had to spend an additional 10% on fees and charges.

Workload

- 4.4 To generate enough income to cover costs the Architectural Service needs to be able to service projects with a total annual cost of around £7 million. In 2014-15 all Directorates have been required to direct all capital and repair and maintenance works through the Built Environment Service so that the resources and skills within the service can be used to maximum effect (this is the same as the arrangement for legal services within the Council). In the current financial year the service is supporting projects totalling nearly £7.5 million. Assuming Directorates continue to adopt this approach the forecast workload associated with the schools' modernisation programme alone indicates that the service's workbook will be sufficient to make it viable for at least the next five years before considering other capital projects and feasibility works to be undertaken.
- 4.5 In contrast the workload of the direct services has dropped considerably in recent years resulting in opportunities to make significant productivity gains in this area.

¹ Architectural Service comprises architecture, M & E engineering and quantity surveying services involved in the design and construction of projects.

Staffing restructure

- 4.6 To deliver the MTFs budget reduction requirement in 2015-16 a staff restructure consultation is currently underway covering the whole Built Environment Service. Subject to the outcome of the consultation, there will be staff reductions across the service and in the direct services the proposed structure recognises that the workload has decreased over recent years and is designed to reflect troughs in workload with the peaks being delivered by external Small and Medium-sized Enterprises (SME) contractors managed by the in house service. This will allow a robust process for the management of contractors while ensuring that the in-house operatives remain fully productive at all times.

Impact of changes

- 4.7 As part of the MTFs the Built Environment Service is seeking to deliver staff budget reductions of £428,000 over the next four years - £148,000 in 2015-16 and a further £280,000 in the following three years.
- 4.8 The overall effect of the measures that have been taken in 2014-15 is a cost reduction for the whole service of £384,000. In 2015-16 the staff restructure is expected to deliver a £106,000 reduction to the net revenue budget through staff changes in the teams funded from the net revenue budget. The remaining £278,000 represents the expected reduction in charges to directorates as a consequence of the improved productivity of the service. However as explained above these charges are funded from a number of sources (capital, revenue and grants) which can vary from project to project and year to year. It will also vary depending on whether external SME contractors are required in the direct services to meet peaks in workload. An analysis of the trading accounts' income in 2013-14 shows that 70% was attributable to revenue and 30% attributable to capital recharges so it could be assumed that 70% of the trading account cost reduction (£195,000) could be top sliced from directorate revenue budgets for repair and maintenance. However, this is too simplistic as some of the income came from external grants and the recent publication of new CIPFA capital guidelines has led to the council having to charge to the net revenue budget certain expenditure items that were previously charged to the capital programme.
- 4.9 The next stage is therefore to develop a fair methodology to allow the full efficiency savings to be applied to future years' directorate budgets to enable the Built Environment MTFs staff budget reduction proposals to be achieved. In the meantime given the scale of the expected reduction in charges in 2015-16, it is reasonable to top slice the residual Built Environment budget reduction for 2015-16 (i.e. £42,000) from directorate revenue repairs and maintenance budgets, leaving the majority of the expected cost reduction benefit to be retained by directorates until 2016-17 when the methodology will be in place.

Conclusion and next steps

- 4.10 A combination of the staff restructures, changes to workload and planning processes and a significant reduction in fees is set to make the Built Environment Service a robust and competitive service that will serve the rest of the Council well over the coming years. The changes are also set to deliver big cost reductions which will support the MTFS.
- 4.11 The service is already delivering benefits in terms of fee reductions and there have been plaudits from the Childrens Directorate on the delivery of the Pen-y Fai school model. It is the intention to replicate that model on other schemes within the schools' modernisation programme which would allow the Council to avoid around £750,000 fees that would otherwise have been lost to the private sector. In addition the in-house service, which has the sole interest of the Council in any decisions made, is developing a Bridgend model for any new build schools and has a unique design service that allows us to provide the best value for money for the Council.
- 4.12 The future year MTFS budget reduction proposals are currently in development taking account of what is already being achieved and the limited scope for making further reductions to the part of the service funded by the net revenue budget. A separate exercise is also underway to consider how full cost recovery to schools could be introduced as currently a percentage of their repairs and maintenance costs are met corporately, the level of which is to be determined through this process. Future developments will also include consideration of bidding for work from other public sector organisations.

5. Effect upon Policy Framework and Procedure Rules.

- 5.1 None

6. Equality Impact Assessment

- 6.1 Not required.

7. Financial Implications

- 7.1 As outlined in the report

8. Recommendation

- 8.1 That the Corporate Resources and Improvement Overview and Scrutiny Committee accept the proposals and changes as set out in this report.

Ness Young
Corporate Director - Resources

Contact Officer: Mark Evans
Telephone: 01656 642827
Email: mark.evans@bridgend.gov.uk
Postal Address: Waterton Lane
Waterton
Bridgend

Background Documents:
None

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Construction Contract Charging Model (Example £1m contract)

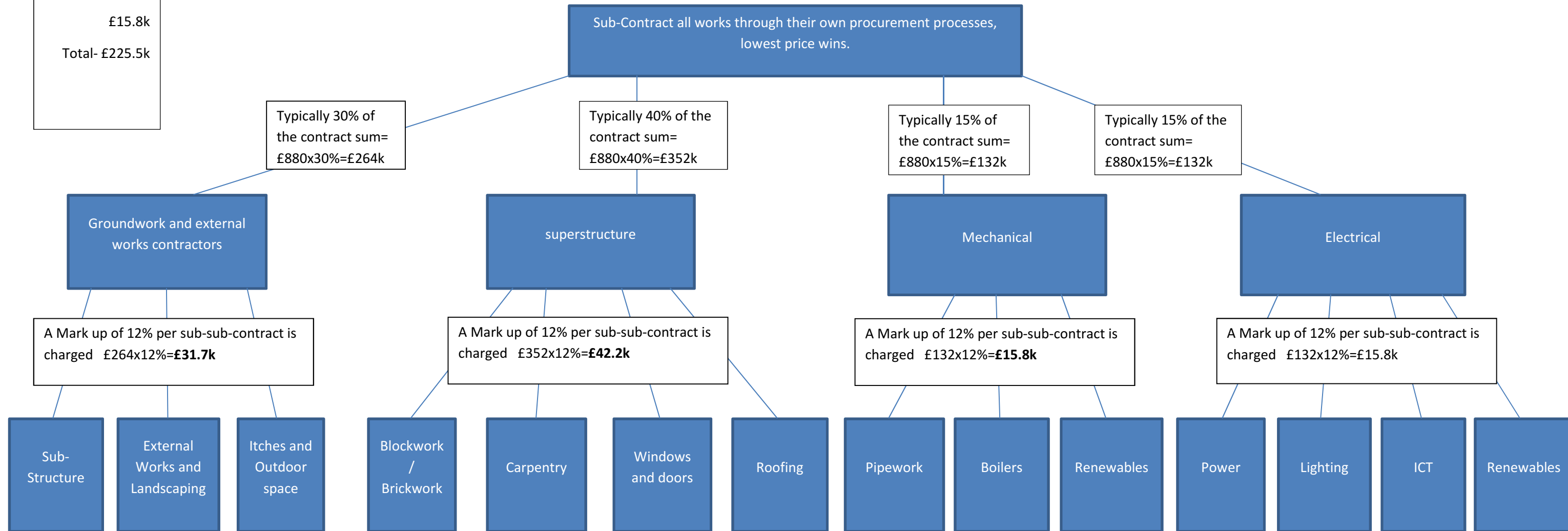
External Contractor (enabling)

Contract Start £1m

Management fee of 12% of the overall contract **£120k** (Remaining £880k)

(for management arrangements attendance on site and direct administration)

Total percentage charged to P&A=
 £120k
 £31.7k
 £42.2k
 £15.8k
 £15.8k
 Total- £225.5k



On each occasion a contract is sub contracted the parent contractor takes 12% for the management, attendance and direct administration of that contractor. In this model the amount of money that is lost on a £1m project would typically be in the region of £225k. In addition this process is out of the control of the LA and does not necessarily support good procurement practice and encouragement/support of the local SME's. The sub-sub-contractor is the one that suffers having to burden the costs in the procurement chain above them. The amount of money spent on actual labour and materials is approx. 77% of the total project budget.

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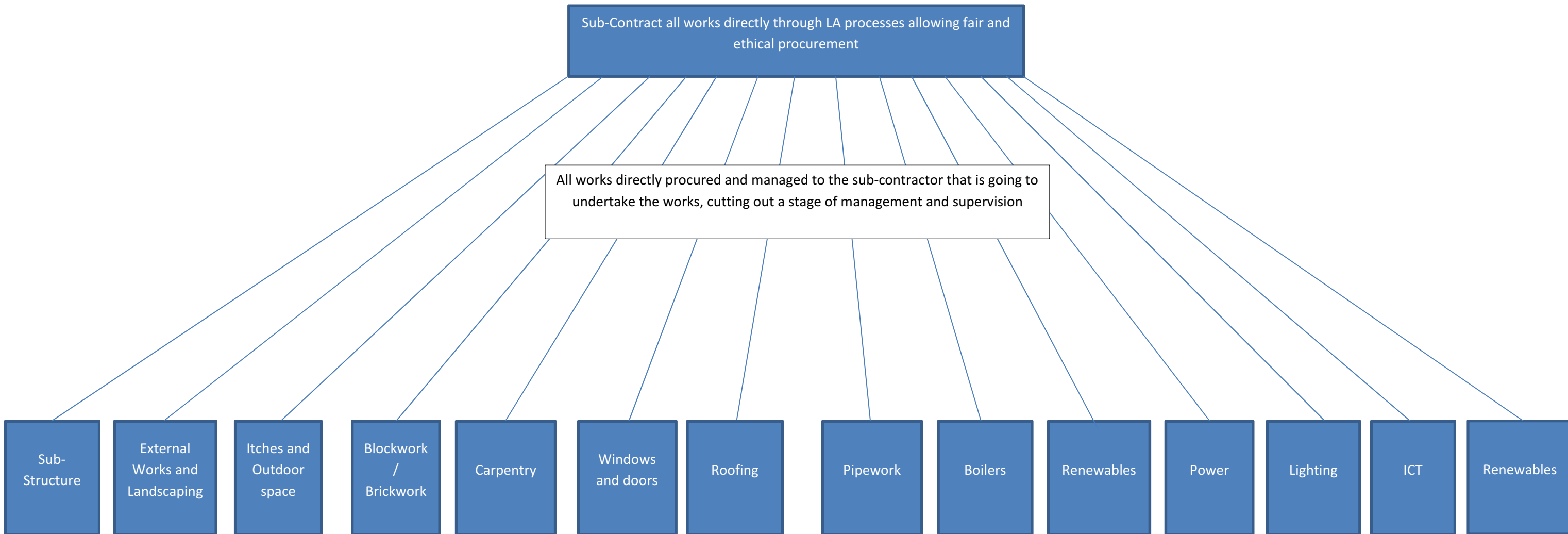
Construction Contract Charging Model (Example £1m contract)

In-House Built Environment Contract

Contract Start £1m

Management fee of 12% of the overall contract **£120k** (Remaining £880k)

(for management arrangements attendance on site and direct administration retained in-house)



On each occasion a contract is sub contracted the parent contractor takes 12% for the management, attendance and direct administration of that contractor. In this model the in-house contractor procures the work directly with the contractor that is to undertake the works and the amount of money that is spent on P&A on a £1m project would typically be in the region of £120k. In addition this process is within control of the LA and does support good procurement practice and encouragement/support of the local SME's. The amount of money spent on actual labour and materials is approx. 88% of the total project budget. Any surplus that remains at year end will go to support future projects within the authority.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

3 FEBRUARY 2015

CORPORATE DIRECTOR RESOURCES

BUDGET MONITORING – QUARTER 3 2014-15

1. Purpose of this report

- 1.1 The purpose of this report is to provide Cabinet with an update on the Council's financial position as at 31 December 2014.

2. Connections to Corporate Improvement Objectives and Other Corporate Priorities

- 2.1 The budget monitoring report provides an overview of the current financial position and projected outturn for the year against the budget approved by Council. The allocation of budget determines the extent to which the corporate improvement objectives can be delivered.

3. Background

- 3.1 On 19 February 2014, Council approved a net revenue budget of £255.131 million for 2014-15, along with a capital programme for the year of £32.060 million, which was revised in December to £31.350 million. As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The delivery of agreed budget savings is also kept under review and reported to Cabinet as part of this process.

4.0 Current Situation / Proposal

Revenue Budget Monitoring

4.1 Summary financial position at 31 December 2014.

- 4.1.1 The Council's net revenue budget and projected outturn for 2014-15 is shown in the table below.

Table 1- Comparison of budget against projected outturn at 31 December 2014

Directorate/Divisions	Budget 2014-15 £'000	Projected Outturn 2014-15 £'000	Projected Over / (Under) Spend Qtr 3 2014-15 £'000	Projected Over / (Under) Spend Qtr 2 2014-15 £'000
Directorate				
Children	125,109	125,109	0	0
Wellbeing	43,416	43,513	97	147
Communities	26,570	26,656	86	179
Resources	14,973	14,983	10	82
Legal & Regulatory Services	6,532	6,042	(490)	(429)
Total Directorate Budgets	216,600	216,303	(297)	(21)
Council Wide Budgets	38,531	38,531	0	0
Total	255,131	254,834	(297)	(21)

- 4.1.2 The projected Directorate underspend is £297,000 as at the end of December 2014. This is mainly due to the significant underspend in Legal and Regulatory Services, but the overall figure masks a number of in year budget pressures in Safeguarding and Family Support and Adult Social Care, over and above the additional recurrent funding that was allocated to these areas in the 2014-15 budget.
- 4.1.3 The outturn assumes full implementation of the current year budget reduction requirements across the Council's budget which amount to £11.274 million. Where proposals to meet this requirement have been delayed or are not achievable directorates have met their requirements using other measures such as vacancy management.
- 4.1.4 In December 2014 Cabinet approved for consultation the draft Medium Term Financial Strategy (MTFS) for 2015-16 to 2018-19. This identified the need to develop recurrent budget reduction proposals amounting to around £48.8 million over the next four years - £11.225 million in 2015-16. Against that background it is essential that expenditure is kept within the overall approved budget and that longer term proposals continue to be developed so that the Council has as much flexibility as possible to meet the challenges which lie ahead.
- 4.1.5 In line with the report to Cabinet on the MTFS, and the Council's Financial Procedure Rules, any planned over or underspends by directorates will be carried forward into the following year. Corporate Management Board are in the process of considering any requests for planned carry forward of underspends. Fortuitous underspends or unplanned overspends will not be carried forward. However, a decision will not be made until towards the end of the financial year when the overall outturn position is more definite.

4.1.6 Budget Reduction Proposals Monitoring

The budget approved for 2014-15 included budget reduction proposals of £11.274 million, which is broken down in Appendix 1 and summarised with a RAG status in the table below. In comparison, the budget reduction requirement for 2013-14 was

£3.706 million and at quarter 3, 90% of the proposals were green, 5% amber and 5% red. Whilst the proportions are similar due to the significantly increased level of savings for 2014-15 the risk of non-achievement and potential overspend is significantly greater.

	Red		Amber		Green		Total
	£'000	%	£'000	%	£'000	%	£'000
Children's	0	0	0	0	3,048	100.0	3,048
Wellbeing	50	1.4	1,379	39.4	2,071	59.2	3,500
Communities	372	20.2	75	4.1	1,396	75.7	1,843
Resources	0	0	0	0	1,374	100	1,374
LARS	0	0	0	0	474	100	474
Corporate	0	0	35	3.4	1,000	96.6	1,035
Total	422	3.7	1,489	13.2	9,363	83.1	11,274

Three of the proposals are currently RED, totalling £422,000. Two are in Communities Directorate (total £372,000) and relate to the shortfall in identifying additional savings to replace the original MREC savings proposal (£272,000), and the Anaerobic Digestion collaboration (£100,000) due to continued delays; the other is in relation to reducing the costs of sickness in the Wellbeing Directorate and totals £50,000.

In the last Cabinet budget monitoring report (November 2014) the £780,000 relating to the MREC procurement was shown as RED. £508,000 worth of alternative recurrent proposals have been planned to offset this resulting in a GREEN RAG status. The £272,000 shortfall has been added to the savings target for the Directorate for 2015-16 and in the interim has been funded corporately for 2014-15 only. For this reason £272,000 still has a red RAG status, but it is expected to be delivered in full in 2015-16. In addition the proposal associated with a shared CCTV facility was previously marked as RED but this has now been implemented and while the budget savings will not be realised until 2015-16 in-year savings within Customer Services have been found to meet the 2014-15 shortfall. This proposal has therefore now been given a GREEN status.

Eight of the savings proposals are AMBER, totalling £1.489 million. The most significant are:

- Implementation of the new Assessment Framework, £152,000 – a new framework is expected to be in place by April 2015;
- Residential resettlement, £350,000 – there has been a delay in the two schemes by approximately 7 and 11 months, which will delay the savings in 2014-15, but they should be fully achieved in 2015-16;
- Maximisation of use of residential provision, £300,000 – may not be achieved in full so alternative proposals will be developed as appropriate; and
- Implementation of 7.5% reduction across Adult Social Care services, £500,000 – currently £80,000 has not been allocated to services and the directorate is continuing to seek efficiencies to meet this.

Directors continue to work with their staff to deliver their proposals or alternatives and this is reflected in the forecast outturn for the year.

4.1.7 A summary of the financial position for each main service area is attached as Appendix 2 to this report and comments on the most significant variances are provided in section 4.2 below.

4.2 Commentary on the financial position as at 31 December 2014.

4.2.1 Children's Directorate

The net budget for the Directorate for 2014-15 is £125.109 million. At this point in the year a transfer of £208,000 has been made from the LAC earmarked reserve to meet pressures on that budget as the Directorate did not have resources elsewhere in its budget to offset this pressure in full. Taking account of the reserve the directorate budget is currently projected to breakeven despite a number of significant budget variances including:

CHILDREN'S DIRECTORATE	Net Budget £'000	Outturn £'000	Variance Over/(under) budget £'000	% Variance
Schools Special Needs	2,529	2,325	(204)	-8.1%
Catering Services	880	705	(175)	-19.9%
Integrated Working	561	447	(114)	-20.3%
Looked After Children	11,154	11,384	230	2.1%
Other Child and Family Services	767	975	208	27.1%
Commissioning and Social Work	4,265	4,605	340	8.0%

School Special Needs

- There is a projected underspend of £204,000 in relation to support for special educational needs services for schools because the service has recently been restructured to deliver 2015-16 budget reduction proposals. As such the underspend is not expected to recur in 2015-16.

Catering Services

- The catering service is projecting an underspend of £175,000 as a result of lower sickness levels than expected, and consequently, lower spend on staff cover than budgeted for. The service is required to meet a £200,000 budget reduction in 2015-16.

Integrated Working

- The Integrated Working team, which comprises family support services, integrated family support services and connecting families, is projecting an underspend of £114,000 due to a number of vacant posts being held pending a restructure of the service. Again this is not expected to recur in future years.

Looked After Children

- LAC numbers have decreased from 412 as at 1 April 2014 to 399 as at the end of December. However, the Director is still projecting an overspend of £438,000 against budget due to a higher than expected cost of out of county placements (£221,000) and the need to pay resolutions' carers a protected rate until 31 March 2015 following the disbanding of the joint Resolutions Fostering Service and the transfer of the carers to the in-house team (£211,000). However, the forecast overspend has been reduced to a net position of £230,000 following a transfer from the LAC reserve of £208,000. On the assumption that the LAC strategy will deliver as planned an overspend is not expected to recur in 2015-16.

Other Child and Family Services

- The Directorate has been actively seeking to increase the number of adoptions this year because they provide a more permanent solution for children as well as reducing the number of LAC. The service was aiming to deliver 15 adoptions in the current financial year, but as at 31 December 21 children have been successfully placed and 6 more are expected to be placed by the year end. This, plus increased fees for independent agency placements, is anticipated to create a £208,000 overspend by year end. From 1 April the Council will be part of the regional adoption service and a recurrent overspend is not anticipated in 2015-16.

Commissioning and Social Work

- The projected overspend of £340,000 on this budget relates to the additional costs arising from the need to employ agency social workers across the service. The use of agency staff has declined from 9 at the end of September 2014 to 5 as at 17 January and the Directorate is working closely with HR to recruit permanent social workers. Assuming that posts can be filled by non-agency staff there is an expectation that an overspend will not recur in 2015-16.

4.2.2 Wellbeing Directorate

The Directorate's net budget for 2014-15 is £43.416 million. Current projections indicate an overspend of £97,000 at year end. The main variances are:

WELLBEING DIRECTORATE	Net Budget £'000	Outturn £'000	Variance Over/(under) budget £'000	% Variance
Older People Residential Care	8,236	8,366	130	1.6%
Older People Home Care	8,182	7,726	(456)	-5.6%
Learning Disabilities Residential Care	1,990	2,121	131	6.6%
Learning Disabilities Home Care	4,471	4,755	284	6.4%

Older People Residential Care

- There is a projected overspend of £130,000 as a result of sickness within Local Authority homes (£60,000) and a reduction in anticipated residential fees income (£70,000). The Directorate has seen a projected overall increase in sickness from 2013-14, which has meant that the savings target for 2014-15 has not been achieved. The directorate is working closely with

the HR department to monitor and manage sickness rigorously with a view to achieving the budget reductions in this area in 2015-16.

Older People Home Care

- There is a projected net underspend of £456,000 on older people home care due to an anticipated increase in client contributions arising from the increase in Fairer Charging Cap from £50 to £55 (£139,000) and an overall increase in income year-on-year above anticipated levels. This is currently projected to be £450,000, but is partially offset by an increase in homecare costs both in-house and in the independent sector (£118,000). The 2014-15 MTFS included the generation of additional income of £320,000 as a result of implementing a change to the Bridgend Fairer Charging Policy. However the actual additional income is projected to be in excess of this and this is anticipated to be recurrent in 2015-16, and will contribute towards the MTFS savings for 2015-16. There is provision within the MTFS for 2015-16 for anticipated demographic increases to meet the increasing demand for the service.

Learning Disabilities Residential Care

- A projected overspend of £131,000 is likely due to delays in implementing the £350,000 budget reduction proposal in respect of residential resettlement which was due to be implemented from April 2014. One hostel closed in October and the other is likely to close towards the end of the financial year. As such the overspend will not recur in 2015-16.

Learning Disabilities Homecare

- An overspend of £284,000 is projected in relation to learning disabilities home care as a result of increased needs and additional support for a number of service users. Provision has been made for this pressure in the 2015-16 MTFS.

4.2.3 Communities Directorate

The net budget for the Directorate for 2014-15 is £26.570 million and current projections anticipate an overspend against this budget of £86,000. The main variances are:

COMMUNITIES DIRECTORATE	Net Budget £'000	Outturn £'000	Variance Over/(under) budget £'000	% Variance
Regeneration Projects	1,887	1,767	(120)	-6.4%
Waste Collection and Disposal	6,501	6,721	220	3.4%
Engineering Services	(126)	-	126	-100.0%
Arts and Entertainment	842	774	(68)	-8.1%

Regeneration Projects

- There is a projected underspend of £120,000 in relation to regeneration projects arising from staff vacancies which will be used to meet 2015-16 budget reduction proposals. This underspend will not be recurrent.

Waste Collection and Disposal

- There is a projected overspend of £220,000 in relation to increased waste tonnage being disposed of at the MREC (£90,000), increased costs for disposal of street sweepings due to new legislative requirements (£30,000), and delays in the Anaerobic Digestion project (£100,000), for which there was an agreed saving of £100,000 in the MTFs for 2014-15. One-off growth (£135,000) has been allocated through the MTFs for 2015-16 in respect of increased tonnage at the MREC whilst the procurement exercise with NPTCBC progresses.
- In relation to the AD project, discussions are still on-going with the Hub and Welsh Government to determine a suitable option going forward. Should the project be delayed into 2015-16 the directorate will find suitable offsetting savings to mitigate the potential overspend. Finally, a review of the disposal of street sweepings has been undertaken by the service area and a balanced budget is anticipated in 2015-16.

Engineering Services

- There is a projected overspend of £126,000 arising from an inability to meet historical income targets following receipt of new guidance on capital charging. This is recognised as a budget pressure in future years so the overspend will not recur in the future.

Arts and Entertainment

- There is a projected underspend across the service of £68,000 arising from staff vacancies in arts development and service management which will be used to meet 2015-16 budget reduction proposals. This underspend will not be recurrent.

4.2.4 Resources

The net budget for the Directorate for 2014-15 is £14.973 million and current projections anticipate an overspend against this budget of £10,000. The main variances are:

RESOURCES DIRECTORATE	Net Budget £'000	Outturn £'000	Variance Over/(under) budget £'000	% Variance
HR & Organisational Development	2,332	2,169	(163)	-7.0%
Architects	(102)	2	104	-102.0%

HR and Organisational Development

- The projected underspend of £163,000 is due to vacancies held across the service in anticipation of delivering budget reduction proposals in the MTFs. As such the forecast underspend is not expected to recur in 2015-16.

Architects

- There is a projected net overspend of £104,000 for the service, arising as a result of an inability to meet historical income targets following receipt of new guidance on capital accounting. £268,000 of spend previously charged to the capital programme is now no longer deemed to be eligible and so must score against the revenue budget. It has been recognised as a budget pressure in the

draft MTFS for 2015-16. In 2014-15 this has been partly offset by staff vacancies, resulting in the net overspend of £104,000.

4.2.5 Legal and Regulatory Services

The projected overall underspend on this service is £490,000. £440,000 is due to a restructure of the department in anticipation of delivering the budget reduction proposals for 2015-16, including the proposed regulatory services collaboration. The remaining £50,000 is anticipated to result from an increase in income generated from registration fees, licensing and land charges.

4.2.6 Council wide budgets

Council wide budgets include £10.5 million for the financing of debt repayments and interest and £7 million for precepts along with centrally held contingencies and provisions to meet the costs of the proposed pay award, building related costs and the Council Tax Reduction Scheme (£13.8 million). At this point in the financial year it is prudent to assume that these budgets will be fully spent by year end.

4.2.7 Capital programme monitoring

This section of the report provides Members with an update of the Council's capital programme for 2014-15. The original budget approved by Council on 19 February 2014 was revised and approved by Council in July and then again in December 2014 to incorporate budgets carried forward from 2013-14 and any new schemes and grant approvals. The revised programme totalled £31.350 million. The current capital programme budget for 2014-15 currently totals £31.372 million of which £21.860 million is BCBC resources with the remaining £9.512 million coming from external grants. The main reasons for the difference between the December programme and the current programme are:

- Additional funding of £137,000 from earmarked reserves to meet the final settlement on Bridgend Day Centre;
- Additional European funding of £148,000 on the South East Wales Local Investment Project following extension of the project until June 2015;
- Funding of £170,000 from the Coychurch Crematorium Joint Committee to meet the cost of new cremators.
- Additional funding approved of £449,000 for transport related schemes e.g. safe routes to schools.

Appendix 3 provides details of the larger schemes within the capital programme, showing the budget available in 2014-15 compared to the projected spend. Commentary is provided detailing any issues associated with these projects.

As at quarter 3 there is projected slippage against the revised budget of £303,000 which will be carried forward into 2015-16. This relates to:

- Children's capital minor works of £60,000 carried forward into 2015-16 due to the potential of obtaining external funding for the scheme.
- Rhiw Gateway Vibrant and Viable Places, potential slippage of £183,000 on the project due to late approval from Welsh Government.

- £60,000 slippage in implementing residents parking in Bridgend due to need to undertake consultation.

At this point in the financial year, and following discussions with directorates, it is assumed that all other projects will be in line with the revised budget as set out in Appendix 3. However, this will depend upon any inclement weather experienced during the last quarter, which may place additional pressure on project timescales.

5.0 Effect upon policy framework & procedural rules

- 5.1 As required by section 3 (budgetary control) of the Financial Procedure Rules; Chief Officers in consultation with the appropriate Cabinet Member are expected to manage their services within the approved cash limited budget and to provide the Chief Finance Officer with such information as is required to facilitate and monitor budgetary control.

6.0 Equality Impact Assessment

- 6.1 There are no implications in this report.

7.0 Financial implications

- 7.1 These are reflected in the body of the report.

8.0 Recommendations

Cabinet is requested to note the projected revenue and capital outturn position for 2014-15.

Ness Young
Corporate Director Resources
January 2015

Contact Officer

Deborah Exton – Group Manager – Financial Planning and Budget Management ext 3604

e-mail: deborah.exton@bridgend.gov.uk

Background Papers

Individual Directorate Monitoring Reports

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Page 31	Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
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CHILDREN & SCHOOL BUDGETS

CH2	Wise	BUR	Staff Restructure Strategic Partnerships and Commissioning	85	
CH3	Healthy	CST	Youth Offending Service Collaboration	77	
CH4	Corporate Business		Re-tender Learner Transport contracts	250	
CH5	Corporate Business	MSR	Rationalise Special Education Needs transport	200	
CH9	Wise	BUR	Progress School modernisation programme which includes rationalisation of nursery provision	80	
CH10	Healthy and Wise	PC	Reductions to various adoption allowances and reduced expenditure on looked after Children (LAC) and Children in Need (CIN)	60	
CH12	Healthy	PC	Review xmas, birthday and holiday fostering allowances and reduce in line with the WG recommended national minimum maintenance allowance.	64	
CH15	Healthy	PC	Revision of payments to foster carers removing payments when Looked After Children in respite care.	60	
CH16	Healthy & Wise	MSR	Reduction catering service budget	140	

Page 32 Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
CH17	Corporate Business	BUR	Reduce premises costs for Additional Learning Needs services	20	
CH18	Wise	MSR	Cease Duke of Edinburgh Scheme	10	
CH19	Wise	PC	Youth orchestras to be fully self financing. This will include a review of the provision of Orchestra courses	27	
CH20	Wise	MSR	Reduce 'early years' budget and increase recharges to schools for governing body and caretaking support.	20	
CH21	Corporate Business	BUR	Staff Restructures - Business Support functions	325	
CH22	Healthy & Wise	BUR	Staff Restructures - Access team and review of statementing	89	
CH23	Corporate Business	BUR	Reduce non staff budgets across directorate	185	
CH24	Healthy & Wise	BUR	Staff Restructure - Inclusion and Additional Learning Needs	410	
CH25	Healthy & Wise	BUR	Restructure Senior Leadership - Childrens Directorate	450	
CH26	Wise	BUR	Youth Service Restructure	310	
CH27	Corporate Business	BUR	Review Children & Young Persons Partnership (CYPP) Funding	70	
SCH1		MSR	Falling School Roles 2014-15	116	

Page 33	Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
				Total Savings Identified	3,048	

WELLBEING

ASC1	Healthy & Wise	CST	Transfer of 2,132 local authority provided homecare hours to the independent sector	164	
ASC2	Healthy & Wise	CST	Support increased independence through enablement and progression in Learning Disability services	100	
ASC3	Healthy & Wise	PC	Develop new assessment framework based on need.	152	
ASC4	Healthy & Wise	PC	Review criteria for Fairer Charging disregards in relation to charging for care	320	
ASC5	Healthy & Wise	BUR	Consolidation of Adult Day Services premises	80	
ASC6	Healthy & Wise	BUR	Service Efficiencies: Wood-B and B-Leaf	20	
ASC8	Healthy & Wise	CST	Review of funding for dementia liaison service	45	
ASC9	Healthy & Wise	BUR	Additional vacancy management measures across Adult Social Care	97	

Page 34 Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
ASC10	Healthy & Wise	BUR	Management, Admin and Training Implement measures to achieve 6%, 7% and 5% across the 3 years	184	
ASC11	Healthy & Wise	CST	Reprovision and remodelling of Shared Lives	165	
ASC12	Healthy & Wise	MSR	Reduction in Service central costs as part of the efficiencies agenda	110	
ASC13	Healthy & Wise	MSR	Reduction in sickness across services	50	
ASC14	Healthy & Wise	BUR	Review Social Services Complaints function and current arrangements for Social Care Workforce Development Programmes	50	
ASC15	Healthy & Wise	CST	Implement next phase of Residential Resettlement into Community settings	350	
ASC16	Healthy & Wise	BUR	Re-commission existing in-house Supported Living service from independent sector	75	
ASC17	Healthy & Wise	MSR	Review CHC-eligible cases to secure appropriate contribution to packages of care	237	
ASC18	Healthy & Wise	BUR	Develop income stream for specialist Mental Health placements at Glyn Cynffig	100	
ASC19	Healthy & Wise	BUR	Maximise effective use of Residential provision to reduce overall unit cost	300	
ASC20	Healthy & Wise	MSR	Implement a 7.5% reduction across service delivery budgets	500	

Page 35	Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
	HL1	Healthy	CST	Transfer leisure centres and swimming pools to a partner organisation - continuation of previous savings identified	401	
				Total Savings Identified	3,500	

COMMUNITIES

COM1	Corporate Business	BUR	Negotiate with NPTCBC for further reductions in waste disposal costs at the MREC as our use of the facility reduces - shortfall in alternative savings proposals submitted - rolled forward to 2015-16.	272	
COM2	Corporate Business	BUR	Increased generation of fee income within Housing & Community Regeneration for management costs from grant funded projects	50	
COM3	Corporate Business	MSR	Extend part night switch off of street lights to over 30mph and rural roads	100	
COM4	Place	MSR	Review of supported bus services	50	
COM5	Place	CST	Savings anticipated on food waste disposal following procurement of regional anaerobic digestion facility	100	
COM6	Wealthy	BUR	Reduce net running costs of Bridgend Bus Station by reviewing service provision	60	
COM7	Place	BUR	Review staffing structures within the Communities Directorate to identify savings	366	

Page 36 Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
COM8	Place	BUR	Increased generation of fee income within Streetscene relating to charging for collection of bulky waste items	180	
COM9	Place	BUR	Review of Other Cleaning Service	200	
COM14	Corporate Business	BUR	Review of Highways maintenance/DLO Services	75	
NEW	Place	BUR	Closure of Household Waste Recycling Centre	75	
NEW	Place	OBAU	Review of Public conveniences	50	
NEW	Place	OBAU	Savings on Traffic Signals Contract	25	
NEW	Place	OBAU	Savings from review of overtime arrangements within Streetscene	75	
NEW	Place	OBAU	Review of pre-application fee charges	5	
NEW	Place	OBAU	Income generation from design checks	10	
NEW	Place	OBAU	Increased advertisement of recycled material	10	
NEW	Place	OBAU	Review of shift patterns within Highways Services	10	
NEW	Place	OBAU	Improvement to council vehicle damage costs	5	
NEW	Place	OBAU	Review of winter maintenance response	10	
HL2	Healthy & Wise	CST	Implementation of recommendations from the Library Review	100	
HL3	Corporate Business	BUR	Reduction in staffing budgets.	15	
			Total Savings Identified	1,843	

Page 37	Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
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RESOURCES

RES1	Corporate Business	BUR	Staffing restructures in Finance and Performance/Vacancy Management	333	
RES2	Corporate Business	BUR	Re-negotiate banking contract, cash collection and cash payment contracts.	15	
RES3	Corporate Business	BUR	Reduction in Empty Rate Charge on completion of sale of Ogmores Residential Centre	45	
RES4	Corporate Business	BUR	Agreed reduction in external audit fees with Wales Audit Office	30	
RES6	Corporate Business	BUR	Reduce internal printing costs resulting from the implementation of the Print Strategy initiative.	125	
RES7	Corporate Business	BUR	Staffing Restructure - Built Environment	70	
RES9	Corporate Business	BUR	Reduction in postage costs achieved via the introduction of a remote mail printing service and "Hybrid Mail" .	45	
RES10	Corporate Business	CST	Review of Customer services operations	75	
RES11	Corporate Business	BUR	Administration Reviews - Property and Building Maintenance	50	

Page 38 Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
RES12	Corporate Business	BUR	Rationalisation of software applications and licenses and review of outsourced arrangements	122	
RES13	Corporate Business	BUR	Increase estate income - Industrial units	20	
RES14	Corporate Business	BUR	Staffing Restructures - Human Resources and Organisational Development	120	
RES15	Corporate Business	BUR	Reduce overtime payments	10	
RES16	Corporate Business	BUR	Staffing Restructure - ICT service	50	
RES17	Corporate Business	BUR	Increase Building Cleaning Services income target through more efficient ways of working	100	
RES18	Corporate Business	BUR	Staffing Restructures Property and Built Environment	50	
RES19	Corporate Business	CST	Renegotiated Internal Audit Partnership contributions to Vale of Glamorgan Council	20	
RES20	Corporate Business	BUR	Reduction in Self Insurance Fund Contribution	70	
RES23	Corporate Business	BUR	Reduction in WLGA & LGA subscriptions	3	

Page 39	Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
	RES25	Corporate Business	BUR	Reduce County bulletin from 3 to 2 editions and change to electronic circulation of "bridgenders". Also Electronic County Bulletin only from 2016-17	21	
				Total Savings Identified	1,374	

LEGAL & REGULATORY SERVICES

LRS1	Wealthy / Healthy	BUR	Vacancy Management/Restructure	169	
LRS2	Corporate Business	BUR	Vacancy Management/Restructure	169	
LRS3	Corporate Business	BUR	Increased Income - Legal & Regulatory Services	30	
LRS4	Corporate Business	BUR	Reduction in non pay budgets throughout Legal & Regulatory Services	81	
RES8	Corporate Business	BUR	Staffing Restructure -Procurement	25	
			Total Savings Identified	474	

CORPORATE / COUNCIL WIDE

CS1	Corporate Business	BUR	Rationalise and reduce voluntary sector funding by 10%	150	
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Page 40	Ref.	Links to Population Outcome	Categories	Savings Proposals	2014-15 Saving £000	Current RAG Status
	CS3	Corporate Business	BUR	Use of prudential borrowing to finance minor capital works	50	
	CS5	Corporate Business	BUR	Review capital financing budgets	200	
	CS6	Corporate Business	BUR	Reduce postage costs through restricting use of first class mail and remove water coolers	35	
	CS7	Corporate Business	BUR	Reduce provision for non pay inflation and auto enrolment	600	
				Total Savings Identified	1,035	
				GRAND TOTAL SAVINGS	11,274	

BRIDGEND C.B.C	Budget 2014-15			Projected Outturn £,000	Projected Variance Over/(under) budget £'000	% Variance
	Expenditure Budget £,000	Income Budget £,000	Net Budget £,000			
CHILDRENS DIRECTORATE						
Learning	13,581	(5,095)	8,486	8,234	(252)	-3.0%
Strategic Partnerships & Comm	127,583	(29,400)	98,183	97,679	(504)	-0.5%
Safeguarding & Family Support	19,837	(1,457)	18,380	19,143	763	4.2%
Contingent Provision	60	-	60	53	(7)	0.0%
TOTAL CHILDRENS DIRECTORATE	161,061	(35,952)	125,109	125,109	-	0.0%
WELLBEING DIRECTORATE						
Adult Social Care	54,646	(14,208)	40,438	40,535	97	0.2%
Sport, Play and Active Wellbeing	3,920	(942)	2,978	2,978	-	0.0%
TOTAL WELLBEING DIRECTORATE	58,566	(15,150)	43,416	43,513	97	0.2%
COMMUNITIES DIRECTORATE						
Regeneration & Development	10,909	(7,058)	3,851	3,621	(230)	-6.0%
Street Scene	35,625	(17,107)	18,518	18,928	410	2.2%
Directorate Support/Contingent Provision	733	-	733	713	(20)	-2.7%
Culture	5,061	(1,746)	3,315	3,261	(54)	-1.6%
Elections	153	-	153	133	(20)	-13.1%
TOTAL COMMUNITIES DIRECTORATE	52,481	(25,911)	26,570	26,656	86	0.3%
RESOURCES						
Chief Executive	719	-	719	719	0	0.1%
Finance and ICT	60,249	(52,610)	7,638	7,688	50	0.7%
Human Resources	4,957	(586)	4,371	4,164	(207)	-4.7%
Property	4,810	(3,126)	1,685	1,684	(1)	-0.1%
Built Environment	4,835	(4,275)	560	728	168	
TOTAL RESOURCES	75,570	(60,598)	14,973	14,983	10	0.1%
LEGAL & REGULATORY SERV.						
Legal & Regulatory Services	7,345	(813)	6,532	6,042	(490)	-7.5%
TOTAL LEGAL & REGULATORY SERV.	7,345	(813)	6,532	6,042	(490)	-7.5%
TOTAL DIRECTORATE BUDGETS	355,410	(138,424)	216,600	216,303	(297)	-0.1%
Council Wide Budgets	40,435	(1,904)	38,531	38,531	-	0.0%
NET BRIDGEND CBC	395,845	(140,328)	255,131	254,834	(297)	

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Main Scheme	Whole Scheme Budget £'000	Total Costs to 31.3.2014 £'000	Council Dec '14 Budget 2014-15 £'000	New Approvals & Vire £,000	Slippage £,000	Revised Budget 2014-15 £'000	Total Expd to Date 2014-15 £'000	Projected 2014-15 £,000	Over / (Under) Spend £'000	Slippage Requested 2014-15 £'000	Impact on BCBC Resources £'000	Comments
Children Minor Schemes	135	0	135			135	9	75	(60)	60	0	Commencement on one scheme delayed due to potential of obtaining additional external funding in 2015-16.
School Repair Rolling Programme	925	0	925			925	429	925	0	0	0	
Coety / Parc Derwen Primary School	8,100	365	2,374			2,374	1,407	2,374	0	0	0	
Coleg Cymunedol y Dderwen	39,488	37,855	1,633			1,633	848	1,633	0	0	0	
Gateway Primary School Development	8,846	17	529		-350	179	0	179	0	0	0	Revised financial profile agreed with Welsh Government.
Garw Valley South provision	10,000	0	800		-540	260	39	260	0	0	0	Revised financial profile agreed with Welsh Government.
Lewistown flying Start Provision	826	106	720			720	176	720	0	0	0	
Litchard Primary Amalgamation	3,165	2,985	180			180	4	180	0	0	0	
Mynydd Cynffig Amalgamation	400	2	398			398	0	398	0	0	0	
Ogmore Comp. Additional Learning Needs	4,043	475	3,568		-15	3,553	1,116	3,553	0	0	0	Revised financial profile agreed with Welsh Government.
Pen-y-fai Primary	7,239	6,227	907			907	404	907	0	0	0	
Tondu Primary Adaptation Works	380	30	350			350	310	350	0	0	0	
Tremains Primary Amalgamation	125	115	10			10	10	10	0	0	0	
Ysgol Bro Ogwr Welsh Medium Primary	300	274	26			26	2	26	0	0	0	
Ysgol Yr Ferch O'r Sger & Bro Ogwr Welsh Medium Primary	200	185	15			15	1	15	0	0	0	
Children's Directorate Total	84,172	48,636	12,570	0	-905	11,665	4,755	11,605	-60	60	0	
Communities Directorate												
Regeneration												
Bridgend Townscape Heritage	2,317	1,847	355			355	38	355	0	0	0	
Maesteg Townscape Heritage	2,176	2,093	83			83	46	83	0	0	0	
Bridgend Town Centre Convergence	8,757	7,881	833			833	633	833	0	0	0	

Main Scheme	Whole Scheme Budget £'000	Total Costs to 31.3.2014 £'000	Council Dec '14 Budget 2014-15 £'000	New Approvals & Vire £,000	Slippage £,000	Revised Budget 2014-15 £'000	Total Expd to Date 2014-15 £'000	Projected 2014-15 £,000	Over / (Under) Spend £'000	Slippage Requested 2014-15 £'000	Impact on BCBC Resources £'000	Comments
Bridgend Town and Commercial Improvement Grants	79	0	79			79	23	79	0	0	0	
Coity By Pass Land Compensation	417	335	35	51		86	86	86	0	0	0	Additional funding received from WG to fund all payments incurred on Coity land compensation payments.
Community Economic Development Grants	492	311	181			181	114	181	0	0	0	
Disabled Facility Grants & Private Sector Housing	2,700	0	2,700			2,700	782	2,700	0	0	0	
Environment Programme	50	0	50			50	0	50	0	0	0	
EU Convergence	268	23	113			113	0	113	0	0	0	
Green Shoots	255	192	20	43		63	63	63	0	0	0	Revised capital approval received from funding body.
Llynfi Valley Development Programme	2,500	0	100			100	0	100	0	0	0	
Local Investment Fund	2,275	1,795	100	148		248	129	248	0	0	0	Additional European funding allocated to scheme.
Maesteg Regeneration Phase 4	2,813	2,739	74			74	6	74	0	0	0	
Porthcawl Marina Development	3,885	3,795	90			90	8	90	0	0	0	
Porthcawl Infrastructure	5,773	266	100			100	1	100	0	0	0	
Porthcawl Townscape Heritage	720	0	193			193	20	193	0	0	0	
Private Sector Housing	564	0	564			564	407	564	0	0	0	
Regeneration Minor schemes	101	0	101			101	0	101	0	0	0	
Rhiw Gateway Vibrant & Viable Places	9,612	5	788			788	18	605	(183)	183	0	Approval to be requested from Welsh Government for the potential slippage relating to BCBC's grant funded element of the total scheme.
Rural Development Plan	1,155	784	271			271	67	271	0	0	0	
Street Scene			0									
Carriage Reconstruction & Street Lighting	6,741	4,050	2,691			2,691	1,413	2,691	0	0	0	

Main Scheme	Whole Scheme Budget £'000	Total Costs to 31.3.2014 £'000	Council Dec '14 Budget 2014-15 £'000	New Approvals & Vire £,000	Slippage £,000	Revised Budget 2014-15 £'000	Total Expd to Date 2014-15 £'000	Projected 2014-15 £,000	Over / (Under) Spend £'000	Slippage Requested 2014-15 £'000	Impact on BCBC Resources £'000	Comments
Coastal Access Improvements	113	0	113			113	93	113	0	0	0	
Coychurch Cremators	1,200	0	0	170		170	16	170	0	0	0	Purchase of cremators to be funded from the Coychurch Crematorium Joint Committee.
Playground at Ffordd yr Eglwys	75	0	75			75	0	75	0	0	0	
Fleet Vehicles	76	0	68	8		76	76	76	0	0	0	Additional budget funded from revenue.
Highways Maintenance	450	0	450			450	336	450	0	0	0	
Parks Pavilions	1,000	13	150			150	4	150	0	0	0	
Porthcawl Town Sea Defence	228	54	169			169	0	169	0	0	0	
Residents Parking Bridgend	152	0	152		-77	75	0	15	(60)	60	0	Due to the consultation required to introduce residents parking then it is unlikely that all monies will be spent in current financial year and slippage has been requested.
Road Safety Schemes	240	0	240			240	56	240	0	0	0	
Highways Street Infrastructure	2,000	0	1,040			1,040	0	1,040	0	0	0	
Bridge Renewal	792	729	63			63	0	63	0	0	0	
Street Scene Minor schemes	78	0	78			78	18	78	0	0	0	
Transport Schemes	722	0	273	449		722	54	722	0	0	0	Additional grant approved.
Culture			0									
Bryngarw House - Refurbishment.	171	124	47			47	16	47	0	0	0	
Healthy Living Minor Schemes	50	0	50			50	37	50	0	0	0	
Pyle Life Centre	80	0	82	-2		80	28	80	0	0	0	Minor adjustment to budget allocation on removal of revenue contribution..
Communities Directorate Total	61,077	27,036	12,571	867	-77	13,361	4,588	13,118	-243	243	0	
Grand Total	163,020	85,838	31,350	1,004	-982	31,372	11,669	31,069	-303	303	0	

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE CORPORATE RESOURCES AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

26 FEBRUARY 2015

REPORT OF THE ASSISTANT CHIEF EXECUTIVE – LEGAL & REGULATORY SERVICES

FORWARD WORK PROGRAMME UPDATE

1. Purpose of Report

- 1.1 The report presents the items due to be considered at the Committee's meeting to be held on 23 April 2015 and seeks confirmation of the information required for the subsequent meeting following the Annual General Meeting of Council.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.

- 2.1 The key improvement objectives identified in the Corporate Plan 2013–2017 have been embodied in the Overview & Scrutiny Forward Work Programmes. The amended Corporate Improvement Objectives adopted by Council on 19 February 2014 formally set out the improvement objectives that the Council will seek to implement between 2013 and 2017. The Overview and Scrutiny Committees engage in review and development of plans, policy or strategies that support the Corporate Themes.

3. Background.

- 3.1 At its meeting on 05 June 2014 the Corporate Resources and Improvement Overview and Scrutiny Committee determined its Annual Forward Work Programme for 2014-15.

4. Current Situation / proposal.

Meetings of the Community Renewal and Environment Overview and Scrutiny Committee

- 4.1 In relation to the Committee's next meeting, scheduled to be held on 23 April 2015, the table below lists the items to be considered and the invitees due to attend.

Topic	Invitees	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
Bridgend Change Programme	Cllr Gregory Ness Young Deborah Exton	At a meeting on 05/06/14 Committee requested a further progress report in six months' time, providing a greater level of detail on each of the projects within the Bridgend Change Programme.	

Making The Best Use of Resources	Cllr Gregory Ness Young Deborah Exton	At a meeting on 05/06/14 Committee requested update report on this in 6-9 months requesting that future reports provide some financial analysis of each of the projects for the Committee to have a greater understanding of the impact on achieving savings over the term of the MTFS and risks in late/non delivery of the projects outlined.	
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4.2 The table below lists the items to be considered and the invitees due to attend in respect of the following meeting, the date for which will be agreed at the Annual General Meeting of Council in May.

Topic	Invitees	Specific Information Requested	Research to be Undertaken by the Overview & Scrutiny Unit
Scrutiny Annual Forward Work Programme 2015-16	Cllr Gregory Ness Young Deborah Exton	Scrutiny Annual Forward Work Programme proposals	
2014/15 Year End Budget Monitoring Report	Cllr Gregory Ness Young Deborah Exton All Scrutiny Chairs and Corporate Directors	CRI OVSC will deal with this in future. All Scrutiny Chairs and Corporate Directors to attend	
2014/15 Year End Performance Monitoring Report	Cllr Gregory Ness Young Deborah Exton All Scrutiny Chairs and Corporate Directors	CRI OVSC will deal with this in future. All Scrutiny Chairs and Corporate Directors to attend	

5. Effect upon Policy Framework and Procedure Rules.

5.1 The work of the Corporate Resources and Improvement Overview and Scrutiny Committee relates to the review and development of plans, policy or strategy that form part of the Policy Framework and consideration of plans, policy or strategy relating to the power to promote or improve economic, social or environmental well being in the County Borough of Bridgend.

6. Equality Impact Assessment

6.1 There are no equality impacts arising from this report.

7. Financial Implications

7.1 None.

8. Recommendation

The Committee is asked to:

- (i) Note the topics due be considered at the meeting of the Committee scheduled for 23 April 2015 and confirm if it requires any additional specific information to be provided by the invitees listed or the Overview & Scrutiny Unit
- (ii) Determine the invitees to be invited to attend, any specific information it would like the invitees to provide and any research that it would like the Overview & Scrutiny Unit to undertake in relation to its subsequent meeting following the Annual General Meeting of Council

Andrew Jolley,
Assistant Chief Executive – Legal & Regulatory Services
2014

Contact Officer: Kym Hirons
Scrutiny Officer

Telephone: 01656 643145
Email: scrutiny@bridgend.gov.uk

Postal Address: Democratic Services - Scrutiny
Bridgend County Borough Council,
Civic Offices,
Angel Street,
Bridgend,
CF31 4WB

Background Documents:

None

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