

## **MEDIUM-TERM FINANCIAL PLAN**

### **SAVING PROPOSAL TEMPLATE**

DIRECTORATE:	Communities
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SERVICE AREA:	Regeneration – Business Enterprise & Renewal Team
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#### **1. GENERAL INFORMATION**

SAVING PROPOSAL:	Reduction in revenue budget previously allocated to Business Support & Funding Team.
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BUDGET AREA:	Business Support & Funding Team (2504 and 2600)
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TOTAL BUDGET FOR THIS AREA:	£1,345,041 total for budget	% OF TOTAL BUDGET IN SAVINGS PROPOSAL:	2.9%
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TOTAL SAVING:	£40,000
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PLEASE PROVIDE A DESCRIPTION OF HOW THE SAVING WILL BE ACHIEVED:
<p>In addition to budget realignments in previous years, budgets can be reduced in many budget headings in 2020-21. The most significant savings are Cleaning (£3.5K), Oakdale Joint Venture (£27K), Telephone Recharges (£2K), Postage (£4K) and Subscriptions (£2K). This totals £38.5K and the remaining £1.5K will be taken in small amounts from other budget headings.</p> <p>The Oakdale Joint Venture budget provides the Council's payment of a percentage of income achieved from four industrial units on Oakdale Business Park. The proposed reduction reflects a corresponding reduction in the rental income from General Dynamics. The rent was reduced in 2016 when the lease was re-negotiated.</p> <p>It must be recognised that the annual maintenance expenditure for the industrial and office portfolio will exceed the budget available by a significant margin each year - the portfolio is ageing and requires ongoing reactive maintenance expenditure to cover emerging faults and repairs. A condition survey in 2018 identified the need to spend around £300K p.a. in each of the next five years, in addition to the ongoing spend on reactive maintenance and this is the subject of a separate report.</p> <p>Security spend will also exceed the budget forecast each year as it has not proved possible to reduce the level of security cover in Tredomen and the annual cost of providing this service has increased significantly during the past three years, from £61K in 2016-17 to over £80K in 2019-20.</p>

## 2. PUBLIC IMPACT ANALYSIS

PLEASE DESCRIBE HOW THE PROPOSED SAVING COULD **IMPACT UPON THE PUBLIC**:

CONSIDER THE 5 WAYS OF WORKING, IN PARTICULAR, *LONG-TERM* IMPLICATIONS FOR FUTURE GENERATIONS AND *PREVENTATIVE SERVICES*. RECOGNISING THAT SAVINGS MAY SECURE FUTURE PROVISION, OR MAY BE NEEDED TO SECURE PROVISION IN ANOTHER AREA.

**Long-term guidance:** *Consider the importance of balancing short-term needs with the need to safeguard the ability to meet long-term needs.*

There will be no impact, providing ongoing maintenance issues continue to be addressed via the funding required to tackle the issues raised in the property condition surveys.

**Prevention guidance:** *Consider whether the proposed saving is affecting a preventative area that reduces future burdens and supports well-being.*

If reactive maintenance action is unable to be taken using this budget and preventative maintenance is not undertaken via the provision of additional funding as indicated above, there are potential health and safety issues in the long term.

DOES THE PROPOSAL HAVE THE POTENTIAL TO IMPACT MORE GREATLY ON PEOPLE WITH PROTECTED CHARACTERISTICS? (PLEASE TICK) (AGE, DISABILITY, GENDER REASSIGNMENT, MARRIAGE or CIVIL PARTNERSHIP, PREGNANCY AND MATERNITY, RACE, RELIGION or BELIEF, SEX, SEXUAL ORIENTATION)	YES	NO
		X

**NB \*** IF YES, PLEASE COMPLETE AN EQUALITY IMPACT ASSESSMENT (EIA) SCREENING. THIS WILL DETERMINE WHETHER A FULL EIA IS NEEDED. FOR FURTHER ADVICE AND GUIDANCE PLEASE SEE THE [POLICY PORTAL](#). SCREENING FORMS AND ANY EIAs WILL NEED TO BE APPENDED TO ALL DECISION REPORTS RELATED TO THE PROPOSED SAVING.

PLEASE DETAIL ANY CONSULTATION THAT HAS BEEN UNDERTAKEN IN CONSIDERING THIS PROPOSAL. SUMMARISE ANY FEEDBACK RECEIVED.

CONSIDER THE 5 WAY OF WORKING, IN PARTICULAR, *INVOLVEMENT*.

**Involvement guidance:** *Consider whether you have involved people who have an interest in the service area, including service users and potential service users.*

None on this specific budget reduction as it will not impact on any service users.

The proposal will be included in the public engagement on the proposed 2020/21 budget.

IS FURTHER CONSULTATION REQUIRED BEFORE THIS PROPOSAL CAN BE IMPLEMENTED? (PLEASE TICK) PLEASE SEEK GUIDANCE FROM CORPORATE POLICY, WHO CAN ADVISE ON THE GUNNING PRINCIPLES, IN PLANNING ANY	YES	NO
	X	

CONSULTATION.		
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TAKING ACCOUNT OF THE ABOVE AND THE IMPACT RATING DEFINITIONS, PLEASE INDICATE THE PUBLIC IMPACT RATING APPLICABLE TO THIS SAVING PROPOSAL (PLEASE TICK):				
NIL IMPACT	MINOR IMPACT	MODERATE IMPACT	SIGNIFICANT IMPACT	CRITICAL IMPACT
X				

### 3. ORGANISATIONAL IMPACT ANALYSIS

PLEASE DESCRIBE HOW THE PROPOSED SAVING COULD <b>IMPACT UPON THE ORGANISATION AND FUTURE SERVICE PROVISION:</b>
<p>There should be no negative feedback to the Council from businesses and industrial and office tenants, but satisfaction should be monitored as the service area continues to contract. Expenditure on statutory maintenance and health and safety issues must be covered from the reduced budget. It should also be noted that appropriate expenditure on the property portfolio helps to preserve the annual £2.3m income stream.</p>

PLEASE DESCRIBE HOW THE PROPOSED SAVING WILL <b>IMPACT UPON MEMBERS OF STAFF:</b>
<p>There will be no immediate effect on staffing numbers.</p> <p>However, the Business Enterprise Renewal Team will effectively have a smaller budget to deliver an effective business support and property portfolio function.</p>

NUMBER OF <b>FULL-TIME EQUIVALENT (FTE)</b> STAFF IN BUDGET AREA AFFECTED:	3
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NUMBER OF <b>POSTS</b> IN BUDGET AREA AFFECTED:	3
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NUMBER OF <b>POSTS</b> AFFECTED BY THE PROPOSED SAVING:	none
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PLEASE SPECIFY HOW THIS WILL BE MANAGED:	HOW MANY <b>POSTS</b> ?
POST(S) ALREADY VACANT:	n/a
VOLUNTARY SEVERANCE:	n/a
RETIREMENT:	n/a
REDEPLOYMENT:	n/a
REDUNDANCY:	

	n/a			
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PLEASE PROVIDE DETAILS OF WHEN THIS WILL BE IMPLEMENTED:	n/a			
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WILL THE PROPOSED SAVING HAVE AN IMPACT ON ANOTHER DIRECTORATE, SERVICE AREA OR TEAM WITHIN THE COUNCIL? (PLEASE TICK)	YES	NO
	X	
WILL THE PROPOSED SAVING HAVE AN IMPACT ON ANOTHER PUBLIC SECTOR PARTNER, OR VOLUNTARY SECTOR PARTNER? (PLEASE TICK)	YES	NO
		X

  

<p>IF YES, PLEASE CONSIDER THE 5 WAYS OF WORKING, IN PARTICULAR <i>INTEGRATION</i>. DESCRIBE BELOW:</p> <ul style="list-style-type: none"> <li>• THE AREA(S) AFFECTED; AND</li> <li>• HOW THE PROPOSED SAVING WILL IMPACT</li> </ul> <p><b>Integration guidance:</b> <i>Consider how the proposal will impact on other service areas, or partners, and their ability to meet their objectives.</i></p> <p>The budget for maintenance has previously been supplemented by underspends in other budget headings, so these reductions will affect the team's flexibility in covering the costs – the maintenance duties are allocated by Corporate Property / Facilities Management, who will need to be kept aware of any emerging budget issues.</p> <p>In addition, the Council's Cleansing team is contracted to clean the office buildings and a reduction in the cleaning budget will remove any flexibility to conduct additional cleansing tasks.</p>
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<p>HAVE ANY OPTIONS BEEN CONSIDERED TO MITIGATE ORGANISATIONAL IMPACT? PLEASE PROVIDE DETAILS OF ANY MITIGATION.</p> <p>IN ADDITION, CONSIDER THE 5 WAY OF WORKING, IN PARTICULAR, <i>COLLABORATION</i>.</p> <p><b>Collaboration guidance:</b> <i>Acting in collaboration with any other service or partner to meet objectives.</i></p> <p>The Team will continue to communicate with Corporate Property, FM and Cleansing colleagues regarding budget availability.</p>
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TAKING ACCOUNT OF THE ABOVE AND THE IMPACT RATING DEFINITIONS, PLEASE INDICATE THE ORGANISATIONAL IMPACT RATING APPLICABLE TO THIS SAVING PROPOSAL (PLEASE TICK):				
NIL IMPACT	MINOR IMPACT	MODERATE IMPACT	SIGNIFICANT IMPACT	CRITICAL IMPACT
	X			

### 3. LINKS TO POLICY AND CORPORATE OBJECTIVES

DOES THE SAVINGS PROPOSAL LINK TO ANY OF THE FOLLOWING? IF SO, PLEASE SPECIFY AND STATE WHAT THE IMPLICATION MAY BE.		
POLICY AREA	WHAT IS THE LINK?	WHAT WILL BE THE IMPACT?
CORPORATE PLAN and WELL-BEING OBJECTIVES (please state which objectives)	Well-being Objective 2 – Enabling employment	There will be negligible or no impact as a result of this proposal.
STATUTORY DUTIES	Statutory maintenance of industrial and office properties	There should be no impact, as this is an overwhelming priority.
WELSH GOVERNMENT GUIDANCE or STRATEGY	WG Oakdale Joint Venture	Adequate budget remains available to pay the WG contribution from the rent.

#### 4. RISK(S) AND SENSITIVITIES

HAVE ANY RISKS BEEN IDENTIFIED IN CONNECTION WITH THIS SAVING PROPOSAL? (PLEASE TICK)	YES	NO
	X	

IF YES, PLEASE SPECIFY BELOW:

PLEASE CONSIDER RISK TO SERVICE USERS, LOSS OF PREVENTATIVE SERVICE AND FUTURE IMPACTS, FINANCIAL RISK, RISK TO STATUTORY PERFORMANCE etc.

Risk of reduced budget to address maintenance issues and provide security as mentioned above could impact on health and safety and attractiveness/usability of properties. This could reduce the number of tenants and result in a loss of income from the portfolio.

PLEASE SPECIFY BELOW HOW THESE RISKS/SENSITIVITIES WILL BE MITIGATED?

- Ongoing prioritisation of maintenance, upkeep and security of the property portfolio.
- Agreement to provide the £300K p.a. requested to address the issues identified in the condition surveys.

#### 5. OTHER RELEVANT INFORMATION

PLEASE USE THIS SECTION TO PROVIDE ANY OTHER RELEVANT INFORMATION WHICH YOU FEEL HAS NOT BEEN CAPTURED.
None to add

*Rhe Kytte*

**HEAD OF SERVICE:**

**DATE OF COMPLETION: 9 September 2019**