

AGENDA ITEM 2**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****14TH MAY 2015****COMMUNITIES FIRST FUNDING 2015 – 2016****REPORT OF GROUP DIRECTOR COMMUNITY & CHILDREN'S SERVICES**

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1. PURPOSE OF REPORT

- 1.1 To update Members on the proposed cuts by Welsh Government to the Communities First Grant for 2015/16 and what action is being taken to manage the impact of this reduction in funding.
- 1.2 To seek endorsement of the proposal for programme delivery to the Welsh Government for 2015/16 and agreement to undertake a comprehensive review of Communities First programme delivery over the next 6 months to inform future delivery models and programme activity from April 2016.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the reduction in grant allocation for 2015/16 and endorse the decision taken in respect of the distribution of those cuts to local cluster areas.
- 2.2 Endorse the preferred option (Option 2) for delivery in 2015/16.
- 2.3 Agree to a review of the Communities First programme, as part of a wider examination of our strategic approach to tackling poverty across Rhondda Cynon Taf, to inform the development of future delivery models and programme activity that will mitigate and minimise the impact of poverty in our communities.

3. BACKGROUND

- 3.1 Members will be aware that Communities First is the Welsh Government's community focused tackling poverty programme, which aims to improve the living conditions and prospects for the most vulnerable people in the most disadvantaged communities across Wales. In Rhondda Cynon Taf, the Council acts as the Lead Delivery Body (LDB) for the programme with a Central Team to oversee and administer the grant. The programme is geographically targeted across eight clusters with delivery planned at a local

level taking account of evidenced need and local priorities. Each cluster has a manager and team of staff to carry out delivery of the programme with varying levels of project funding. There is a mix of both Council and Voluntary Sector employed staff and some commissioned services through Voluntary Sector organisations.

- 3.2 Programme funding has been approved by the Welsh Government at varying intervals, with the last approval being given for the period February 2013 to March 2015. However, there is an expectation that delivery and community involvement plans are then revised and submitted for further approval on an annual basis taking account of changing or emerging priorities.
- 3.3 In June 2014, the Welsh Government requested that plans be updated and submitted for approval for delivery in 2015/16, assuming that current levels of funding would be maintained. Local staff teams and cluster boards developed the revised plans which were then submitted to the Council, as LDB, and Welsh Government for approval by the required deadline.
- 3.4 LDBs across Wales received notification on 16th December 2014 of a 5% cut in funding for 2015/16, which for Rhondda Cynon Taf resulted in a total reduction of £255,264 from £5,105,289 to £4,850,025.
- 3.5 The expectation on LDBs was to manage the reduction in allocated budgets without disproportionate reduction in either delivery of outcomes or community involvement activities, with submission of revised budgets needing to show the allocation across clusters and to be submitted to the Welsh Government by 16th February 2015.
- 3.6 Welsh Government have been advised of the delay in receiving submissions from Rhondda Cynon Taf and agreed to a revised date of March 2015.
- 3.7 Welsh Government has since advised that the £25,000 Community Involvement budgets included in each cluster delivery plan application cannot be cut. Also, the additional funding requested for the Pupil Deprivation Grant and LIFT programme will be approved at current levels and will not be subject to the 5% cut.

4. OPTION FOR REVISED BUDGET ALLOCATION IN 2015/16

- 4.1 In considering options available to achieve the required 5% cut to funding for 2015/16, the intention has been to minimise impact on delivery of outcomes across the programme and any financial implications for both the Council and partner Voluntary Sector organisations. A summary of the options considered is attached as Appendix 1.
- 4.2 Approved budget levels for individual clusters to date have not been equitable, therefore, trying to achieve an equitable 5% cut across clusters results in varying levels of impact on delivery.

- 4.3 Reducing staffing resources across clusters also results in varying levels of impact on delivery of outcomes, will take time to implement and potentially will have a cost implication for the Council's core budget or Voluntary Sector organisations due to some inevitable redundancy costs being incurred or reductions in management fees.
- 4.4 Reducing other available budgets have varying levels of impact on either delivery of outcomes or indirect impact on Voluntary Sector organisations.
- 4.5 The above considerations along with the anticipation of future potential cuts to the programme has led to a preferred option (Option 2) being recommended to Cabinet for delivery in 2015/16. The reductions included in this option have been achieved by realising savings from:
- actual anticipated salary costs rather than estimates, so for example pension costs have been taken out where staff are not currently paying contributions, but increase in annual % pay rise has been included;
 - reduced staffing costs based on actual spend in 2014/15, for example core premises costs for staff bases with no impact on Voluntary Sector organisations, reduction to travel budgets;
 - current vacant posts in the first quarter of 2015/16 while a recruitment process is undertaken, but taking account of where there are already interim arrangements in place to continue delivery;
 - a reduction in cluster staff training budgets, which will be centralised providing consistency, equity of provision and access to the funding and potential links with Flying Start and Families First workforce development budgets;
 - project associated budgets due to the usual annual revisions to project delivery, taking account of changing or emerging priorities, moving some activities under the Community Involvement budget where they better fit and utilising underspends experienced in 2014/15.
- 4.6 Whilst we are confident that the savings identified in the preferred option (Option 2) will have the least impact on delivery of outcomes locally, they can only be realised for one financial year.
- 4.7 With the introduction of both a shared outcomes framework in 2015/16 to better align the Communities First programme with Flying Start and Families First and the potential European Funded Communities4Work programme there is a need to review current arrangements going forward. Such a review will need to assess the risk of any changes to future Communities First programme delivery and funding on Voluntary Sector Partners and support them, where appropriate, to mitigate and minimise the impact of future programme changes on their Organisations.
- 4.8 Agreement is therefore sought to undertake a full review of the Communities First programme in 2015/16 and incorporate this as part of a wider review of our strategic approach to tackling poverty to ensure development of a more coordinated approach to anti-poverty work across the County Borough. It is anticipated that the review will be completed early autumn to help inform the

development of Communities First delivery and community involvement plans for 2016/17. These plans will be presented to Cabinet for their approval by November 2015, in line with the anticipated timescale for submission set by the Welsh Government.

5. CONCLUSION

- 5.1 The Communities First grant allocation for 2015/16 has been cut by Welsh Government by 5% and it is anticipated that similar levels of cuts could be forthcoming over the next couple of years.
- 5.2 The Delivery Plans developed for 2015/16 provide a pragmatic approach of distributing those cuts across cluster areas where there is least impact on delivery of outcomes, no impact to the Council's Core Budget, with regard to maintaining current staff resources and continuing existing partnership agreements for another year.
- 5.3 A full review of the Communities First programme in 2015/16 is needed which will allow the identification of opportunities to make appropriate changes for future delivery, allow time to plan for implementation which may require restructuring of staff teams, possible increases or de-commissioning of services provided by voluntary sector organisations or refocus of delivery in anticipation of further provision from European funding.

APPENDIX 1**SUMMARY OF OPTIONS****Background to Option Considerations**

When cluster delivery plans were submitted to the Welsh Government in September 2014, some revisions were made to the existing plans taking account of an updated outcomes framework and allowed revisions to those projects that had to date either not achieved the expected outcomes or which allowed us to respond to new or emerging priorities.

Since January when considering how to achieve the required 5% cuts, clusters have been better able to evaluate delivery throughout 2014/15 and reconsider some of the changes made previously and better utilise current programme underspends. This has meant that in a number of Clusters savings to project budgets have been achieved due to the normal annual revision process, moving some projects under Community Involvement where they have a better fit or delivering in a different way.

The following four options have been developed for consideration in how best to achieve the required 5% saving for next year:

Option 1 takes into account savings across all budgets based on actual spend to date in 2014/15 and also the usual annual revisions to project delivery and performance. There is limited impact on delivery and outcomes, however, this does vary across Clusters due to the unique way in which plans are developed and delivered. Some savings have been found by moving activities into the Community Involvement budgets where they are better suited and where some Clusters have traditionally struggled to spend the allocated £25,000. Other savings have been found by reducing proposed increases included in the September plans but have result in minimal reduction to current delivery levels in 2014/15. However, inevitably when trying to get an equal 5% reduction across Clusters some did have to cut project delivery to achieve this.

Option 2 considers further analysis of savings found under Option 1 which further eliminates the reduction in project delivery budgets which have either a direct or indirect impact on delivery of outcomes and current agreements with partner voluntary organisations. It suggests the centralisation of cluster training budgets to provide value for money and ensure a standard of workforce development which will give equitable access to the funding across all Clusters. This option also takes into account the length of time it is likely to take to recruit to current vacant posts, but will not affect current delivery where interim arrangements are already in place. The required 5% cut has been achieved by reducing those budgets where they can be best afforded having the least impact on programme delivery, although this does mean that there is not an equity of 5% across Clusters.

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Options 3 and 4 have considered savings that can be achieved by reducing staff resources. Both these options on their own do not achieve the required 5% savings, however, could be used with other budget savings identified in Option 2 (*figures shown in grey in summary table below*).

Option 3 considers the reduction in project officer posts taking into account savings from not recruiting for current vacancies across Clusters. There are interim arrangements in place to cover a small number of these vacancies, which if not continued into 2015/16 would have an impact on current delivery levels. In order to achieve a reduction of one post per Cluster it would mean the movement of a small number of staff between cluster areas and could bare a cost to the Council due to potential redundancy costs for two posts. This option is also likely to have more of an impact on project delivery and outcomes than the reduction of actual project budgets and will need a lead in time for the changes to be made.

Option 4 considers reducing management costs across Clusters by reducing the number of Cluster Manager Posts from eight to four without the merging of any geographical areas or combining of delivery plans. Whilst this potentially could have a minimal impact on actual project delivery, the greatest impacts will be on the potential reduction in effectiveness of the local management of Cluster staff teams. This includes monitoring and reporting outcome measures to the Welsh Government, local financial accountability and general implementation of the programme at a community level and the coordination of stakeholder and partner engagement in supporting Cluster Delivery Plans. This option could also bare the most cost to the Council due to potential redundancy costs or protected salary costs if staff are redeployed to vacant posts, which are all at a much lower grade. This option is likely to need the longest lead in time due to staff consultation, recruitment and notice periods that will need to be given.

The table below shows the financial savings that could be achieved under each of the options across the relevant budget headings:

Saving Category	Option 1 Saving	Option 2 Saving	Option 3 Saving	Option 4 Saving
Salaries	56,803.00	100,025.14	198,192.17	185,043.00
Central Team Recharge	7,592.00	7,592.40	7,592.00	7,592.00
Staff Training	10,800.00	20,591.00	20,591.00	20,591.00
Travel	14,504.00	15,004.00	15,004.00	15,004.00
Premises	31,996.00	23,246.34	23,246.34	23,246.34
Project Delivery	135,671.00	88,806.12	0.00	0.00
Total	257,336.00	255,265.00	264,625.51	251,476.34

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The following table outlines a summary of the strengths and weaknesses of each of the options:

	Description	Strength	Weakness
Option 1	Savings identified per individual cluster where savings will have a minimal impact on actual programme delivery and outcomes achieved compared to 2014/15 but safe guard current staff resources.	<ul style="list-style-type: none"> • Equity of 5% cut achieved across Clusters without impact on current staff resource • Reductions to expenditure not directly linked to achieving outcomes • Reductions to refocused 2015/16 plans rather than to actual delivery in 2014/15 • Reductions found by moving activities to Community Involvement plans where it best fits • Minimum impact to current project delivery levels and achievable outcomes • Quick to implement • Short-term change which gives us time to consider impact of new shared outcomes framework and ESF funding being introduced during 2015/16 • No cost to the Council Core budget 	<ul style="list-style-type: none"> • Varying levels of impact on project delivery and outcomes within individual Clusters even though equity of 5% savings achieved • Some indirect impact on voluntary organisations where there is a reduction in project delivery costs • Not a consistent approach to making savings • Reduces ambition to project delivery in 2015/16
Option 2	Further analysis of savings found under Option 1 which further eliminates the reduction in project delivery budgets which have either a direct or indirect impact on delivery of outcomes and current agreements with partner voluntary organisations.	<ul style="list-style-type: none"> • Required 5% cut achieved with no impact on current project delivery or staff resource • Focus on prioritised outcomes to be delivered in 2015/16 based on changed needed to actual delivery in 2014/15 • In line with WG guidance for achieving savings by reducing budgets within 	<ul style="list-style-type: none"> • Not an equity of 5% cuts across Clusters • Savings achieved for one year only, other options would need to be considered beyond 2015/16

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		<p>Clusters where it can be afforded rather than an equity of 5% cuts across all</p> <ul style="list-style-type: none"> • Staff training budgets reduced in line with 2014/15 spend and centralised to ensure standards, equity and will help to bring in line with other tackling poverty programmes • Quick to implement • Short-term change which gives us time to consider impact of new shared outcomes framework and ESF funding being introduced during 2015/16 • No cost to the Council Core budget 	
Option 3	Savings identified by reducing one project worker post per Cluster, taking into account current vacancies.	<ul style="list-style-type: none"> • Would use current staff vacancies to find savings • Can combine with some of option 2 budget savings to achieve the required 5% cut • Long term grant reduction 	<ul style="list-style-type: none"> • Reduction in current staff resource • Biggest impact on project delivery and outcomes, i.e. 1,300 hours delivery time lost per cluster per year • Either an inequity of savings will be achieved across Cluster areas or will require moving staff to different Clusters • Potential redundancy costs for the Council • Would require WG approval of changes before proceeding • Length of implementation time • Further revisions to 2015/16 delivery plans would be needed to prioritise those projects that would need to be cut due to the reduced staff resource • Some impact to voluntary sector organisations where they are employers of project workers

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Option 4	Savings identified by revising the current management structure and reducing the current number of Cluster managers posts from eight to four	<ul style="list-style-type: none"> • Minimum impact on current project delivery • Equity of savings • Can combine with some of Option 2 budget savings to achieve the required 5% cut 	<ul style="list-style-type: none"> • Reduction in current staff resource • Cutting management structures without properly reviewing future delivery across the whole programme • Long time to implement changes • Potential redundancy costs of £100k +, or protected salary costs for the Council • Unable to advertise other vacancies until the above process had been done • Would require WG Ministerial approval of changes before proceeding • Lack of awareness of other area plans • Representation on key programmes • Impact on reporting to WG due to still having eight separate plans • Operational disruption across clusters for staff and partner agencies
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RECOMMENDATION:

In considering the above options, the preference has been to minimise the impact on service delivery whilst still delivering priority outcomes in 2015/16.

Option 2 is the preferred option in the short term as it achieves the required 5% cut without any impact on delivery or outcomes (other than the normal annual revisions of plans) along with maintaining current staffing levels and have no cost to the Council's core budget.

However, the required savings are only achievable in 2015/16, due in part to the salary savings identified in the first quarter whilst a recruitment process is undertaken.

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To ensure sustainability of delivery and in anticipation of the likelihood of further reductions to funding in the future, it is recommended that a full independent review of the Communities First programme and its structures be undertaken and completed by September 2015 which can then be agreed with the Welsh Government in time to inform delivery plan submissions to WG for 2016/17.

Approval/agreement of a preferred option is now sought so that the revisions can be made to cluster delivery plans for resubmission to the Welsh Government before the start of the new financial year.

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****OPTION 1**

The following option shows a summary of the savings identified per individual cluster where the focus is on finding savings that will have a minimal impact on actual programme delivery and keep current staffing resources. Total of the savings identified amount to £257,368.00, which is slightly over the 5% cut required.

Cluster: Upper Cynon

Saving Category	Identified Saving	Additional Comments
Salaries	15,432	Adjusted to reflect actual salary costs - Voluntary Sector Partner Agency pension on-costs lower than expected. Disestablishment of vacant Detached Youth Worker and creation of additional project worker at lower cost
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	2,000	Adjusted to reflect expected need
Staff Travel	1,859	Adjusted to reflect 2014/15 actuals
Premises	7,853	Adjusted to reflect 2014/15 actuals
Project Delivery	7,425	Merged two current age specific (16 to 24 and 25 plus) ready 4 work programmes into one non-age specific programme. Training/support sessions will also be reduced from 5 to 4 days per week resulting in 48 less training courses being provided during the year ahead
		Renegotiation of current venue hire agreements with Hirwaun YMCA and Cwmaman Institute. Reduction equivalent to approximately £1500 per year per Organisation
Total	35,519	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Lower Cynon**

Saving Category	Identified Saving	Additional Comments
Salaries	6,527	Adjusted to reflect actual salary costs - staff member working reduced hours
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	-	
Staff Travel	-	
Premises	5,250	Stop renting one of the two staff offices and store room from Fernhill Community Centre (FCC). FCC will continue to receive £8750 in rent/venue hire from the Cluster for specific project delivery work e.g. One-stop-shop, Tenancy, Work-club & Employability 121 mentor sessions. Base for staff relocated to Mountain Ash Town Centre and Perthcelyn Offices
Project Delivery	16,920	Reduce nightly youth drop sessions from 3 to 2 hours across each of the 5 community settings
	1,950	Stop using the Fernhill Association of Tenants office for the Tenancy Officer's delivery work and instead use Fernhill Community Centre. Use some saving to establish new Social Isolation Project at FAR supporting volunteers aged 50+ under the new CDP Volunteer Project. FAR Funding reduced to £3k per annum.
	2,498	Align hourly payments made to Bryncynon Strategy for delivery of the work-club project to be consistent with payments made to Fernhill Community Centre for delivery of similar projects
Total	34,095	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Pontypridd**

Saving Category	Identified Saving	Additional Comments
Salaries	-924	Adjusted to reflect actual salary costs - Voluntary Sector Partner Agency pension on costs lower than expected
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	500	Adjusted to reflect expected need
Staff Travel	1,500	Adjusted to reflect 2014/15 actuals
Premises	2,000	Adjusted to reflect expected need
Project Delivery	10,391	Reduced time banking project capacity by 200 hours to reflect expected on-going need.
	15,000	Transfer of family and youth engagement projects to community involvement budget
	4,500	Adjusted work clubs and employability projects to reflect 2014/15 actuals and expected ongoing budget need
Total	33,916	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Taf**

Saving Category	Identified Saving	Additional Comments
Salaries	20,196	Adjusted to reflect actual salary costs - Voluntary Sector Partner Agency pension on costs lower than expected
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	-	
Staff Travel	2,300	Adjusted to reflect 2014/15 actuals
Premises	-	
Project Delivery	5,965	Cease annual literacy festival - deemed not essential to delivery of cluster guided reading programme. Agreed with Primary School Heads
	857	Reduced consumable project costs - achieved through joint delivery of Family Learning Project with Flying Start
Total	30,267	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Porth**

Saving Category	Identified Saving	Additional Comments
Salaries	-750	Adjusted to reflect actual salary costs with % annual pay rise
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	3,000	Adjusted to reflect expected need
Staff Travel	750	Adjusted to reflect expected need
Premises	1,000	Adjusted to reflect 2014/15 actuals
Project Delivery	2,578	Venue hire budgets for Employment Support Programme adjusted to reflect 2014/15 actuals. Transport costs to be met from dedicated community involvement budget
	5,400	Time banking project removed - volunteer engagement met by community involvement programme
	6,483	Reduced delivery costs through use of in-house adult education tutors. Also, number of basic skills sessions delivered through the "Aiming High" project to be reduced by 150 during the course of the year
	2,850	Removal of Key Stage 4 literacy project (support to 108 participants per annum), although Family Learning and Key Stage 2 and 3 literacy programmes retained.
	6,863	Reduction in Youth Provision, includes removal of a residential weekend and Youth Zone project in Ynyshir. Young People will be signposted to alternative provision across the cluster.
Total	29,123	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Mid Rhondda**

Saving Category	Identified Saving	Additional Comments
Salaries	0	Vol Sector salaries adjusted to reflect Council pay scales and pension contributions, offset by reduction to management fee
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	3,000	Adjusted to reflect expected need
Staff Travel	4,000	Adjusted to reflect 2014/15 actuals
Premises	8,891	Adjusted to reflect 2014/15 actuals and known reductions in 2015/16
Project Delivery	5,160	Parent and Toddler Groups to be supported through community involvement activity rather than specialist standalone project. Programme participants to be signposted to local Flying Start provision, where appropriate, rather than create duplicate provision
	1,160	School support projects to be decommissioned and incorporated within wider Cluster Pupil Deprivation Grant school transition projects
	3,141	"Fitness for All" budget adjusted to reflect 2014/15 actuals. Reduced use sessional staff to support programme delivery
	6,130	Essential skills and accredited learning programmes realigned and combined with wider employment support programmes
Total	32,431	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Rhondda Fach**

Saving Category	Identified Saving	Additional Comments
Salaries	-771	Amended to reflect additional pension costs
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	1,000	Adjusted to reflect expected need
Staff Travel	2,000	Adjusted to reflect 2014/15 actuals
Premises	7,002	Adjusted to reflect 2014/15 actuals
Project Delivery	5,570	Reduce employment support sessions for people aged 25 plus from 214 to 200 per year - equivalent to 10 less project participants being supported. Sessions for young people aged 16 to 24 reduced from 101 to 70 per year - equivalent to 5 less project participants being supported
	3,000	Early Years support project removed - joint working with Flying Start to continue and to be supported through community involvement budget. Programme participants to be referred/signposted to Flying Start provision.
	1,371	Family Learning provision to be rolled out to fewer schools annually than originally planned and now to be delivered over 2/3 year rolling programme.
	7,800	Small reduction in the number youth support sessions (from 160 to 150 per annum) and peer support sessions planned (from 210 to 195 per annum)
	2,000	Pre-natal support project removed - joint working with Flying Start to continue and to be supported instead through community involvement budget rather through standalone project
Total	29,921	

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****Cluster: Rhondda Fawr**

Saving Category	Identified Saving	Additional Comments
Salaries	17,093	Adjusted to reflect actual salary costs - Voluntary Sector Partner Agency pension on costs lower than expected
Central Team Recharge	949	Adjusted to reflect proportion of actual salary costs - staff member working reduced hours
Staff Training	1,300	Adjusted to reflect expected need
Staff Travel	2,095	Adjusted to reflect 2014/15 actuals
Premises	-	
Project Delivery	1,108	Reduction in holistic therapies budget for "Self-Help" Groups
	2,506	Savings made from merging of the Parenting Skills and Pre School programmes, thereby reducing ongoing support costs
	3,468	Adjusted to reflect 2014/15 actuals
	3,577	Savings made from incorporating the Alcohol & Substance Misuse / Sexual Health (Risky Behaviour) projects within a wider Youth Support based programme
Total	32,096	

This option finds equity of 5% savings across individual Clusters with no reduction in staff resource, but will have some minimal impact on actual project delivery.

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OPTION 2

Further analysis of Option 1 to identify those savings that have no impact on project delivery and no indirect impact on voluntary organisations either by making the usual annual revisions to the plans based on actual delivery in 2014/15 or from moving some activities to the Community Involvement plans. This options also takes into account the savings from vacant posts for the 1st Qtr. of 2015 while recruitment is undertaken and also considers where there is cover already in place that it remains during that period so no impact on project delivery. There is also a proposal to centralise the clusters staff training budgets to reflect actual spend in 2014/15, achieve equity of savings across clusters and bring in line with other tackling poverty programmes.

	Cluster Area	Budget Savings (no impact)	Comments
Upper Cynon	Reduction in Salaries	15,432.36	No pension contribution for two members of staff, detached youth post realigned to project worker on a lower grade from April
	Core Premises Costs	7,853.34	Reduction to running costs of both RCT and PEP premises
	Travel	1,859.00	Adjusted to reflect expected need
	Other	0.00	Already having to find savings of £14,000 to cover an error in calculating management fees in September's bid
	Total	25,144.70	
Lower Cynon	Reduction in Salaries	6,527.53	One member of staff works 30hrs
	Core Premises Costs	0.00	Haven't included the proposed reduction as could have possible knock on impact for voluntary groups due to reduced premises costs
	Travel	500.00	Already reduced in original bid, but reduced slightly further to reflect expected need
	Other	3,409.00	Taken out youth forum project budget as not currently delivered and has no outcome measures
	Total	10,436.53	
Pontypridd	Reduction in Salaries	-923.77	Increase to Vol Sector salaries due to pension contributions and % salary increases
	Core Premises Costs	2,000.00	Reduction in cost for use of Valleys Kids Elm Street property
	Travel	1,500.00	Adjusted to reflect expected need
	Other	27,988	Project underspends in 2014-15 reallocated in Sept bid to increase budgets on some projects, reductions made to increased budgets and some delivery moved to CIP so no impact on current delivery
	Total	30,564.23	

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Taf	Reduction in Salaries	20,196.01	One member of staff works 30hrs, no % pay increase included for Gilfach Goch Comm. Assoc.
	Core Premises Costs	0.00	
	Travel	2,300.00	Adjusted to reflect expected need
	Other	6,822.00	No literacy festival joint delivery with flying start will save on consumables so no impact on delivery
	Total	29,318.01	
Porth	Reduction in Salaries	-750.24	Increase due to annual % pay rise
	Core Premises Costs	1,000.00	Insurance costs covered in the central recharges, don't need to include in cluster budget
	Travel	750.00	Adjusted to reflect expected need
	Other	19,504.88	Reduction in project costs based on 14 - 15 spend, some activities moved to CIP and others changed due to normal annual revisions to delivery plan
	Total	20,504.64	
Rhondda Fach	Reduction in Salaries	-771.46	Increase due to annual % pay rise
	Core Premises Costs	7,002.00	Adjusted to reflect expected need
	Travel	2,000.00	Adjusted to reflect expected need
	Other	5,000.00	Two projects moved to CIP with no impact on delivery, better fit under engagement activities
	Total	13,230.54	
Mid Rhondda	Reduction in Salaries	0.00	Increase in salary costs but no management fee for VKs and not all staff will take up Council pension scheme
	Core Premises Costs	5,391.00	Reduction in costs for VKs staff base in Penygraig
	Travel	4,000.00	Adjusted to reflect expected need
	Other	15,531.00	Realignment of projects in delivery plan for next year with some being delivered under Community Involvement plan
	Total	24,922.00	
Rhondda Fawr	Reduction in Salaries	17,092.57	No pension contribution for three members of staff
	Core Premises Costs	0.00	
	Travel	2,095.00	Adjusted to reflect expected need
	Other	10,551.24	Agreed changes to delivery plan with Valleys Kids for next year means there are savings to project costs without impact on delivery
	Total	29,738.81	
Central Team	Reduction in Salaries	7,592.40	Apportioned across the 8 clusters (£949.05 per cluster) - one member of staff working 30hrs
		7,592.40	
		191,451.86	Total Savings from Budgets with no impact on delivery

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION**

Other Savings Identified			
Salaries		43,222.14	Vacant posts not filled for 3 months while recruitment process is undertaken, but including agency cover costs where currently in place and would affect delivery
Training		20,591.00	Training pot reduced by having a central resource which could then be used to develop workforce and better align with families first and flying start programmes
		255,265.00	
Total salaries savings	100,025.14		
Total Central Team	7,592.40		
Total Premises	23,246.34		
Total Travel	15,004.00		
Total Project	88,806.12		
Total Training	20,591		

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****OPTION 3****Reducing One Project Worker Post per Cluster**

This option outlines the savings that can be achieved if current project workers staff resources are reduced.

A reduction of one project worker post per Cluster would achieve a saving of £253,960.64, slightly below the required 5% cut required and would potentially have the biggest impact on project delivery. In addition to this it would have implications for the Council's core budget with potential redundancy costs.

Current vacant project worker posts across the programme, which if not filled could contribute £198,192.17 to the above saving. However, to get equity of savings across Clusters it would mean some staff having to be moved to posts within other areas, causing disruption and taking time to implement. In addition to this there are interim arrangements already in place for a couple of the vacant posts where either a voluntary sector organisation is covering delivery or an agency worker is in place as recruitment of a part-time worker was previously unsuccessful.

Other points for consideration include:

- Delivery plans would need to be updated to realign associated project costs to take account of less staff resource.
- Will ultimately impact on project delivery with an estimated minimum reduction of 12% across the programme.
- The Council would potentially need to fund redundancy payments for two members of staff. If Voluntary Sector organisations are affected then a request for redundancy payments would need to be made and considered by the Welsh Government.

The following table shows the vacant posts across Cluster areas and an estimate of the impact on project delivery

APPENDIX 1

PROPOSED OPTIONS FOR CONSIDERATION

Cluster Area	Project Worker Posts	Funding Cut	Total Staff Delivery Hrs (p/w)	Reduction in Staff Delivery Hours (p/w)	Estimated % Impact on Project Delivery	Potential Reduction/ Reallocation to Project Budgets
		£	Based on losing one Project Worker post per cluster and applying % delivery time reduction to cluster project budgets			
Upper Cynon	Vacant Post	31,745.08	96.20	25.90	26.92%	49,807.38
Lower Cynon	Vacant Post	31,745.08	229.40	25.90	11.29%	17,793.49
Pontypridd	No Vacant Post	0.00	288.60	25.90	8.97%	7,355.40
Taf	No Vacant Post	0.00	236.80	25.90	10.94%	8,325.45
Porth	Vacant Post - Part-time	13,727.60	244.20	25.90	10.61%	7,737.24
Mid Rhondda	Vacant Post x 1f/t, 1p/t	57,484.25	236.80	25.90	10.94%	13,264.75
Rhondda Fach	Vacant Post x 2	63,490.16	166.50	25.90	15.56%	16,221.30
Rhondda Fawr	No Vacant Post	0.00	185.00	25.90	14.00%	18,779.78
Total		198,192.17	1,683.50	207.20	12.31%	139,284.79

Current No. of F/T Vacant Project Worker Posts = 5, Current No. of P/T Vacant Project Worker Posts = 2, Total Savings of Current Vacancies = £198,192.17 (shortfall of £58953.83 for 5% cut needed)

If losing the equivalent of 1 x Project Worker Post from each cluster (8 posts in total) would save an additional £55,768.47 (Total savings £253,960.64), leaving a shortfall of £1,303.36 and with a potential 12% less delivery across all clusters and redundancy costs for the additional posts lost

The savings identified under this option could be combined with some savings from Option 2 to make up the required 5% cut.

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION****OPTION 4****Reduction of Cluster Manager Posts**

This option outlines the savings that can be achieved if the current management structure of the programme is changed.

Eight Cluster Manager Posts could be reduced to four without having to combine individual cluster plans and will achieve a saving of £185,049.00, which will leave a shortfall of £70,215.00 for the 5% cut needed. However, combined with some savings from Option two, the total 5% savings could be achieved with minimum impact on project delivery.

Cluster Area	Cluster Managers Salary £	Funding Cut £
Upper Cynon	46,260.75	46,260.75
Lower Cynon	46,260.75	
Pontypridd	46,260.75	46,261.75
Taf	46,260.75	
Porth	46,260.75	46,262.75
Rhondda Fach	46,260.75	
Mid Rhondda	46,260.75	46,263.75
Rhondda Fawr	46,260.75	
Total	370,086.00	185,049.00

APPENDIX 1**PROPOSED OPTIONS FOR CONSIDERATION**

The above table shows an example of how cluster managers posts could be rationalised across Clusters, but this would need further consideration, along with the following points:

- Potential disruption going through recruitment process and risk to the Council for redundancy costs for four members of staff.
- Unlikely to get the full 12 months savings shown on spreadsheet as three months notice would have to be given and a recruitment process undertaken.
- Servicing two cluster boards and possibly two lots of themed groups in some areas would be an issue, would need to look at revising the cluster community involvement plans and reviewing current structures.
- Impact on the central team would mean less staff to directly line management but more support could be needed for managing local contracts with voluntary sector organisations, performance management processes and procedures for reporting outcomes to the Welsh Government, workforce development and dealing with day-to-day issues particularly while the changes are being implemented.
- On paper there should be no direct impact on project delivery and there is potential in the future to merge staff teams and plans in future which would help to rationalise processes.

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