

MEDIUM-TERM FINANCIAL PLAN
SAVING PROPOSAL TEMPLATE

| | |
|--------------|--------------------|
| DIRECTORATE: | Corporate Services |
|--------------|--------------------|

| | |
|---------------|-----------------------|
| SERVICE AREA: | Miscellaneous Finance |
|---------------|-----------------------|

1. GENERAL INFORMATION

| | |
|------------------|---|
| SAVING PROPOSAL: | <p>D25 – Review of Investment Strategy (£718k)</p> <p>E1 - Temporary reduction in Debt Charges budget (£500k)</p> |
|------------------|---|

| | |
|--------------|-----------------------|
| BUDGET AREA: | Miscellaneous Finance |
|--------------|-----------------------|

| | | | |
|-----------------------------|---------|--|--------|
| TOTAL BUDGET FOR THIS AREA: | £8.042m | % OF TOTAL BUDGET IN SAVINGS PROPOSAL: | 15.15% |
|-----------------------------|---------|--|--------|

| | |
|---------------|---------|
| TOTAL SAVING: | £1.218m |
|---------------|---------|

| |
|---|
| PLEASE PROVIDE A DESCRIPTION OF HOW THE SAVING WILL BE ACHIEVED: |
| <p>D25 - It is proposed to redirect £20m of our current investments into long-term investment funds. This would be split across various funds in order to smooth out any volatility that can be associated with such investments. The funds that are to be considered are a property fund; an equity fund and a bond fund. The £20m investment will be locked in for a minimum of 3-5 years but there would be a significant improvement on returns. We will only invest in funds that have been screened by our Treasury Advisors, Arlingclose.</p> <p>E1 - This temporary reduction was applied in 2019/20 and can also be repeated temporarily for 2020/21. This is due to approved borrowing not being required at present through the use of short-term cash balances.</p> |

2. PUBLIC IMPACT ANALYSIS

| |
|--|
| PLEASE DESCRIBE HOW THE PROPOSED SAVING COULD IMPACT UPON THE PUBLIC : |
| CONSIDER THE 5 WAYS OF WORKING, IN PARTICULAR, <i>LONG-TERM</i> IMPLICATIONS FOR FUTURE GENERATIONS AND <i>PREVENTATIVE SERVICES</i> . RECOGNISING THAT SAVINGS MAY SECURE FUTURE PROVISION, OR MAY BE NEEDED TO SECURE PROVISION IN ANOTHER AREA. |
| There will be no impact on the public as the proposed savings are essentially ‘back-office’ functions. |

| | | |
|--|-----|----|
| 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 |
| | | √ |
| 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*.

Our Treasury Advisors, Arlingclose, will be consulted on the proposed £20m investment.

Both of the savings proposals will be considered as part of the Council's wider eight-week consultation on the 2020/21 Draft Budget Proposals.

| | | |
|---|--|----|
| 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 CONSULTATION. | YES | NO |
| | √ As part of the budget consultation process. | |

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 |
|------------|--------------|-----------------|--------------------|-----------------|
| √ | | | | |

3. ORGANISATIONAL IMPACT ANALYSIS

PLEASE DESCRIBE HOW THE PROPOSED SAVING COULD **IMPACT UPON THE ORGANISATION AND FUTURE SERVICE PROVISION**:

The proposed savings are essentially 'back-office' functions and will therefore avoid the need to identify alternative savings that could impact on front-line services.

PLEASE DESCRIBE HOW THE PROPOSED SAVING WILL **IMPACT UPON MEMBERS OF STAFF**:

There will be no effect on existing members of staff.

| | |
|--|---|
| NUMBER OF FULL-TIME EQUIVALENT (FTE) STAFF IN BUDGET AREA AFFECTED: | 0 |
|--|---|

| | |
|---|---|
| NUMBER OF POSTS IN BUDGET AREA AFFECTED: | 0 |
|---|---|

| | |
|---|---|
| NUMBER OF POSTS AFFECTED BY THE PROPOSED SAVING: | 0 |
|---|---|

| PLEASE SPECIFY HOW THIS WILL BE MANAGED: | HOW MANY POSTS ? |
|--|-------------------------|
| POST(S) ALREADY VACANT: | n/a |
| VOLUNTARY SEVERANCE: | n/a |
| RETIREMENT: | n/a |
| REDEPLOYMENT: | n/a |
| REDUNDANCY: | n/a |

| | |
|--|------------|
| PLEASE PROVIDE DETAILS OF WHEN THIS WILL BE IMPLEMENTED: | April 2020 |
|--|------------|

| | | |
|--|-----|----|
| WILL THE PROPOSED SAVING HAVE AN IMPACT ON ANOTHER DIRECTORATE, SERVICE AREA OR TEAM WITHIN THE COUNCIL? (PLEASE TICK) | YES | NO |
| | | √ |
| WILL THE PROPOSED SAVING HAVE AN IMPACT ON ANOTHER PUBLIC SECTOR PARTNER, OR VOLUNTARY SECTOR PARTNER? (PLEASE TICK) | YES | NO |
| | | √ |

IF YES, PLEASE CONSIDER THE 5 WAYS OF WORKING, IN PARTICULAR *INTEGRATION*. DESCRIBE BELOW:

- THE AREA(S) AFFECTED; AND
- HOW THE PROPOSED SAVING WILL IMPACT

HAVE ANY OPTIONS BEEN CONSIDERED TO MITIGATE ORGANISATIONAL IMPACT? PLEASE PROVIDE DETAILS OF ANY MITIGATION.

IN ADDITION, CONSIDER THE 5 WAY OF WORKING, IN PARTICULAR, *COLLABORATION*.

Collaboration guidance: *Acting in collaboration with any other service or partner to meet objectives.*

N/A

| 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 |
| √ | | | | |

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) | The management of the Council's borrowings and investments supports the achievement of all of the Council's Well-being Objectives. | Nil |
| STATUTORY DUTIES | | |
| WELSH GOVERNMENT GUIDANCE or STRATEGY | | |

4. RISK(S) AND SENSITIVITIES

| HAVE ANY RISKS BEEN IDENTIFIED IN CONNECTION WITH THIS SAVING PROPOSAL? (PLEASE TICK) | YES | NO |
|--|-----|----|
| | √ | |
| 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. | | |
| There is always an element of risk with investments due to the volatility of markets etc. | | |
| PLEASE SPECIFY BELOW HOW THESE RISKS/SENSITIVITIES WILL BE MITIGATED? | | |
| NOT ALL RISKS CAN BE MITIGATED. SOME MAY NEED TO BE TOLERATED IN THE CONTEXT OF BUDGET PRESSURES. | | |
| We will only invest in funds that have been screened by our Treasury Advisors, Arlingclose. | | |

5. OTHER RELEVANT INFORMATION

| |
|---|
| PLEASE USE THIS SECTION TO PROVIDE ANY OTHER RELEVANT INFORMATION WHICH YOU FEEL HAS NOT BEEN CAPTURED. |
| No further comments. |

HEAD OF SERVICE:Steve Harris.....

DATE OF COMPLETION:22/11/19.....