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Tuesday, 11 February 2020

## Notice of Reports Received following Publication of Agenda.

### Cabinet

Wednesday, 19th February, 2020 at 2.00 pm,  
Conference Room - Usk, NP15 1AD

Attached are reports that the committee will consider as part of the original agenda but were submitted to democratic services following publication of the agenda.

Item No	Item	Pages
3.1	<p>CONSIDERATION OF FINAL REVENUE AND CAPITAL BUDGET PROPOSALS</p> <p><u>Divisions/Wards Affected:</u> All</p> <p><u>Purpose:</u> To update Cabinet with the consultation responses to the draft budget proposals issued by them on the 20<sup>th</sup> December in respect of the Capital and Revenue budgets for 2020/21.</p> <p>To update members with implications arising from the Provisional Local Government Settlement announcement of the Welsh Government as well as providing update with regards to the awaited Final Settlement announcement.</p> <p>To make recommendations to Council on the Capital and Revenue budgets and level of Council Tax for 2020/21.</p> <p>To receive the Responsible Financial Officer's Prudential Indicator calculations for capital financing.</p> <p>To receive the statutory report of the Responsible Financial Officer on the budget process and the adequacy of reserves.</p> <p><u>Author:</u> Peter Davies – Chief Officer for Resources (acting S151 officer)</p> <p><u>Contact:</u> <a href="mailto:peterdavies@monmouthshire.gov.uk">peterdavies@monmouthshire.gov.uk</a></p>	1 - 118

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**Paul Matthews**  
**Chief Executive**



## REPORT

**SUBJECT:** Revenue and Capital Budget 2020/21 – Final proposals following scrutiny and public consultation

**MEETING:** Cabinet

**DATE:** 19<sup>th</sup> February 2020

**DIVISION/WARDS AFFECTED:** ALL

### 1. PURPOSE:

- 1.1 To update Cabinet with the consultation responses to the draft budget proposals issued by them on the 20<sup>th</sup> December in respect of the Capital and Revenue budgets for 2020/21.
- 1.2 To update members with implications arising from the Provisional Local Government Settlement announcement of the Welsh Government as well as providing update with regards to the awaited Final Settlement announcement.
- 1.3 To make recommendations to Council on the Capital and Revenue budgets and level of Council Tax for 2020/21.
- 1.4 To receive the Responsible Financial Officer's Prudential Indicator calculations for capital financing.
- 1.5 To receive the statutory report of the Responsible Financial Officer on the budget process and the adequacy of reserves.

### 2. RECOMMENDATIONS:

- 2.1 That Cabinet considers the responses to consultation and recommends to Council:
  - The 2020/21 revenue budget as attached in **Appendix I**.
  - The 2020/21 to 2023/24 capital programme as attached in **Appendix J1**.
- 2.2 That Cabinet acknowledges that the final budget proposals proposed look to support the priorities of the council and specifically seek to recognise in full, all pay and pension-related spending pressures in our schooling system and the increasing demand placed on children's social care services, adult social care and our children with additional learning needs budgets.
- 2.3 That a 4.95% increase in the Band "D" equivalent Council Tax for the County continues to be used as the planning assumption in the budget model and to apply for County purposes in 2020/21.
- 2.4 That Cabinet approves the revised saving and pressure proposals, updated following public consultation, scrutiny and more up to date information being made available since the draft proposals were released on consultation on 20<sup>th</sup> December 2019.

- 2.5 That Cabinet recognises the risks concerning an absence of a funding floor in the Final Local Government Settlement, and further steps needing to be taken to manage the remaining budget deficit if this was to materialise.
- 2.6 That Cabinet notes the movements anticipated in respect of earmarked reserves during 2020/21 culminating in forecast earmarked reserve balances of £5.29 million at the end of 2020/21.
- 2.7 That Cabinet approves changes to the draft capital budget proposals and programme for 2020/21 and as outlined in paragraph 3.29.
- 2.8 That Cabinet recommends Council to dispose of assets identified in the exempt background paper at best value.
- 2.9 That Cabinet considers the Responsible Financial Officer's report on the robustness of the budget process and the adequacy of reserves issued under the provisions of the Local Government Act, 2003
- 2.10 That Cabinet adopts the Responsible Financial Officer's report on Prudential Indicators.
- 2.11 That Cabinet approves the following:
  - Further work is undertaken to develop a balanced Medium Term Financial Plan (MTFP) over the 3 year period 2021/22 to 2023/24.
  - Regular review of the MTFP to ensure it remains up to date, and that includes an assessment of evidence based pressures and risks, underlying modelling assumptions and the ongoing affordability implications of the Corporate Plan.

### 3. KEY ISSUES:

#### BUDGET CONSULTATION

- 3.1 Cabinet issued its budget consultation proposals on 20<sup>th</sup> December 2020 thereby allowing a period for public consultation and scrutiny. The proposals were scrutinised by the Children's and Young People Select Committee, Strong Communities Select Committee, Adult Select Committee, and Economy and Development Select Committee, the Schools Budget Forum and the Joint Advisory Group (JAG).
- 3.2 Furthermore, budget consultation was undertaken through two public meetings, a meeting of the Access for All forum, a meeting with Head Teachers, a young person's conference, Town and Community Council Cluster meetings and the North Monmouthshire Area Committee.
- 3.3 Extracts of the draft minutes from the Committees are included as **Appendices A1 to A6** respectively and a summary or minutes of the engagement events together with feedback received are included in **Appendices A7 to A17**.
- 3.4 In terms of public engagement the use of the website and social media as a mechanism for sharing information and getting feedback has continued with active engagement and responses received. An overview of the Council's budget engagement is included in **Appendix A18**.
- 3.5 As might be expected, responses to consultation varied. However there was a broad acceptance and understanding of the overall shape of the budget proposals and set against the backdrop of significant financial and demand driven challenges faced.

Residents understood that the Council continued to look to protect frontline services and in particular those most vulnerable in our communities.

- 3.6 There were a number of questions clarified via the Select Committee meetings and other consultation meetings. These questions particularly concerned the pressures being faced in children's services, children with additional learning needs and adult social care. Clarification was provided at meetings and via FAQs made available on the Council's website. The budget presentation delivered at the consultation events was made widely available via the Council's website. And the Cabinet Member for Resources delivered a video message to explain the challenges being facing in 2020/21 and how the Council was looking to respond to them.
- 3.7 The process in general has worked well, with thorough debate having taken place through scrutiny and public consultation events. Attendance was significantly improved from previous years at the two public meetings, in Abergavenny in particular, and particularly driven by residents wanting to feedback and raise concern about the savings proposed against Individual School Budgets (ISB). Constructive feedback was again also provided on how the budget consultation could be improved and this will be taken on board as part of ongoing improvement in the process.
- 3.8 In respect of the capital budget proposals, general support was expressed about the need to continue to invest in schools whilst recognising that there are future pressures to be managed. Concerns were also raised with regards to overstretched infrastructure in the South East of the County and the need to invest to alleviate congestion and to support active travel.
- 3.9 In terms of the key issues and concerns raised as part of the consultation, engagement and scrutiny process and which concern the revenue budget proposals specifically, these principally revolved around:
- a) Notable concerns and objections around the proposed 2% savings to Individual School budgets and the detrimental impact this would have on children and the quality of teaching and learning at schools. However, there was support for the proposed loan scheme being offered to schools to assist them with managing school deficits.
  - b) Concern raised around the level of proposed council tax rise. However, there was a recognition that the choices available to the Council were limited in the face of significant pressures and inadequate funding being received from Welsh Government.
  - c) A specific issue raised concerning the inability for VAT registered clubs and associations not being able to recover VAT resulting from bookings for leisure facilities and subsequent to the Council's decision in 2019 to adopt the Ealing ruling whereby such activities were treated as being VAT exempt.
  - d) Clarification sought around car parking charges and where it was confirmed that there were no increases being proposed for 2020/21 and with other charges being held in line with inflation and where practicable.
- 3.10 There was a general consensus reached by respondents that the funding formula used by Welsh Government to allocate funding to Welsh authorities disproportionately disadvantaged Monmouthshire and failed to recognise both the areas of deprivation within the County and its rurality. There was overriding support that the Council should challenge Welsh Government on the need for a funding floor to be introduced in order to protect vital services. Select committees asked for the funding formula to be reviewed and for evidence to be provided to the WLGA and Welsh Government such that Monmouthshire could benefit from a fairer settlement in future.

- 3.11 As a result of the consultation and upon subsequent reflection of concerns raised it is recommended that the following revisions are made to the savings proposals:
- a) That the 2% savings in Individual School Budgets is removed in full. Schools will also benefit from the full funding of pay and pension increases and the loan scheme offered to schools will be implemented.
  - b) To recognise a pressure of £25k to allow a scheme to be developed and that ensures that the impact that VAT registered clubs and associations are encountering from not being able to recover VAT from bookings for use of leisure facilities is mitigated.
  - c) To increase the budget for disabled facilities grants, and that supports people living independently and at home, from £600k to £900k for 2020/21 and the capital MTFP.
  - d) An ongoing commitment to recognise and value the contribution made by the workforce and ensuring that local government staff are paid no less than the minimum wage set by the living wage foundation of £9.30 per hour and that will take effect from April 2020.

## **PROVISIONAL AND FINAL SETTLEMENT**

- 3.12 The provisional settlement was announced on the 16<sup>th</sup> December 2019. The Local Government settlement was announced with an increase (after adjusting for transfers) across Wales of 4.3%. However, for Monmouthshire the provisional settlement only delivered an increase in the Authority's Aggregate External Finance (AEF) of 3.0% after taking into account transfers into the settlement. Across Wales settlements varied widely from a 3.0% increase in Monmouthshire to a 5.4% increase in Newport. The Minister concluded at that stage that no funding floor was deemed necessary leading to Monmouthshire and a number of other Welsh Authorities receiving a settlement significantly lower than the average of 4.3%.
- 3.13 The Leader, on behalf of the Council, sent a strong letter to the First Minister and the Minister for Housing and Local Government on 3<sup>rd</sup> February 2020 in response to the poor settlement that the Council again received and made the case for the Minister to consider the introduction of a funding floor as well as future review of the funding formula which continues to disadvantage Monmouthshire and other rural authorities. A copy of the letter is included at **Appendix B2** of this report.
- 3.14 The final settlement is not expected to be announced by Welsh Government until 25<sup>th</sup> February 2020, leaving the Authority in a situation where it is unclear as to whether the Minister will have listened to the calls from the Council, other Welsh local authorities and the WLGA for a funding floor to be introduced and that would provide a fairer distribution of funding across Welsh local government. The Council will need to respond quickly to the final settlement announcement and ahead of Council on 5<sup>th</sup> March in order to ensure it has a robust and balanced set of budget proposals presented for approval.
- 3.15 The main adjustments to our AEF in the provisional settlement have resulted from transfers into the settlement of Teacher's pension grant (£1.01m) and Teacher's pay grant (£310k) which was afforded to authorities in 2019/20. Further transfers arise in respect of NHS funded nursing care (£55k) and local discretionary business rate funding (£63k). These transfers have been passported to directorates based on the values advised in the provisional settlement to meet associated cost pressures.
- 3.16 A table showing each authorities position resulting from the provisional settlement is included at **Appendix B1** to this report. Monmouthshire again remains at the bottom of the table in terms of AEF per head of population.

- 3.17 The provisional settlement also only included the notifications of specific grants at an all Wales level. There are still a number of grant announcements to be made and this position is extremely disappointing as it makes planning for next year's budget even more difficult. It is hoped that the final settlement will provide further clarification. The current position on Welsh Government specific grants is included in **Appendix C**. There are a number of significant grants where the Authority remains unclear as to the amount to be received and resultant terms and conditions attached.
- 3.18 The medium term prognosis is still of concern, there are no indicative settlement figures published and which significantly impedes and impacts on forward planning of budgets over the medium term. At this stage and with uncertainties remaining as to future levels of local government funding the MTFP for 2021/22 onwards factors in no cash increase in funding (0.0%), so that planning can be undertaken on a prudent basis.
- 3.19 There is still a need to think differently about the even greater challenges of the medium term and this work and engagement will continue in the coming months, and notably with other local authorities, Welsh Government and the Welsh Local Government Association (WLGA) and where funding distribution and projections are concerned. Specifically the Leader is garnering support with the WLGA rural forum for an evidence based review of the funding formula to be undertaken to demonstrate how rural authorities are disadvantaged in the formula distribution. Separately the WLGA will be looking to present to an all Member seminar to explain the funding formula, the role of the Distribution Sub-Group (DSG) and the key drivers in the settlement distribution. All intended to improve the challenge and the case for change in the funding distribution for Monmouthshire.

### **BUDGET PROCESS CONTEXT**

- 3.20 Subsequent to Cabinet's budget consideration on 20<sup>th</sup> December 2019, proposals went on consultation indicating a need to close a £5.3 million gap with an unfunded gap of £1.178m still needing to be found. The budget at that time included £9.74 million of pressures and £7.98 million of saving proposals. Work has continued to review and revise existing and new savings and pressures in the light of further engagement and analysis. All the original proposals are available as part of the draft budget proposals. Summary details of revised savings and pressures and the movement from draft to final proposals are included in **Appendix D** and **E**.

### **3.21 Summary Movements**

<b>Pressures</b>	<b>Amount</b>
	<b>£'000</b>
Draft proposals	9,742
Revisions and additions in intervening period	(216)
<b>Final proposals</b>	<b>9,526</b>

<b>Savings Proposals</b>	<b>Amount</b>
	<b>£'000</b>

Draft proposals	(7,981)
Revisions and additions in intervening period	(529)
<b>Total</b>	<b>(8,510)</b>
<b>Budget shortfall remaining</b>	<b>£497k</b>

3.22 The revisions and additions to pressures are summarised as follows:

- A managed reduction of £500k in the pressure and investment in the county-wide rollout of the *Turning the World Upside Down* commissioning strategy. The reduced level of investment, previously proposed and recognised as £1.048m, will be achieved through a delayed and phased implementation from July 2020. The rollout will see a pricing model introduced and that looks to positively impact recruitment and retention and supply of hours into the domiciliary care market and where Monmouthshire retains an important and ongoing role;
- As a result of further work undertaken since the draft budget proposals were prepared to include a pressure of £420k in respect of incremental pay pressure that results exceptionally from the introduction of the new pay spine for LGE employees in 2019/20. This incremental pay pressure most significantly results from those local government employees on the lowest pay scales.
- To recognise a pressure of £25k to allow a scheme to be developed and that ensures that the impact that VAT registered clubs and associations are encountering from not being able to recover VAT from bookings for use of leisure facilities is mitigated;
- As a result of Welsh Government in the provisional settlement confirming that they were affording a further £2.4m across Wales to support authorities with discretionary business rate relief, the inclusion of a £63k budget that reflects Monmouthshire's share of the funding;
- A reduction in the budget for the South Wales Fire Authority precept of £180k which is in part resulting from contingency no longer required from the current year in respect of Firefighter pension contributions and as a consequence of the proposed increase in levy reducing from 4.84% to 4.59%; and
- A reduction in treasury budgets of £44k as a result of the delayed impact of additional borrowing to fund schemes approved in 2019/20.

3.23 The revision and additions to savings are summarised as follows:

- As outlined in paragraph 3.11(a) above the full removal of the proposed 2% saving against Individual School budgets of £830k.
- A reduction in the saving for the proposed closure of Usk recycling centre of £10k to reflect the Cabinet decision taken on 20<sup>th</sup> December 2019 being held in abeyance and subject to further data collection, engagement, consultation and impact assessments being undertaken and resultant recommendations being brought back for pre-decision scrutiny and subsequent consideration by Cabinet.



- To increase the saving that results from the 4.95% proposed council tax increase by £293k and as a result of a revision required to the original calculation and an improved forecast in the number of housing completions forecast.
  - As noted in paragraph 3.11 above additional funding of £1.076m as a consequence of the Provisional Settlement announcement confirming a 3.0% increase in funding rather than the 1.0% increase modelled as part of the draft budget proposals.
- 3.24 A further £1.375m of additional funding was included in the provisional settlement in respect of transfers into the settlement and to meet costs that had been previously grant funded by Welsh Government (teachers' pay and pensions increases for 2019/20) or where additional burdens were being placed on the Authority (NHS funded nursing).
- 3.25 The consequence of the adjustments to pressures and savings leaves a remaining budget deficit to be managed of £497k. A real and present risk remains that the Final Settlement announcement from Welsh Government will not introduce a floor mechanism that would benefit Monmouthshire and assist in addressing the remaining budget deficit. Work is continuing to explore further options to bring forward savings and reduce pressures such as to ensure that the requirement to bring forward a set of fully funded budget proposals is presented to Council on 5<sup>th</sup> March 2020.
- 3.26 It is worth noting that the ongoing financial challenges remain as always a dynamic situation. As stated in recommendation 2.8 further work will be undertaken to develop the MTFP and that will include an ongoing assessment of pressures, risks and modelling assumptions. Notably key risks remaining to be assessed and managed in 2020/21 and as yet unknown are:
- a) The fact that the LGE pay award is still not known. The most recent offer made, and rejected by the unions, was for a 2% pay award for 2020/21. The current modelling assumption for pay award for non-teaching staff is currently 1%. The Council together with the WLGA will look to lobby UK Treasury to ensure that provision is made for the pay award and a consequential to Welsh Government that is passed on to Welsh authorities.
  - b) Demand-led pressures remain, as evidenced by the extent and level of pressures needing to be accommodated within these budget proposals. Ongoing budget monitoring and review of pressures will identify whether any further pressures need to be managed. As stated this is a dynamic situation to which the Authority will respond as any situation evolves.

### **Council Tax**

- 3.27 The 4.95% increase in the Band "D" equivalent Council Tax for the County continues to be used as the planning assumption in the budget model and to apply for County purposes in 2020/21, reverting to 3.95% increase in each of the subsequent 3 years.

### **OVERALL REVENUE BUDGET POSITION**

- 3.28 The current revenue position for each of the next 4 years is included in **Appendix I**. The proposed position for 2020-21 specifically is,

Services	Indicative Base 2020/21 £000
Children & Young People	55,539
Social Care & Health	50,686
Enterprise	20,568
Resources	7,792
Chief Executive's Unit	4,745
MonLife	3,565
Corporate Costs & Levies	22,898
<b>Sub Total</b>	<b>165,792</b>
Transfers to reserves	143
Transfers from reserves	(747)
Treasury	5,460
<b>Appropriations Total</b>	<b>4,856</b>
<b>Total Expenditure Budget</b>	<b>170,648</b>
Aggregate External Financing (AEF)	(93,229)
Council Tax (MCC)	(56,223)
Council Tax (Gwent Police)	(12,602)
Council Tax (Community Councils)	(2,699)
Contribution to/(from) Council Fund	0
Disinvestment	(5,397)
<b>Sub Total Financing</b>	<b>(170,151)</b>
<b>(Headroom)/Shortfall</b>	<b>497</b>

Note: An explanation of how services are grouped is included in **Appendix L**

## CAPITAL BUDGET

- 3.29 On September 19<sup>th</sup> Council approved the first full Capital Strategy, a requirement of the Prudential Code for Capital Finance that was updated in 2017. The Authority's Capital Strategy is required to define at a high level, how the Authority ensures its capital plans contribute to the provision of local public services; are affordable, prudent and sustainable; are developed with a full understanding of the risks involved; are appropriate for the Authority and suit local circumstances and that they have due regard for the long run financing implications and risks to the Authority.
- 3.30 The capital MTFP strategy remains as one which seeks to work towards a financially sustainable core capital programme without recourse to further prudential borrowing or use of capital receipts so that these resources can be directed towards the Council's priority of the future schools programme. The draft capital budget proposals were prepared on this basis and were issued by Cabinet for consultation purposes at its meeting on 20<sup>th</sup> December 2019.
- 3.31 During the financial year, any new schemes volunteered can only be added to the programme if the business case demonstrates that they are self-financing or if the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.
- 3.32 When considering the relative merits of projects and potential displacement, the priority matrix in the capital strategy will be applied, either endorsing or amending it for onward consideration by full Council.

- 3.33 The provisional settlement and grant notification included therein confirmed an increase in anticipated General Capital Grant funding included in the capital MTFP budget proposals of £960k. This has assisted in allowing flexibility to continue to assist the capital and revenue budgets and as outlined below.
- 3.34 The proposed changes to capital programme since the draft proposals were on consultation by Cabinet on December 20<sup>th</sup>, based on feedback from public consultation and scrutiny as well as the benefit of additional Welsh Government capital grants, have resulted in a proposed increase in the capital programme of £1.302m. These changes are summarised as follows:
- A continuation of the increase in the Disabled Facility Grant budget, as has been the case for the last three years, by £300k for 2020/21 and the remaining years of the capital MTFP, and to meet an evidenced backlog of applications that will benefit applicants whilst alleviating pressure on social care. Funded through a combination of capital receipts and additional General Capital Grant received as part of the provisional WG settlement.
  - To apply £812k additional Welsh Government General Capital Grant funding to revenue expenditure that is deemed eligible to be capitalised and to fund highways maintenance capital schemes. This is a continuation of the approach taken in 2019/20 and again where additional Welsh Government Grant was made available.
  - To include £190k in 2019/20 in respect of the promotion of LDP candidate sites and that fall as attributable capital cost of disposal. Funded from capital receipts. In the event that sites are not progressed and disposed of such costs will be seen as abortive and will fall to be revenue. If this is the case then earmarked reserve funding will be sought from either the fixed asset disposal cost reserve or capital support reserve.
- 3.35 The Summary Capital MTFP is shown in **Appendix J1**. There remain significant pressures of a capital nature that cannot be afforded within the capital MTFP and these are outlined in **Appendix J5**. A review of the pressures and associated risks has been undertaken since the draft budget proposals were issued for consultation purposes. This has concluded that further feasibility studies and technical assessments will be undertaken on specific infrastructure assets during 20/21, funded from existing highways infrastructure capital budgets. The results of these studies and assessments will inform the capital MTFP and pressures that will need to be accommodated and funded therein in future financial years.
- 3.36 **Appendix J3**, the capital receipts summary shows the expected level of receipts and planned usage and highlights the balances available in the next couple of years. Future investment in capital schemes, is in part dependent on future success of achieving capital receipts and there are risks attached to some receipts materializing as shown in **Appendix J4**. The revised forecast receipt schedule is provided as exempt background papers to this report for Members approval as **Appendix J6**.

## THE PRUDENTIAL CODE

- 3.37 Under the Prudential Code, local authorities are required to publish Prudential Indicators produced to demonstrate that capital programmes are prudent, sustainable and affordable in the longer term. The indicators for 2019/23 are contained at **Appendix G** to this report, assuming eventual Council approval of Cabinet's budget and Council Tax recommendations.

## THE ROBUSTNESS OF PROCESS AND RESERVES

- 3.38 The level of the Council Fund, The Council's general reserve, is at £7.1m million, subject to 2019-20 year end, but at present it is within the range of 4-6% of net revenue budget and considered to be at a prudent level. The final revenue budget proposals do not include a requirement to use any of the general reserve to balance the budget in 2020/21. The total planned net earmarked reserve utilization in support of the 2020/21 revenue and capital budget is £0.71m. This includes a planned reduction and release from the Treasury Equalisation reserve of £400k that resulted from a review of earmarked reserves. **Appendix H1** shows the call on and contributions to reserves for the 2019/20 budget and **Appendix H2** shows the reserve balances projected for the medium term. Total planned reserve utilization in support of current year revenue and capital budgets means that by the end of 2019-20 the balance of earmarked reserves is likely to be £6.01 million. The further call in 2020/21 means that the earmarked reserves will fall to £5.30 million. In addition the Priority Investment reserve will need to be replenished to fund any future projects identified as going forward. It should be noted that this reduces the flexibility the Council has in meeting the challenges of scarce resources going forward.
- 3.39 Under the provisions of the 2003 Local Government Act, the Responsible Financial Officer has to provide conclusions on the robustness of the budget process and the adequacy of reserves. Those conclusions are shown at **Appendix F**.
- 3.40 The effect of Cabinets revenue budget recommendations is shown at **Appendix I**. The effect of Cabinets capital recommendations is shown at **Appendix J**. Final Council Tax setting is reserved for decision of Full Council on 5<sup>th</sup> March 2020.

## FUTURE GENERATIONS EVALUATION/EQUALITY IMPACT ASSESSMENT (EQIA)

- 3.41 There is a requirement placed on Local Authorities to comply with the general equality duties set out in the Equality Act 2010 and the specific equality duties such as the statutory responsibilities to assess the equality impacts of their budgetary decisions. The Equality Act 2010 places a General Duty on Monmouthshire County Council to eliminate discrimination according to nine "protected characteristics" (age, belief and non-belief, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, and sexual orientation). Also we need to comply with the Welsh Language Act 1993 and the Welsh Language Measure 2011 through which the Welsh Language Commissioner has shaped the Welsh Standards which will come into force from 30<sup>th</sup> March 2016.
- 3.42 The Wellbeing of Future Generations Act requires public bodies to improve social, economic, environmental and cultural wellbeing, by taking action in accordance with the sustainable development principle aimed at achieving the Wellbeing Goals. The authority was an early adopter of The Act and re-shaped its pre-decision evaluation tool to reflect the well-being goals and the principles which it sets out.

3.43 The Council has continued to respond to these issues by building considerations of equality, diversity and sustainability into the planning and delivery of its 2020/21 budget. It has done this by:

- Requiring Chief Officers to undertake a Future Generation evaluation of all the original savings proposals they offered for their service area to contribute towards the Council's overall savings target. This evaluation has since been updated to reflect the final budget proposals and individual evaluations are linked to each budget proposal. These can viewed via the attached [link](#).
- Producing an overall FGE assessment of the revenue budget proposals and publishing this as part of the revenue budget proposals for consultation. This is attached as **Appendix K** and the assessment has been updated as a result of budget consultation and the final revenue budget proposals being presented to Cabinet for consideration.
- Undertaking a FGE assessment of the capital budget proposals and publishing this as part of the capital budget proposals for consultation.
- Enabling the Council's Cabinet Members to consider initial savings proposals with the benefit of the FGEs, and to make initial decisions based on this information. The budget proposals reflect Cabinet's key priorities and therefore key services that support equalities – such as social care and schools.
- Deciding that once the final shape of the budget is agreed by Council in March 2020, Council service areas carry out more detailed work to mitigate and manage any equalities or Future Generation issues that have been identified.
- Including the FGEs as part of this report and published on the Council's website so that residents can understand the factors that went into the planning of the 2020/21 budget.
- Ensuring that where proposals will be the subject of further reports it is expected that further FGEs will be undertaken at that time and where savings are being made from decisions already taken then those implementing those decisions should consider mitigating any negative impacts where necessary.

#### **4. REASONS:**

- 4.1 To make appropriate recommendations to Council on the revenue and capital budgets for 2020/21, and the resultant Council Tax recommended to be set for County purposes, taking into account the public consultation and scrutiny in January.
- 4.2 To sustain the capital programme and establish capital resources to support the programme by the sale of surplus assets where this is deemed necessary and appropriate.
- 4.3 As required by statute, to consider the Responsible Financial Officers provisional conclusions on the robustness on the budget process and the adequacy of reserves going forward.
- 4.4 To approve the Prudential Capital Indicators calculated by the Responsible Financial Officer.

#### **5. RESOURCE IMPLICATIONS:**

As identified within the report and appendices.

**6. CONSULTEES:** Cabinet, Strategic Leadership Team

**7. BACKGROUND PAPERS:**

- a) Directorate Budget builds, detailed capital programme and associated papers
- b) Draft revenue budget proposals, draft capital budget proposals and capital strategy – released on consultation by [Cabinet](#) on 20<sup>th</sup> December 2019
- c) Provisional Local Government Settlement
- d) The CIPFA Prudential Code for Capital Expenditure

**8. AUTHORS:**

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## **Borrowing Appendices**

- A1 Extract of draft minutes of Adults Select committee – 21<sup>st</sup> January 2020
  - A2 Extract of draft minutes of Strong Communities Select Committee – 23<sup>rd</sup> January 2020
  - A3 Extract of draft minutes of Children & Young People Select Committee – 28<sup>th</sup> Jan 2020
  - A4 Extract of draft minutes of Economy & Development Select Committee – 31<sup>st</sup> Jan 2020
  - A5 Draft minutes of Schools Budget Forum – 30<sup>th</sup> January 2020
  - A6 Draft minutes of JAG (Joint Advisory Group) – 20<sup>th</sup> January 2020
  - A7 Extract of draft minutes of Chepstow Cluster meeting – 15<sup>th</sup> January 2020
  - A8 Extract of draft minutes of Caldicot Cluster meeting – 23<sup>rd</sup> January 2020
  - A9 Extract of draft minutes of Monmouth Cluster meeting – 21<sup>st</sup> January 2020
  - A10 Extract of draft minutes of North Monmouthshire Area Committee– 22<sup>nd</sup> January 2020
  - A11 Summary of Public meeting – Chepstow Library – 14<sup>th</sup> January 2020
  - A12 Summary of Public meeting – Abergavenny Library – 22<sup>nd</sup> January 2020
  - A13 Summary of Head Teachers meeting – 17<sup>th</sup> January 2020
  - A14 Access for All meeting – 17<sup>th</sup> January 2020 – Summary feedback
  - A15 Summary of Youth Conference – 24<sup>th</sup> January 2020
  - A16 Resident consultation responses received (personal details redacted)
  - A17 Budget consultation responses received by letter
  - A18 Overview of Monmouthshire County Council budget engagement
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- B1 Provisional Settlement Data
  - B2 Provisional Settlement – MCC response letter
  - C Specific Grants 2020/21 (All Wales)
  - D1 Summary of evidence based pressures
  - D2 Summary of pressures – movement from draft to final budget
  - E1 Summary of budget savings proposals
  - E2 Summary of savings – movement from draft to final budget
  - F Responsible Financial Officers Opinion
  - G Prudential Indicators
  - H1 Use of reserves for Revenue Budget Purposes
  - H2 Reserve Balances
  - I Revenue Budget Summary
  - J1 Capital Budget Summary
  - J2 Schools Capital Budget Summary
  - J3 Capital Receipts Summary
  - J4 Receipt Risk Factors
  - J5 Capital Pressures
  - J6 Capital Receipts (Exempt – supplied under separate cover)
  - K Overall Wellbeing and Future Generations Evaluation
  - L Explanation of Service Groupings

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#### **A/1 Extract of draft minutes of Adults Select Committee – 21st January 2020**

- The social care pressures were discussed in detail. Members noted the grant income received and the committee welcomed the approval to use capital receipts to assist the revenue budget position. The committee remained concerned that the use of capital receipts to support the revenue position was an unsustainable approach to address the underlying budgetary issues already presented at month 7.
- The committee recognised that staff are trying to be creative and think differently and that recruitment in the sector is a major issue. Members were pleased to see that no cost increase had been proposed for the community meals service.
- Members welcomed the new monthly budget monitoring approach which was assisting departments in forecasting overspends and enabling mitigations to be put in place where possible.
- The committee felt strongly that the funding formula disproportionately disadvantages Monmouthshire and supported the Chief Officer's attempts to raise this with Welsh Government and to request a funding floor, which would significantly assist Monmouthshire and several other rural authorities. The committee supported the efforts by the Chief Officer for Resources and the Leader to progress via the WLGA an independent review of the formula and asked that a seminar be held in the Spring.

#### **A/2 Extract of draft minutes of Strong Communities Select Committee – 23rd January 2020**

- The committee discussed reasons for the significant pressures in social services, acknowledging this was outside of its remit, in order to understand the context for the budget proposals being presented to them. They scrutinised the proposals within their remit, but made no specific recommendations.
- The committee supported the request made by Monmouthshire to Welsh Government for a funding floor and the need for an independent review, noting that a seminar would be held in the spring. The committee did not discuss the operations proposals which were presented late to the committee and agreed to attend the Economy and Development Select Committee to undertake joint scrutiny of these.

#### **A/3 Extract of draft minutes of Children and Young People Select Committee – 28th January 2020**

- The children's services pressures were discussed in detail, the committee understanding the volatility of the service. The committee recognised that officers were attempting to achieve savings through changes in legal services and also piloting projects such as MIST which should assist the service over the longer term position. They had concerns however as to how Children's

Services can be effectively budgeted for and what mitigations could be put in place. Members appreciated that the situation is unprecedented, with increased demand against the backdrop of inadequate funding and they recognised that this is the national picture.

- Questions were asked around schools in deficit and their ability to effect a recovery position. Members in general supported the loan proposals for schools to manage their financial recovery over a longer timescale, but they had concern for the level of interest payable, if inflation were to rise significantly. The committee was particularly concerned at the proposal to reduce Individual school budgets by 2% and sought reassurance from the executive that this would be further examined to ascertain whether this cut to schools' budgets could possibly be avoided.
- The committee supported the Chief Officer's endeavours to progress the settlement through further discussion with Welsh Government and they supported the need for an independent review of the formula.

**A/4 Extract of draft minutes of Economy and Development Select committee – 30th January 2020 – also attended by members of Strong Communities Select Committee**

- The committee scrutinised its portfolio areas including the operations service area comprising passenger transport unit, street lighting, waste management and there were some concerns around the household waste and recycling centre proposals, but members noted a review will be brought to Strong Communities for pre-decision scrutiny. The proposals relating to car parking were briefly discussed and it was agreed that this will be jointly reviewed by Strong Communities and Economy & Development Select Committees at the appropriate juncture. Commercial development was scrutinised and the capitalisation directive was considered.
- The committee scrutinised some of the pressures outside of its remit – education, Additional Learning Needs, the proposed 2% cut to individual school budgets, social care pressures. Members were reassured by officers that there has been robust consultation with head teachers. The committee supported the loan proposal to offer greater flexibility to schools to borrow money or manage their budget recovery plans over a longer timescale.
- There were concerns for the provisional funding settlement for Monmouthshire and the long-term sustainability of such low level funding. Members supported officers' efforts to recover monies through the Ealing value added tax exemption ruling associated with Mon Life, which will assist the budgetary position to some degree and also welcomed the new ability to use capital receipts to assist the revenue budget.
- No specific recommendations were made, other than to request the seminar in the Spring with the WLGA to discuss the funding formula.

#### **A/5 Extract of draft Minutes of Schools Budget Forum – 30<sup>th</sup> January 2020**

While the additional funding was very welcome, does the rest of the council understand the impact on schools in cutting budgets - for example less support for our vulnerable learners and larger class sizes. Is it also still assumed that schools have too much money and have the ability to make additional savings?

This was acknowledged and Cllr Murphy said that any cuts to schools were a last resort. Cabinet want to protect schools as much as they can but on this occasion there was a requirement to consider school budgets. However it was the first area that cabinet reviewed when additional funding was found.

The finer details of the loan were requested. It was agreed that the finance manager would send these out to schools and would be willing to attend any Governing Body meeting should this be requested.

#### **A/6 Extract of minutes of JAG (Joint Advisory Group) – 20th January 2020**

The Cabinet Member for Resources, County Councillor P. Murphy, provided a presentation regarding Monmouthshire County Council's Draft Budget Proposals 2020- 2021.

There were several comments around the reduction to school budgets, particularly questioning the logic of asking schools to reduce budgets where they are already in deficit.

It was confirmed that the living wage will be maintained.

It was hoped that the final Welsh Government settlement will be higher than expected

The consultation period will end on 31st January 2020, and budget proposals will go to

Cabinet on 19th February 2020 and Full Council on 5th March 2020.

#### **A/7 Extract of draft minutes of Chepstow Cluster meeting – 15<sup>th</sup> January 2020**

- Objections were raised in relation to the proposed level of council tax rise. Cutting services was advocated rather than trying to continue to do everything, although no specific services were highlighted.
- Perception was put forward that Chepstow more often than not seems to be last in the queue in the county for capital spend.
- Suggestion to impose a fee for car parking at Newport leisure park to generate income and bring it in line with towns in Chepstow for the purposes of fairness

#### **A/8 Extract of draft minutes of Caldicot Cluster meeting – 23<sup>rd</sup> January 2020**

- Support in Caldicot cluster for lobbying Welsh Government for a funding floor

- Consideration needs to be given to sustainable future budgeting, given new housing developments in the county and in the south in particular.

#### **A/9 Extract of draft minutes of Monmouth Cluster meeting – 21<sup>st</sup> January 2020**

There were no specific items of interest raised in relation to the budget proposals from the Monmouth cluster.

The pertinent comments were around the Council's use of language when talking to the public (i.e. potentially jargon-orientated) and of being more open and honest about the commercial element (how we accessed the money to purchase Newport retail park and how we're generating income because of it etc.)

#### **A/10 Minutes of North Monmouthshire Area Committee (extract) – 22<sup>nd</sup> January 2020**

The Cabinet Member for Resources provided a presentation on the 2020/21 budget proposals.

Having received the presentation, the following points were noted:

- In response to a question raised regarding whether extra funding would be made available via Welsh Government to address the deteriorating roads across the County, it was noted that it this would be a matter for the Welsh Government to decide.
- It was noted that there were many retired professionally qualified people living within the County who could be utilised. Monmouthshire County Council currently utilises the services of over 2000 volunteers across the County.

#### **A/11 Summary of Public meeting – Chepstow Library – 14th January 2020**

- 6 in attendance - 3 made the point that they were only made aware of the event by chance
- Points made around events being communicated through community groups and associations and also in the press
- It was asked that posters be provided in the future and in advance at public buildings for consultation events
- Questions asked as to why MCC is so poorly funded and what we are doing to challenge WG. The question was responded to as part of the budget presentation.
- Comment made about need for greater NHS and social services integration in order to allow for residents to be kept at home and out of hospitals.
- Question around whether MCC 'protects' pressures in social care - Phil Murphy confirmed that it is Cabinet commitment to fund pressures.
- Point raised around Chepstow train station seeing increased charges when looking to promote rail transport when there is free parking elsewhere. Though

it was understood that there are pressures related car parks not being used in Abergavenny.

- Comments made about congestion along the road running from Caldicot through to Magor and the need for improvements to the road network before more houses were built through the next LDP.
- Question asked about why the Council is making investments and taking money away from services. It was explained that the Council wasn't and that in fact the commercial returns from investments were allowing services to be sustained.

## **A/12 Summary of Public meeting – Abergavenny Library – 22<sup>nd</sup> January 2020**

Around 60 people in attendance on the night in Abergavenny Library on 22nd January. Cllr Phil Murphy and Will McLean were in attendance. Budget proposals being presented by Cllr Phil Murphy – not decisions at this stage but proposals.

- Consideration of a 4.95% increase in council tax for Monmouthshire. Phil described how “We are trying to strike a council tax balance”.
- There may be a need for schools to help with budget pressure.
- All departments will be thinking of alternative ways to generate income – fees and charges are a way to do that.
- Gap of £5.4M identified alongside £2.1M pressures. Gap of £1.17M still to be met after the proposed budget proposals.
- Cllr Murphy urging Julie James to come up with more money for Monmouthshire when the decision is made on 3rd March
- Schools will be offered a loan facility to help solve deficit positions. Schools can be lent money up to 10% of their annual income in order to manage savings over a longer timescale.

Will Mclean discussed the potential reduction in ISB for schools. When asked for feedback, Will confirmed that children with mental health problems will have different support depending on what stage children and young people are at.

Comments:

- The council tax banding implies that people are wealthier in Monmouthshire – which they are not.
- The Welsh Government funding comes from Westminster. We want a more equitable situation from Westminster. 10 years of austerity from Westminster has put us in this position. Cllr Murphy replied that it doesn't follow that the money flows down. Cllr Murphy suggested that we need a funding floor to help us and to help with the provisional settlement.
- Question asked about whether the money to cover salaries and pensions for teachers was included in the budget
- Question about whether budget is there for children with mental health issues within schools. Cllr Murphy replied that those pressures are covered

- Are pensions being funded by Welsh Government? Cllr Murphy replied that yes that is included in the funding from Welsh Government
- What proposals have come forward to meet the £800k schools saving or will schools be in even more of a deficit position?
- Why are you taking 2% off schools budgets that are already in deficit?
- Question about whether Chepstow comp is still being updated. Cllr Murphy confirmed that we are doing things to improve the school and the leisure centre.
- Question about whether council tax should go up further Cllr Murphy said that wouldn't be our choice
- What is the decision in relation to holiday homes in the county? Cllr Murphy said that a suggestion has been made in regard to second homes. It's not something we want to do because this may lead to people declaring their second home as a holiday let which would then incur business rates – some North Wales councils have lost money as a result of this.
- MCC has traditionally had a lower amount of funding. Why is that? Cllr Murphy explained the funding formula. The formula represents deprivation – there is the assumption that Monmouthshire does not have deprivation but there is and the formula does not take into account rurality
- Member of the public said that we have some of the highest cost properties in Wales which impacts on the formula. Resident asked how we can help to lobby? Who do we need to go to? Cllr Murphy confirmed work is ongoing with the WLGA to challenge the formula. Cllr Murphy explained that the challenge will be to Welsh Government and Westminster
- We've accepted there's a shortfall in budget coming from Cardiff, so if we were an English County would we be worse off? Cllr Murphy confirmed that we would be worse off again as Welsh Government has protected budget
- We need more notice of these meetings, people wanted to come and they feel very angry because they couldn't come and leave their young children at home. It would be helpful to have more notice.
- Local schools got letter on Monday at 3.30 ready for today that's not enough notice. Cllr Murphy replied highlighting how the various sessions have been promoted
- Addition concerns were raised in regards to the school cuts. Emotional support through projects such as Elsa and Forest Schools that all help with emotional health and wellbeing, won't be able to continue. Will replied that we understand there will be a consequence. We spent time with head teachers talking about this and Will replied that we still want to give children the best possible start in life. Will confirmed that we are seeing unprecedented numbers of looked after children in the system. Placements need to be right and give children the support they need.
- Concerns that we will have a crisis if we don't have early support in schools. Will confirmed that the ideal would be to pay for an Elsa project in every school but we have to find the budget.
- More support is needed to stop children going into social services. We need to produce children who can survive and thrive. Potential that we will have an even worse problem
- Cuts in education mean that some teachers can't cope anymore.
- The children who are most vulnerable will suffer due to cuts on staffing. Time people are spending with children will be cut.

- This is bottom up politics that is now affecting children who have no say in society.
- Question about federation. Will replied that if we ever have a federated school we do it to ensure their prosperity
- Question about what job losses have happened. Will replied no job losses have taken place. We are in a very tight position. The pressure in children's services is unprecedented. Will described that it's a very difficult situation. We have had to make difficult decisions to come up with our proposals. We recognise what is being said and the potential consequences on our children and young people. Welsh Government's influence is challenging but we continue to work on it.
- Schools in a deficit or reporting a deficit shows this will be perpetuating a problem.
- Will there be closures? Difficult to see how rural schools won't close. How can they survive with a 2% cut? Will confirmed that not all schools are carrying significant deficit budgets. The notion of a loan has been positively responded to by some schools.
- Can we talk about the reasons why schools go into deficit? Worried that there's an assumption that schools are fiscally irresponsible. This isn't just about the crisis of looked after children. There are more children with emotional and behavioral problems needing more 121 support and this is placing schools under even more pressure. There are serious reasons why schools go into deficit - it's a result of a series of circumstances to provide for children. Look at the number of exclusions going on in schools which highlights the problem of emotionally and behaviorally challenged children in school. It has not been suggested that it's due to financial mis-management. We are supporting more 121 and small group work in school. We need to find the best way to support. Some schools have had financial challenges for a whole range of reasons.
- This isn't about delivering extra this is about delivering a core provision that will be impacted. The funding needs to be here in Monmouthshire to fund the sixth form in King Henry. Head Teachers can only do so much- concerns that the sharing of Head Teachers does not work. Head Teachers are working for the EAS, not in their schools.
- This is going to destroy children's lives
- There are two savings needed here today. On your job page you are advertising £750k worth of jobs in a commercial environment. "I wouldn't hire those people I'd put that money with teachers". Councilors costs £3/4M to this county. I've saved you £2M by cutting that. Have you gone through the process of looking at where your money is spent? You have 43 people as councilors - we don't need those people doing that.

### **A/13 Summary of Head Teachers meeting – 17th January 2020**

- Headteachers raised concerns that they are not able to make the savings required and asked cabinet to consider increasing council tax by an additional 1% to ensure that schools do not need to find this.
- Cllr P. Murphy explained that at the public meetings it was clear that the public did not want any further increase in council tax above what was already proposed. He also added that Cabinet were looking at all options to ensure that this can be reduced or even stopped.

- Headteachers agreed to contact their parents to make them aware of the proposals and to ensure that they responded to the consultation.

#### **A/14 Access for All meeting – 17<sup>th</sup> January 2020 – Summary feedback**

Q1 - Councils should be working in partnership with health. How is this taking place in Monmouthshire?

- In Monmouthshire we have integrated social care hubs across the county, for example in Abergavenny. Mardy Park is a very vibrant community hub and an asset. Various community groups use their grounds for projects to help mental health and wellbeing and some of the building is used as clinic spaces. In Monmouthshire we are very advanced in recognising how the community can benefit from shared spaces.
- Savings – this year we have been renegotiating the way we work.
- Fees and Charges - WG set the charge. People are assessed to look at how much people pay for support on a sliding scale of fees. We looked at the profile of some of our areas. One thing we have is the ability to pool money – through section 33. Looking at what we contribute and health contributes, we have seen that Health owe MCC money.
- We are trying to be as creative as possible to access more funding - this may be from gaining income from sources such as the health board. We have a very good relationship with health Integrated Service Partnership board. This works really well and is well developed in Monmouthshire.

Q.2 At what stage would I have to sell my house in order to get help if I wanted to move into a residential home?

- You don't need to sell your house while you still live in your home. In Monmouthshire we aim to keep as many people at home as possible. If the time arises when you can't live at home and need extra support from a care home, we make an assessment whereby legislative requirements need to be taken in to account. We work with the individual to see what is best to allow people to adjust to the change in their life.
- Government set the amount of £50,000 that the resident can keep if they need to sell their home. Anything above £50,000 is taken into account. Rate - £750-£1000 a week to stay in a care home. Anything below £50,000 LA will contribute.

Q3. Disabled Facility Grants - what is the uptake in Monmouthshire since the amount was increased from £300,000 to £600,000?

- A Disabled Facility Grant is for residents who need adaptation made to their homes. It is an area of growth and for people of all ages, people are also doing things for themselves. A report is going to Select Committee to look at the



current situation. The period of funding has lengthened which enables more residents to benefit. Now secure £600,000 this may rise to £900,000

Q4. 2% charge for schools – Pay and pensions will it be already taken out?

- Yes, it will not affect staff. 2% is the last resort.

Q5, Empty shops in Abergavenny - will the rates be reduced?

- This is a Welsh Government decision. Some shops may be able to get some help. It's out of our control. Maybe we can lobby WG on behalf of retailer.
- 'Abergavenny is a tourist town and there are more and more shops closing.' We are looking at buying old shops and regenerating them.

Q6. Are disabled toilets still going to be supported?

- The Toilet Strategy will provide more light on this and it is available on the website.

Issue with the nature of housing that is being built in Wales. They do not take into account people with disabilities. They are often not able to access public transport. They do not build 2 bedroom houses which are perfect for people who are downsizing. Planning Teams need to be aware and exercise more authority with big.

### **A/15 Summary of Youth Conference – 24<sup>th</sup> January 2020**

During the Youth Conference, young people were asked to hold up different colour cards to demonstrate which statements they agree (green) or disagreed (red) with or were undecided (amber):

- “MCC gets the least funding per head of population compared to the rest of Wales” – all red cards, young people in Monmouthshire do not feel that this is fair
- “More funding put in to support for Adult Services, to help and support our growing older population.” – mostly amber, Monmouthshire’s young people are undecided about this
- “More investment in our schools to help you reach your full potential. We will continue to support the needs of children with Additional Learning Needs.” – all green, Monmouthshire’s young people support this
- “We will review how children with Additional Learning Needs travel to and from school. We are looking to see if some pupils could share transport rather than getting individual taxis to school.” – mostly amber, Monmouthshire’s young people are undecided about this
- “We face huge fines if we do not recycle waste properly. Black bags are containing more food waste and lots of items that can be recycled. We propose to carry out checks at our Household Waste and Recycling centres to check what people are throwing away and what could be recycled.” – mostly green, Monmouthshire’s young people support this

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## A/16 Budget consultation responses received from residents (personal details redacted)

Response Identifier	Proposal it relates to	Proposal Title	Response
0001	CYP001	Individual Schools Budget Saving	As parents of children, who live and attend school in Monmouthshire, we would like to raise objections to the proposal to reduce base funding of schools by 2% for this financial year. Our children attend King Henry VIII school and we believe the Headteacher and her team have worked extremely hard to raise standards within the school; managing to effectively target limited resources to improve standards. We strongly feel that at 2% reduction would have a serious impact on their ability to continue that journey of school improvement. A good education system benefits everyone in Monmouthshire and should be fully funded. Please can our concerns be registered as a part of the consultation process.
0002	CYP001	Individual Schools Budget Saving	I would like to share my concerns regarding the reduction in funding allocation to King Henry VIII school. I understand there is a proposed 2% savings requirement which will impact on their base funding. Mrs Lewis and her team have worked extremely hard to drive up standards in the school and improve exam and test results, which has had a positive impact on both the students and the wider community. I am very concerned that they will not be able to maintain these standards and continue to grow and develop as a school if their base funding is cut. The school is a significant part of the Abergavenny and area community, with the majority of the children attending also living in the local area. It is for the benefit of this community that these children have a robust and high quality education. Please can this impact be considered in the consultation.
0003	CYP001	Individual Schools Budget Saving	My daughter currently attends Magor Church in Wales primary school. I am very concerned to see the proposal for school budgets to be cut by 2% in the coming financial year. The school has gone through a very difficult time following a estyn report a few years and the head, Mrs Haymer and her team have worked hard to try and bring about real improvement. Teaching staff, parents and PTFA are all aware that budgets are tight. As a member of the PTFA, and current joint Chair, I can honestly say that we are already helping the school in a number of areas, and have specifically funded new equipment for the junior yard as this was raised as an issue in the report, but if school funds could not hope to have achieved this with other pressures. The PTFA fund a number of school projects and are now looking to provide equipment to the infant yard. If the school budget is cut further my concern would be that the children would suffer with reduced opportunities. Alternatively it may mean parents having to contribute more and we have to be aware that not all parents are in a financial position to do this. Benefit entitlements have not increased, and universal credit puts even bigger pressures on families. Education should be free for all with no child feeling left out because parents are unable to contribute.
0004	CYP001	Individual Schools Budget Saving	As a parent of a pupil at King Henry VIII school, I would like to raise an objection to the proposed 2% cut to school funding. I hope very much that this cut is being reversed as part of the Wellbeing of Future Generations analysis, as it is clearly wrong to put the burden onto those who we should be giving the best possible start in life i.e. state school pupils. King Henry School has seen some fantastic improvements in recent years, and it is unacceptable to undermine the efforts of the Headteacher to do the best for her pupils. I understand that there are extremely difficult pressures being put on the council, but I would like to object to core school funding being cut.
0005	CYP001	Individual Schools Budget Saving	I'm writing to object to the proposals made in your draft document.  We have a child studying at King Henry VIII in Abergavenny and are concerned a further cut to the school's budget will undermine the good work done by Mrs Lewis in improving standards. Protecting standards for future generation must surely be the first priority when budgeting, and while I understand the unfortunate position you have been put in, suggest that cuts are made in other areas and not education.  Obviously this whole situation is terrible and the county should not be in this position, however state schools are the future.

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# ABERGAVENNY TOWN COUNCIL

TOWN MAYOR

CLLR TONY KONIECZNY



TOWN CLERK

JANE LEE  
TOWN HALL  
CROSS STREET  
ABERGAVENNY  
NP7 5HD  
Telephone: (01873) 735820

Councillor Phil Murphy  
Cabinet Member for Resources  
Monmouthshire County Council

22nd January 2020

Dear Councillor Murphy

I have been asked to write to you on behalf of Abergavenny Town Council regarding the proposed budget for 2020/21.

At a recent Committee meeting the impact of the proposed cuts on the individual school budgets was discussed. It was agreed that the proposed cut of 2% is unacceptable as this would equate to a cut of £20,000 for primary schools and £75,000 for King Henry VIII School. This level of reduction in the individual school budgets will be detrimental to the education of the young people of Monmouthshire and their future options.

The Town Council requests that the proposed level of cuts is reconsidered in light of the long term impact that such decisions will have and the short term difficulty that schools will have in absorbing a significant reduction in their available budget.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Lee'.

Jane Lee  
Town Clerk



“Believe, Succeed, Inspire, Achieve”  
“Credù , Llwyddo , Ysbrydoli , Cyflawni”

## MONMOUTHSHIRE COUNTY COUNCIL BUDGET PROPOSALS 2020/21: EDUCATION

To Whom This May Concern

Thank you for the opportunity to respond to the above consultation

### Background

Raglan CiW VC Primary school is a bright, vibrant and friendly 21<sup>st</sup> Century School built for integrated learning, with 203 pupils enrolled into its educational care (Sept 2018 – July 2019). It is also one of the 15 schools which started 2019/20 in financial deficit. A five year budget recovery plan is in place, budgets are agreed in line with this strategic aim and are on track, but fragile.

As a school Raglan CiW VC Primary School has worked tirelessly over the past number of years to raise standards in what has been very challenging financial circumstances. The senior leadership team in conjunction with governors year on year have strived to reduce expenditure whilst carefully balancing the needs of the school and its pupils. It has been pleasing to see the growth and development of our school despite the financial challenges it is facing. The governing body and senior leadership team remain eternally grateful for the support it has received from parents and the local community during this difficult period, without their support such progress would have been impossible.

### Education Proposal Response

We are pleased to see that the consultation proposal seeks to meet the budget requirements of the additional pension costs and pay awards and we acknowledge that this is alongside the safeguarding of funding used to support pupils with additional learning needs, which we welcome. In 2018/19, 15% of our learners were identified as having additional educational learning needs. However, the governing body of Raglan CiW Raglan Primary School are in no doubt that a real term 2% reduction in budget if approved will have a seismic impact on the school. The detrimental impact will not just be financial but also catastrophic in terms of the pressure it will place on school staff, the impact it will have on the well-being of pupils and the impairment it will have on the schools ability to maintain its current core provision.

There is also no doubt that the proposed budget reduction will detrimentally impact on the schools ability to sustain its 5 year budget elimination plan. The possibility of either a static or increased deficit cannot be disregarded as potential outcomes of the proposed budget reduction. Whilst we endorse the need for schools to be financially prudent and efficient, Raglan has already been through a very difficult budget cutting process. This has included staffing reductions, strained learning resources and a reduction in the funded provision of services to pupils. This has resulted in greater reliance on parents to financially contribute to school trips/activities/experiences to enrich the pupils learning and an increasing reliance on the school PTFA and community grants which may be available to bridge gaps in resources. At this stage of our recovery plan the expenditure savings are now marginal and consequently budget recovery is more fragile than ever. Prior to the announcement of Monmouthshire County



“Believe, Succeed, Inspire, Achieve”  
“Credw , Llwyddo , Ysbrydoli , Cyflawni”

Councils education budget proposal, as a governing body we had already identified risks in 2020/2021 to the progress of our budget elimination plan, which are beyond the control of the Head Teacher and Governing Body. These concerns have been shared with Nikki Wellington and acknowledged during finance committee meetings.

We are not unique as a school in our financial position and the risk that the 2% reduction may have in terms of a collective impact on Monmouthshire school's deficit position and the overall reserves of MCC should not be underestimated. This risk is already noted in your Revenue & Capital Monitoring 2019/2020 Forecast Out-turn Statement. Such an outcome would eliminate any potential benefits foreseen from the budget reduction (which we believe are unfounded) and furthermore will potentially have a long-lasting damaging effect on individual schools, pupils, staff and the communities which they serve.

The proposed 2% budget cut to our school in addition to the financial pressures already faced is simply unsustainable and if approved will affect staff and pupil wellbeing and our school's ability to supply its core provisions. As a Governing Body we would need to explore which difficult areas of the core provision may be affected. In this consultation we specifically wish to raise concerns in relation to funding for support staff, maintenance of foundation phase ratio's and intervention availability. These are areas where services are already stretched to the bare minimum. Our pupils deserve more than this and as a governing body we strongly believe that our schools focus must always remain on pupil education, wellbeing and to strive for excellence. These attainments must not and should not be governed or impinged by unsustainable budget savings, which is the very real risk imposed by the MCC Education Budget proposals for 2020/2021.

Furthermore we are extremely concerned that the education proposals are not aligned with the Well Being of Future Generations Act. This is critical and flagship Welsh legislation than cannot be side-lined by the council when making such significant budget reduction proposals.

We hope that these comments are useful in your deliberations and urge you to seriously re-consider the education proposals due to the impact that the budget cuts will have on our school and its pupils.

As a governing body we would appreciate being kept informed of any further developments in this area.

Mike Fowler  
Chair of Governors  
Raglan CiW VC Primary

29 January 2020

Peter Davies  
Monmouthshire County Council  
Chief Officer for Resources (acting S151 officer)  
E-mail: [peterdavies@monmouthshire.gov.uk](mailto:peterdavies@monmouthshire.gov.uk)

Dear Mr Davies,

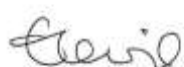
We are writing in response to the MCC budget proposals and, in particular, those for Children and Young People. We recognise the local authority has received the least favourable draft settlement from Welsh Government and, within the budget proposals; there are some helpful elements for schools. However, a proposed 2% reduction in ISB excluding ALN is considered collectively by all secondary schools of significant concern.

As school leaders, we do not agree that the proposed reduction of individual school budgets will protect schools. There is recognition of this within the budget process last year that school budgets were at breaking point. Hence the small uplift in the ISB. The proposed cut this year of 2% will provide a significant challenge to schools and could pose a threat to the provision made available, particularly, for our most vulnerable students. It must be remembered schools are the LAs first line of social care and ALN support. Through our wellbeing provision, we provide the structure to allow our most vulnerable pupils to engage in their education and secure a successful future. The proposed reduction means alternative curriculums, wellbeing and basic skills interventions, will be at risk and may add to the burden on wider services at MCC level such as social services and ALN. As a result, as schools we believe a proposed cut of 2% may be counterproductive. Furthermore, our concern is that this will negatively impact on the life chances of our most vulnerable students.

We understand there are difficult choices to make and understand all public services are important however, the children of Monmouthshire have one go at their education. Therefore, as a group of secondary schools we urge officers to invest further in the children and fully comply with the aim of the MMC Wellbeing Plan to "Provide children with the best start in life". Consequently, we firmly believe that the proposed reduction of ISB by 2% is amended so that there is no reduction.

We strongly urge that the council reconsider this proposal. While officers and cabinet members will have spent many hours reflecting on the options available, we believe these savings can be found in other areas of the overall corporate spend or through further increased council tax. Please be assured, as school leaders, we are committed to ensuring every child whatever their background is able to thrive in school and look forward to a fulfilling future. As a group of leaders, we trust this commitment is reflected in the final settlement to our schools.

Yours sincerely,



**Mrs Elspeth Lewis**  
Headteacher, King Henry VIII



**Mr Vaughan Davies**  
Headteacher, Monmouth



**Mr Marc Belli**  
Executive Headteacher, Caldicot



**Mrs Sian Phillips**  
Chair of KHS Governing Body



**Mrs Victoria Smith**  
Chair of MCS Governing Body



**Mr Peter Nurcombe**  
Chair of Caldicot Governing Body

cc. Will McLean  
Paul Matthews  
Cllr Richard John  
Cllr Peter Fox  
Cllr P Murphy



Face to face events were held throughout the county to capture public responses, including cluster meetings, public meetings, the Access for All meeting and Engage to Change meeting.



- Throughout January, 15 events were held to discuss the 20/21 budget proposals, including 11 public consultation events across the County

The engagement events were supported through a pro-active communications plan, which included the creation of Webpages with a link to all documents and a digital feedback form.



- Various media channels were used to encourage engagement, including local press articles and social media promotions through Facebook and Twitter.



- Facebook reached the greatest audience, reaching 1,000s of people per post.
- The highest viewed post was the Budget overview reminder link to budget details and survey form, which had a reach of nearly 6,000 people and received 25 comments.



- The online survey was a successful method for capturing budget response, with 285 people sharing their views via the online form

- Greatest level of objection was received in response to the proposed 2% cut to individual school budgets, with concern being raised at the public engagement events and through the online survey and email responses



Online survey responses – 95% disagreed with the Education proposals

## 1. Do you agree or disagree with the proposals for Education?

 Agree	14
 Disagree	265



- The proposed loan scheme received a more positive response yet this did not relieve concerns that the ISB savings would have a detrimental impact on children



- Whilst the public recognise the pressures local authorities are facing, strong views were expressed in relation to the proposed 4.95% increase in Council Tax, with the majority of responses objecting to the proposed increase.

- The proposed increase was considered to be too high and likely to have an adverse impact on Monmouthshire households.

We propose a 4.95% increase in Council Tax as a result of the financial challenges we face from the inadequate funding recovered from Welsh Government - Do you agree or disagree?

 Agree	67
 Disagree	167





- From the responses received there is an overall consensus that Welsh Government funding disproportionately disadvantages Monmouthshire in comparison to other Welsh Authorities and that it fails to recognise the areas of deprivation within the County.
- The public are in agreement that the current funding floor needs to be challenged in order to protect vital services.

- Survey responses were divided in regards to Planning, Transport and Highways, with almost a 50/50 split between agree and disagree
- Some of the main concerns raised in these areas are in regards to overstretched infrastructure and an inability to cope with increased development
- A lot of the initial feedback concerned Usk recycling centre – which was lessened when decision was put in abeyance.



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Appendix B1 - Provisional Settlement Data

**Welsh Local Government Revenue Settlement 2020-2021**

**Provisional**

**Table 1a: Change in Aggregate External Finance (AEF) plus floor funding, adjusted for transfers, by Unitary Authority**

*£'000s*

<b>Unitary Authority</b>	<b>2019-20 final Aggregate External Finance* plus floor</b>	<b>2020-21 provisional Aggregate External Finance</b>	<b>Percentage difference</b>	<b>Rank</b>
Isle of Anglesey	97,324	101,005	3.8%	18
Gwynedd	179,375	187,579	4.6%	6
Conwy	156,064	161,398	3.4%	21
Denbighshire	145,713	151,932	4.3%	11
Flintshire	192,212	199,386	3.7%	19
Wrexham	178,121	184,296	3.5%	20
Powys	176,940	184,289	4.2%	14
Ceredigion	103,308	107,646	4.2%	13
Pembrokeshire	164,153	172,204	4.9%	3
Carmarthenshire	262,611	274,159	4.4%	10
Swansea	325,697	339,381	4.2%	12
Neath Port Talbot	217,091	226,762	4.5%	8
Bridgend	193,949	203,127	4.7%	5
The Vale of Glamorgan	153,453	161,021	4.9%	2
Rhondda Cynon Taf	372,105	388,666	4.5%	9
Merthyr Tydfil	92,332	96,810	4.8%	4
Caerphilly	272,212	283,367	4.1%	16
Blaenau Gwent	111,727	116,063	3.9%	17
Torfaen	134,373	140,467	4.5%	7
Monmouthshire	94,896	97,760	3.0%	22
Newport	216,443	228,077	5.4%	1
Cardiff	450,512	469,047	4.1%	15
<b>Total unitary authorities</b>	<b>4,290,612</b>	<b>4,474,444</b>	<b>4.3%</b>	

## Appendix B1 - Provisional Settlement Data

### Welsh Local Government Revenue Settlement 2020-2021

#### Provisional

Table 1c: Aggregate External Finance (AEF) per capita, by Unitary Authority, 2020-21

Unitary Authority	2020-21 provisional Aggregate External	Provisional Aggregate External	Rank
Isle of Anglesey	101,005	1,442	11
Gwynedd	187,579	1,511	8
Conwy	161,398	1,378	17
Denbighshire	151,932	1,590	5
Flintshire	199,386	1,283	19
Wrexham	184,296	1,329	18
Powys	184,289	1,395	14
Ceredigion	107,646	1,440	12
Pembrokeshire	172,204	1,382	15
Carmarthenshire	274,159	1,466	10
Swansea	339,381	1,379	16
Neath Port Talbot	226,762	1,595	4
Bridgend	203,127	1,410	13
The Vale of Glamorgan	161,021	1,236	21
Rhondda Cynon Taf	388,666	1,623	2
Merthyr Tydfil	96,810	1,621	3
Caerphilly	283,367	1,564	6
Blaenau Gwent	116,063	1,669	1
Torfaen	140,467	1,517	7
Monmouthshire	97,760	1,044	22
Newport	228,077	1,508	9
Cardiff	469,047	1,277	20
<b>Total unitary authorities</b>	<b>4,474,444</b>	<b>1,426</b>	

\* Based upon 2018 Mid Year Estimates and the 2014 LA based 2019 Population projections



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sir fynwy

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Rt Hon Mark Drakeford AM

First Minister

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Our Ref/Ein Cyf:

PF/letters/2020/200203

Your Ref/Eich Cyf:

Date/Dyddiad:

3<sup>rd</sup> February 2020

Dear First Minister,

### **Local Government Provisional Settlement 2020/21**

Thank you for your invitation to respond to the Provisional Local Government Settlement through the consultation process. Please find below Monmouthshire's response.

You will understandably notice a lot of consistency within Monmouthshire's response to the response from the Leader of Council and which was shared with us last week. We have also reflected on the letter from Julie James last Friday which confirmed that she would consider the case for a funding floor to be included.

### **The Provisional Settlement**

The provisional Settlement better recognises the significant pressures faced by local government in respect of employment costs and service pressures and is a welcome improvement to the Settlements received in previous years. However, whilst AEF increases by £184m this still falls significantly below the £254m uplift that the Welsh Local Government Association had estimated that local authorities required in their budgets to maintain existing service provision during 2020-21.

Furthermore, it is of great concern to Monmouthshire that the AEF position across Wales is in a wide range of between 3% (the worst being Monmouthshire) and 5.4% (the best). The AEF span of 2.4% is the highest it has been for a number of years. As has been the case for a number of years, Monmouthshire has been afforded a poor Settlement relative to the rest of Wales through the application of need based indicators that drive the distribution of funding.

Monmouthshire, together with four of the six North Wales authorities, feature within the five worst Settlements across Wales. Monmouthshire again remains with the worst Settlement in Wales.

It is acknowledged that the Distribution Sub Group has a role to play with regard to the distribution arrangements of the annual local government revenue Settlement. It is noted that the intended outcome of the Settlement is the delivery of an equitable, appropriate and accurate distribution of revenue settlement funding to local authorities in Wales which reflects relative need. And it is understood that there are valid reasons as to why some authorities are experiencing smaller increases than others, such as relative changes in population and pupil numbers. Whilst these changes have been agreed through the Distribution Sub Group this only helps alleviate some of the distributional impact.

It is fair to say that there is a strong widespread feeling that the currently applied needs based distribution arrangements have shortcomings, indeed there are many calls to review the local government funding formula. Whilst these shortcomings remain in place a funding floor at least allows Welsh Government to 'step outside' the data driven process and introduce an element of fairness to support those authorities suffering from a form of 'data deficit' in the way that they are currently exposed to the number crunching exercise.

### **Employee Related Pressures (Pay awards, Pension costs and the National Living Wage)**

It is true to say that pay related pressures form a significant part of the net revenue expenditure of our services and our schools. Such pay pressures include externally set pay awards, and externally determined teachers' pension increase. In addition, the National Living Wage, again externally determined, impacts upon care fees paid to the independent sector which is a vital part of supporting and sustaining both Social Services and Health services.

As you will appreciate, the percentage increase relating to employee related costs applies equally and consistently to authorities irrespective of geography, such that whether you are afforded one of the better Settlements, or in Monmouthshire's case the worst Settlement, the additional cost pressure is consistent. There is therefore a danger that the need indicator process that is applied by Welsh Government through the current distribution regime produces a 'need' to cut staff (including teachers) to compensate for the funding differences apparent within the distribution process.

### **Social Services**

It is now widely accepted throughout the UK that the rising elderly population has become the major issue affecting the sustainability and resilience of local authorities having responsibility for Social Services. Obviously in Wales that means all of the 22 unitary authorities. This is a significant matter for Monmouthshire where population projections between 2014 and 2039 see Monmouthshire have the second highest increase in both those aged over 65 and aged over 85. Furthermore the Council is more recently seeing a significant increase in the number of disabled adults who are reaching an age where their parents are no longer in a position to care for them leaving the Council to have step in and provide expensive but necessary support.

In addition to the longstanding pressures within the adult social care sector, in more recent years significant pressures have emerged in respect of services and support provided to looked after children. Complex and rising demand for care to our most vulnerable children has added to the financial pressures within social care creating a significant resource shortfall that now has to be addressed. The cost pressures are in particular arising from a sharp increase and an associated significant increase of cost related to complex individual cases.



If it is not addressed through central grant funding (the AEF), cuts to other services (including preventative service and other services expected by your appointed Commissioners) and Council Tax increases are required to solve the overall financial equation. It does not seem fair and appropriate for a national problem to be addressed locally.

### **Pupils with Additional Learning Needs**

We continue to experience significant pressures in our population of learners with additional learning needs (ALN). These pressures are manifesting in both increased out of county placement costs and increased funding for children supported in mainstream settings. The pressure is most acute for those with neuro-developmental needs. Schools are also experiencing greater numbers of children with complex needs whose origins lay in attachment and adverse childhood experiences.

Whilst the additional Welsh Government one-off grant funding is welcomed it is inadequate to cover the pressures being faced and in allowing the Council to fully embed the requirements of the new ALN and Education Tribunal (Wales) Act 2018.

### **Sustainable Waste Management Grant**

Moving on to other areas Monmouthshire like others find it counter-intuitive that the sustainable waste management grant should be cut. Monmouthshire, other Welsh local authorities and Welsh Government have all declared climate emergencies. The proposed reduction in grant appears to conflict with Welsh Government policy relating to the waste and recycling agenda specifically and the carbon agenda generally. Likewise, current recycling targets being based on tonnages and not the carbon impact, and which can lead to perverse outcomes.

### **Standard Council Tax**

The provisional Settlement for 2020/2021 includes a Standard Council Tax of £1,335.76 which is an increase of 7.1% compared with the level Welsh Government used for the final Settlement in 2019/2020. It is accepted that this is to reflect the increases in Council Tax levels across Wales, but the fact that Welsh Government expects Councils to be able to generate additional income of 7.1% through Council Tax increases needs to be explained clearly in both the final Settlement papers and written statement that accompanies it so that the public can better understand the position.

Monmouthshire is currently having to consider a 4.95% increase in Council Tax and is already facing criticism from residents at the level of increase and which falls well below the % increase that Welsh Government expects Councils has modelled in its own Settlement calculations.

### **Capital Funding**

In terms of the Settlement for capital funding, it is disappointing that General Capital Grant and Supported Borrowing have only seen small increases. The continuation of funding for highways refurbishment and school maintenance is welcomed but the level of unhypothecated capital funding has now reached a point where Monmouthshire like others cannot support the required investment into its vital infrastructure.

Further valued capital investment not only provides much needed repair and maintenance to our core assets, but also provides a boost the local economy and indeed the economy of Wales at a

time when it is needed. There are significant opportunities for Monmouthshire in improving the local road, rail and public transport infrastructure and that equally support active travel plans.

### **Conclusion Regarding The Floor Request**

It has been argued by the Minister for Local Government and Finance and accepted that the purpose of providing for a floor is a temporary measure to mitigate against the impact of unmanageable change in authority funding in individual years and is not intended to be used every year. However, one further shortcoming of the funding formula and distribution mechanisms is that it fails to recognise the current and increased in-year demand pressures that Monmouthshire for example are suffering and that are needing to be managed.

The extent to which the provisional Settlement apparently reflects pay related pressures leaves little room (if any) in the adjusted AEF cash increase to acknowledge these service pressures and demand relating to social care and children with additional learning needs. It is little wonder that our other services require substantial budget reductions to compensate for inadequate real term financial growth to fund our 'real' needs based pressures.

As a consequence Monmouthshire would strongly urge you and your Minister for Housing and Local Government to see a funding floor continued in line with the request from the Welsh Local Government Association and on the basis of principle and precedent to introduce regional fairness into the Settlement arrangements for Wales. In so doing Welsh Government would better achieve the overarching principles of equity, stability, clarity and relevance through their financial support to local government.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Fox', written in a cursive style.

Peter Fox

Council Leader

## WELSH LOCAL GOVERNMENT SETTLEMENT 2020-21

### Provisional Revenue - Indicative Estimates

Table 7: List and estimated amounts of Grants for total Wales

Portfolio and Grant Name	£'000s	
	2019-20	2020-21
<b>Education</b>		
Regional Consortia School Improvement Grant <sup>1</sup>	140,623	154,399
Sixth Form funding	94,664	93,943
Pupil Development Grant	92,767	101,367
Professional Learning <sup>2</sup>	15,000	0
Teachers Pay Grant 2019/20	12,018	RSG
Youth Support <sup>3</sup>	10,056	10,056
Transition support for Minority Ethnic and Gypsy, Roma, Traveller learners <sup>4</sup>	10,000	10,000
Costs associated with Teachers Pay <sup>5,6</sup>	7,500	0
PDG Access <sup>4</sup>	5,154	8,354
Reducing Infant Class Sizes Grant - Revenue	5,000	6,000
Adult Community Learning	4,418	4,418
Additional Learning Needs Innovation Fund	3,331	3,268
Small and Rural Schools Grant	2,500	2,500
Whole School Approach	1,526	2,000
SEREN Foundation grant	655	655
School based supply cluster trial <sup>5</sup>	350	0
SEREN Academy grant	329	329
School Business Managers <sup>5</sup>	200	0
Foundation Phase Pilot (Flintshire only) <sup>5</sup>	130	0
Additional Learning Needs <sup>4</sup>	0	7,192
Elective Home Education <sup>4</sup>	0	1,500
<b>TOTAL</b>	<b>406,220</b>	<b>405,982</b>
<b>Housing and Local Government</b>		
Children and Communities Grant(CCG) <sup>7</sup>	136,442	135,442
Housing Support Grant	123,688	123,688
Teachers Pension Grant	39,112	RSG
Affordable Housing Grant (AHG) <sup>5</sup>	18,762	0
Sustainable Waste Management Grant	18,200	16,400
Food and Residual Waste Treatment Gate Fee Support	10,017	13,300
Cardiff Capital Region City Deal	10,000	10,000
Cardiff Harbour Authority	5,223	5,223
Child Burials	600	600
Digital Transformation Fund	552	1,150
EU Support for Local Resilience Forums <sup>5</sup>	500	0
Support for Public Service Boards	400	400
South Wales Regional Aggregate Working Party (RAWP)	50	50
Waste Planning Monitoring Report - North Wales and South East Wales	49	50
Rural Housing Enabler	47	47
North Wales Regional Aggregate Working Party (RAWP)	25	25
Mid and South Wales Regional Viability Model and Assessment	19	0
Waste Planning Monitoring Report - South West Wales	16	16
Armed Forces Day	15	20
Circular Economy Projects	0	1,000

<b>TOTAL</b>	<b>363,716</b>	<b>307,411</b>
<b><u>Health and Social Services</u></b>		
Childcare Offer- Childcare Costs	46,150	56,177
Social Care Workforce and Sustainability Pressures Grant	30,000	40,000
Substance Misuse Action Fund	25,063	25,063
A Healthier West Wales (supported programmes 1, 3, 7)	4,484	7,483
Community Services - North Wales	3,732	2,041
Integrated early intervention and intensive support for Children, Young People and Families-North Wales <sup>5</sup>	2,407	0
Childcare Offer- Administration Grant	2,323	2,323
Adoption Services	2,300	2,300
Together for Mental Health - North Wales	2,072	238
Social Care Tasks Performed by a Registered Nurse in Nursing	1,900	RSG
Seamless Services For People with Learning Disabilities - North Wales <sup>5</sup>	1,651	0
Childcare Offer- SEN Grant	1,500	1,500
National Approach to Statutory Advocacy for Children and Young People	550	550
Early Years Integration Transformation Programme	463	463
Deprivation of Liberty Safeguards (DoLS)	263	263
Complex Needs Funding - Substance Misuse and Mental Health	229	1,018
Maintaining the Delivery of the Wales Adoption Register	178	178
National Fostering Framework – Developing Foster Wales Brand and Marketing	100	100
Drug & Alcohol Initiatives Naloxone Programme	80	80
Support Revision and Development of Wales Safeguarding Procedures for Adults and Children at Risk	75	75
Supporting Safeguarding Boards to deliver training for the implementation of Welsh Government policy and legislation	60	60
Residential care homes for Children - task and finish group	50	50
Review of the Local Authority Performance Management Framework Grant	34	34
Contact Centres	18	21
<b>TOTAL</b>	<b>125,682</b>	<b>140,017</b>
<b><u>Economy and Transport</u></b>		
Free Concessionary Bus travel	60,133	60,133
Bus Services Support Grant	25,000	25,000
Bus Revenue Support - Traws Cymru	2,530	3,187
Road Safety Grant	2,000	2,000
Arfor innovation Fund	1,000	1,000
Anglesey Airport - Operation & Maintenance	800	800
Continued support for Regional Skills Partnerships	495	495
Swansea Tidal Lagoon Taskforce <sup>5</sup>	220	0
Business Improvement District <sup>5</sup>	78	0
Youth Discounted Travel Scheme (My Travel Pass)	60	60
<b>TOTAL</b>	<b>92,316</b>	<b>92,675</b>
<b><u>Environment,Energy and Rural Affairs</u></b>		
Land Drainage and Coastal Protection	2,400	1,469
Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Ai	1,637	0
Local Authority Animal Health and Welfare Framework Funding	200	200
Coastal Risk Management Programme <sup>8</sup>	151	1,600
Smart Living Initiative	135	185
Enforcement support to take forward legislation relating to bovine TB <sup>5</sup>	63	0
Non-domestic (Business) Rates Support for Hydropower	8	9
<b>TOTAL</b>	<b>4,594</b>	<b>3,463</b>

**Deputy Minister and Chief Whip**

Period Dignity in Schools	2,300	2,300
Violence against Women, Domestic Abuse & Sexual Violence Grant	1,938	1,938
Community Cohesion Grant	1,120	1,120
Period Dignity in Communities <sup>9</sup>	220	220
<b>TOTAL</b>	<b>5,578</b>	<b>5,578</b>

**Culture, Sport and Tourism**

Regional Tourism Engagement Fund (RTEF)	976	976
MALD strategic grants, including Fusion	331	331
Specialist Service Grants	25	25
<b>TOTAL</b>	<b>1,331</b>	<b>1,331</b>

**International Relations and Welsh Language**

Promote and Faciliate the use of the Welsh Language (WLG)	314	314
Major Events Unit Grants Scheme	150	600
<b>TOTAL</b>	<b>464</b>	<b>914</b>

**Finance and Trefnydd**

High Street and Retail Rates Relief	23,600	24,200
Cyber Resilience Revenue Grant	98	800
<b>TOTAL</b>	<b>23,698</b>	<b>25,000</b>

<b>All Grants</b>	<b>1,023,599</b>	<b>982,370</b>
<b>All Grants excluding NA and RSG transfers (for like-for like comparison)</b>	<b>970,418</b>	<b>982,370</b>

i The information shown above details the total amount of each grant. Some grants may be split between local authorities and other bodies.

ii It is important to note that amounts for future years are indicative at this stage and are liable to change.

iii Formal notification of grant allocations is a matter for the relevant policy area.

TBC= To be confirmed

RSG = funding transferring to Revenue Support Grant

<sup>1</sup> Includes programmes: EIG, Raising School Standards, Pioneer Schools, Assessment for Learning, Welsh Language Charter, Literacy and Numeracy, Modern Foreign Languages,

<sup>2</sup> In 2020-21 plan is for funding to be allocated to regions and it will form part of the RCSIG grant.

<sup>3</sup> Includes Youth homelessness £3.7m funding transfer still to be agreed

<sup>4</sup> Programmes are part of the Local Authority Education Grant

<sup>5</sup> Grant ending 2019-20

<sup>6</sup> £7.5m provided in 2018-19 and 2019-20 as a transitional time limited arrangement to support local authorities to meet cost pressures associated with implementation of 2018-19 teachers' pay award.

<sup>7</sup> Includes programmes: Childcare & Play, Communities for Work Plus, Families First, Flying start, Legacy Fund, promoting Positive Engagement for Young People, St David's Fund.

<sup>8</sup> £0.15m being transferred to RSG in 2020-21

<sup>9</sup> Previously known as Period Poverty Grant

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## APPENDIX D1 - SAVINGS AND PRESSURES SUMMARY - FINAL BUDGET PROPOSALS

Ref	Pressures by Directorate	2020/21 Pressure Final £000	2020/21 Saving Final £000
CYP	Children & Young People	2,650	0
SCH	Social Care & Health	5,005	(1,013)
ENT	Enterprise	789	(569)
RES	Resources	308	(358)
CEO	Chief Executives Unit	221	(163)
CORP	Corporate Costs & Levies	553	(628)
APP	Appropriations	0	(1,758)
FIN	Financing	0	(4,022)
	<b>Totals</b>	<b>9,526</b>	<b>(8,510)</b>

Ref	Children & Young People	2020/21 Pressure Final £000	2020/21 Saving Final £000
PCYP004	Teachers Pension Scheme - increased pension contribution rate	689	0
	CYP Teachers pay increase (2.7% less 1%) - Apr to Aug '20	491	0
PCYP001	ALN - Mounton House recoupment income shortfall	298	0
	ALN - increased placements and increased cost of placements at Independent Schools	338	0
	ALN - increased cost of placements at other Local Authorities	41	0
	ALN - pressures arising from Authority supporting more children to remain in LA schools	529	0
PCYP002	ALN transport pressures	217	0
	ALN transport pressures - post 16	47	0
CYP001	CYP - 2% reduction in Individual School Budgets	0	0
	<b>CYP Totals</b>	<b>2,650</b>	<b>0</b>

Ref	Social Care & Health	2020/21 Pressure Final £000	2020/21 Saving Final £000
CSCH006	Myst project - increased investment and impact of ICF funding ceasing	287	0
	Childrens Services Looked After Children (LAC) pressure	2,600	0
	LAC savings - reduced legal costs	0	(100)
	LAC savings - additional investment in Myst project	0	(250)
CSCH003	Adult demographics - adults with disabilities pressure	1,044	0
	Disability Services - reduce budget in line with current year demand and forecast	0	(7)
	My Day My Life - Development of single Monmouth MDML Hub	0	(15)
	Care home and domiciliary provider fee levels - maintaining contractual fee levels	373	0

CSCH002	TWUD (Turning the World Upsidedown) and countywide rollout of commissioning strategy	548	0
	Fairer charging weekly threshold increases from £70 to £80 generating income following means test	0	(116)
	Practice change	0	(150)
Report	Investment in Safeguarding team	153	0
SCH001	Renegotiate Severn View section 28A contract sum	0	(166)
	Service Contract efficiency savings	0	(20)
SCH004	Fees and charges increases	0	(189)
	<b>SCH Totals</b>	<b>5,005</b>	<b>(1,013)</b>

Ref	Enterprise	2020/21 Pressure Final £000	2020/21 Saving Final £000
PENT001	Street Lighting - Energy Increases	25	0
Report	Monlife investment (Council report 19/9/19)	98	0
Report	Strategic development plan contribution - part-year impact	41	0
	Planning Application income/fee deficit	100	0
	Planning & Building Control - Planning Application fee increase - WG set to increase price by 20%	0	(60)
	Planning & Building Control - Charging customers who wish to amend application during process.	0	(2)
CENT021	Planning & Building Control - Increasing Pre-app fees by 2.5%	0	(2)
	Planning & Building Control - New income from S106 monitoring fees	0	(20)
	Planning & Building Control - Increase in L2 Pre-app income - fee increase	0	(2)
	Planning & Building Control - Staff restructure	0	(27)
PENT019	Car Parks - Pay & Display Income deficit	183	0
ENT010-017	First year implementation costs of car parking proposals - removal of pressure from 19/20	0	(106)
	Highways & Flooding - PPA Income deficit	35	0
	Highways & Flooding - SAB (Sustainable Drainage Approval Body) income deficit	66	0
	Highways & Flooding - ESD Flooding grant deficit	20	0
	Highways & Flooding - Charge For Access Markings	0	(2)
	Highways & Flooding - Charge for Events signing	0	(5)
	Highways & Flooding - Increase Road Closure Income Budget	0	(32)
CENT020	Highways & Flooding - Increase in Street Name & Numbering Charges (in particular developers)	0	(5)
	Highways & Flooding - Increase in S50 Licences for Utilities	0	(15)
	Highways & Flooding - Software savings from new asset management system.	0	(7)
	Highways & Flooding - Provide design service for drainage schemes	0	(5)
	Highways & Flooding - Utilising grant to cover staff costs	0	(10)
	PTU Catchment change consequences	114	0
	Passenger Transport Unit - Private Hire income pressure	50	0
CENT022	Passenger Transport Unit - vehicle maintenance pressure	20	0



	Passenger Transport Unit - PTU - Route Optimisation and workforce planning	0	(60)
PENT020	ENT - Building Cleaning - Succession Management	12	0
ENT008 (19/20)	Waste - Issue "Tax Disc" style permits to all residents with council tax to reduce cross border traffic of waste	0	(50)
Report	Waste transfer station contract review	0	(30)
Report	Waste - Close Usk Recycling - dependant on policy approval by cabinet. Open Troy another day.	0	(40)
ENT019	Highways Operations - Staff Savings - Efficiencies in workforce and reception @ Raglan depot.	0	(9)
	Highways Operations - Winter Maintenance - Net saving from Route based forecasting software improving pre-salting accuracy.	0	(5)
	Hwys Operations - Reduction in Plant & Equipment Hire through investment	0	(3)
	Hwys Operations - Provision of recycled tarmac to other local authorities.	0	(5)
CFC001	School Meals - School Meals Price increase from £2.45 to £2.50.	0	(20)
CFC001	Discretionary fees & charges	0	(48)
	Ealing ruling - block booking scheme to mitigate impact of clubs and associates unable to recover VAT	25	0
	<b>ENT Totals</b>	<b>789</b>	<b>(569)</b>

Ref	Chief Executive's Unit	2020/21 Pressure Final £000	2020/21 Saving Final £000
CCEO001	Legal - additional investment in childcare solicitors in response to demand and to lessen need to take external legal advice	125	0
	Legal - employment lawyer investment	55	0
	Legal services income from Fire and police	0	(10)
	Offsetting legal costs against capital projects and investment activity	0	(40)
CEO002 (19/20)	Reduction in annual grant provided to Monmouth CAB	0	(1)
CCEO002	Technology renewal - increased software licence fees in community hubs, contact centre and community education	41	0
	Market and increase take-up of community education courses across all sites	0	(30)
CEO007	Staffing realignment across policy and governance	0	(79)
CFC001	Discretionary fees & charges	0	(3)
	<b>CEO Totals</b>	<b>221</b>	<b>(163)</b>

Ref	Resources	2020/21 Pressure Final £000	2020/21 Saving Final £000
PRES001	Energy cost increases	22	0
PRES005 18/19	Technology & Systems review - digital savings no longer regarded as achievable	76	0
PRES006	SRS core contribution increase	147	0

RES001	Senior officer reduction	0	(100)
RES002	Exchequer savings - removal of cheques	0	(20)
RES003	Commercial income	0	(200)
CFC001	Discretionary fees & charges	0	(1)
	Business rate discretionary rate relief	63	0
Full Cost budget briefing note	Disinvest from top-up on discretionary business rate relief scheme	0	(37)
	<b>RES Totals</b>	<b>308</b>	<b>(358)</b>

Ref	Corporate Costs & Levies	2020/21 Pressure Final £000	2020/21 Saving Final £000
Full Cost budget briefing note	Fire precept increase - based on indicative increase notified	19	0
Full Cost budget briefing note	Insurance renewals - increase in premiums (half yr effect from 19/20)	114	0
Full Cost budget briefing note	Freeze pension contribution rate at 23.1% for next two years	0	(370)
	Incremental pay pressure caused by introduction of new pay spine	420	0
	Housing completions - improved forecast	0	(258)
	<b>Corporate Costs &amp; Levies Totals</b>	<b>553</b>	<b>(628)</b>

Ref	Appropriations	2020/21 Pressure Final £000	2020/21 Saving Final £000
Full Cost budget briefing note	Net Minimum Revenue Provision (MRP) increase based on additional activity	0	(204)
Full Cost budget briefing note	Additional borrowing in respect of Future schools tranche A, DFGs, and sewer plants	0	0
2019-20 Budget approval	Interest Receivable	0	(1)

Full Cost budget briefing note	Earmarked Reserves review - reduction in Treasury Equalisation reserve	0	(400)
	<b><u>Costs funded via capitalisation direction:</u></b>		
Full Cost budget briefing note	Corporate redundancy provision	0	(400)
Report Cabinet Capital MTFP 20/9/19	Mounton House recoupment income loss and repayment of reserve funding for inclusion centres	0	(348)
Full Cost budget briefing note	School based redundancy provision	0	(300)
Report Cabinet Capital MTFP 20/9/19	Safeguarding team - one-off investment in recruitment & training	0	(45)
Report Cabinet Capital MTFP 20/9/19	Lead officer - workforce development	0	(60)
	<b>Appropriations Totals</b>	<b>0</b>	<b>(1,758)</b>

Ref	Financing	2020/21 Pressure Final £000	2020/21 Saving Final £000
Report	Council tax base increase based on forecast housing completions - as per CT1 form	0	(322)
	AEF increase - revised assumption from 0% to 1%	0	(900)
	AEF increase - additional funding from provision settlement	0	(1,076)
Full Cost budget briefing note	AEF funding - assumed 100% WG funding of teachers pay increase - Apr to Aug '20	0	(491)
	AEF funding - assumed 100% WG funding of teachers pension increase	0	(689)
	Council tax increase to 4.95% (from 3.95%) - including CTRS	0	(544)
	<b>Financing Totals</b>	<b>0</b>	<b>(4,022)</b>

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## APPENDIX E1 - SUMMARY OF PRESSURES - MOVEMENT FROM DRAFT TO FINAL

Ref	Pressures by Directorate	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
CYP	Children & Young People	2,650	0	2,650
SCH	Social Care & Health	5,505	(500)	5,005
ENT	Enterprise	764	25	789
RES	Resources	245	63	308
CEO	Chief Executives Unit	221	0	221
CORP	Corporate Costs & Levies	313	240	553
APP	Appropriations	44	(44)	0
FIN	Financing	0	0	0
	<b>Totals</b>	<b>9,742</b>	<b>(216)</b>	<b>9,526</b>

Ref	Children & Young People	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
PCYP004	Teachers Pension Scheme - increased pension contribution rate	689		689
	CYP Teachers pay increase (2.7% less 1%) - Apr to Aug '20	491		491
PCYP001	ALN - Mounton House recoupment income shortfall	298		298
	ALN - increased placements and increased cost of placements at Independent Schools	338		338
	ALN - increased cost of placements at other Local Authorities	41		41
	ALN - pressures arising from Authority supporting more children to remain in LA schools	529		529
PCYP002	ALN transport pressures	217		217
	ALN transport pressures - post 16	47		47
	<b>CYP Totals</b>	<b>2,650</b>	<b>0</b>	<b>2,650</b>

Ref	Social Care & Health	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
CSCH006	Myst project - increased investment and impact of ICF funding ceasing	287		287
	Childrens Services Looked After Children (LAC) pressure	2,600		2,600
CSCH003	Adult demographics - adults with disabilities pressure	1,044		1,044
CSCH002	Care home and domiciliary provider fee levels - maintaining contractual fee levels	373		373
	TWUD (Turning the World Upsidedown) and countywide rollout of commissioning strategy	1,048	(500)	548
Report	Investment in Safeguarding team	153		153
	<b>SCH Totals</b>	<b>5,505</b>	<b>(500)</b>	<b>5,005</b>

Ref	Enterprise	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
PENT001	Street Lighting - Energy Increases	25		25
Report	Monlife investment (Council report 19/9/19)	98		98

Report	Strategic development plan contribution - part-year impact	41		41
CENT021	Planning Application income/fee deficit	100		100
PENT019	Car Parks - Pay & Display Income deficit	183		183
CENT020	Highways & Flooding - PPA Income deficit	35		35
	Highways & Flooding - SAB (Sustainable Drainage Approval Body) income deficit	66		66
	Highways & Flooding - ESD Flooding grant deficit	20		20
CENT022	PTU Catchment change consequences	114		114
	Passenger Transport Unit - Private Hire income pressure	50		50
	Passenger Transport Unit - vehicle maintenance pressure	20		20
PENT020	ENT - Building Cleaning - Succession Management	12		12
	Ealing ruling - block booking scheme to mitigate impact of clubs and associates unable to recover VAT		25	25
	<b>ENT Totals</b>	<b>764</b>	<b>25</b>	<b>789</b>

Ref	Chief Executive's Unit	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
CCEO001	Legal - additional investment in childcare solicitors in response to demand and to lessen need to take external legal advice	125		125
	Legal - employment lawyer investment	55		55
CCEO002	Technology renewal - increased software licence fees in community hubs, contact centre and community education	41		41
	<b>CEO Totals</b>	<b>221</b>	<b>0</b>	<b>221</b>

Ref	Resources	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
PRES001	Energy cost increases	22		22
PRES005 18/19	Technology & Systems review - digital savings no longer regarded as achievable	76		76
PRES006	SRS core contribution increase	147		147
	Business rate discretionary rate relief		63	63
	<b>RES Totals</b>	<b>245</b>	<b>63</b>	<b>308</b>

Ref	Corporate Costs & Levies	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
Full Cost budget briefing note	Fire precept increase - based on indicative increase notified	199	(180)	19
Full Cost budget briefing note	Insurance renewals - increase in premiums (half yr effect from 19/20)	114		114
	Incremental pay pressure caused by introduction of new pay spine		420	420
	<b>Corporate Costs &amp; Levies Totals</b>	<b>313</b>	<b>240</b>	<b>553</b>

Ref	Appropriations	2020/21 Pressure Draft £000	Change £000	2020/21 Pressure Final £000
Full Cost budget briefing note	Additional borrowing in respect of Future schools tranche A, DFGs, and sewer plants	44	(44)	0
	<b>Appropriations Totals</b>	<b>44</b>	<b>(44)</b>	<b>0</b>

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**APPENDIX E2 - SUMMARY OF SAVINGS - MOVEMENT FROM DRAFT TO FINAL**

Ref	Pressures by Directorate	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
CYP	Children & Young People	(830)	830	0
SCH	Social Care & Health	(1,013)	0	(1,013)
ENT	Enterprise	(579)	10	(569)
RES	Resources	(358)	0	(358)
CEO	Chief Executives Unit	(163)	0	(163)
CORP	Corporate Costs & Levies	(370)	(258)	(628)
APP	Appropriations	(1,758)	0	(1,758)
FIN	Financing	(2,911)	(1,111)	(4,022)
	<b>Totals</b>	<b>(7,981)</b>	<b>(529)</b>	<b>(8,510)</b>

Ref	Children & Young People	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
CYP001	CYP - 2% reduction in Individual School Budgets	(830)	830	0
	<b>CYP Totals</b>	<b>(830)</b>	<b>830</b>	<b>0</b>

Ref	Social Care & Health	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
CSCH006	LAC savings - reduced legal costs	(100)		(100)
	LAC savings - additional investment in Myst project	(250)		(250)
CSCH003	Disability Services - reduce budget in line with current year demand and forecast	(7)		(7)
	My Day My Life - Development of single Monmouth MDML Hub	(15)		(15)
CSCH002	Fairer charging weekly threshold increases from £70 to £80 generating income following means test	(116)		(116)
	Practice change	(150)		(150)
SCH001	Renegotiate Severn View section 28A contract sum	(166)		(166)
	Service Contract efficiency savings	(20)		(20)
SCH004	Fees and charges increases	(189)		(189)
	<b>SCH Totals</b>	<b>(1,013)</b>	<b>0</b>	<b>(1,013)</b>

Ref	Enterprise	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
CENT021	Planning & Building Control - Planning Application fee increase - WG set to increase price by 20%	(60)		(60)
	Planning & Building Control - Charging customers who wish to amend application during process.	(2)		(2)
	Planning & Building Control - Increasing Pre-app fees by 2.5%	(2)		(2)
	Planning & Building Control - New income from S106 monitoring fees	(20)		(20)
	Planning & Building Control - Increase in L2 Pre-app income - fee increase	(2)		(2)

	Planning & Building Control - Staff restructure	(27)		(27)
ENT010-017	First year implementation costs of car parking proposals - removal of pressure from 19/20	(106)		(106)
CENT020	Highways & Flooding - Charge For Access Markings	(2)		(2)
	Highways & Flooding - Charge for Events signing	(5)		(5)
	Highways & Flooding - Increase Road Closure Income Budget	(32)		(32)
	Highways & Flooding - Increase in Street Name & Numbering Charges (in particular developers)	(5)		(5)
	Highways & Flooding - Increase in S50 Licences for Utilities	(15)		(15)
	Highways & Flooding - Software savings from new asset management system.	(7)		(7)
	Highways & Flooding - Provide design service for drainage schemes	(5)		(5)
	Highways & Flooding - Utilising grant to cover staff costs	(10)		(10)
CENT022	Passenger Transport Unit - PTU - Route Optimisation and workforce planning	(60)		(60)
ENT008 (19/20)	Waste - Issue "Tax Disc" style permits to all residents with council tax to reduce cross border traffic of waste	(50)		(50)
Report	Waste transfer station contract review	(40)	10	(30)
Report	Waste - Close Usk Recycling - dependant on policy approval by cabinet. Open Troy another day.	(40)		(40)
ENT019	Highways Operations - Staff Savings - Efficiencies in workforce and reception @ Raglan depot.	(9)		(9)
	Highways Operations - Winter Maintenance - Net saving from Route based forecasting software improving pre-salting accuracy.	(5)		(5)
	Hwys Operations - Reduction in Plant & Equipment Hire through investment	(3)		(3)
	Hwys Operations - Provision of recycled tarmac to other local authorities.	(5)		(5)
CFC001	School Meals - School Meals Price increase from £2.45 to £2.50.	(20)		(20)
CFC001	Discretionary fees & charges	(48)		(48)
	<b>ENT Totals</b>	<b>(579)</b>	<b>10</b>	<b>(569)</b>

Ref	Chief Executive's Unit	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
CCEO001	Legal services income from Fire and police	(10)		(10)
	Offsetting legal costs against capital projects and investment activity	(40)		(40)
CEO002 (19/20)	Reduction in annual grant provided to Monmouth CAB	(1)		(1)
CCEO002	Market and increase take-up of community education courses across all sites	(30)		(30)
CEO007	Staffing realignment across policy and governance	(79)		(79)
CFC001	Discretionary fees & charges	(3)		(3)
	<b>CEO Totals</b>	<b>(163)</b>	<b>0</b>	<b>(163)</b>

Ref	Resources	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
RES001	Senior officer reduction	(100)		(100)
RES002	Exchequer savings - removal of cheques	(20)		(20)
RES003	Commercial income	(200)		(200)
CFC001	Discretionary fees & charges	(1)		(1)

Full Cost budget briefing note	Disinvest from top-up on discretionary business rate relief scheme	(37)		(37)
	<b>RES Totals</b>	<b>(358)</b>	<b>0</b>	<b>(358)</b>

Ref	Corporate Costs & Levies	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
Full Cost budget briefing note	Freeze pension contribution rate at 23.1% for next two years	(370)		(370)
	Housing completions - improved forecast		(258)	(258)
	<b>Corporate Costs &amp; Levies Totals</b>	<b>(370)</b>	<b>(258)</b>	<b>(628)</b>

Ref	Appropriations	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
Full Cost budget briefing note	Net Minimum Revenue Provision (MRP) increase based on additional activity	(204)		(204)
2019-20 Budget approval	Interest Receivable	(1)		(1)
Full Cost budget briefing note	Earmarked Reserves review - reduction in Treasury Equalisation reserve	(400)		(400)
	<b><i>Costs funded via capitalisation direction:</i></b>			
Full Cost budget briefing note	Corporate redundancy provision	(400)		(400)
Report Cabinet Capital MTFP 20/9/19	Mounton House recoupment income loss and repayment of reserve funding for inclusion centres	(348)		(348)
Full Cost budget briefing note	School based redundancy provision	(300)		(300)
Report Cabinet Capital MTFP 20/9/19	Safeguarding team - one-off investment in recruitment & training	(45)		(45)

Report Cabinet Capital MTFP 20/9/19	Lead officer - workforce development	(60)		(60)
<b>Appropriations Totals</b>		<b>(1,758)</b>	<b>0</b>	<b>(1,758)</b>

Ref	Financing	2020/21 Saving £000	Change £000	2020/21 Saving Final £000
Report	Council tax base increase based on forecast housing completions - as per CT1 form	(322)		(322)
	AEF increase - revised assumption from 0% to 1%	(900)		(900)
	AEF increase - additional funding from provision settlement	0	(1,076)	(1,076)
Full Cost budget briefing note	AEF funding - assumed 100% WG funding of teachers pay increase - Apr to Aug '20	(491)		(491)
	AEF funding - assumed 100% WG funding of teachers pension increase	(689)		(689)
	Council tax increase to 4.95% (from 3.95%) - including CTRS	(509)	(35)	(544)
<b>Financing Totals</b>		<b>(2,911)</b>	<b>(1,111)</b>	<b>(4,022)</b>

## **Appendix F - Responsible Financial Officers Opinion**

1.1 The 2003 Local Government Act imposes a number of statutory duties on a Councils Responsible Financial Officer (RFO). Guidance on these duties is contained within LAAP Bulletin 55 and the CIPFA Statement on the Role of the Finance Director, compliance with which has been supported by the Councils Audit Committee. The primary duties are for me, as RFO, to provide a view on the robustness of the budget process, budgetary risk and the adequacy of reserves and balances.

### **1.2 Robustness of the budget process**

1.3 In terms of robustness of the budget process, I have placed reliance on the work carried out by members of the Strategic Leadership Team in their Directorates involving budget managers and devolved accountants. The process has been undertaken properly and rigorously with notable elements of good practice. These include;

- The use of the Councils Medium Term Financial Plan as an integral part of budget planning
- Cabinet ownership of budget principles and assumptions through the development of the Medium Term Financial Plan and budget proposals
- Anticipating likely and known events through the application of appropriate indices for base costs.
- Applying rigour via Directorate Management Teams, Chief Officers, Strategic Leadership Team and Cabinet Member scrutiny.
- Comparing year on year budgets by using 2018/19 outturn and 2019/20 budget monitoring data.
- Looking at a unit cost analysis for services against other Welsh authorities where necessary
- Providing Select Committees with opportunity to look at and scrutinize current budgets, gaining an understanding of the budgets within the remit of their Select committee.
- Providing Cabinet and Select Committees with the assumptions underlying the Medium Term Financial Plan.
- Consulting on budget proposals through public meetings, the website and social media as well as with Area Committees, Town and Community Council clusters, the Schools Budget Forum, Trade Unions (via the Joint Advisory Group), vulnerable groups and the disabled via the Access for All forum, and with young people at a Young People Session.
- Communicating emerging Settlement considerations to Cabinet members.
- Being clear on risks and assumptions within budget proposals and identifying the links with the corporate priorities of the Council and as set out in the Corporate Plan.
- Ensuring all members are involved in the budget setting process by establishing that budget and Council Tax settings is a function of full Council.

1.4 There are a number of explicit risks in the budget proposals now presented given the funding settlement for next year and the uncertainties into the medium term. Risks have been identified as the budget proposals have been put together and are captured as part of the MTFP model. Outlined below are the key risks and how they are being managed:

- Continued increase in demand and evidenced based pressures in relation to the financial impact of increasing demand in children's social services, demographic changes such as increasing elderly population, changes in pupil numbers, increase in special educational need provision has been included in the current budget process. The extent of these pressures in both the current year and next year are unprecedented. However, these risks have in part been mitigated by the protection and prioritisation given to these areas in the sense that budget savings continue to be more heavily weighted to other areas of the budget. Or where savings can be achieved to accommodate such pressures without having an adverse impact on the sustainability of these areas. However, given the current year position against the budget in many of these areas, this potential pressure will require careful monitoring over the course of the financial year so that problems can be highlighted early and any appropriate corrective action taken.
- Directorates are being required to manage some pressures within their service areas as only significant pressures have been highlighted and included in the budget build. Whilst individually these pressures are relatively small in total there is a considerable pressure to be managed alongside the achievement of the budget saving proposals contained as part of this budget.
- A number of the savings/efficiency proposals involve the generation of income, changes to current structures, systems and processes, consideration of alternative delivery models or have implications for service design involving community, other partners and entities. These savings involve higher levels of risk than those which broadly maintain current arrangements. At the practical level these risks begin with the income targets not being achieved, possibility of slippage and disruption in the transition from old to new arrangements resulting in further pressures to be managed in the year in which savings are budgeted to be made. Clearly robust and timely monitoring of the delivery of the savings in the budget will be critically important in order to manage the potential for these risks to materialise.
- The need to ensure that the Authority manages within its in-year revenue and capital budgets as the consequence of any resultant overspend removes the ability to replenish reduced levels of earmarked reserve and places an additional risk that Council Fund levels will be compromised below 4%-6% financial planning assumption traditionally volunteered to Members as prudent. Robust budget monitoring arrangements are in place and corrective action will be taken as needed by the Strategic Leadership Team in consultation with Cabinet Members as required.
- Some of the significant pressures evident during month 7 in-year monitoring have been addressed as specific pressures in 2020-21 budget proposals, and furthermore adjustments that need to be made in respect of previously savings volunteered to members and supported by them which are not subsequently being delivered.
- Late notification of grant funding streams being removed or reduced. There are still significant grant streams that the Council relies upon, that have either not yet been communicated by Welsh Government, have been received late in the budget process or where the impact of notifications is awaiting further clarification.

This is particularly an issue where the expenditure backing this grant has an effect on the financing of permanent staff. These will need to be managed on a case by case basis, with the default position being that if the grant ceases the activity also ceases unless a business case can be built that justifies the maintenance of the activity, the expenditure and identifies a means of funding this expenditure following the loss of grant income.

- No allowance for non-pay inflation is afforded in the proposed budget, despite RPI predictions over next 5 years being between 3.1% to 4.2%. Unless recognised as specific pressures in the budget proposals services will not receive budget to cover the full extent of inflation factors next year if they turn out as expected. This puts further pressure on service budgets to find efficiencies savings to manage this shortfall. There is an expectation that this would need to be managed within overall directorate budgets.
- General pressures on school budgets indicated by the number of schools requiring an agreed deficit budget recovery plan. As previously identified, schools have been protected from the level of savings required from the rest of the Authority. The LEA will be working closely with schools to help costs savings to be established. However, it is understood that some schools still need to establish timely sustainable budget management plans and where necessary budget recovery plans. A loan mechanism being offered to schools as part of the 2020/21 budget proposals will assist schools in managing and repaying these deficit balances.
- Treasury estimates established in the budget are based on cashflows, timing of capital spend, forecast interest rate levels and capital receipts occurring as planned.
- The risks on the capital side are largely caused by limited additional capital receipts being foreseen by colleagues during the next MTFP window, placing an additional emphasis on borrowing going forward, at a time when revenue headroom to afford borrowing is compromised by the extent of annual savings necessary to achieve a balanced budget. The need to make use of flexible use of capital receipts to fund revenue costs associated with service reform for 2019-20 and 2020-21 also results in a further depletion of available capital receipts.
- Whilst the Council is not playing a reliance on commercial income generation its commercial activities do naturally present commercial risks. The governance arrangements in place through Investment Committee and Audit Committee ensure that investments are made on the basis of sound recommendation resulting from robust business cases. Investment performance is monitored both budget monitoring report but explicitly by Audit Committee on an annual basis.
- In addition there is a balance between affording the significant pressures highlighted of a capital nature not currently met against Future schools aspirations.

1.5 Whilst the above risks in the 2020/21 budget have been identified, the main budgetary risks going forward in for the MTFP will also need to be managed and outlined are as follow:

- The increasing challenges with sustaining and maintaining existing service delivery

- The risk of low settlements projected for the medium term
- The risk of pay awards not being fully funded by UK and Welsh Government
- The financial, service and strategic implications of service transformation.
- The national and local emphasis on carbon reduction
- The deteriorating condition of local roads, associated infrastructure and property
- The ageing population
- Continued uncertainty in financial markets
- Low economic activity leading to increased demand for some services and reduced income in others.

## **1.6 Adequacy of reserves**

- 1.7 The MTFP has established the principles for general and earmarked reserve utilization. The level of the Council Fund reserve stood at £7.1m at start of 2019-20. Whilst the latest financial monitoring information shared with Members and SLT during the year indicates a favourable forecast situation of £245k, contained within this are significant service overspends and pressures amounting to £4.9m. Any further adverse volatility in service costs and pressures and the delivery of the in-year budget recovery plan could have a material effect on Council's prudent financial planning assumption of keeping general reserve levels between 4-6% of net expenditure.
- 1.8 Based on a budgeted net expenditure (excluding Police and Community Council precepts) and before financing totalling £155.3m, a £7.36m balance (i.e. brought forward reserve balance plus £245k) equates to 4.74% cover, which sits just below the middle of agreed acceptable levels.
- 1.9 Net school balances, remaining at low levels, have reduced in the last three years to £253k. As at month 7, school balances were forecast to go into deficit by £883k. In-year forecasts have seldomly shown the forecast position to be as bleak though with Welsh Government grants often received late in the financial year the outturn position is expected to be improved. More emphasis is being placed by LEA finance colleagues to agree budgets that are sustainable to the resources available rather than passporting additional deficits to their school reserve. Recovery plans are in place for all schools in deficit and are being closely monitored by the LEA and relevant Cabinet members.
- 1.10 The 2020/21 budget recommendations anticipate some use of earmarked reserves to support the budget saving proposals and to even out one off expenditure items over the MTFP. Earmarked reserves have been established over time for the purpose of future utilisation, and whilst not currently earmarked for use provide a level of contingency for some of the risks associated with the budget recommendations highlighted in this report.
- 1.11 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £6.0 million forecast at end of 2019/20 to £5.3 million at the end of 2020/21. (Appendix H) Taking into account that some of these reserves are specific, for example relating to joint arrangements or to fund capital projects, this brings the usable balance down to circa £3.8 million.



- 1.12 My judgement, taking into account the current budget forecast, the corporate budget position and its associated risks and notably around funding certainty, the quantum of earmarked reserves as well as the General Reserve is to certify reserves as adequate presently. However, given that the financial outlook is not set to improve significantly into the medium term, it is vital that the reserve position continues to be closely monitored, this will require continued sound budget management in future years of account and close Cabinet scrutiny of any further proposals to utilise reserves in the coming months. Extra savings may need to be drawn up and communicated to members after the budget process, if the 2019-20 outturn position introduced a Council Fund balance below 4%.
- 1.13 The provisional schedule of reserves estimated at the end of the financial year is included as an appendix to the budget report.

Peter Davies  
Responsible Financial Officer

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**PRUDENTIAL INDICATORS for Capital Programme Proposals 2020/24**

Local Authorities determine their own programmes for capital investment in fixed assets. The Prudential Code is the code of practice which ensures the Authority can demonstrate it has properly identified the proposed financing streams, including borrowing, for those investments and the consequences of those decisions. The key objectives of the Prudential Code are to ensure, within the Prudential Framework, that capital investment plans of the Authority are affordable, prudent and sustainable.

To demonstrate that local authorities have fulfilled these objectives, the Prudential Code, revised in December 2017 sets out the Prudential indicators that must be used, and the factors that must be taken into account. These indicators are reported below based on actual, current and planned capital budget proposals as in the proposed 2020/21 capital medium term financial plan.

Importantly, it should be noted that the proposed supported and unsupported borrowing results from the current and future capital budget proposals:

Borrowing budgeted in the capital budget proposals 2020/21 to 2023/24 is as follows:

- General Unsupported borrowing of £544,000 in 2020/21 and £1,000,000 from 2021/22 to 2023/24.
- Severn view replacement £1,833,000.
- New property investments of £2,588,000.
- City deal £311,000 in 2020/21 and £489,000 from 2021/22 to 2023/24.
- Tranche B of the Future schools initiative £1,173,000 in 2021/22 and £13,631,000 in 2022/23.
- £2,403,000 of supported borrowing from 2020/21 to 2023/24 which assists in financing the core capital programme and is funded through Revenue Support grant from the Welsh Government.

**Capital Expenditure**

The actual capital expenditure (excluding vehicle leasing) that was incurred in 2018/19 and the estimates of capital expenditure and financing for the current year and future years that are recommended for approval are:

Capital Expenditure £m	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
General Fund services	39.6	27.6	29.2	20.6	19.9	6.2
Commercial investments (£50m total pool)	30.7	16.7	2.6	0.0	0.0	0.0
<b>TOTAL</b>	<b>70.3</b>	<b>44.3</b>	<b>31.8</b>	<b>20.6</b>	<b>19.9</b>	<b>6.2</b>

As stated in the Capital programme budget proposals, the medium term programme has been drafted, and a programme constructed for the next four years. There will be opportunity for the programme to be reviewed annually.

### Proportion of financing costs to net revenue stream

Estimates of the ratio of financing costs (net interest and MRP) to net revenue stream for the current and future years, and the actual figures for 2018/19 are:

Proportion of Financing Costs to net revenue stream	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
Interest £m	3.3	3.8	3.8	3.8	3.9	3.8
MRP £m	4.6	5.7	6.3	6.4	6.6	6.8
<b>Total Financing costs £m</b>	<b>7.9</b>	<b>9.5</b>	<b>10.1</b>	<b>10.2</b>	<b>10.5</b>	<b>10.6</b>
Net Revenue Stream (£m)	150.4	154.3	160.8	163.3	165.9	168.6
<b>Proportion of net revenue stream %</b>	<b>5.2%</b>	<b>6.1%</b>	<b>6.3%</b>	<b>6.2%</b>	<b>6.3%</b>	<b>6.3%</b>

The estimates of financing costs include current commitments and the proposals in the draft 2020/21 MTFP and are based on the actual and anticipated borrowing, net of investments.

### Capital Financing Requirement

Estimates of the end of year Capital Financing Requirement (CFR) for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2019 are:

Capital Financing Requirement	31.3.19 Actual £m	31.3.20 Estimate £m	31.3.21 Forecast £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m
Commercial Investments CFR (including solar farm)	35.1	50.7	51.4	49.3	47.2	44.3
Other Loans CFR	148.8	158.0	158.8	160.7	174.8	175.9
<b>Total Loans CFR</b>	<b>183.9</b>	<b>208.7</b>	<b>210.2</b>	<b>210.0</b>	<b>222.0</b>	<b>220.2</b>
Other Debt Liabilities CFR	2.4	2.4	3.4	3.4	3.4	3.4
<b>Total CFR</b>	<b>186.3</b>	<b>211.1</b>	<b>213.6</b>	<b>213.4</b>	<b>225.4</b>	<b>223.6</b>

The Capital Financing Requirement measures the authority's underlying need to borrow for capital purposes. In accordance with best professional practice, Monmouthshire County Council does not associate borrowing with particular items or types of expenditure, other than under its current policy for determining its Minimum Revenue Provision (MRP). The authority has an integrated treasury management strategy (last approved on 7<sup>th</sup> March 2019 by Council). The Council is legally obliged to "have regard" to the Treasury Management Code and the Prudential Code "as amended or reissued from time to time" by the relevant Capital Finance Regulations so there is no requirement for the Council to explicitly adopt the

CIPFA Code of Practice for Treasury Management in the Public Services from 2020/21 onwards.

The Council manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be drawn between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the Capital Financing Requirement reflects the authority's underlying need to borrow for capital purposes alone.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total gross debt including other long term liabilities should be lower than its highest forecast CFR over the next three years. This is an indicator of prudence.

Net external borrowing is gross external borrowing offset by the levels of cash and treasury investments held. This is the borrowing budgeted to finance the capital programme.

A comparison of Net and Gross Debt to Capital Financing Requirement (Loans CFR)	31.3.19 actual	31.3.20 forecast	31.3.21 budget	31.3.22 budget	31.3.23 budget	31.3.24 budget
Net Debt	158.0	182.0	174.8	170.1	181.4	178.1
Gross Debt	178.3	197.0	189.8	185.1	196.4	193.1
Loans CFR	183.9	208.7	210.2	210.0	222.0	220.2

The Chief Officer – Resources (the Authority's S151 officer) reports that the Authority's gross external borrowing is expected to stay below the Capital Financing Requirement in 2020/21. The forecasts for later years takes into account current commitments, existing plans, and the proposals in the 2020/21 capital budget report.

### Authorised Limit for External Borrowing

In respect of external debt, it is recommended that the Council approves the following Authorised Limit for its total external debt gross of investments for the next four financial years.

Authorised Limits	2019/20 for comparison	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
Authorised limit - borrowing	248.2	230.0	225.3	236.6	233.3
Authorised limit - PFI, leases & Right of use assets	4.4	5.4	5.4	5.4	5.4
<b>Authorised limit - total external debt</b>	<b>252.6</b>	<b>235.5</b>	<b>230.7</b>	<b>242.0</b>	<b>238.7</b>

The limits for borrowing and other long-term liabilities are identified separately. The Council is asked to approve these limits and to delegate authority to the Head of Finance or Deputy, to manage the Authority's borrowing within these limits in order to achieve best value for money for the Authority. The Authorised limit is intended to be a ceiling on borrowing levels. Any changes required to these limits will be reported to the Audit Committee or Council at the next opportunity following the required change to this ceiling.

These limits are consistent with the authority's current commitments, existing plans and draft budget proposals for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of the most likely, prudent but not worse case scenario, with sufficient headroom over and above this to allow for operational management including movements such as in year Cabinet or Council decisions which are in line with the Corporate Plan of the Authority or unusual cash movements.

### **Operational Boundary for External Debt**

The Council is also asked to approve the following Operational Boundary for external debt for the same period.

<u>Operational boundary</u>	2019/20 for comparison	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
Operational boundary - borrowing	218.0	210.8	206.1	217.4	214.1
Operational boundary - PFI, leases & Right of use assets	2.9	3.9	3.9	3.9	3.9
<b>Operational boundary - total external debt</b>	<b>220.9</b>	<b>214.8</b>	<b>210.0</b>	<b>221.3</b>	<b>218.0</b>

The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit but reflects the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the Authorised Limit. It is expected that this will allow for movements such as normal variations in working capital and equates to the maximum external debt projected.

The Operational Boundary represents a key management tool for in-year monitoring by the Head of Finance or Deputy. The limits for borrowing and other long-term liabilities are identified separately. The Council is asked to approve these limits and to delegate authority to the Head of Finance or Deputy, to manage the Authority's borrowing within these limits under normal circumstances. If this boundary is exceeded, it will be reported to Audit Committee or Council at the next opportunity but as it is a management tool, it is not required to be amended.

In taking its decisions on the 2020/21 budget report, the Council is asked to note that the Authorised Limit determined for 2020/21 would be the statutory limit determined under section 3(1) of the local Government Act 2003.

**APPENDIX H/1 - USE OF RESERVES FOR REVENUE BUDGET PURPOSES 2020/21**

Cat2(T)	2020/21			
	B/F	Contributions To	Contributions From	C/F
Council Fund (Authority)	-7,111,078			-7,111,078
School Balances	253,404			253,404
<b>V</b>	<b>-6,857,675</b>	<b>0</b>	<b>0</b>	<b>-6,857,675</b>
<b>Earmarked Reserves:</b>				
Invest to Redesign Reserve MAIN	-1,554,673		90,928	-1,463,746
Invest to Save Reserve - Advances (vehicles)	103,963	0	32,469	136,432
City Deal	30,835			30,835
Payroll & HR support	25,000			25,000
Inspire to Work	78,645		20,000	98,645
Waste & Recycling Review	60,000	-30,000		30,000
Pupil Referral Service	99,950	-49,975		49,975
<b>Sub-Total Invest to Redesign</b>	<b>-1,156,280</b>	<b>-79,975</b>	<b>143,397</b>	<b>-1,092,858</b>
<b>Sub-Total IT Transformation</b>	<b>-287,321</b>	<b>0</b>	<b>44,430</b>	<b>-242,891</b>
<b>Sub-Total Insurance and Risk Management</b>	<b>-1,018,744</b>	<b>0</b>	<b>0</b>	<b>-1,018,744</b>
<b>Sub-Total Capital Receipt Generation</b>	<b>-135,579</b>	<b>0</b>	<b>70,500</b>	<b>-65,079</b>
<b>Sub Total Treasury Equalisation</b>	<b>-990,024</b>	<b>0</b>	<b>400,000</b>	<b>-590,024</b>
<b>Sub-Total Redundancy and Pensions</b>	<b>-244,797</b>	<b>0</b>	<b>88,038</b>	<b>-156,759</b>
<b>Sub-Total Capital Investment</b>	<b>-627,338</b>	<b>0</b>	<b>1,999</b>	<b>-625,339</b>
<b>Other Earmarked Reserves:</b>				
Museums Acquisitions Reserve	-52,885			-52,885
Elections Reserve	-118,183	-35,000		-153,183
Grass Routes Buses Reserve	-156,084	-5,000		-161,084
Youth Offending Team	-150,000			-150,000
Building Control trading reserve	-14,490			-14,490
CYP maternity	-135,795			-135,795
Plant & Equipment reserve (Highways)	-33,541			-33,541
Homeless Prevention Reserve Fund	-49,803			-49,803
Solar Farm Maintenance & Community Fund	-64,000	-23,000		-87,000
Newport Leisure Park Reserve	-61,899			-61,899
Castlegate Reserve	-79,500			-79,500
Local Resilience Forum Reserve (Gwent PCC Tfr)	-115,090			-115,090
Rural Development Plan Reserve	-413,190			-413,190
<b>Sub-Total Other Earmarked Reserves</b>	<b>-1,444,460</b>	<b>-63,000</b>	<b>0</b>	<b>-1,507,460</b>
<b>Total Earmarked Reserves</b>	<b>-6,009,543</b>	<b>-142,975</b>	<b>853,364</b>	<b>-5,299,155</b>
<b>Total useable revenue reserves</b>	<b>-13,366,403</b>	<b>-142,975</b>	<b>853,364</b>	<b>-12,156,829</b>

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## APPENDIX H/2 - RESERVE BALANCES

Useable revenue reserve projection using latest available budget and MTFP information

Financial Year ending	2021 £000	2022 £000	2023 £000	2024 £000
<b>Council Fund</b>				
Council Fund (Authority)	(7,111)	(7,111)	(7,111)	(7,111)
School Balances	253	253	253	253
<b>Sub Total Council Fund</b>	<b>(6,858)</b>	<b>(6,858)</b>	<b>(6,858)</b>	<b>(6,858)</b>
<b>Earmarked Reserves</b>				
Invest to Redesign Reserve	(1,093)	(1,193)	(1,293)	(1,293)
IT Transformation Reserve	(243)	(243)	(243)	(243)
Insurances & Risk Management Reserve	(1,019)	(1,019)	(1,019)	(1,019)
Capital Receipt Generation Reserve	(65)	(14)	37	88
Treasury Equalisation Reserve	(590)	(590)	(590)	(590)
Redundancy and Pensions Reserve	(157)	(69)	19	107
Capital Investment Reserve	(625)	(623)	(621)	(619)
Other Reserves	(1,507)	(1,440)	(1,503)	(1,566)
<b>Sub Total Earmarked Reserves</b>	<b>(5,299)</b>	<b>(5,191)</b>	<b>(5,213)</b>	<b>(5,135)</b>
<b>Total Useable Revenue Reserves</b>	<b>(12,157)</b>	<b>(12,049)</b>	<b>(12,071)</b>	<b>(11,993)</b>

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**Appendix I - 2020/21 Reconciliation through Budget process**

	December 2019 Cabinet proposals						Final Settlement Changes		February 2020 Cabinet and Final budget recommendations to Council			
	Indicative Base Budget 2019/20	Proposed savings	Identified Explicit Pressures	Other Net Movements	Council Tax Income	Proposed Budget 2020/21	Adjustment to AEF	Settlement pressures / adjustments	Changes to Pressures	Changes to Savings	Final amendments	Final budget recommended
<b>Net Expenditure Budgets</b>												
Children and Young People	51,215	-830	2,650	354		53,389				830	1,320	55,539
Social Care and Health	46,334	-1,013	5,505	307		51,132			-500		54	50,686
Enterprise	23,346	-579	764	535		24,067			25	10	31	24,133
MonLife												
Resources	7,648	-321	245	160		7,732			63		-3	7,792
Chief Executive's unit	4,637	-163	221	61		4,757					-12	4,745
Corporate Costs & Levies	22,112	-370	313	37		22,092			240	-258	823	22,897
<b>Sub Total</b>	<b>155,292</b>	<b>-3,275</b>	<b>9,698</b>	<b>1,454</b>	<b>0</b>	<b>163,169</b>	<b>0</b>	<b>0</b>	<b>-172</b>	<b>582</b>	<b>2,213</b>	<b>165,792</b>
Appropriations	6,436	-1,358	44	370		5,492			-44		11	5,459
Contributions to Earmarked reserves	341			-198		143						143
Contributions from Earmarked reserves	-275	-400		-72		-747						-747
<b>Total Net Proposed Budget</b>	<b>161,794</b>	<b>-8,033</b>	<b>9,742</b>	<b>1,554</b>	<b>0</b>	<b>168,057</b>	<b>0</b>	<b>0</b>	<b>-216</b>	<b>582</b>	<b>2,224</b>	<b>170,647</b>
<b>Funding Budgets</b>												
Aggregate External Financing (AEF)	-93,229	-2,117				-95,346				-1,076	-1,338	-97,760
Council Tax (MCC)	-54,087	-831			-2,137	-57,055				-34		-57,089
Council Tax (Gwent Police)	-11,779					-11,779					-823	-12,602
Council Tax (Community Councils)	-2,699					-2,699						-2,699
<b>Total Funding</b>	<b>-161,794</b>	<b>-2,948</b>	<b>0</b>	<b>0</b>	<b>-2,137</b>	<b>-166,879</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,110</b>	<b>-2,161</b>	<b>-170,150</b>
<b>Headroom/-shortfall</b>	<b>-0</b>	<b>-7,981</b>	<b>9,742</b>	<b>1,554</b>	<b>-2,137</b>	<b>1,178</b>	<b>0</b>	<b>0</b>	<b>-216</b>	<b>-528</b>	<b>63</b>	<b>497</b>
	<b>Council Tax 2019/20</b>					<b>2020/21 tax base</b>	<b>Council Tax 2020/21</b>	<b>%age increase</b>				
<b>Council tax recommendations</b>	1,315.64					46,331.92	1,380.76	4.95%				

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## APPENDIX I/1 - REVENUE BUDGET SUMMARY

Services	Adjusted Base 2019/20 £000	Indicative Base 2020/21 £000	Indicative Base 2021/22 £000	Indicative Base 2022/23 £000	Indicative Base 2023/24 £000
Children & Young People	51,215	55,539	55,987	56,488	56,945
Social Care & Health	46,332	50,686	51,099	51,522	51,911
Enterprise	19,912	20,568	20,996	21,390	21,789
Resources	7,681	7,792	7,882	8,004	8,150
Chief Executive's Unit	4,626	4,745	4,812	4,881	4,950
MonLife	3,465	3,565	3,676	3,789	3,904
Corporate Costs & Levies	22,112	22,898	27,518	32,290	37,290
<b>Sub Total</b>	<b>155,343</b>	<b>165,792</b>	<b>171,970</b>	<b>178,364</b>	<b>184,939</b>
Transfers to reserves	341	143	195	188	63
Transfers from reserves	(275)	(747)	(302)	(164)	(139)
Treasury	6,385	5,460	6,089	6,443	6,552
<b>Appropriations Total</b>	<b>6,451</b>	<b>4,856</b>	<b>5,983</b>	<b>6,467</b>	<b>6,476</b>
<b>Total Expenditure Budget</b>	<b>161,794</b>	<b>170,648</b>	<b>177,953</b>	<b>184,832</b>	<b>191,415</b>
Aggregate External Financing (AEF)	(93,229)	(93,229)	(93,229)	(93,229)	(93,229)
Council Tax (MCC)	(54,087)	(56,223)	(58,444)	(60,753)	(63,153)
Council Tax (Gwent Police)	(11,779)	(12,602)	(12,602)	(12,602)	(12,602)
Council Tax (Community Councils)	(2,699)	(2,699)	(2,699)	(2,699)	(2,699)
Contribution to/(from) Council Fund	0	0	0	0	0
Disinvestment		(5,397)	(5,397)	(5,397)	(5,397)
<b>Sub Total Financing</b>	<b>(161,794)</b>	<b>(170,151)</b>	<b>(172,371)</b>	<b>(174,680)</b>	<b>(177,080)</b>
<b>(Headroom)/Shortfall</b>	<b>(0)</b>	<b>497</b>	<b>5,582</b>	<b>10,152</b>	<b>14,335</b>

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**SCHEDULE 12A LOCAL GOVERNMENT ACT 1972  
EXEMPTION FROM DISCLOSURE OF DOCUMENTS**

**Meeting and Date of Meeting: Cabinet 19<sup>th</sup> February 2020**

**Report: Revenue and Capital Budget 2020/21 – Final proposals following scrutiny and public consultation**

**Author: Peter Davies, Chief Officer for Resources (Acting S151 Officer)**

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

**Exemptions applying to the report:**

Appendix J – detailed indication of the value of individual capital receipts

Non-disclosure reason – information relating to the financial or business affairs of any particular person (including the authority holding that information)

**Factors in favour of disclosure:**

Openness & transparency in matters concerned with the public

**Prejudice which would result if the information were disclosed:**

In communicating Appendix J intact, the Council would be undermining its negotiating position with regard to future capital receipts by communicating the likely value that it would accept in the sale of particular assets.

**My view on the public interest test is as follows:**

Factors in favour of disclosure are outweighed by those against.

**Recommended decision on exemption from disclosure:**

Maintain exemption from publication in relation to report

Date: 12<sup>th</sup> February 2020

Name: Peter Davies

Post: Chief Officer for Resources (Acting S151 Officer)

Signed:

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I accept/I do not accept the recommendation made above

Date: 12<sup>th</sup> February 2020

Name: Paul Matthews

Post: Chief Executive

Signed:

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## APPENDIX J/1 - CAPITAL BUDGET SUMMARY 2019/20 to 2022/23

### Capital Budget Summary 2020/21 to 2023/24

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	Total Budget 2019/20	Indicative Budget 2020/21	Indicative Budget 2021/22	Indicative Budget 2022/23	Indicative Budget 2023/24
Asset Management Schemes	26,004,932	10,194,942	1,929,276	1,929,276	1,929,276
School Development Schemes	2,636,258	14,383,333	14,383,333	13,681,287	50,000
Infrastructure & Transport Schemes	9,014,745	3,452,740	2,240,740	2,240,740	2,240,740
Regeneration Schemes	3,346,589	310,500	489,100	489,100	489,100
County Farms Schemes	300,773	300,773	300,773	300,773	300,773
Inclusion Schemes	1,315,937	1,150,000	1,150,000	1,150,000	1,150,000
ICT Schemes	378,873	370,000	0	0	0
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	2,075,000	1,416,000	0	0	0
Other Schemes	459,425	235,000	70,000	70,000	70,000
<b>TOTAL EXPENDITURE</b>	<b>47,032,533</b>	<b>33,313,289</b>	<b>22,063,224</b>	<b>21,361,177</b>	<b>7,729,890</b>
Supported Borrowing	(2,403,000)	(2,417,000)	(2,417,000)	(2,417,000)	(2,417,000)
Unsupported (Prudential) Borrowing	(26,299,079)	(5,275,300)	(2,662,097)	(15,120,387)	(1,489,100)
General Capital Grant	(2,275,000)	(2,423,000)	(1,463,000)	(1,463,000)	(1,463,000)
Grants & Contributions	(7,160,525)	(18,234,199)	(13,160,337)	0	0
Interest Free Borrowing	(1,667,271)	0	0	0	0
Reserve & Revenue Contributions	(447,085)	(1,999)	(1,999)	(1,999)	(1,999)
Capital Receipts	(5,280,573)	(3,461,791)	(858,791)	(858,791)	(858,791)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
<b>TOTAL FUNDING</b>	<b>(47,032,533)</b>	<b>(33,313,289)</b>	<b>(22,063,224)</b>	<b>(21,361,177)</b>	<b>(7,729,890)</b>
<b>(SURPLUS) / DEFICIT</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Appendix J2 - Schools Capital Budget Summary 2020/21 to 2022/23

Schools capital programme	Financial Year 2020/21	Financial Year 2021/22	Financial Year 2022/23	Financial Year 2023/24
	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget
	£	£	£	£
<b>Expenditure:</b>				
Future schools tranche B	14,333,333	14,333,333	13,631,287	
<b>Total Expenditure</b>	<b>14,333,333</b>	<b>14,333,333</b>	<b>13,631,287</b>	<b>0</b>
<b>Financing:</b>				
Future schools Tranche B (65% intervention rate)	(14,789,663)	(13,160,336)	0	
<b>External Grant &amp; Contribution Funding</b>	<b>(14,789,663)</b>	<b>(13,160,336)</b>	<b>0</b>	<b>0</b>
<b>Capital Receipts</b>	<b>0</b>			
Future schools Tranche B	456,330	(1,172,997)	(13,631,287)	
<b>Unsupported Borrowing</b>	<b>456,330</b>	<b>(1,172,997)</b>	<b>(13,631,287)</b>	<b>0</b>
<b>Total Financing</b>	<b>(14,333,333)</b>	<b>(14,333,333)</b>	<b>(13,631,287)</b>	<b>0</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Appendix J3 - Capital Receipts Summary

### Forecast Useable Capital Receipts

Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Useable Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's borrowing requirement.

The forecast movement on the reserve based on forecast capital receipts and the budgeted application of capital receipts to support the financing of the Authority's capital

<b><u>GENERAL RECEIPTS</u></b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1st April	4,581	6,553	9,904	10,245	10,791
Less: capital receipts used for financing	(3,010)	(2,046)	(859)	(859)	(859)
Less: capital receipts used to support capitalisation directive	(2,000)	(1,416)	0	0	0
	<b>(429)</b>	<b>3,091</b>	<b>9,045</b>	<b>9,386</b>	<b>9,932</b>
Capital receipts Forecast	6,884	6,713	1,098	1,300	100
Deferred capital receipts - General	4	4	4	4	4
- Morrisons	94	96	98	100	100
Less: capital receipts set aside:	0	0	0	0	0
<b>Forecast Balance as at 31st March</b>	<b>6,553</b>	<b>9,904</b>	<b>10,245</b>	<b>10,791</b>	<b>10,136</b>
<b><u>LOW COST HOME OWNERSHIP AND HOMEFINDER RECEIPTS</u></b>	<b>2019/20</b>	<b>2019/20</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1st April	142	142	142	142	142
Less: capital receipts used for financing	0	0	0	0	0
	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>
Capital receipts Received / Forecast	-	-	-	-	-
<b>Balance as at 31st March</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>

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## Appendix J4 - Capital Receipts Summary and Risk Factors

The analysis below provides a summary of the receipts and the respective risk factors:

Capital Receipts Risk Factor	2020/21	2021/22	2022/23	2023/24
	£	£	£	£
<b>Education Receipts</b>				
Low / completed	0	0	0	0
Medium	0	0	0	0
High	0	0	0	0
<b>Total Education Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>County Farm Receipts</b>				
Low / completed	0	0	0	0
Medium	0	0	0	0
High	200,000	0	0	0
<b>Total County Farm Receipts</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Receipts</b>				
Low / completed	95,926	98,083	100,289	100,289
Medium	200,000	0	700,000	0
High	0	0	0	0
<b>Total General Receipts</b>	<b>295,926</b>	<b>98,083</b>	<b>800,289</b>	<b>100,289</b>
<b>Strategic Accommodation Review</b>				
Low / completed	0	0	0	0
Medium	0	0	0	0
High	0	0	0	0
<b>Total Strategic Accommodation Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Dependent on Outcome of LDP</b>				
Low / completed	0	0	0	0
Medium	6,216,690	1,000,000	500,000	0
High	0	0	0	0
<b>Total LDP Receipts</b>	<b>6,216,690</b>	<b>1,000,000</b>	<b>500,000</b>	<b>0</b>
<b>TOTALS</b>				
Low / completed	95,926	98,083	100,289	100,289
Medium	6,416,690	1,000,000	1,200,000	0
High	200,000	0	0	0
<b>Total Capital Receipts Forecasted / Received</b>	<b>6,712,616</b>	<b>1,098,083</b>	<b>1,300,289</b>	<b>100,289</b>

### **Risk Factor key:**

**High** - External factors affecting the potential sale that are out of Authority control

**Medium** - Possible risk elements attached but within Authority ability to control

**Low** - No major complications are foreseen for the transaction

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## Appendix J5 – Capital MTFP pressures

Description of Pressure	Forecast Cost	Date Updated	Responsible Officer / Champion
<p><b>Current Rights of Way issues (Whitebrook byway)</b> - Engineering assessments have been completed on landslip / collapse of byway at Whitebrook, estimated cost of repairs in the region of £70-£80k.</p>	75,000	Dec 16	Matthew Lewis
<p><b>Current Rights of Way issues (Wye and Usk Valley Walks)</b> - Engineering assessments have been completed on river erosion / landslips on the Wye and Usk Valley Walks. [Monmouth] (Wye Valley Walk) £23,925, [Clytha] (Usk Valley Walk) £46,725, [Coed Y Prior] (Usk Valley Walk) £9,900, site investigations/design £5,500.</p>	86,000	Dec 16	Matthew Lewis
<p><b>A major review of the waste Mgt and recycling service</b> is ongoing. Proposals are likely to include consideration of receptacles rather than bags (anticipated cost of between £0.3-1.3m) To accommodate the change at kerbside, developments will be needed at our transfer stations at an indicative cost of £800k depending on the scale of works required. Options may be limited if WG insist on certain scheme components. The quoted capital costs exclude new vehicle costs which are modelled as being leased currently.</p>	2,100,000	Dec 16	Roger Hoggins / Carl Touhig
<p><b>Monmouth Community Amenity site upgrade</b> - indicative costs are £1.5-2m if built and run by the Council. The transfer station and CA capital costs could be avoided if the Council decided it was best value to procure a build, finance, operate contract for its sites in future. The work to evaluate these options will follow on after kerbside collection.</p>	2,000,000	Dec 16	Roger Hoggins / Carl Touhig
<p><b>Property Maintenance requirements for both schools &amp; non-schools</b> as valued by condition surveys carried out some years ago. The existing £2m annual budget mainly targets urgent maintenance e.g. health &amp; safety, maintaining buildings wind &amp; watertight, etc., and is insufficient to address the maintenance backlog. A lack of funding means maintenance costs will rise; that our ability to sell buildings at maximum market rates will be affected ; Our ability to deliver effective services will be affected and a Loss of revenue and poor public image.</p>	22,000,000	Dec 16	Deb Hill Howells
<p><b>Disabled adaptation works to public buildings</b> required under disability discrimination legislation.</p>	7,200,000	Dec 16	Deb Hill Howells
<p><b>School Traffic Management Improvements</b> - based on works carried out on similar buildings.</p>	250,000	Dec 16	Deb Hill Howells
<p><b>Refurbishment of all Public Toilets</b> - Capital investment required to facilitate remaining transfers to Town and Community Councils</p>	95,000	Dec 16	Deb Hill Howells

Description of Pressure	Forecast Cost	Date Updated	Responsible Officer / Champion
<b>School fencing improvements</b>	68,000	Dec 16	Deb Hill Howells /Headteachers
<b>Modification works to school kitchens to comply with Environmental Health Standards.</b> Without additional funding school kitchens may have to be closed and additional costs for transporting meals in incurred, possibly causing disruption to the education process.	38,000	Dec 16	Deb Hill Howells
<b>Radon remedial works</b> Following the commissioning of Radon Wales to carry Radon Surveys of public buildings, remedial works will be required at various premises to resolve issues	75,000	Dec 16	Deb Hill Howells
<b>Countryside Rights of Way work</b> needed to bring network up to statutorily required and safe standard. This should be taken as a provisional figure as surveys and assessments of bridges and structures are on-going and the rights of way prioritisation system which includes risk assessment will more accurately define and rank the backlog. Bridge management report on 787 bridges completed in October 2013 identifies 254 known bridge issues of which 77 need repair, 31 replacement & 80 are missing. 68 have 'other' issues including 51 bridges which require full inspection to further ascertain requirements/costs. 13 bridges are 10m+ and require replacement or repair. It is not possible to cost all of these currently but a ball park figure of £288k has been identified for the first tranche of issues. Additional ROW allocation (30K) helping, but scale of overall pressure means these figures are still relevant	2,200,000	Dec 16	Ian Saunders
<b>Transportation/safety strategy</b> –Air Quality Management, 20 m.p.h legislation and DDA (car parks)	1,200,000	Dec 16	Richard Cope
<b>Disabled Facilities Grants (DFGs)</b> - Other than last year, the DFG's budget has remained unchanged for the last ten years. Each year the fully committed/spent date falls earlier in the financial year.	500,000	Dec 16	Ian Bakewell
<b>Bringing County highways to the level of a safe road network.</b> This backlog calculation figure has been provided by Welsh Government. The Authorities Capital Programme is not addressing the backlog significantly as the annual level of funding available is not of sufficient magnitude to address this. The annual programme is set in relation to the approved budget and this programme is shared with all members. Routes are selected on the basis of their significance within the overall highway network and their condition. Programmes are reviewed annually around December and then distributed to members.	80,000,000	Dec 16	Roger Hoggins

Description of Pressure	Forecast Cost	Date Updated	Responsible Officer / Champion
<b>Investing in infrastructure projects needed to arrest road closures due to whole or partial bank slips.</b> Without additional expenditure there is the potential for deterioration, increased scheme costs, disruption to communities and the travelling public and road closures.	5,000,000	Dec 16	Roger Hoggins
<b>Backlog on highways structures including old culverts, bridges and retaining walls.</b> With existing budget this backlog will take 23 years to cover and there will be increased likelihood of loss of network availability.	12,700,000	Dec 16	Roger Hoggins
<b>Reprovision or repair of Chain Bridge</b> - Cost prediction is indicative at present. Summary quotes updated August 15. The bridge is currently under special management measures and inspection. Repair/ reprovision will remove / minimise the need for these measures. Without remedial work, the structure will continue to deteriorate. The current 40T maximum limit will have to be further reduced restricting access to the Lancayo area especially for heavy vehicles. Options evaluated from repairing sufficiently to maintain 40t limit, to converting to footbridge and reprovisioning	1,800,000 to 7,500,000. Mid point 4,700,000	Dec 16	Roger Hoggins
<b>Caldicot Castle remedial works</b> - longer term pressures given the condition of the curtain walls / towers etc. The £2-3m estimate is a ball park figure ranging from just the backlog of maintenance to also including improvements to bring the visitor facilities up to modern standards. An RDP grant is paying for a condition survey / outline conservation plan. The current condition of buildings constrains current operations and will impact on future management options including the assessment of viability of potential Cultural Services Trust. Heritage Lottery Funding is possible (but very competitive) Substantial match funding would still be required.	3,000,000	Dec 16	Ian Saunders
<b>Leisure and cultural services</b> - Currently the service is exploring future delivery options. Part of the work will involve conditions surveys which may lead to capital works being required to improve service delivery and income generation:- e.g. museums, Shire hall, Abergavenny castle, Old station Tintern, leisure centres, outdoor education provision	1,000,000	Dec 16	Ian Saunders
<b>Total Pressures</b>	<b>142,287,000</b>		

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**SCHEDULE 12A LOCAL GOVERNMENT ACT 1972  
EXEMPTION FROM DISCLOSURE OF DOCUMENTS**

**Meeting and Date of Meeting: Cabinet 19<sup>th</sup> February 2020**

**Report: Revenue and Capital Budget 2020/21 – Final proposals following scrutiny and public consultation**

**Author: Peter Davies, Chief Officer for Resources (Acting S151 Officer)**

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

**Exemptions applying to the report:**

Appendix J – detailed indication of the value of individual capital receipts

Non-disclosure reason – information relating to the financial or business affairs of any particular person (including the authority holding that information)

**Factors in favour of disclosure:**

Openness & transparency in matters concerned with the public

**Prejudice which would result if the Information were disclosed:**

In communicating Appendix J intact, the Council would be undermining its negotiating position with regard to future capital receipts by communicating the likely value that it would accept in the sale of particular assets.

**My view on the public interest test is as follows:**

Factors in favour of disclosure are outweighed by those against.

**Recommended decision on exemption from disclosure:**

Maintain exemption from publication in relation to report

Date: 12<sup>th</sup> February 2020

Name: Peter Davies

Post: Chief Officer for Resources (Acting S151 Officer)

Signed:



**I accept/ I do not accept the recommendation made above**

**Date:** 12<sup>th</sup> February 2020

**Name:** Paul Matthews

**Post:** Chief Executive

**Signed:** 

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By virtue of paragraph(s) 12 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## **Evaluating the Potential Impact of the 2020/21 Budget Proposals**

### **Introduction**

Monmouthshire receives the lowest funding per head of population of any local authority in Wales. This means that a higher proportion of the income we need to generate to provide services needs to come from council tax and charges for services.

Since 2013/14 the council's revenue support grant from central government has reduced by more than 15% from £73.386 million to £61.788 million, the largest percentage reduction of any local authority in Wales, the council has also experienced reductions in funding from other central government sources<sup>1</sup>. Over this period, we have delivered savings of £20 million but have also needed to find additional money to meet demands and pressures on services for example services for children who are looked after.

The council has always sought to preserve local service delivery in the face of budget pressures. We know how important many of the things we do are to the people who live in our communities and have worked hard to maintain the things that matter by reducing the amount we spend on things like buildings and energy costs.

We recognise that when we increase charges and put up Council Tax it can have a detrimental impact on those who can least afford it, this does not just mean those who are unemployed, many people experience in-work poverty while others are impacted upon by disability or other protected characteristics that affect their opportunities. Whenever we introduce changes to policy or charges we evaluate the impact of these upon different groups. Our commitment to social justice means that we also look at the potential impact on those in poverty. An approach we will continue to develop in response to the new socio-economic duty being consulted upon by the Welsh Government.

Where a budget proposal could alter a service, or the way in which it is delivered in 2020/21 a Future Generations Evaluation assessment of its potential impact has been completed. This assesses its potential impact on the national well-being goals and the ways of working enshrined in the Well-being of Future Generations Act and also the people and groups who possess the protected characteristics specified as part of our duty under the Equality Act 2010.

This document summarises the headline message from these assessments. The table below shows a summary of these main impacts while a summary of the main messages from these is presented as appendix 1. The summary does not highlight every single issue but should help reveal some of the key impacts of budget proposals and provide scope for continual learning and improvement as proposals are developed.

The document has also drawn on an initial analysis of the cumulative financial impact of the budget proposals on households with different income levels and groups with protected characteristics as defined by the Equality Act 2010.

Open and robust scrutiny and challenge is essential as the proposals continue to be shaped in line with the priorities in the corporate plan and the issues that matter most to our communities. This analysis has been updated following public engagement and scrutiny in January 2020.

	Age	Disability	Gender Re-assignment	Marriage or civil partnership	Pregnancy and Maternity	Race	Religion or Belief	Sex	Sexual Orientation	Welsh Language	Poverty	Safeguarding	Sustainable Development	National Well-being goals
Additional budget for pupils with additional learning needs (CYP 001)														
Increase in charges for school meals (CFC 001)														
Uplift in income from Adult Services Contracts (SCH 001)														
Increase fee levels for private care providers (SCH 002)														
Continue to develop new model for care at home (SCH 002)														
Practice change in adult social care (SCH 002)														
Raising cap on non-residential social care charges (SCH 002)														
Increase funding of placements for adults with disabilities (SCH 003)														
Increase in fees and charges for social care (SCH 004)														
Increasing demands and costs for children who are looked after (CSCH 006)														
Changes to passenger transport service (ENT 022)														
Charges for highways services (ENT 020)														
Increase in fees and charges for development management (ENT 021)														
Efficiency in highways services (ENT 019)														
Increase in council tax														

### Key

Red – negative impact on this category that is difficult to overcome with mitigating actions

Amber – some potential negative impact which is lower risk or can be managed with mitigation

Green – impact is largely positive

White – no impact has been identified at this stage

## **Our Corporate Plan objectives**

Our purpose and mission remains one of *building sustainable and resilient communities that can support the wellbeing of current and future generations*. We share this core purpose with our Public Service Board and it is our guiding force in working towards the seven national Well-being Goals.

The five organisational goals described in the Corporate Plan incorporate the council's well-being objectives but go further in reflecting the need for a deeper organisational and council business focus. Setting our goals in this plan and the actions necessary to deliver on them enables us to identify the future we want.

The goals are:

- Giving people the best possible start in life
- Enable thriving and well-connected county
- Maximising the potential of the natural and built environment
- Lifelong well-being
- A future focused council

The council's strong record of delivery within a balanced budget has enabled us keep frontline services operating. We are clear that money should follow our core purpose of building sustainable and resilient communities and delivering the well-being objectives in the Corporate Plan.

We continue to develop our Medium Term Financial Plan to support us as far as possible to continue to deliver the aims and aspirations set out in this Corporate Plan and our purpose of building sustainable and resilient communities. We recognise that they are not without challenges, however they will enable us to focus our finite resources on the areas that matter most to people and enable us to build a sustainable service offer for current residents and businesses as well as future generations.

We have undertaken a mid-term review of the commitments in the Corporate Plan to ensure that the aspirations and activity set remain relevant and that they are deliverable with the resources we have available, which will continue to be an iterative and ongoing process as part of our financial planning.

The budget proposals are a broad mix of small adjustments designed to optimise efficiency and larger longer-term proposals. The corporate plan gives us the framework to focus on the big challenges but we can never lose sight of the need to spend every pound wisely, nor the reality that the cumulative impact of many small changes can add up to a significant impact on some people within our communities and the need to ensure that there is some degree of mitigation against this for the most vulnerable.

## **The Legal Context**

The Equality Act 2010 came into operation on the 6<sup>th</sup> April 2011. It replaced 116 previous different pieces of law relating to equality, and put them all together into one piece of legislation. The Act strengthens the law in important ways, and in some respects extends current equality law to help tackle discrimination and inequality.

The Council, as a public body in Wales, has a requirement under the Act to meet both general and specific duties.

The general duties are that in exercising its functions the Council must have due regard to:

- eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not;

The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The Protected characteristics are: Age; Sex; Gender re-assignment; Pregnancy and maternity; Sexual orientation; Race; Religion or belief; Marriage and civil partnership.

The Well-being of Future Generations Act creates a legal framework for better decision-making by public bodies in Wales by ensuring that we take account of the long-term, help to prevent problems occurring or getting worse, take an integrated and collaborative approach, and considers and involves people of all ages. This supports existing commitments such as the Welsh language, equalities and the UN Convention on the Rights of the Child.

Together, the seven well-being goals and five ways of working provided by the Act are designed to support and deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

## **Socio-economic impact of the budget**

Almost any change to a council service has some socio-economic impact. This is because of the nature of our responsibilities and the extent to which some groups, communities and vulnerable people rely on public services. Our aim is to properly understand this impact so that we can identify appropriate mitigations wherever possible and minimise the impact on people in greatest need.

We provide and help fund a wide-range of services in communities to ensure support for communities. These include:

- Council Tax reduction scheme
- The single person Council Tax discount
- Financial Support for Monmouthshire Citizen's Advice Bureau
- Community Connectors to help people to maintain their independence and prevent people becoming dependent on statutory health and social care

Community Hubs that provide advice and also host community learning opportunities including the new skills at work programme which aims to upskill those in lower paid jobs to increase their career prospects.

The Welsh Government is currently consulting on a new socio-economic duty which will place a legislative duty on council's to consider the need to reduce the inequalities that result from socio-economic disadvantage. Until the implications of this are fully understood we will continue to assess the impact of our budget decisions on those in poverty.

### **Approach / Methodology**

As part of our impact evaluation we have looked to establish the financial impact of proposals on different people within our communities. This paper has been prepared alongside the budget proposals for 2020-21 to assess the cumulative financial impact of the budget. It also brings together the most significant issues identified by the Future Generations Evaluations completed for each of the proposals to understand whether any groups will experience a detrimental position as a result of the cumulative impact of separate proposals.

We have used UK level data to identify the estimated number of households in different income bands. This shows gross household income at a UK level. This was not available at a local level, we were also unable to access local data, in bands, that identified disposable income after housing costs.

When any change is looked at in isolation it may not seem significant but the cumulative impact of multiple changes can sometimes mount up placing pressures on some groups in society. Monmouthshire is often perceived as affluent with the county having the lowest proportion of households with income below £20,000 per year and the highest proportion earning over £40,000. However there are still many families living on low incomes. The net annualised income in Monmouthshire after housing costs is £25,618. The England and Wales figure is £27,124. This is measured at middle super output area and ranges from £12,500 (Blackpool MSOA) to £57,000 in (Elmbridge MSOA in the South East of England)<sup>2</sup>

All residents will also be impacted upon by inflation which will result in higher prices, the rate of inflation is presently 1.5%<sup>3</sup>. The extent to which higher prices are off-set by wage rises will vary by household and is not included within this assessment, nor is any impact on prices or incomes that could arise from Britain exiting the European Union.

This assessment identifies areas where there is a risk that changes resulting from individual budget proposals may have a significantly greater impact on particular groups when looked at together with other proposals.

This enables the local authority to identify where we may need to mitigate against negative impacts on certain groups of people. Mitigating actions could include re-shaping services to target them more efficiently and to reduce the potential of disproportionate impacts on groups with protected characteristics as defined by the Equality Act 2010 of those in poverty.

This is a dynamic process, and this assessment will continue to be reviewed as individual budget proposals are developed and any further mitigating actions will need to be considered.

### **The Impact and Mitigation**

The table shown as appendix one provides a simple overview where proposals have been identified as having a positive or negative impact on those with protected characteristics, those in poverty, safeguarding and the ways of working and national well-being goals.

#### Disability

The definition of disability is when a person has a physical or mental impairment which has a long term adverse effect on that person's ability to carry out day to day activities.

There are increases in fees for social care services, both residential and non-residential. The cap on fees for domiciliary care has been raised. These will be received by proportionately more people with disabilities although there are means testing and caps on charges that limit the impact on those on the lowest incomes.

#### Age

Older people – People in later life may be more likely to use some council services as they are more likely to acquire a disability and so may be more vulnerable than the general population to changes in those services. This impact will be worsened for those on low incomes. Below is a summary of the main proposals that may impact on some older people.

The raising in the cap for domiciliary care of £10 per week, in line with Welsh Government guidance, will result in a cost to a household where one adult is in receipt of care of an additional £520 per year. However, as these services are means tested only those who are assessed as being able to afford this will pay this increase.

There have also been increases in fees for local authority run residential care from £523.37 to £557.92. This will impact on proportionately more older people but these are means tested and so the impact on those on the lowest incomes will be mitigated.

Children and Young People – Around 14% of children in Monmouthshire live in poverty and this figure rises to 29% in the least well-off wards<sup>4</sup>. Continued economic and social pressures on families are likely to put increased pressure on some families. Below is a summary of the main proposals that impact on children and young people.

Families with school-aged children

A five pence increase in the charge for school meals will result in an increase in annual costs of £9.50 for a family with one school age child rising to £28.50 for a family with three children<sup>5</sup>.

#### Other protected characteristics

There is very limited reference to some of the protected characteristics within the individual assessments that have been developed alongside the budget proposals, in particular:

Marriage and civil partnership and pregnancy and maternity are essentially work place regulations. Sex (gender), race, gender reassignment, sexual orientation, religion and belief also have limited references attributed to them and this may be for a two reasons:

- because these groups are not affected by the proposals or
- because we have gaps in our information due to people perceiving that the characteristic is of a personal and sensitive nature and are therefore unwilling to respond.

We welcomed any views on the impacts of our proposals on these protected groups as part of our consultation on the budget and will continue to look at national information and relevant studies to improve our knowledge and understanding of how changes can adversely impact on these groups.

The authority's approach to car parking charges is currently being reviewed.

The proposed council tax increase of 4.95% will result in an additional monthly cost of £6.72 on a Band D property.<sup>6</sup> This will impact on all groups, while this modelling has been based on a Band D property those with higher incomes typically live in larger properties and therefore will pay higher council tax. However it is acknowledged that some people may have a large house and low income. This can often be true of older people.

#### Mitigation

Charges for social services are linked to peoples' ability to pay and service users will be required to undergo a means tested assessment of their financial ability to meet a reasonable charge calculated for these services.

The council tax reduction scheme offers some mitigation, council tax is means tested and those in receipt of universal credit, pension credits, job-seekers allowance and other benefits are able to apply for a reduction. Single person households are eligible for a 25% reduction on council tax.

There will be a range of additional mitigations that are not fully modelled here.

#### The Cumulative Financial Impact

The impact below has been modelled on some of the planned increases in fees and charges.

A household with an income of £16,000 per year, with two children would see their costs rise by £111 per year or £2.13 per week, assuming they paid for the increase in school meals, increase in children swimming lessons and paid Band D council tax with no discounts. This would equate to 0.70% of their income. It is unlikely that someone in this financial position would be paying for social care.

At present, one of the ways of assessing poverty in the UK is living in a household where the income is below 60% of the median income. Based on Average (Median) household net disposable income in the UK in 2017/18, 60% of the median income before housing costs is £304 per week (around £15,800 per year) and after housing costs is £262 per week (around £13,600 per year).<sup>7</sup> In September 2018 The Social Metrics Commission, an independent Commission, published a new approach to poverty measurement that is intended to better reflect the nature and experiences of poverty that different families in the UK have. The Department for Work and Pensions has completed an initial evaluation of this work and have concluded that this new approach could form the basis of a new measure of poverty. Given this, DWP will be publishing experimental statistics in the second half of 2020<sup>8</sup>. We will continue to work to use local data to gain a better understanding of poverty locally to inform the next version of this analysis.

A household with an income of £29,000 per year and two children paying the increases above and if they were paying the increased domiciliary care charge would be paying an additional £163.67 per year, or £3.15 per week. This would equate to 0.56% of their income.

A household with an income of £40,000 per year would pay the same increases, assuming they lived in a Band D property. This would equate to 0.41% of their income. A household with an income of £56,000 would experience increased charges equating to 0.29% of their income on the same assumptions. However, as incomes rise it would be expected that many household will be living in more expensive properties and would be paying higher rates of council tax.





## Equality and Future Generations Evaluation

<p><b>Name of the Officer:</b> Matthew Gatehouse</p> <p><b>Phone no:</b> 01633 644397 <b>E-mail:</b></p>	<p><b>Please give a brief description of the aims of the proposal:</b> To deliver a balanced budget while continuing to make progress against the council's well-being objectives and delivering the long-held purpose of building sustainable and resilient communities</p>
<p><b>Name of Service area:</b> Chief Executive's</p>	<p><b>Date:</b> 10 February 2020</p>

1. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
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Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<p>Local Authorities provide many universal services such as highways and waste collections which bring multiple benefits to all age groups. However many of our services are delivered to proportionately higher numbers of younger and older people.</p> <p>Practice change in adult social services which are person-centred with a focus on well-being reducing dependency and empowering individuals and families to achieve their own outcomes which is a positive outcome.</p> <p>Deployment of early intervention and preventative services for children who are looked after can reduce the likelihood of placements breaking down and lead to better and more stable long-term outcomes.</p> <p>Pressures are being funded to continue to support pupils with additional learning needs.</p>	<p>Increasing the cap on fee levels for non-residential social care in line with Welsh Government Policy will have a financial impact for those who pay which will include a higher proportion of older people.</p> <p>There will be an increase in fees and charges for both residential and non-residential social care which will have a disproportionate impact on older people.</p> <p>A change to the routes that are run by the grassroutes bus scheme may negatively impact on the services users preferred times, this service is used by a higher proportion of older people.</p> <p>A five pence increase in the charge for school meals will result in an increase in cost for those with school-aged children.</p>	<p>Ensure the Social Services and Well-being Act charging legislation is adhered too, so service users are means tested to determine their ability to pay.</p> <p>There is no increase in the charges for community meals.</p>

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability	<p>Any changes to social care, including practice change and new ways of working with independent care agencies are likely to have a particular impact on people who have disabilities.</p> <p>Additional funding of placements for adults with physical and learning disabilities, including college places, will have a positive impact on their long-term well-being.</p>	<p>Any changes to social care arrangements are likely to have a particular impact on people who have disabilities, this includes increased charges as described above.</p> <p>There are some reductions in disability service budgets but these are focused on back office efficiencies and will not impact directly people who use services.</p> <p>There will be an increase in fees and charges for both residential and non-residential social care which will have a disproportionate increase on people with disabilities.</p> <p>Changes to the routes that are currently run by grassroutes bus scheme may negatively impact on a higher proportion of older people who use this service and may also be disabled.</p>	For social care charging increases we will ensure that service users are means tested to determine their ability to pay.
Gender reassignment	At this stage none of the proposals have identified a particular impact, either positive or negative, on people who have undergone or are considering gender reassignment.	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions are necessary

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Marriage or civil partnership	Same-sex couples who register as civil partners have the same rights as married couples in employment and must be provided with the same benefits available to married couples, such as survivor pensions, flexible working, maternity/paternity pay and healthcare insurance. At this point of the analysis there are no proposals which have been assessed as having either a positive or negative impact on this group	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions are necessary
Pregnancy or maternity	In the provision of services, goods and facilities, recreational or training facilities, a woman is protected from discrimination during the period of her pregnancy and the period of 26 weeks beginning with the day on which she gives birth. None of the budget proposals have been identified as having either a positive or negative impact at this stage.	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions necessary
Race	There are no proposals identified that will have a specific positive outcome that will differ by race.	Proposals to increase back office efficiency may have an element of artificial intelligence or AI. Research has shown that AI has the potential to reinforce existing biases. This is because computer algorithms are unequipped to consciously counteract learned biases in the same way that humans do.	Work closely with developers to understand any applications where this could potentially occur and remedy immediately.




Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Religion or Belief	There are no impacts, either positive or negative that have been identified.	There are no impacts, either positive or negative that have been identified.	No mitigating actions necessary
Sex	The council has already carried out a full pay evaluation exercise.	None identified	No mitigating actions necessary
Sexual Orientation	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions necessary
Welsh Language		None identified	All signage and material arising from budget proposals will be compliant with the Welsh Language measure 2011
Poverty	Although Poverty isn't a protected characteristic, it is important to assess and understand the impact of our proposals on those in poverty, especially if there is a cumulative impact from a number of proposals. This is in line with our Social Justice policy.	An increase in council tax will have a financial impact on all households. The impact will be felt more acutely by those on lower incomes as any bills will form a higher proportion of their household expenditure.  Increases in school meal charges will have a more significant impact on those on lower incomes.	There are a range of mitigations in place. These include a council tax reduction scheme.  Free school meals are available for those on incomes below a certain level.

2. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!



<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Examples of proposals that impact positively on this goal include the acquisition of commercial assets which will generate a financial return and where possible support the creation or retention of employment.	
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The council has recently declared a climate emergency. At this stage the action plan is not sufficiently developed to model the financial consequences of the authorities aspirations to reduce its carbon emissions.	
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood		Examples of proposals within the budget include practice change in Adult Social Services which focus on prevention and person-centred well-being.
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	Place-based approaches proposed as part of practice change proposals in adult social care will contribute to healthy inclusive communities.	Some communities may be opposed to commercial development or regeneration schemes In such cases we will involve people with proposals subject to planning and local consultation.

<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>We continue our efforts to reduce pollution and increase recycling and these will have a small but important positive impact on CO2 emissions and waste which will contribute to global environmental efforts.</p>	<p>Wales has an enviable record in sustainable waste management and we will continue to progress this in our approaches to waste management and carbon reduction.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>More efficient use of telephony include continuing the use of a chatbot. This has been developed to be bilingual and respond to queries through the medium of Welsh.</p>	
<p><b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances</p>	<p>The council has already carried out a full pay evaluation exercise.</p>	<p>Increased charges for some services enable the council to provide other services such as transport which benefit people on low incomes and which has positive environmental impacts. Many of the council services that are sustained through charging provide a valuable safety net and contribute to more equal outcomes.</p>

**3. How has your proposal embedded and prioritised the sustainable governance principles in its development?**

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Long Term</b></p> <p>Balancing short term need with long term and planning for the future</p>	<p>Increases in fees and charges have been considered in the context of whole life cost analysis over the long-term in order to ensure sustainable and cost effective service delivery now and in the future.</p>	<p>Mitigating arrangements are in place to minimise the impact of increased fees or charges on people on low incomes</p>
 <p><b>Collaboration</b></p> <p>Working together with other partners to deliver objectives</p>	<p>The budget includes a range of collaborative proposals. This includes working with health, the voluntary sector and private companies.</p>	<p>No specific further actions are proposed at this stage</p>
 <p><b>Involvement</b></p> <p>Involving those with an interest and seeking their views</p>	<p>These proposals formed part of the budget exercise and have been subject to a public consultation exercise. This included sessions with existing groups such as the Access for All forum that represents people with disabilities.</p>	<p>Ensuring that proposals and the accompanying Future Generations evaluations have been updated as a result of, consultation and engagement.</p>



Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Practice change in adult social services which person centred with a focus on well-being reducing dependency and empowering individuals and families to achieve their own outcomes</p>	
 <p><b>Integration</b></p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The council works across many areas and many of these proposals can have positive and potentially negative impacts on another. It is important that as individual proposals are developed we seek to balance competing impacts.</p>	<p>The council's Corporate Plan contains a table which highlights which of the objectives impacts on each of the 7 national well-being goals and any detailed proposals brought forward following the consultation will need to assess the impact of that proposal on the well-being goals.</p>

**4. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Social Justice, Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?**

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Social Justice	Social justice is about reducing inequalities in society by working towards more equal distribution of wealth and opportunities so everyone can achieve their full potential. The proposals in the budget include those focused on children and preventative services that reduce loneliness and isolation.	There is a risk that any budget proposals that increase in costs will have a disproportionate impact on people on low incomes and therefore will widen inequality.	The council is committed to aligning evidence based policy, programmes of work and resources with the aim of supporting people and communities to fulfil their potential and live the lives they want to live. Mitigation is in place to reduce the financial burden on people who can least afford it.
Safeguarding	Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect. Specific Proposals include the strengthening of the councils legal service since lawyers sits at the heart of all child protection work around the Court system.	There are no specific negative impacts identified at this stage	Safeguarding is at the heart of everything the council does. All staff are trained to a level that is appropriate to their role.
Corporate Parenting	Further investment is being made into children's social services including securing longer-term funding for the MySupportTeam (MyST) works with looked-after children and young people whose needs are such that they require significant support to keep them safe, maintain secure relationships and stable placements and improve their life chances.	There are no specific negative impacts identified at this stage	

**5. What evidence and data has informed the development of your proposal?**

The proposals are based upon a wide range of data and evidence and this will be contained within the evaluations of each of the individual proposals. Future monitoring will be done in accordance with the evaluation arrangements recently developed by the council's democratic services committee. This will allow members to assess whether any changes resulting from the implementation of the recommendation have had a positive or negative effect.

Data sources include for example:

- Quantitative data such as user numbers, measuring whether changes have had a positive or negative impact on the number of people using the service, in some cases, such as preventative services less users will be a positive
- Qualitative data that gives people views of the service which includes analysis of complaints
- Data derived from national sources such as stats Wales and the National Survey for Wales which allow us to measure whole population

**6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?**

The outcome of the budget consultation exercise and any changes made to proposals are detailed within the accompanying budget papers. This assessment has been updated following the budget consultation.

**7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.**

What are you going to do	When are you going to do it?	Who is responsible
Existing actions have been highlighted within the individual assessments.		

**8. VERSION CONTROL: The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.**

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
1.0	Cabinet	20/12/2019	
2.0	Cabinet	19/02/2020	Updated following the budget consultation.

<sup>1</sup> Available at <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Settlement/Central-Government-Support/standardspendingassessmentsandcentralgovernmentsupport-by-authority> .

<sup>2</sup> ONS, Small area income estimates for middle layer super output areas, England and Wales, 2016 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/smallareaincomeestimatesformiddlerysuperoutputareasenglandandwales>

<sup>3</sup> Consumer Price Index, October 2019. <https://www.ons.gov.uk/economy/inflationandpriceindices>

<sup>4</sup> Figures quoted are before housing costs. Equivalent rounded after housing cost figures are 22% and 43% [http://www.endchildpoverty.org.uk/wp-content/uploads/2018/01/Wales\\_LA-and-ward-data.xlsx](http://www.endchildpoverty.org.uk/wp-content/uploads/2018/01/Wales_LA-and-ward-data.xlsx)

<sup>5</sup> Calculated on a daily increase of £0.05 per child for 190 days.

<sup>6</sup> Average Band D in 2019/20 = £1629.72 <https://www.monmouthshire.gov.uk/app/uploads/2019/03/Bandings-Template-2019-20.pdf>

<sup>7</sup> Department for Work and Pensions, Households below average income 2017/18 <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>

<sup>8</sup> <https://www.gov.uk/government/publications/development-of-a-new-measure-of-poverty-statistical-notice/development-of-a-new-measure-of-poverty-statistical-notice>

**Children and Young People** – comprising individual school budgets together with school improvement and LEA run services such as overseeing school admissions and supporting children with Additional Learning Needs

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## **Social Care & Health**

- Services to adults and which seeks to enable them to live as independently as possible
- Services to help the most vulnerable children and families
- Services centred around public protection such as trading standards and licencing

## Enterprise

- Supporting economic development in the County
- Waste and recycling, highways maintenance, transport and other operational services
- Planning and housing services

**Resources** – support services such as finance, ICT, HR, payroll, training, emergency planning, estates, property services, procurement and commercial activities

## Chief Executive's Unit

- Administers the democratic process through member support and democratic services
- Legal services and land charges
- Corporates services such as communications, customer services, welsh language and equalities

**MonLife** – Providing a wide range of tourism, leisure and culture services

**Corporate Costs** – precepts and levies to other statutory bodies as well as other costs such as insurances, bank charges and audit fees

**Appropriations** – the costs of borrowing together with contributions to or from earmarked reserves

**Financing** – comprising core Welsh Government funding (AEF), council tax income and any contribution from the Council's general reserve

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