

**SUBJECT: MEDIUM TERM FINANCIAL PLAN 2018/19 to 2021/22 and DRAFT BUDGET PROPOSALS 2018/19 FOR CONSULTATION**

**MEETING: ADULT SELECT**

**DATE: 12<sup>th</sup> December 2017**

**DIVISION/WARDS AFFECTED: All**

**1. PURPOSE:**

- 1.1 To highlight the context within which the Medium Term Financial Plan (MTFP) will be developed for 2018/19 to 2021/22.
- 1.2 To agree the assumptions to be used to update the MTFP, and provide an early indication of the level of budget savings still to be found.
- 1.3 To update Members with the implications arising out of the provisional settlement announcement of Welsh Government.
- 1.4 To consider the 2018/19 budget within the context of the 4 year Medium Term Financial Plan (MTFP) to be incorporated within the emergent Corporate Plan
- 1.5 To provide detailed draft proposals on the budget savings required to meet the gap between available resources and need to spend in 2018/19, for consultation purposes.

**2. RECOMMENDATION (to be undertaken by Select Committee):**

- 2.1 To consider and provide feedback upon the budget assumptions, pressures and savings proformas affecting this Select portfolio area.

**2 RECOMMENDATIONS: (presented to Cabinet 22<sup>nd</sup> Nov)**

- 2.2 That the budget assumptions outlined in paragraphs 3.11 to 3.16 in the report are agreed and updated during the budget process should better information become available.
- 2.3 That Cabinet acknowledges the draft response to the Welsh Government on the provisional settlement (Appendix 3).
- 2.4 That Cabinet approves that the consultation period and opportunity to present alternative proposals ends on 31<sup>st</sup> January 2018.
- 2.5 That the budget process (as outlined in paragraphs 3.6 onwards) is adopted including member budget scrutiny and consultation conducted with select Committees and consultation with JAG, schools budget forum and other relevant fora
- 2.6 That Cabinet approves the release of the draft budget savings proposals for 2018/19 for consultation purposes.

- 2.7 That Cabinet agrees to continue to work on the areas required to balance the 2018/19 budget and Medium Term Financial Plan (MTFP), through wider targeted activities that sit within the remit of Future Monmouthshire.
- 2.8 That Cabinet agrees to include the Future Monmouthshire budget of £200,000 as a base budget consideration from 2018/19 given the key role that Future Monmouthshire plays in facilitating a more sustainable and financially affordable future for Council activities.
- 2.9 To consider formal adoption of the Foundation Living wage as a financial planning assumption rather than Government Living wage. For 2018/19 the rates are £8.75 ph and £8.40 ph respectively. This would have a potential brought forward cost from 2019/20 pressures of £83.5k.

### **3. KEY ISSUES:**

#### **Background**

- 3.1 Members will know that we have faced and will continue to face significant financial challenges. Over the last four years, the Council has had to manage £19.1 million of savings from its service budgets, whilst additionally also taking advantage of the cashflow savings effect of revising its capital finance arrangements of circa £3.3million. Funding from Welsh Government has reduced over the period and austerity looks set to continue for the foreseeable future. At the same time pressures on the budget have been increasing in terms of demographic growth, demand and expectations in children's services, contract price inflation and redundancy costs.
- 3.2 Whilst setting the budget annually within the context of a MTFP, the development of multi-year budget proposals has been a challenge. An ongoing forecast resource gap is being predicted however with the absence of future year's indicative settlements from Welsh government, planning for the future is challenging.
- 3.3 The *Future Monmouthshire* work programme recognizes that the challenges faced by the County and Council are not limited to financial pressures, but these should be seen in the round with other significant challenges. Taking a holistic approach to this work will ensure that the needs of our communities that we serve are put first within the financial constraints that we operate.
- 3.4 The year end position for 2016/17 and the current year monitoring continues to demonstrate the tightening of our financial position. The reports also assess the delivery of the savings we have previously identified. Overall the outturn position for 2016/17 delivered a small surplus, and meant that there was a minor opportunity to replenish some of our reserves.
- 3.5 A review of the earmarked reserves position was undertaken in June 2016 and agreed by Cabinet on 6<sup>th</sup> July 2016. The report highlighted that as reserves have been used extensively and there is less opportunity to replenish reserve balances as budgets get tighter, ear marked reserves need to work harder to help the Authority through the financial

challenges and risks it faces. Reserves should not be used to plug the funding gap and fund on going expenditure, they are needed to help with one off costs to invest and transform services so that they can operate within a reduced financial envelop. Having clearer protocols and responsibility assigned can help to ensure the return from the use of reserves in the future is maximised.

### **Medium Term Financial Plan Context - Budget Assumptions**

- 3.6 Taking significant levels of resource out of the budget year on year has been a massive achievement. In reviewing this process, questions have been raised about whether it is sustainable going forward. Whilst the Future Monmouthshire work is making progress and establishing key themes to work on there is still some way to go to establish the future operating model for the Authority. Therefore a one year approach has been taken albeit within the context of the MTFP, whilst the corporate plan including a more medium term approach can be adopted next year.
- 3.7 Initially the proposed budget setting process involved comparing MCC unit costs and performance with those of other Welsh Councils to understand where the greatest opportunity was to make further savings. The activity data used by Improvement colleagues indicated little correlation with the resourcing. Three challenge panels were held with specific services to share the provocations. Most challenged the activity data, but didn't actively hold any better quality of information, but highlighted their work in informing/improving the national benchmarking context, which appears an evolving consideration.
- 3.8 So in the short term SLT has reverted again to asking all services in the organisation to consider how their services would look within a 5% reduction in the resources available to them. The principles adopted through the Future Monmouthshire work will form an important back drop for services to explore the options available to meet the more immediate budget challenges.
- 3.9 In rolling forward the current MTFP, services have been provided with an opportunity to identify any material pressures anticipated during 2018-19 and beyond, and a review of all the existing assumptions and pressures previously agreed for inclusion in the model has been undertaken and provides a basis on which to scenario plan for the future, whilst recognizing that we are building from an extremely challenging starting point.
- 3.10 For the purposes of modelling across the medium term, the MTFP had made initial provision for unidentified pressures of £2.5m in each of the years. This is seen as a prudent estimate based on pressures that have been incorporated into the budget process in recent years. Pressures have subsequently been updated, as shown in the table above, and will continue to be reviewed and updated as further information becomes available.

## Inflation Indicators

- 3.11 As a reminder the following assumptions have been used across the 4 year MTFP window.
- Council Tax – 4.95% increase 2018/19, 3.95% increase per annum thereafter
  - AEF Central Government funding – 2.6% reduction 18/19, 1.8% reduction thereafter
  - Other external income – 2.5% increase per annum
  - Pay inflation – 1% increase per annum
  - Non pay inflation – 0%
  - Vacancy factor – 2% (except schools)
  - Superannuation – 22.1% (increasing 1% per annum)
  - Schools Budget – 0%
- 3.12 Reserves – It is assumed that additional reliance on reserves, except for one off investment that has a net on going benefit to the revenue budget, will be avoided in the MTFP. Ear marked reserves are an important part of the MTFP strategy for managing the changes required and are key to financial resilience in times of extreme financial challenge.
- 3.13 Capital financing - Capital financing costs are currently based on the approved Capital MTFP, the funding budgets will need to be reviewed following the development of the next capital MTFP taking into account any slippage, review of capital receipts position and further approvals of schemes.
- 3.14 Other Corporate Costs, such as precepts and levies, will also be updated as information becomes available.
- 3.15 The assumptions highlighted above are based on the best information available at the current time, however they will be subject to variation as new information comes to light and our forecasting techniques are refined. The current assumptions show the following cumulative gap in the MTFP model:

Year	MTFP Gap £'000s
2018/19	4,804
2019/20	8,400
2020/21	11,724
2021/22	14,038

- 3.16 What is clearly shown in the table above is that there will be a significant gap in the MTFP to find. It should be noted that this is the gap at this moment in time and as further information comes to light, this will be taken into account and may alter the figures. At the moment £14 million will be a working target until more information becomes available.

## Work to Balance the 4 Year MTFP and 2018/19 Specifically

3.17 After several years of taking significant resource out of the budget, the means of achieving further savings becomes increasingly more challenging. The work on Future Monmouthshire has meant some changes to the budget process for 17/18, and an increase of such benefit is anticipated for the 2018/19 budget process. Future Monmouthshire is about keeping the Council 'going' and 'growing' and whilst the pressure of 18/19 is immediate, a one-year process has been developed which aims to position short-term decisions in the context of a longer-term programme which aligns with the medium Term Financial Plan. A currently unquantified level of savings is proposed from Future Monmouthshire facilitating cross cutting savings. That amount will become more explicit through the budget setting process.

### Links to Vision and Priorities

3.18 During the budget process, it is usual to compare the MTFP plan with the Council strategic priorities and single integrated plan, to ensure resourcing remains directed to best effect. However the Single Integrated Plan is currently in the process of being replaced by the Public Service Board (PSB partnership) well-being plan and objectives for Monmouthshire when agreed in 2018. The detail of the plan is currently draft and subject to PSB approval next week a consultation will take place from 13<sup>th</sup> November. Below sets out the vision and objectives which in essence will replace the Single integrated plan priorities in 2018.

3.19 Given the incremental approach towards budget setting, the proposed budget is aligned with traditional core priorities, as identified within the Administration's Mid Term Report and Continuance Agreement 2015-17, namely:

- direct spending in schools,
- services to vulnerable children and adults and
- activities that support the creation of jobs and wealth in the local economy,
- maintaining locally accessible services

3.20 The following table demonstrates the links at a summary level that have been made with such 4 priorities, and the strategic risks:

Proposal	Link to Priority Areas	Link to Whole Authority Risk assessment
Schools budgets continue to have regard for cash flat line considerations	During the initial modelling it was noted that £288k pressure has been acknowledged in addressing new ALN responsibilities and school exam pressures. There are conversely £487k savings, resulting in a net saving from CYP of £199k. Cabinet have requested that MTFP modelling includes the effect of schools pay award (1%) with an anticipated cost of £387k, to model investments exceeding savings.	Budget proposals are mindful of the risk in the register around children not achieving their full potential

Social care budgets will see additional resources going into the budget for Children's and adults social services to meet the pressures in these areas.	Services to protect vulnerable people Nobody is left behind	These proposals seeks to address the risks around more people becoming vulnerable and in need and the needs of children with additional learning needs not being met
The drive for service efficiencies savings has continued across all service areas in order to avoid more stringent cuts to frontline services.	Further reviews of management and support structures and streamlining of processes, contributes to the aims of creating a sustainable and resilient communities.	Addresses risks around the ability to sustain our priorities within the current financial climate
The need to think differently what income can be generated has been a clear imperative in working up the proposals.	Being able to generate further income streams responds to the consultation responses in previous years regarding a preference for this compared to services cuts and contributes to the aims of creating a sustainable and resilient communities.	

3.21 Whilst these strategic priorities may iteratively get reviewed and refreshed when incorporated into Single Integrated Plan, early sight of draft proposals suggests a potential continuing alignment.

<b>Purpose</b>	<b>Building Sustainable and Resilient Communities</b>	
<b>Our aspiration is to:</b>	Reduce inequalities between communities and within communities Support and protect vulnerable people Consider our impact on the environment	
<b>Our Well-being Objectives are:</b>	<i>People / Citizens</i>	<i>Place / Communities</i>
	Provide children and young people with the best possible start in life	Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change
	Respond to the challenges associated with demographic change	Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county.

## Provisional settlement

- 3.22 The provisional settlement was announced on the 10<sup>th</sup> October 2017. The overall increase in the Welsh Government revenue budget is 0.2% and following decisions by the WG on its budget, the Local Government settlement was announced with an overall decrease across Wales of 0.5%. However, this includes additional funding for new responsibilities relating to homelessness prevention which in itself results in further unfunded pressures being placed on the Authority. The Welsh Government's statement makes reference to protecting key public services and that 'the settlement will allocate £62m for schools and £42m for social services'. However, there is no additional funding provided to protect these services or any explanation of how these figures have been arrived at. These should be regarded as being within the funding envelope announced which sees an overall reduction of 0.5%. The Minister has also provided an indicative settlement for 2019-20 which will see the local government settlement reduce by on average a further 1.5%. Our financial planning assumption for 2018/19 and thereafter remains at 1.8% reduction per annum, as it isn't common for MCC to derive funding at average levels.
- 3.23 For Monmouthshire the provisional settlement for 2018/19 has delivered a reduction in the Authority's Aggregate External Finance (AEF) of 1% after taking into account new responsibilities and transfers into and out of the settlement. The AEF across Wales ranged from a 0.2% increase in Cardiff to reduction of 1% in Monmouthshire, Blaenau Gwent, Caerphilly, Merthyr Tydfil, Powys and Conwy. All authorities suffering a 1% reduction have been benefitted from a funding floor. A table showing each authorities position resulting from the provisional settlement is included at Appendix 2 to this report. Monmouthshire remains at the bottom of the table in terms of AEF per head of population
- 3.24 There have been several known transfers of grant into the settlement, which in total amount to £2.14m for Monmouthshire. When the 1.0% reduction in the provisional AEF is compared to the 2.6% reduction modelled in the MTFP the Authority is better off by circa £1.4 million. A response to WG regarding the Provisional Settlement is attached as Appendix 3.
- 3.25 As mentioned above, in para 3.10, experience suggests that annual pressures experienced are of the order of £3.4 million, so a balancing item, known as unidentified pressures, has been used to bolster service identified pressures to this level. As pressures manifest themselves, unidentified pressures are reduced and replaced instead by specific aspects. Part of the strategy during the budget setting process will be to zealously consider and mitigate where possible identified pressures. This would allow any balance on "unidentified pressures" to be matched off against the deficit bottom line of the budget and avoid a need to generate additional savings.

3.26 Currently, summary identified pressures within the MTFP include,

Pressures by Directorate	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Children & Young People	675	66	0	0
Social Care & Health	1,108	1,124	857	70
Enterprise	699	0	0	0
Resources	161	0	0	0
Chief Executives Unit	135	72	75	62
Corporate Costs & Levies	286	29	0	0
Unidentified Pressures	392	2,145	2,276	2,368
<b>Totals</b>	<b>3,455</b>	<b>3,435</b>	<b>3,208</b>	<b>2,500</b>

Further detail is supplied in Appendix 4.

- 3.27 Other potential pressures which have not yet been factored in are currently being assessed. The budget is being prepared on an incremental basis, so it doesn't automatically presume continued funding of any initiative after its reserve funding has expired, or any new additions, so for instance currently it doesn't include any allowance yet for any net costs resulting from member consideration of Leisure, Culture and Tourism outsourcing proposals, any tranche B Future schools financing assumptions, or any borrowing presumption to continue to supplement capital DFG budget or afford waste services vehicle replacement, that in the main will be subject to separate reports of much greater detail. Other pressures can manifest themselves through introduction of new legislation. The above list includes statute introduced pressures known to date. Grant reductions are another common volatility during the budget process. If specific grants cease, it is expected that the activity will cease. Continuance of an activity following grant funding ceasing, would require a business case to assess each case on its merits.
- 3.28 Welsh Government has, subsequent to the provisional settlement, provided emerging details of the anticipated grants available nationally. Current national details are supplied in Appendix 1. Of note, are the significant reductions in Educational Improvement spending and Single Revenue Grant. The single Revenue Grant contains the funding that was traditionally supplied as the Sustainable Waste management Grant, part of that funding is anticipated to fall instead with RSG settlement figures, however the net decline in grant is greater than already anticipated within pressure forecasts. Also of note, Councils still do not have a comprehensive grant position regarding particular notable grants. Of particular interest to MCC, bus subsidy, concessionary fares and post 16 funding is unlikely to be available before December which continues to introduce an unfortunate element of volatility to the budget setting process.

### **Savings Proposals for 2018/19**

- 3.29 Across the board, all service areas were asked to consider how their services would look within a range of reductions available to them, whilst simultaneously, looking ahead and ensuring wherever possible, proposals support the medium term direction of travel. To in-



build an additional element of review, all proposals have been considered and tested through an initial process of independent challenge by SLT and Cabinet members

3.30 The budget proposals contained within this report have sought to ensure these key outcomes and priorities can be continued to be pursued as far as possible within a restricting resource base. This does not, however, mean that these areas will not contribute to meeting the financial challenges. The aim is to make sure everything is efficient so that as broad a range of service offer, in line with those functions that matter most to our communities, can be maintained. Chief Officers in considering the proposals and strategy above have also been mindful of the whole authority risk assessment.

### Extent of Summary Savings Identified to Date

Disinvestment by Directorate	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Children & Young People	(309)	(23)	0	0
Social Care, Health & Housing	(751)	(725)	(189)	(189)
Enterprise	0	0	0	0
Resources	(376)	0	0	0
Chief Executives Units	(505)	40	0	0
Corporate Costs & Levies	0	0	0	0
Appropriations	(296)	63	113	(86)
Financing	(530)	0	0	0
<b>Totals</b>	<b>(2,767)</b>	<b>(645)</b>	<b>(76)</b>	<b>(275)</b>

Further detail is supplied in Appendix 5.

### Treasury Impact

3.31 The Capital MTFP will be considered as a separate report but for the purposes of establishing the revenue impact of the capital MTFP, the current assumptions presume that the 2017/18 capital programme will be incurred in full other than an anticipated slippage of £6million to Future Schools spend, that should have no effect on 2018/19 Treasury budget as the funding source remains capital receipts rather than borrowing.

3.32 Last year Members subscribed to £500k Treasury Headroom to assist with 5 likely schemes that did not have cost certainty during the budget setting process. Whilst there is still uncertainty around elements of tendered costs for these schemes, the following cost predictions have been presumed in relationship to these schemes.

- £300k was added to DFG's as a one off contribution in 2017/18 to reduce backlog. The Executive would like a continuance of this £300k extra resource to be modelled in the Capital MTFP for 2018/19. Its revenue consequence will need to be added to the MTFP during the budget process.
- Monmouthshire leisure centre cost circa £7.3m. After Future schools funding, section 106 usage and the service providing the majority of prudential borrowing from additional income, the core Treasury budget will absorb the remaining

annualised effect of £835k worth of funding afforded by unsupported borrowing (MRP starting 19/20).

- J & E block office costs. budget presumes £1.4million project, E block costs circa £400k, J block costs still to be confirmed (MRP starting 19/20). The intention is for such costs to be self financed from savings realised.
- Abergavenny Hub, budget presumes an indicative £2.3million (MRP starting 20/21).
- City deal contribution predicted to total £7.3million, with annual contributions increasing over 9 year duration, 2018/19 contribution expected to be £83k. (MRP presumed to start the full year after contribution made).

For MRP purposes all assets are presumed to have a 25 year life

- 3.33 Further work on the Treasury aspects of the budget are still being validated and include a review of the current year underspend, the profile of capital expenditure and potential slippage, a review of maturing debt over the medium term and the balance between the level of fixed and variable rate debt in the Council's portfolio. The balance of risk is an important consideration in this review as are the principles of security, liquidity and yield when considering any investment strategies.

### **Council Tax**

- 3.34 The Council Tax increase in the budget has been modelled as 3.95% per annum across the MTFP as a planning assumption. As part of the savings proposals, an assessment of collection rates and growth in properties has been undertaken. Anticipated recovery rates reflect very high recovery practice (99%), such that there is little scope to increase such further. However a growth in properties has been presumed to achieve (net of Council Tax reduction scheme) an extra £530k income per annum, and is including in the savings table.

### **Summary position**

- 3.35 In summary, the 2018/19 budget gap is now £243k, if all the pressures and savings proposals contained in the Appendix 4 are approved.

Services	Adjusted Base 2017/18 £000	Indicative Base 2018/19 £000	Indicative Base 2019/20 £000	Indicative Base 2020/21 £000	Indicative Base 2021/22 £000
Children & Young People	49,630	50,069	50,101	50,139	50,178
Social Care & Housing	42,953	44,780	45,448	46,428	46,626
Enterprise	8,495	9,959	9,475	9,518	9,580
Resources	7,687	7,606	7,626	7,706	7,787
Chief Executive's Unit	15,860	16,541	16,736	16,893	17,037
Corporate Costs & Levies	20,273	20,607	22,948	25,485	27,989
<b>Sub Total</b>	<b>144,897</b>	<b>149,561</b>	<b>152,333</b>	<b>156,170</b>	<b>159,196</b>
Transfers to reserves	167	201	162	70	30
Transfers from reserves	(504)	(1,009)	(127)	(96)	(188)
Treasury	7,883	7,792	7,670	7,783	7,697
<b>Appropriations Total</b>	<b>7,546</b>	<b>6,984</b>	<b>7,705</b>	<b>7,757</b>	<b>7,539</b>
<b>Total Expenditure Budget</b>	<b>152,444</b>	<b>156,546</b>	<b>160,038</b>	<b>163,927</b>	<b>166,735</b>
Aggregate External Financing (AEF)	(91,799)	(93,000)	(91,326)	(89,682)	(88,068)
Council Tax (MCC)	(47,744)	(50,637)	(52,617)	(54,674)	(56,813)
Council Tax (Gwent Police)	(10,421)	(10,186)	(10,369)	(10,556)	(10,746)
Council Tax (Community Councils)	(2,480)	(2,480)	(2,480)	(2,480)	(2,480)
<b>Sub Total Financing</b>	<b>(152,444)</b>	<b>(156,303)</b>	<b>(156,791)</b>	<b>(157,391)</b>	<b>(158,106)</b>
<b>(Headroom)/Shortfall</b>	<b>0</b>	<b>243</b>	<b>3,247</b>	<b>6,535</b>	<b>8,629</b>

Clearly there is a gap still to meet and further work is progressing through Future Monmouthshire to bring forward measures to balance to budget around the themes of services integration, commercialisation, adult care and procurement.

### Reserves strategy

- 3.36 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £6.2 million at end of 2017/18 to £5.2 million at the end of 2021/22.
- 3.37 The approved Reserves strategy has sought to ensure that earmarked reserves are not used to balance the budget for ongoing expenditure and that they are instead used to the best effect and impact on one off areas of spend to help the authority transform itself to the new resource levels available to it. 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 £1.4 million by the end of this MTFP window.
- 3.38 The general fund reserve forecast for the end 2017/18 predicts £7.1 million balance, and remains within the 4-6% of net expenditure range considered as appropriate to maintain. This will be updated for anticipated outturn following month 7 monitoring activities within the next fortnight.
- 3.39 Deficit school balances haven't been factored into general fund balance, as the focus will be one of reintroducing a net surplus position.

### Next Steps

- 3.40 The information contained in this report constitutes the budget proposals that are now made available for formal consultation. Cabinet are interested in consultation views on the proposals and how the remaining gap may be closed. This is the opportunity for Members,

the public and community groups to consider the budget proposals and make comments on them. Cabinet will not however, be prepared to recommend anything to Council that has not been subject to a Future Generations Assessment and Equality Impact Assessment and therefore a deadline to receive alternative proposals has been set as 31<sup>st</sup> January 2018.

3.41 Public consultation (to include the formal requirement to consult businesses) and Select Committee Scrutiny of Budget proposals, will take place between the 1st December 2017 and the 31<sup>st</sup> January 2018. In the past four years we have undertaken extensive community engagement around the budget and the impact of any potential changes under the banner of #MonmouthshireEngages. The budget proposals contained within this report are extensions of previously agreed changes and in addition there has not been any substantive or material service developments; on this basis we will not be conducting another large scale public engagement. There will be opportunity for the community to provide consultation responses via public meetings to be held in Usk, meetings of the Schools budget forum, JAG, and other relevant fora and via the website and social media where details of the proposals will be published and a short film will be available.

3.42 The scrutiny of the budget proposals are key areas of this part of the budget process. The following dates have been set for Select committees:

Economy and Development – 30th November 2017

Children and Young People – 7th December 2017

Adults – 12th December 2017

Strong Communities – 4th January 2018

3.43 Deadline for the receipt of Community Council precepts is 31<sup>st</sup> January 2018

3.44 Consequently final budget proposals following consultation and receipt of the final settlement will go to a special Cabinet in mid Feb 2018 and Council Tax and budget setting will then take place at Full council on 1st March 2018.

#### **4 REASONS:**

4.1 To agree budget proposals for 2018/19 for consultation purposes

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

5.1 As identified in the report and appendices

#### **6. FUTURE GENERATIONS AND EQUALITY IMPLICATIONS:**

6.1 The Wellbeing of Future Generations initial evaluation for the emerging 18-19 budget proposals has been developed in narrative form in appendix 6, ahead of formalisation of proposals and the completion of the official assessment framework. This enables setting out of the backdrop to the emerging proposals, commentary on how the process has been developed; its various iterations and the picture it paints as a whole for the county of Monmouthshire. Presenting in this way at this stage provides an opportunity to demonstrate the dynamic and real-time nature of the approach. In addition, it helps to highlight application of continual learning and improvement.

6.2 In the past and notwithstanding the council's strong record on financial planning and delivery, achieving the goal of keeping frontline services going and strengthening commitments to sustainability and resilience, the budget has tended to be developed

through the setting of targets, directorate-led approaches and a relatively uneven smattering of proposals. Whilst under this budget round, individual directorate's have still put forward proposals – this process has been more in keeping with our Future Monmouthshire programme and the design principles that guide how we keep our county 'going' and 'growing'. It signals very clearly, that money should follow purpose and priorities and not precede them.

- 6.3 It must be borne in mind that this WFG evaluation is an early one, applying to budget *proposals* only at this pre-consultation, pre-decision stage. The aim of the narrative in appendix 6 is thus, to demonstrate the 'live' nature of the process and the application of robust and ongoing scrutiny and challenge as the proposals continue to be shaped and honed in line with what matters.
- 6.4 The emerging budget proposals for 18-19 are more than a standalone one-year budget. As a contributor to our wider Future Monmouthshire work, they help build a bridge between the present we have and the future we wish to see. With a blend of ongoing sustainable efficiencies; continued income generation and a focus on investing in areas such as education and social care – where returns in terms of service outcomes and financial benefits are starting to pay early dividends – the platform is building for the development of more targeted 'big ticket' interventions. We are not kicking the 'too difficult' problems into the long grass. As well as keep the Council 'going' – work is underway to keep it 'growing' – as these proposals clearly demonstrate. Proposals to review the development plan, as a means of addressing demographic and economic pressures is underway. Exploration of targeted procurement opportunities that save money and create local markets is taking shape. A 'challenge-driven' approach to tackling rural transport issues is being developed. Exploration of machine learning, artificial intelligence and automation are contributing to the ways in which we must re-imagine services and the positive impact they can have on the lives of people and communities in Monmouthshire - now and in the future.
- 6.5 Further to the narrative provided in appendix 6 the wellbeing of future generations impacts of the saving proposals have been initially identified per Directorate in Appendix 4. As the impact on services has been kept to a minimum, no significant negative impact has been identified. Further consultation requirements have been identified and are on going. As stated above further assessment of the total impact of the all the proposals will be undertaken for the final budget report.

The actual equality impacts from the final budget report's recommendations will be reviewed and monitored during and after implementation.

## **7. CONSULTEES:**

SLT  
Cabinet  
Head of Legal Services

## **8. BACKGROUND PAPERS:**

Appendix 1: Welsh Government Provisional Settlement – National grant notification  
Appendix 2: Welsh Government Provisional Settlement – Aggregate External Funding  
Appendix 3: Proposed letter in response  
Appendix 4: Details of pressures  
Appendix 5: Details of savings proposals

Appendix 6: Future Generations Evaluation

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## Appendix 1 - Details of Welsh Local Government Provisional Revenue Settlement 2018-19

Table 9: List and estimated amounts of Grants for total Wales

Existing Grant name	2017-18	2018-19
<b>Communities and Children</b>		
Supporting People	123.688	123.688
Flying Start Revenue Grant	76.052	76.052
Families First	38.352	38.352
Communities First	19.647	0.000
Childcare Offer	10.000	25.000
Communities for Work	7.120	7.199
Cardiff Bay Legacy	5.891	5.400
Promoting Positive Engagement for Young People	4.330	4.330
Out of School Childcare	2.300	2.300
Violence against Women, Domestic Abuse & Sexual Violence Grant	1.938	2.438
St David's Day Fund	1.000	1.000
Lift	0.990	0.000
National Approach to Advocacy	0.550	0.550
Community Cohesion	0.360	0.360
Maintaining the Delivery of the Wales Adoption Register	0.172	0.172
Armed Forces Day	0.035	0.100
Remploy Employment Support Grant	0.006	0.002
Communities First Legacy	0.000	6.000
Communities Work Plus	0.000	10.050
<b>Economy and Infrastructure</b>		
Concessionary Fares	60.466	NA
Bus Services Support Grant	25.000	NA

Bus Revenue Support Traws Cymru	3.057	NA
Road Safety Grant	2.000	2.000
Young Persons Discounted Bus Travel Scheme	1.000	NA
Bus Revenue Support	0.546	NA
New Developments	0.500	0.000
Enterprise Zones	0.271	0.064
Ports Development Fund	0.090	NA
Community Rail Partnership	0.065	NA
Travel Plan Co-ordinators	0.011	0.000

### **Education**

Education Improvement Grant	133.282	118.137
Pupil Development Grant	91.333	91.333
Pioneer Schools	7.895	NA
Youth Support Grant	3.856	3.470
Reducing infant class sizes grant	2.000	3.000
School Uniform Grant	0.700	0.000
Modern Foreign Languages	0.480	0.432
Senior Business Managers	0.200	0.200
Mentoring and Networking Support for Headteachers	0.150	NA
National Numeracy Tests - Supported Marking Grant to Consortia	0.020	0.020

### **Environment and Rural Affairs**

Single Revenue Grant - See note below	61.790	20.793
Waste Infrastructure Procurement Programme - Gate Fee Contributions	7.507	7.867
Animal Health & welfare Framework Funding	0.200	0.200
Renewal of Grant for the South Wales Regional Aggregate Working Party	0.050	0.050
Waste Planning Monitoring Report - North Wales and South East Wales	0.049	0.049
Waste Planning Monitoring Report - South West Wales	0.025	0.025



## Finance and Local Government

Cardiff Capital City Deal	20.000	10.000
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## Lifelong Learning and Welsh Language

Post-16 Provision in Schools	98.587	NA
Adult Community Learning	4.307	NA
Additional Learning Needs Innovation Fund	1.320	0.000
Learning in Digital Wales (Phase 2)	0.500	0.450
Promote and Facilitate the use of the Welsh language	0.314	0.314
Development of the Seren Network	0.120	0.250

## Social Services and Public Health

Welsh Independent Living Grant	27.000	RSG
Substance Misuse Action Fund	22.663	22.663
Social Care Workforce Grant	19.000	RSG
Expanding Edge of Care Services	5.000	RSG
Carer's Respite Care Grant	3.000	RSG
Support for Care Leavers	1.650	RSG
Reflect Project	0.850	RSG
Secure Estates	0.412	RSG
National Framework for Fostering	0.400	RSG
Development of Adoption Support Services in Wales	0.215	0.090

<b>All Grants</b>	<b>900.454</b>	<b>584.424</b>
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<b>All Grants excluding NA (for like-for like comparison)</b>	<b>606.861</b>	<b>584.424</b>
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1 The information shown above details the total amount of each grant. Some grants may be split between local authorities and other bodies

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

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

NA = figures not available at time of publication

RSG = funding transferring to Revenue Support Grant

Single Revenue Grant - £35m of Waste Budget element transferred to Revenue Support Grant

## Provisional

Table 1c: Aggregate External Finance (AEF) plus top-up per capita, by Unitary Authority, 2018-19

Unitary Authority	2018-19 provisional Aggregate External Finance plus top-up funding (£'000s)	Provisional Aggregate External Finance per capita (£)*	Rank
Isle of Anglesey	94,924	1,353	11
Gwynedd	173,859	1,406	9
Conwy	152,770	1,307	15
Denbighshire	142,144	1,488	5
Flintshire	187,816	1,212	19
Wrexham	173,485	1,242	18
Powys	172,644	1,309	14
Ceredigion	99,905	1,309	13
Pembrokeshire	160,084	1,290	17
Carmarthenshire	257,960	1,386	10
Swansea	316,499	1,293	16
Neath Port Talbot	210,832	1,492	4
Bridgend	190,718	1,335	12
The Vale of Glamorgan	151,996	1,185	21
Rhondda Cynon Taf	362,219	1,519	2
Merthyr Tydfil	89,683	1,514	3
Caerphilly	265,600	1,467	6
Blaenau Gwent	109,761	1,581	1
Torfaen	130,800	1,422	8
Monmouthshire	93,000	1,001	22
Newport	211,682	1,423	7
Cardiff	437,867	1,193	20
<b>Total unitary authorities</b>	<b>4,186,247</b>	<b>1,339</b>	

\* Based upon 2014-based, 2018 population projections

## Appendix 3 – Proposed Response to Welsh Government on the Provisional Settlement

Simon Edwards  
Local Government Funding Policy Branch,  
Welsh Government,  
Cathays Park,  
Cardiff.  
CF10 3NQ

Your Ref/Eich Cyf:  
Our Ref/Ein Cyf:  
Date/Dyddiad:  
File Ref:  
The Person dealing with  
this matter is/ Y  
Person sy'n delio gyda'r  
mater yma yw:  
Tel/Ffôn: 01633 644270  
Fax/Ffacs: 01633 644260  
e-mail address/ cyfeiriad  
e-bost Monmouthshire.gov.uk

Dear Mr. Edwards,

### Re: Provisional Local Government Settlement 2018/19

Thank you for the opportunity to comment on the Provisional Settlement announced recently. This response has been endorsed by Monmouthshire County Council's Cabinet and provides the views of members.

This is a disappointing settlement for local government across Wales and follows reductions that Councils have experienced in recent years. The Welsh Government has chosen to use additional money passed to it by the UK government in ways that don't best meet the needs of the people in Wales.

Monmouthshire has yet again received one of the worst settlements in Wales receiving 1% less than the previous year and the settlement continues an eight-year run of real terms reductions to local government funding in Wales. This does not take into account the current inflation rate of 2.7% and therefore represents a 3.7% real term reduction in funding. While the average cut to Welsh councils is 0.5%, Monmouthshire's 1% decrease, shared with five other counties, is the biggest in Wales.

The provisional settlement has done nothing to alleviate our position as the worst funded Council in Wales per head of population. The average per capita funding in Wales is £1,339 compared to Monmouthshire's £1,001.

The Council is very conscious of the pressures on household budgets and so the Council is doing its utmost to deliver a balanced budget but this will inevitably put pressure on Council Tax rises.

Monmouthshire welcomes the commitment to providing a funding floor to mitigate any volatility. Looking forward to 2019/20 and beyond, the prospect of continuing austerity remains and is set against very real pressures in already stretched services. Whilst Monmouthshire welcomes the provision of an indicative revenue settlement for 2019-20 the provision of indicative revenue settlements for the next three years would help Councils in planning for the future through these very difficult times.

As a rural authority Monmouthshire is confronted by particular challenges in offering services like social care, waste collection, transport and highways across a wide area. Indeed, the council has recognised these difficulties by prioritising the maintenance of locally accessible services to combat rural isolation. Monmouthshire calls on the government to base funding on

a fairer system, acknowledging the problems rural counties face when providing services. There are also a range of preventative services that will not survive unless the Welsh Government has a long hard look at the way it allocates money across the totality of public services.

Monmouthshire calls for more transparency around some of the figures in the provisional settlement announcement. The settlement suggests increases in funding in education and social services of £62m and £42m respectively. However, there is no additional resource to protect them or explanation of how these figures have been calculated. The all-wales settlement for local government has quite simply reduced been reduced by 0.5%.

Monmouthshire supports and encourages the transfer of specific grants into the settlement and is disappointed that more progress has not been made in this regard.

If there are opportunities to put more grants into the final settlement this would be welcomed providing it continues to be distributed on the same basis as the original grant to prevent large changes at a very late stage in the process.

On capital account, the settlement does not address the previous reductions in capital funding and is still therefore a serious concern, especially as it comes at a time when councils are struggling to raise capital receipts from asset sales. The need to invest in priority areas such as 21<sup>st</sup> Century Schools, waste management, carbon reduction and infrastructure remains high, with WG support remaining a critical success factor.

Despite the fact that the reasons for the level of the provisional settlement are both known and understood, it is difficult to reconcile the revenue and capital settlements with the increasing expectations and demands on local council services are continuing to grow. Councils will face difficult decisions in reconciling budgets next year and in the medium term and it is important that the WG recognises the need for difficult decisions, is supportive of local authorities facing difficult times and does not promote undeliverable policy expectations. This is a time for us all to work together to minimise the consequences of the downturn in public finances on the most vulnerable in society and to send clear and consistent expectations to the public we exist to serve.

**Yours sincerely,**

**Councillor Philip Murphy – Cabinet Member**

## **Appendix 4 – Pressures Proformas**

Pressure	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Page Reference
SCH P1 National living wage	434	434			22
SCH P2 Capital threshold	501	501	668		31
SCH P4 Safeguarding Post	60				37

## SCH PRESSURES

Pressure Mandate Proposal Number : SCH P1

Pressure Mandate Title : Increase in Domiciliary Care and Care Home provider fees due to introduction of the National Living Wage

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

<b>Mandate Completed by</b>	<i>Tyrone Stokes</i>
<b>Date</b>	<i>10<sup>th</sup> September 2015 (amended 8<sup>th</sup> November 2017)</i>

### **Why is this pressure required?**

Current discussion is on the removal of the 1.7% non-pay budget inflation factor from the 2016/17 MTFP on the basis of present low to near zero RPI.

Within the SCH 2016/17 budget we have a £8,822,039 third party budget covering payments to domiciliary care agencies providing 9,532 weekly hours of care as at 31<sup>st</sup> March 2015.

For 2016/17 the current minimum wage of £6.50 per hour will be replaced by the Living wage of £7.20 per hour rising to £9 per hour in 2020, which is a direct cost to providers and impacts on our fees.

In his budget statement this summer, the Chancellor announced that the current minimum wage will be replaced in 2016 with the Living wage of £7.20 per hour increasing to £9 per hour by 2020. Recent information gathered shows that these agencies can no longer bear the cost of wage increases and in order to sustain a supply market in this sector, we will need to reflect any future rises in our fees.

The United Kingdom Homecare Association (UKHCA) has sent out recent research suggesting a domiciliary care hourly fee rate of £16.70 be charged for domiciliary services. This research has been quoted by one of our major domiciliary care agency in a letter to Paul Matthews. If we compare the UKHCA rate against our current average framework rate of £12.52 per hour, this is over £4 per hour less. This mandate is not seeking to address this difference but to only acknowledge the Living wage increase from the current £6.50 minimum wage, and the future increases up to the £9 per hour in 2019/20.

In relation to Care Homes, we have a £10,186,788 third party budget covering payments to residential/nursing care homes for the elderly supporting 280 placements as at 31<sup>st</sup> March 2015.

Work we have done with the Adult Residential and Nursing care home sector through the “Fair Fee” exercise tells us that care providers have a cost base of 70% wages not sensitive to RPI but sensitive to wage increases, in this mandate Living Wage. We are unable to mitigate this increase and are contractually bound to reflect in our fees. The reason why we cannot mitigate this increase is that four years ago the Council agreed to undertake the fair fee exercise to defend the Council against a judicial review in not considering the true costs of running a care homes in its fees. Two Authorities namely Pembrokeshire and Vale of Glamorgan did have a judicial review and in the case of Pembrokeshire, led to a million plus sum in fines and legal costs and the back payment in increased fees.

Our fair fee toolkit does sufficiently safeguard the Authority from a potential judicial review but ties us into the need to understand the costs pressures that face care homes and to reflect this in our fees paid to homes. The fair fee toolkit uses the minimum wage as a base which will now be replaced by the Living Wage.

**How much pressure is there and over what period?**

£1,131,349 for 2016/17 just to address the introduced Living wage rate of £7.20. If we make an assumption on how the Government will increase the NLW to meet the pledged rate of £9 per hour in 2019/20, there needs to be a 60p per hour increase each year, which gives the annual pressure of £634,018 until the £9 per hour rate is reached.

**Directorate & Service Area responsible**

SCH and Community Care

**Mandate lead(s)**

Tyrone Stokes

**Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?**

Name	Organisation/ department	Date
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Mark Howcroft	Assistant Head of Finance	20 <sup>th</sup> July then challenge panel 4 <sup>th</sup> September
Joy Robson	Head of Finance	20 <sup>th</sup> July then challenge panel 4 <sup>th</sup> September
Simon Burch	Former SCH Director	20 <sup>th</sup> July
Julie Boothroyd	Interim SCH Director	20 <sup>th</sup> July

**Has the specific budget pressure been consulted on?**

Function	Date	Details of any changes made?
Department Management Team		
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee		
Public or other stakeholders		
Cabinet (sign off to proceed)		

**Will any further consultation be needed?**

Name	Organisation/ department	Date

<b>Final pressure approved by Cabinet</b>	<b>Date:</b>
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## 1 Vision and Outcomes of the Pressure Mandate

Give a business context for the budget pressure. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the

authority / any other providers. In doing so, the pressure mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

<b>What are the outcomes of investing in the identified pressure?</b>
To ensure we have a market that will contract with the Authority and provide sustainable services.
<b>Expected positive impacts</b>
Harbour good relations with providers and sustain a viable market which can meet cost pressures through the introduction of the Living wage to care staff.
<b>Expected negative impacts</b>
Domiciliary care agencies will decide not to contract with Monmouthshire and of those that do, face financial hardship. Over the past 12 months four agencies have gone financially insolvent and we are currently working with two who are on the edge of insolvency.

## 2 Pressure proposed

Show how the budget pressure has been evidenced and will increase the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the pressure.

<b>What is the evidence for the pressure? How has it been estimated?</b>
<p>Evidence for the pressure is based on the introduction of the Living Wage hourly rate of £7.20 in 2016 and research issued by the UKHCA. We have determined the pressure using the weekly care hours provided.</p> <p>The total estimated pressure is £1,131,348 but a decision has been taken to opt for the high risk mitigation of reducing this pressure by £200,000 (£200,000 mitigation in total across domiciliary care and residential care sectors).</p> <p>The Government pledge is the increase the National Living Wage (NLW) each year until it reaches £9 per hour in 2019/20.</p>
<b>Target years</b>

Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	16/17	17/18	18/19	19/20	20/21	Total pressure proposed
Community Care	£19,008,827	£931,348	0	£931,348	£434,018	£434,018	£434,018	£0	£2,233,402

### 3 Actions to required to minimise the pressure

Describe the key activities that will be undertaken to minimise the investment required and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
There are two distinct areas of action: -		
Action 1 – Work with providers to gauge the level of workers under 25, any mitigation from future tax assistance by the Chancellor and VAT reclaims are maximised. Industry advice will be obtained from consultants such Rockhaven Healthcare Ltd to fully understand and maximise opportunities.	Shelley Welton and Tyrone Stokes	31 <sup>st</sup> March 2016
Action 2 – Embark on a piece of work to understand, review and scrutinise rate increases thereby entering negotiations to limit any impact.	Ceri York and Shelley Welton	Initial scoping by 31 <sup>st</sup> March 2016

### 4 Additional skills/ business needs

Describe any additional skills, resource and capability needed in order to carry out the proposed mandate successfully. For example new expertise and knowledge etc..

Any additional capability required	Where will this come from	Any other resource/ business need (non-financial)


## 5 Measuring performance on the mandate

How do you intend to measure the impact of the investing in the pressure identified? This will include budget measures and further possible measures that cover process, staff and customers. Targets need to be set over the duration of the mandate where appropriate.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2016/17	Target 2017/18	Target 2018/19

## 6 Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the outcomes expected from investing in the pressure identified, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these.

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Level (High, Medium or Low) Based on a score assessing the probability & impact	Mitigating Actions
<ul style="list-style-type: none"> <li>The number of people aged 25 and under is not known and</li> </ul>	Both		In considering the likely reductions that could result from undertaking	Reduce the amount reflected in rates paid to providers by:

<p>any there is a risk we might over-estimate.</p> <ul style="list-style-type: none"> <li>• There may be no compensatory tax breaks announced by the Chancellor.</li> <li>• Many providers will not wish to take the opportunity to reconfigure to enable the recovery of VAT.</li> <li>• Some providers have an active self funding market and may decide not to seek business from the Council thus placing areas where it is difficult to attract providers at greater risk.</li> <li>• Much of the 'right sizing' work has already been undertaken so the likelihood of identifying significant reductions is limited.</li> <li>• Providers may decide not to accept Monmouthshire's business. Many of the spot purchase arrangements are in place to accommodate gaps in the market.</li> <li>• Some potential savings from reducing rates could be double-counted as they may have already been attributed to a separate adult services mandate.</li> <li>• Future transformation approaches are based on good relationships and this approach could put these at risk.</li> </ul>			<p>these two courses of action it is suggested:</p> <ul style="list-style-type: none"> <li>• A confident estimate: <b>£100,000</b></li> <li>• With some risk of non-achievement: <b>£150,000</b></li> <li>• With a high risk of non-achievement of all mitigations: <b>£200,000</b></li> </ul> <p>The decision at SLT has been taken to opt for the high risk action which spans both the National Living Wage pressures so £100,000 will be attributed to the Domiciliary care pressure and the other £100,000 to the residential care pressure.</p>	<ul style="list-style-type: none"> <li>• Factoring in people who are under 25 who will not qualify for the National Living Wage.</li> <li>• Assuming that the Chancellor of the Exchequer will introduce measures such as tax breaks to offset some of the effects of the National Living wage for providers.</li> </ul> <p>Making strenuous efforts to encourage providers to alter their status to enable them to recover VAT. Many of the care management arrangements in Social Care and Health are individually negotiated. Whilst it is fully expected that providers will uplift the set rates to reflect the National Living Wage, Officers have agreed to undertake a process to review and scrutinise rates that appear to higher than the norm with a view to negotiating a reduced increase.</p>
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## 7 Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker

## 8 Options

Prior to the pressure mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. ( see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
Do not reflect Living wage increases in our fee	Care agencies face financial hardship, domiciliary care business in no longer viable in Monmouthshire	Julie Boothroyd
Increase eligibility criteria	Previous raising of eligible criteria has not materialised savings. Adult services approach to manage practice is by maximising support from family and community before providing formal services, which has resulted in Community Care delivering to budget, despite demographics and increased complexity pressures.	Julie Boothroyd

		In addition, mandate 34 has addressed the raising of eligibility criteria to removing the 'moderate' threshold.	
Reduce services provided		As with above this is addressed in mandate 34 and mirrors our current direction of travel. At present we are looking to support service users through community support, small local enterprises and community co-ordination that will see less reliance on formal support and a more blended approach for people to remain safe and connected to communities.	Julie Boothroyd

## 9 Monitoring the pressure mandate

The pressure mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the pressure mandate, including the performance being achieved and the level of impact.

Pressure Mandate Proposal Number: SCH P2

Pressure Mandate Title : Capital threshold increase pressures

**All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.**

<b>Mandate Completed by</b>	Tyrone Stokes
<b>Date</b>	8 <sup>th</sup> November 2017

#### Why is this pressure required?

As part of a series of financial support measures by the Welsh Government borne out of the introduction of the Social Services and Wellbeing (SSWB) Act 2014, the capital threshold limit will be increased from its current level of £24,000 as at 2016/17, to £50,000 in 2020/21.

The capital threshold limit is the amount an individual is allowed to keep before they are able to apply to the Local Authority for funding of residential/nursing care.

The present level as at 2016/17 was £24,000 set under the old Community Care Act and the Charging for Residential Accommodation Guidelines.

From the introduction of the SSWB Act 2014, and the replacement of its charging regulations which came into force from 1<sup>st</sup> April 2016, the Government announced the capital threshold would be increased from 2017/18 to £30,000 up to a maximum of £50,000 in 2020/21.

The Government announced a financial grant to compensate Local Authorities and it would be disbursed under the present Older Peoples funding formula.



Based on the amount of clients that were previously self funding and their capital fell below the capital threshold limit in 2016/17, we had 14 in seven months during 2016/17 so full year we could expect 23. The calculated annual pressure would far exceed the grant so there is a net annual pressure which will not be met by the grant provided.

**How much pressure is there and over what period?**

Based on the expected number of clients that will fall into Local Authority funding under the increased capital threshold limits, for 2017/18 the increase to £30,000 will result in a GROSS pressure of £629,000. When we offset the grant of £128,000, the net annual pressure for 2017/18 is £501,000.

If we assume the capital threshold limit will increase by a further £6K each year (being £36K in 2018/19 and £42K in 2019/20), in 2020/21 the increase will be £8K to the £50K limit the Government has pledged.

Therefore the NET pressure for 2018/19 will be £501,000, 2019/20 will be a further £501,000 and the final year 2020/21 will be £668,000.

**Directorate & Service Area responsible**

SC&H and Community Care division

**Mandate lead(s)**

Tyrone Stokes

**Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?**

Name	Organisation/ department	Date
Tyrone Stokes	SC&H	July to September 2016

**Has the specific budget pressure been consulted on?**

Function	Date	Details of any changes made?
Department Management Team	17/10/16	SCH DMT

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<b>Will any further consultation be needed?</b>		
Name	Organisation/ department	Date
No		

<b>Final pressure approved by Cabinet</b>	<b>Date: When the 2017/18 MTFP was agreed</b>
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## 1 Vision and Outcomes of the Pressure Mandate

Give a business context for the budget pressure. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the pressure mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

<b>What are the outcomes of investing in the identified pressure?</b>
<ul style="list-style-type: none"> <li>• Allows the Council to meet the legal obligations of meeting funding for clients who's capital falls below the introduced capital threshold limit,</li> <li>• Makes sure the Council are compliant with its obligations under the SSWB Act,</li> <li>• Social Care to have the budget available to meet these obligations set by Government.</li> </ul>
<b>Expected positive impacts</b>
<ul style="list-style-type: none"> <li>• Promotes the Government pledge under this scheme,</li> <li>• From the client perspective allows them to retain more of their capital when going into a residential/nursing care home setting</li> </ul>
<b>Expected negative impacts</b>
<ul style="list-style-type: none"> <li>• Additional financial burden for the Local Authority which unfortunately as the grant provision is hypothecated, Monmouthshire doesn't get the true cost met,</li> </ul>

- The grant provision did not consider nor recognise other factors that have a financial impact on Local Authorities such as clients that were previously self funding have a higher weekly fee level which then transfers over to the Local Authority when their capital falls to the higher threshold limit,
- Clients lose Attendance Allowance and Severe Disability payments when they become eligible for Local Authority financial support, which again were not recognised by Welsh Government when introducing this scheme,
- More clients into Local Authority funding for residential/nursing care provision.

## 2 Pressure proposed

Show how the budget pressure has been evidenced and will increase the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the pressure.

What is the evidence for the pressure? How has it been estimated?								
As above.								
Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	Target year				Total pressure proposed
				17/18	18/19	19/20	20/21	
Community Care	£10,186,788	£2,171,000		£501K	£501K	£501K	£668K	£2,171,000

## 3 Actions required to minimise the pressure

Describe the key activities that will be undertaken to minimise the investment required and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
1.		

2.		
3.		
4.		

#### 4 Additional skills/ business needs

Describe any additional skills, resource and capability needed in order to carry out the proposed mandate successfully. For example new expertise and knowledge etc..

Any additional capability required	Where will this come from	Any other resource/ business need (non-financial)

#### 5 Measuring performance on the mandate

How do you intend to measure the impact of the investing in the pressure identified? This will include budget measures and further possible measures that cover process, staff and customers. Targets need to be set over the duration of the mandate where appropriate.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2017/18	Target 2018/19	Target 2019/20

#### 6 Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the outcomes expected from investing in the pressure identified, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these.

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Level (High, Medium or Low) Based on a score assessing the probability & impact	Mitigating Actions

## 7 Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
		DJ/LD
		DJ/HO

## 8 Options

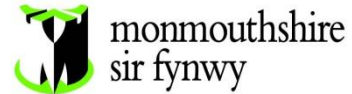
Prior to the pressure mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker

## 9 Monitoring the pressure mandate

The pressure mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the pressure mandate, including the performance being achieved and the level of impact.

## Safeguarding Post (SCH P4) – Incurred following Council report



**SUBJECT: Safeguarding and Quality Assurance Service Manager**

**MEETING: COUNCIL REPORT**

**DATE: 9<sup>th</sup> March 2017**

**DIVISION/WARDS AFFECTED: All/ Whole Authority**

### **1. PURPOSE**

- 1.1 The purpose of this report is to seek approval to create a Safeguarding and Quality Assurance Service Manager to provide leadership to whole authority safeguarding and manage the Safeguarding and Quality Assurance Unit.

### **2. RECOMMENDATIONS:**

- 2.1 That members approve and endorse the proposal for creation of a Safeguarding and Quality Assurance Service Manager and the revised structure for the Safeguarding and Quality Assurance Service Unit within Appendix 2 to this report.
- 2.2 **Members agree to reserve fund the c£60k for 2017/18. The budget will need to be substantially into the 2018/19 budget round.**

### 3. KEY ISSUES:

- 3.1 Safeguarding children and adults at risk has the very highest priority in Monmouthshire County Council. Safeguarding is recognised as everybody's business and considerable progress has been made over the last 5 years to systematically embed safeguarding culture, knowledge and practice in every area of the Council's responsibility. There are, however, areas where the understanding and operation of safeguarding are not yet of the standard they need to be. We need to be constantly vigilant in understanding the effectiveness of our governance and assurance systems.
- 3.2 The Safeguarding and Quality Assurance Unit has a very important role in supporting safeguarding in Monmouthshire. The Unit works with directorates to support them to understand their safeguarding responsibilities and improve their practice. The Council has developed a SAFE self-assessment tool which has recently been reviewed and strengthened to incorporate adult as well as children's safeguarding. An analysis of the Unit, and its ability to deliver its' purpose, has highlighted the need to strengthen leadership and capacity to ensure it is fit for purpose; i.e. to enable it to support to all parts of the Council in their self –evaluation and analysis and improvement actions arising from their evaluation.
- 3.3 The Service Manager post recommended in this report will ensure manage a Joint Children and Adult safeguarding unit comprising the following functions: independent review of Looked After Children (LAC), co-ordination of child protection and Protection of Vulnerable Adults (POVA), safeguarding in education and corporate safeguarding. The postholder will works with a variety of partners both internal and external to the Council. and be the main operational link to the Gwent-wide Children and Adult Safeguarding Boards which are now on a statutory footing. The postholder will also be responsible for driving up standards and good safeguarding practice within the borders of Monmouthshire and across Council services. The post-holder will be part of the Children's Social Services division within Social Care and Health and as such the changes proposed in this report would amend the structure approved by Cabinet in January 2017 (**Appendix 1**)

### 4. RESOURCE IMPLICATIONS:

4.1 The creation of the Safeguarding and Quality Assurance Service Manager is a financial pressure of £60k. It is proposed that in 2017/18 this is reserve funded; it will need to be substantively reflected in the 2018/19 budget build.

**5. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)**

5.1 Strengthening safeguarding leadership and capacity impacts positively on all children, young people and their families and adults at risk. The impact will be regularly updated and reviewed to ensure fitness for purpose. The proposed structure looks to will increase effectiveness of safeguarding arrangements and put the Council in a strong position to deliver the all age approach set out within the Social Services and Well Being Act.

**6. CONSULTEES:**

Jane Rodgers, Head of Children's Services and Safeguarding  
Senior Leadership Team

**7. BACKGROUND PAPERS**

Children's Services – Service Redesign – Cabinet, January 11, 2017.

**7. AUTHOR:**

**Claire Marchant, Chief Officer, Social Care and Health**

**8. CONTACT DETAILS:**

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## Appendix 5 – Savings Proposals

Ref	Saving Proposal	2018/19	2019/20	2020/21	2021/22	Page Reference
		£000	£000	£000	£000	
SCH S1	Adult Disability Services	(638)	(536)			41

## SCH PROPOSALS

### **Budget Project Proposal 2018/19**

This form should be completed in full for all proposals of £50,000 and over, and for proposals of less than where the impact will be felt directly by citizens. For proposals below this threshold you can complete questions 1 and 2 only and then use your service plan to capture your actions, measures and risks.

<b>Form completed by</b>	Julie Boothroyd
<b>Date</b>	3 <sup>rd</sup> Oct
<b>Reference Number</b>	SCH S1

<b>Service area</b>	Adult Services
<b>Directorate</b>	
<b>Savings targets (based on 17/18 budget)</b>	
2018/19	£ 638K
2019/20	£ 536K across 19/20 and 20/21
2020/21	
2021/22	

<b>Project lead &amp; Key project team members</b>	
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#### **1. Vision and outcomes of the project**

Give a business context for the project. Include what the new / improved / reduced service will look like in the future. Consider the impact in the service area and on any other services provided by the Council. From the service user and service provider perspective.

##### **What does the project propose to do?**

Having scrutinised all budget areas in the Adult Services and analysed the potential for further services the following areas have been identified for further remodelling/reduction over the medium term.

- Disability services – My Day My Life- remodel management arrangements, further practice change enabling people to achieve independence. Apply charging policy where gaps have occurred. Further review operating models to achieve alignment and savings.
- My Day My Life – respite opportunity service- review night time support, explore dormant weeks, review whole provision and option appraise alongside the potential and look at generating income on respite beds.
- Mental Health - practice change and remodelling of services and accommodation types.
- All age disability service- transport, practice change, accommodation remodelling.

#### Expected impact of the project?

The proposals are in line with the direction of travel and are consistent with the approach we have taken to realise efficiencies in the existing service model. Some aspects will require dedicated time and resource and have been planned over a 3 year period.

## 2. Savings proposed

Show how project will deliver savings against the current service budget, will this be a saving or income generation. This must be profiled over each year implicated.

What savings are expected to be achieved?		
Year	Proposed Savings (£)	Proposed income generation (£)
<b>18/19</b>	<b>638K</b>	
<b>19/20 and 20/21</b>	<b>356K</b>	<b>15K</b>

## 3. Options appraisal

List all options that have/are being considered (further details on these may be required to inform scrutiny/decision making reports)

Option 1
Considered not providing services e.g. Residential and care at home services, day services and buying all provision from the market.

<b>Reason why not progressed/progressed?</b>
The care market is extremely fragile in Monmouthshire, recruitment issues are significant, even with more favourable terms and conditions we are stretched to keep services going. Once all the costs are factored into the option of not providing the share we have in the market the savings are very small we would not have the ability to be the service of last resort or influence the quality required and costs would rise .
<b>Option 2</b>
<b>Reason why not progressed/progressed?</b>

#### 4. Actions to deliver the project

Describe the key activities that will be undertaken to deliver the project and the action holders. This provides a further breakdown of the actions that need to be taken, each project should also be included in the service plan action.

Action	Timescale
<ul style="list-style-type: none"> <li>Disability services – My Day My Life- remodel management arrangements, further practice change enabling people to achieve independence.</li> <li>Apply charging policy where gaps have occurred. Further review operating models to achieve alignment and savings.</li> <li>My Day My Life – respite opportunity service- review</li> </ul>	18/19
Night time support, explore dormant weeks, review whole provision and option appraise alongside the potential and look at generating income on respite beds.	19/20
<ul style="list-style-type: none"> <li>Mental Health - practice change and remodelling of services and accommodation types.</li> <li>All age disability service- transport, practice change, accommodation remodelling.</li> </ul>	19/20
	18/19
	18/19 & 20/21

## 5. Additional resource/ business needs

Have you identified any resource / capacity required to carry out the project?

Area resource required	What will this be used for?
Staff time to lead the work from the existing staff group.	

## 6. Key Risks and Issues

Are there any initial barriers or risks that have been identified at this early stage. Any actions to mitigate risk should be included in section 4 and any ongoing risks include in the main service plan risk register.

Risk	Reason why identified	Risk Level (High, Medium or Low – see risk <a href="#">matrix</a> )
Demographic changes	Already increased for certain aspects of delivery e.g. LD respite. Older people with dementia.	Medium
Transition issues	Decisions taken at Government level around residential Schools placement creates a cost burden we have no control over .	High
Increase in Section 117	Legislation changes are having significant impact on cost pressures.	High
Ability to create capacity for all work to deliver on time due to day job pressures.	The capacity to run services and transform for the future is always a challenge and why some schemes are spread over the medium term to enable current projects to be completed to release capacity to move to others.	High
Supported accommodation review	Housing benefit review and potential reduction and inability for people to meet costs.	High

<b>Lack of availability in domiciliary care market to supply assessed care.</b>	Current underspend is partly due to inability to secure all assessed care required.	High
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## 7. Evaluation

How will you measure the impact of the proposal? What are the measures that you expect to see change as a result of what you're proposing. This could be positive or negative. When will you evaluate the change?

Metric	Baseline
<b>Expect to see costs fall in the areas identified and the services that are to be remodelled.</b>	
<b>CHC tracker</b>	
<b>Expect to see a deduction in people using the My Day My life Hub as we remodel the offer</b>	
<b>Expect income to rise in areas where charging has not applied before</b>	

<b>Evaluation Date</b>	
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## 8. Future Generations Evaluation

The project must be assessed from the start against the equality impact assessment and sustainable development impact assessment using the [Future Generations Evaluation](#).

## 9. Next steps for budget projects

- i. The project form will be subject to internal review, as well as scrutiny through the political decision making process, at which point further information may need to be provided.
- ii. An evaluation timescale will need to be set out to detail how and when the progress and impact of the project will be evaluated

- iii. In addition the project should be incorporated within service plan arrangements to monitor the progress and impact of the project on the service.

## **Appendix 6 – Future Generations Assessment**

### **Wellbeing of Future Generations Assessment – Budget Proposals for 18-19**

#### **Introduction**

The Wellbeing of Future Generations initial evaluation for the emerging 18-19 budget proposals has been developed in narrative form, ahead of formalisation of proposals and the completion of the official assessment framework. This enables setting out of the backdrop to the emerging proposals, commentary on how the process has been developed; its various iterations and the picture it paints as a whole for the county of Monmouthshire. Presenting in this way at this stage provides an opportunity to demonstrate the dynamic and real-time nature of the approach. In addition, it helps to highlight application of continual learning and improvement.

In the past and notwithstanding the council's strong record on financial planning and delivery, achieving the goal of keeping frontline services going and strengthening commitments to sustainability and resilience, the budget has tended to be developed through the setting of targets, directorate-led approaches and a relatively uneven smattering of proposals. Whilst under this budget round, individual directorate's have still put forward proposals – this process has been more in keeping with our Future Monmouthshire programme and the design principles that guide how we keep our county 'going' and 'growing'. It signals very clearly, that money should follow purpose and priorities and not precede them.

It must be borne in mind that this WFG evaluation is an early one, applying to budget *proposals* only at this pre-consultation, pre-decision stage. The aim of the narrative is thus, to demonstrate the 'live' nature of the process and the application of robust and ongoing scrutiny and challenge as the proposals continue to be shaped and honed in line with what matters.

#### **The process**

Set within the policy mandate of the council and the emerging priorities and commitments framing the beginnings of a new Corporate Plan, features of the 18/19 budget shaping process have included:



- **Data driven approach.** Using data analytics, we have looked closely at the economy of our service provision as benchmarked against other councils. This has enabled the identification of areas where cost efficiency might be improved; where there is potential for knowledge transfer; and, how we might go about it. This has been accompanied by informal ‘challenge’ sessions - in which services give account of their development journeys and the work they are doing to sustain efficiencies whilst improving and advancing.
- **A more crosscutting** approach has been applied to understanding the intended and unintended consequences of proposals and their whole-authority impact.
- **An evidence based** approach has been taken, drawing heavily on information, data and responses from Our Monmouthshire and the Wellbeing Assessment; the work of the Public Services Board, future trends analysis, public events such as the Usk Show, pre-election doorstep surveys undertaken by Members and the wider direction being set by the new administration.
- **A focus on challenge-led approaches** including exemplars such as photocopying, that, as well as resulting in a new more cost-efficient contract, has stimulated different behaviours and practices; travel and transport, which again, has resulted in a successful submission to the Rural Development Fund to secure investment for innovative solutions to rural transport problems.
- **A new way of engaging Members and Select Committees** in shaping the priorities and projects, that will inform Future Monmouthshire. The Economy and Development Select Committee hosted a participative ‘challenge-based’ workshop in October 2017. The format was open and engaging and led to new opportunities and potential being highlighted. The E&D Select Committee has prioritised Procurement/ local supply change development and cross-border working as the areas in which they believe they can make a developmental contribution to getting to a new sustainable future state.
- **Targeted ‘horizontal’ service reviews.** In areas where it has not been possible to develop credible savings proposals – such as Enterprise – given the scale of the budget and the extent of past efficiencies – work has been carried out to identify the cross-cutting areas where focussed attention could make a big impact. Rather than the continual eking out of minor efficiencies for limited impact, the focus of these services and departments will be on big crosscutting transformational pieces. Areas of potential such as Democracy, Customer Service, Transport, Procurement and others have been identified. This work will include considering the impact of automation and artificial intelligence, future trends, the future of work and skills and will make a wider contribution to public service reform.
- **Alignment with the whole-authority Risk Register and the direction of Service Improvement.** This ensures that proposals are developed with regard to key levels of risk and ensuring opportunity costs are considered and embedded within more robust ‘options appraisal’ work. Budget proposals should not be ‘new’ – they should follow the natural course of service development and improvement – as already set out in Service Improvement Plans.

## Our objectives

Aligned to the four enduring priorities set by the last Council, around the protecting the vulnerable, education, enterprise and maintaining frontline services, our published Wellbeing Objectives developed in response to some of the big issues identified from the Wellbeing Assessment work, are:

<b>Provide children and young people with the best possible start in life to help them achieve better outcomes</b>	<b>Maximise the benefits of the natural and built environment for the well-being of current and future generations</b>
<b>Maximise the potential in our communities to improve well-being for people throughout their life course</b>	<b>Develop opportunities for communities and businesses to ensure a well-connected and thriving county</b>

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 Wellbeing Goals:

- Globally Responsible
- Vibrant Culture and Thriving Welsh Language
- Cohesive Communities
- Equality
- Health
- Resilience
- Prosperous

### **The proposals**

The proposals in the main, present a picture of continuing small efforts and endeavours that can be made in delivering a one-year budget as the Council moves into gear with a newly emerging Corporate Plan, into which the medium Term Financial Plan will be incorporated. At a high level, provision has been made to afford some safeguards to priority areas and to ensure we continually mitigate risks identified in the whole-authority Risk Register. These are:

- School budgets continue to have regard for cash flat line consideration – acknowledging specific pressures around Additional Learning Needs and ensuring our children are equipped to achieve their potential

- Additional resources into aspects of social care budgets – particularly in high-pressure areas of Children’s Services in supporting a significant service development and transition and in supporting transformational activity in parts of Adult Social Care. This ensures we continue to protect our vulnerable
- Ongoing drives for savings and efficiencies through programmes of review, challenge-led approaches, data-driven exercises and unit cost data investigations and a focus on income generation – to ensure we have the resources to sustain what matters
- The need to think differently and identify targeted areas for intervention and transformational work – to ensure we create the conditions for true sustainability and resilience

In addition to these headlines, specific provision has been made, to mitigating further pressures around: national living wage, safeguarding, supporting a new fit for future leisure facility in Monmouth, private leasing for effective homelessness prevention, place-based community development approaches, home to school transport and support through housing benefit. These emphasise commitments to making direct local investments in wellbeing and culture whilst at the same time enabling communities to invest in building their own resilience. Direct intervention is necessary to support examples of cases such as the withdrawal of the private sector homeless leasing subsidy. However, the service area has indicated that this will be a time-limited intervention that will enable the time and space to develop a sustainable and long-term solution.

In relation to budget proposals, key features include:

*Children and Young People* – in the context of the above cash flat-line commitment, the quest for greater efficiency where it can reasonably be found, continues. There is an emphasis on moving towards shared resources and systems to build greater resilience and integrated back office models – building upon cluster working and beginning the move towards federated alliances. This is key if our school system is to compete not just with the rest of Wales or the UK but also in the world. Demonstrating enterprise aptitude through some moderate-income generation, procurement efficiencies through achieving collective purchasing and economies of scale and strong financial management demonstrate a clear commitment to building resilience in the schooling system whilst ensuring that the learning experience and outcomes for young people grows stronger, setting them on a path for prosperous lives.

*Social Care and Health* – notwithstanding the above investments to allow for growth and developmental opportunities, the potential to consolidate processes, focus more on local ‘in county’ provision and make for a better health and wellbeing experience for service users - has been identified within Adult Disability services. This builds upon place-based partnerships and assets and is a demonstration of how community-wide resources can make a difference. In relation to Children’s Service, investments in transitional and critical development work are paying off with progress being made around high-cost placements, fostering and early intervention. This is a medium-to-long term piece of work with a whole emphasis on better outcomes for vulnerable children, young people and families. Cross-departmental working features

strongly with a mix of professions working to bring about the expertise such as the marketing campaign around fostering – required to make change that delivers a better outcome for the young person and a positive impact on the system.

*Resources/ Enterprise and Operations* – features in this area include in the main, continuation of small-scale ongoing efficiencies and back office improvements. In Resources, the emphasis is on smart support services, mainly brought about through the more targeted use of new technology and leveraging some of the benefits of lower cost IT infrastructure provision. In Operations, the focus continues to be on income generation where it is deemed viable and is in keeping with other Councils, moderate rationalisation of maintenance, improved cost recovery and continued efforts around route optimisation. It is important to note that in terms of staying ahead, seeking out global best practice, and, new ways of working – this work will be complemented by assessments of the latest technological developments – automation, use of machine learning, new methods of real-time data capture and challenge driven approaches. Significant challenge has already been applied to this area. Initially it was felt potential existed to withdraw a small number of very poorly used bus rural bus services. However, given the big priority the community attaches to wider rural transport issues and solving the problem of poor rural infrastructure and connectivity – it is proposed that these funds are retained and re-directed to the areas where greatest impact might be made.

In relation to Enterprise – successive efficiencies and income generation have seen just staffing budgets remain in many areas. Given we need people resource to deliver on the big ideas and big impact projects – cutting posts would be counter-productive. Instead, the efforts of the service will be targeted at driving forward the Future Monmouthshire programme – demonstrating the new opportunities for public service reinvention and taking forward targeted pieces of work where potential is demonstrated: automation and AI, transport, procurement, back office and support services, democracy and transactional services such as customer care.

## **Resonance with Wellbeing Objectives**

**A Prosperous Wales** – our budget proposals stem from and are embedded in development and delivery of our Future Monmouthshire programme. This asks the big and searching questions about what our county will look and feel like over the next 5, 10, 15 and 20 years and more and advises on how the Council can best enable the right changes to take shape. Beyond increasing economic productivity and growth, our goal is prosperity for all and a system that promotes radical inclusion and delivery of social justice. An example of this – and one, which demonstrates the ‘going’ and ‘growing’ balance to our work, is Housing. Currently, efforts in 18/19 are targeted towards direct support to maintain provision of privately leased properties through which to prevent homelessness, given that the critical subsidy once in place has now been withdrawn. However, this interim mitigation is in itself not a sustainable approach. A sustainable approach will be in addressing the fundamental mismatch between housing supply and demand. This leads in to wider work we are starting now, to develop proposals to review

and re-create the Local Development Plan. This will ensure long-term sustainable solutions providing economic growth and homes for all – addressing the needs of an ageing demographic and positive retention of our young people. One intervention sets the course for the next.

**A resilient Wales** – our continual investments in areas such as Social Care are not ‘bail outs’ – they are targeted investments which create the conditions for transformational pieces of work that enable us to think differently about demand-side management. As this budget process shows, returns on such investments are already being demonstrated. Our clear goal is to enable communities by investing in building their own resilience. The introduction of a new cabinet brief focussed on Social Justice and Community Development reinforces the potential around unlocking the significant social capital that exists in Monmouthshire and enabling people everywhere to make a difference. Our direct funding may be declining – but local assets, resources, ideas, social capital and social action is fast growing. Our role is to optimise and channel this to greatest effect.

**A healthier Wales** – one of the ‘pressures’ these budget proposals mitigates is the temporary loss of provision and income resulting from the replacement of Monmouth Pool and the re-creation of brand new leisure facilities. Rather than lose the existing facilities because of the comprehensive redevelopment of Monmouth Comprehensive School – an £8m investment has been made in creating new facilities that will help keep our people, children and communities, well.

**A more equal Wales** - enterprise, economic development and wealth creation is key to giving people the means by which to get on and provide for themselves and their families. No cuts are levelled against the Enterprise service area in this budget because we recognise that without continued investment in wealth and job creation at all levels – from the foundational economy through to the big disruptive technologies – the call on public services grows greater and societal divisions proliferate.

**A Wales of Thriving Culture** – Monmouthshire has a distinctive cultural offer and boasts country parks, castles, museums, theatres and attractions in every major town and settlement. This budget supports maintaining investment in these areas as a means promoting our identity, cultural distinctiveness and building upon the Abergavenny 2016 Eisteddfod Welsh Language legacy.

**A Wales of Cohesive Communities** – this budget provides for investment in the development of a new social justice agenda and the creation of a Community Partnerships Team that is rapidly developing the place-based approaches needed to unlock and inspire social action, volunteering and community resilience.

**A Globally Responsible Wales** – the cash flat-line proposal for schools as part of this emergent set of budget proposals, maintains a commitment to direct investment in our future generations. Beyond ‘playing our part’ for the county, Wales and the UK, our focus on Future Schools, Improvement, safeguarding and excellent learning outcomes, is on finding our place in the world. This means continuing investment to ensure our young people are equipped to engage and compete in industries of the future wherever they might emerge.

## Summary

The emerging budget proposals for 18-19 are more than a standalone one-year budget. As a contributor to our wider Future Monmouthshire work, they help build a bridge between the present we have and the future we wish to see. With a blend of ongoing sustainable efficiencies; continued income generation and a focus on investing in areas such as education and social care – where returns in terms of service outcomes and financial benefits are starting to pay early dividends – the platform is building for the development of more targeted ‘big ticket’ interventions. We are not kicking the ‘too difficult’ problems into the long grass. As well as keep the Council ‘going’ – work is underway to keep it ‘growing’ – as these proposals clearly demonstrate. Proposals to review the development plan, as a means of addressing demographic and economic pressures is underway. Exploration of targeted procurement opportunities that save money and create local markets is taking shape. A ‘challenge-driven’ approach to tackling rural transport issues is being developed. Exploration of machine learning, artificial intelligence and automation are contributing to the ways in which we must re-imagine services and the positive impact they can have on the lives of people and communities in Monmouthshire - now and in the future.