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Tuesday, 23 February 2021

## Notice of Reports Received following Publication of Agenda.

### Cabinet

Wednesday, 3rd March, 2021 at 2.00 pm,

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

Item No	Item	Pages
9.	<p><b>FINAL REVENUE AND CAPITAL BUDGET PROPOSALS</b></p> <p><u>Division/Wards Affected:</u> All</p> <p><u>Purpose:</u> To update Cabinet with the consultation responses to the draft budget proposals issued by them on the 20<sup>th</sup> January in respect of the Capital and Revenue budgets for 2021/22.</p> <p>To update members with implications arising from the Provisional Local Government Settlement announcement of the Welsh Government as well as providing update with regards to the awaited Final Settlement announcement.</p> <p>To make recommendations to Council on the Capital and Revenue budgets and level of Council Tax for 2021/22.</p> <p>To receive the Responsible Financial Officer's Prudential Indicator calculations for capital financing.</p> <p>To receive the statutory report of the Responsible Financial Officer on the budget process and the adequacy of reserves.</p> <p><b><u>Author:</u> Peter Davies – Chief Officer for Resources (S151 officer)</b></p> <p><u>Contact Details:</u> peterdavies@monmouthshire.gov.uk</p>	1 - 152

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



## REPORT

**SUBJECT:** Revenue and Capital Budget 2021/22 – Final proposals following scrutiny and public consultation

**MEETING:** Cabinet

**DATE:** 3<sup>rd</sup> March 2021

**DIVISION/WARDS AFFECTED:** ALL

### 1. PURPOSE:

- 1.1 To update Cabinet with the consultation responses to the draft budget proposals issued by them on the 20<sup>th</sup> January in respect of the Capital and Revenue budgets for 2021/22.
- 1.2 To update members with implications arising from the Provisional Local Government Settlement announcement of the Welsh Government as well as providing update with regards to the awaited Final Settlement announcement.
- 1.3 To make recommendations to Council on the Capital and Revenue budgets and level of Council Tax for 2021/22.
- 1.4 To receive the Responsible Financial Officer's Prudential Indicator calculations for capital financing.
- 1.5 To receive the statutory report of the Responsible Financial Officer on the budget process and the adequacy of reserves.

### 2. RECOMMENDATIONS:

- 2.1 That Cabinet considers the responses to consultation and recommends to Council:
  - a) The 2021/22 revenue budget as attached in **Appendix I1**.
  - b) The 2021/22 to 2024/25 capital programme as attached in **Appendix J1**.
- 2.2 That Cabinet acknowledges that the final budget proposals proposed look to support the priorities of the council and specifically seek to recognise:
  - a) In full, all pay and pension-related spending pressures in our schooling system;
  - b) The increasing demand placed on children's social care services, adult social care and our children with additional learning needs budgets;
  - c) Significant service pressures within the passenger transport unit and within recycling and waste and that look to ensure that the Council supports and sustains key service delivery;
  - d) Investment that ensures that homeless people are provided adequate support, advice and accommodation in their time of need;
  - e) An ongoing commitment to recognise and value the contribution made by the workforce and ensuring that local government staff are paid no less than the minimum

wage set by the Living Wage Foundation. And that as a result of the Cabinet decision in January is also extended to apprenticeship roles within the Council.

- 2.3 That a 3.89% increase in the Band “D” equivalent Council Tax is used as the planning assumption in the budget model and to apply for County purposes in 2021/22, reduced from the previous proposed increase of 4.95% and as a result of public consultation.
- 2.4 That Cabinet approves the revised saving and pressure proposals, updated following public consultation, scrutiny and more up to date information being made available since the draft proposals were released on consultation on 20<sup>th</sup> January 2021.
- 2.5 That Cabinet approves the changes and additional investment in the draft capital budget proposals and programme for 2021/22 and indicative capital budgets from 2022/23 to 2024/25.
- 2.6 That Cabinet recommends Council to dispose of assets identified in the exempt background paper at best value.
- 2.7 That Cabinet considers the Responsible Financial Officer’s report on the robustness of the budget process and the adequacy of reserves issued under the provisions of the Local Government Act, 2003, together with an assessment of the current and future financial risks facing the Council.
- 2.8 That Cabinet adopts the Responsible Financial Officer’s report on Prudential Indicators.
- 2.9 That Cabinet approves that:
  - a) Further work is undertaken to develop a balanced Medium Term Financial Plan.
  - b) Regular review is undertaken of the MTFP to ensure it remains up to date, and that includes an assessment of evidence based pressures and risks, underlying modelling assumptions and the ongoing affordability implications of the Corporate Plan.

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

#### **BUDGET CONSULTATION**

- 3.1 Cabinet issued its budget consultation proposals on 20<sup>th</sup> January 2021 thereby allowing a period for public consultation and scrutiny.
- 3.2 The pandemic and the current lockdown restrictions placed an additional challenge on being able to adequately consult with residents. As a result the Council:
  - a) Launched a dedicated page on the Council's website containing the draft budget proposals, a video blog by the Cabinet Member for Resources and an online feedback form;
  - b) Made use of social media linked to press releases, the website and online forms to ensure that there is optimal reach to allow residents to become aware of and respond to the draft budget proposals.
- 3.3 There was an opportunity for the community to provide consultation responses via virtual online meetings with various consultative fora undertaken and via the website and social media where details of the proposals and consultation events were published.

- 3.4 The proposals were scrutinised by the Children’s and Young People Select Committee, Strong Communities Select Committee, Adult Select Committee, and Economy and Development Select Committee, the Schools Budget Forum and the Joint Advisory Group (JAG).
- 3.5 Furthermore, budget consultation was undertaken through a Countywide virtual budget livestream event, and virtual meetings with MyMates, the Friday Friendly (young people), Head Teachers and Town and Community Councils.
- 3.6 Extracts of the draft minutes from the Committees are included as **Appendices A1 to A6** respectively and a summary or notes of the engagement events together with feedback received are included in **Appendices A7 to A11**.
- 3.7 In terms of public engagement the use of the website and social media as a mechanism for sharing information and getting feedback has continued with active engagement and responses received. An overview of the Council’s budget engagement is included in **Appendix A12**.
- 3.8 As might be expected, responses to consultation varied. However, there was a broad acceptance and understanding of the overall shape of the budget proposals and set against the backdrop of significant financial and demand driven challenges faced. Residents understood that the Council continued to look to protect frontline services and in particular those most vulnerable in our communities. And they also recognized the strain on the Council at this time of responding to the pandemic and how this also influenced the nature of the budget proposals.
- 3.9 There were a number of questions clarified via the Select Committee meetings and other consultation meetings. Clarification was provided at meetings and via responses to pre-submitted questions made available on the Council’s website. The budget presentation delivered at the consultation events was made widely available via the Council’s website. And the Cabinet Member for Resources delivered a video message to explain the challenges being facing in 2020/21 and how the Council was looking to respond to them.
- 3.10 The process in general has worked well, with thorough debate having taken place through scrutiny and public consultation events. Attendance was improved generally from the previous year’s consultation events and a number of residents commented that they benefitted from the ability to access the meetings virtually. Constructive feedback was again also provided on how the budget consultation could be improved and this will be taken on board as part of ongoing improvement in the process.
- 3.11 In respect of the capital budget proposals, general support was expressed about the need to continue to invest in schools whilst recognising that there are future pressures to be managed. Concerns were also raised with regards to overstretched infrastructure, flooding and the impact of ash dieback disease.
- 3.12 In terms of the key issues and concerns raised as part of the consultation, engagement and scrutiny process and which concern the revenue budget proposals specifically, these principally revolved around:
- A significant number of residents raising concern about the level of council tax increase proposed, and reassurance was asked for about the assumptions around council tax collection. However, there was a recognition that the choices available to the Council were limited in the face of significant pressures and inadequate funding being received from Welsh Government.

- Reassurances around the risks and uncertainties that the Council was facing at this time and into the future. With particular concern around income losses and the impact on the Council's commercial investment portfolio.
- Concerns raised around continued pressure on services such as in social care, operational frontline services and with children with additional learning needs.
- Feedback via select committees, consultation events and online forms from residents questioning the level of funding that Monmouthshire receives from the Welsh Government and the fairness in the formula distribution.
- Reassurances in particular from Select Committees around the approach the Council was taking to draw on limited reserve balances to support the budget at this time. And that included members wanting to better understand the flexible use of capital receipts to support the budget.
- Interest in the mechanisms and thresholds in place around fees and charges in social care and to ensure those without sufficient means were not being adversely impacted by the increases.
- Overriding support for the investment in homelessness support and prevention, alongside calls for Welsh Government to provide further specific funding to sit behind its own policy commitments.
- Support from the School Budget Forum and Head Teachers that all pay and pension increases will be funded, including a commitment to fund any increase above the 1% modelling assumption in the budget.
- Clarification from Teaching Unions on how Welsh Government funding to raise standards and increase the level of teaching support during the pandemic was being allocated to schools and used.

3.13 As stated above there was a general consensus reached by respondents that the funding formula used by Welsh Government to allocate funding to Welsh authorities disproportionately disadvantaged Monmouthshire and failed to recognise both the areas of deprivation within the County and its rurality. There was overriding support that the Council should challenge Welsh Government on the need for a funding floor to be introduced in order to protect vital services. Select committees again asked for the funding formula to be reviewed and for evidence to be provided to the WLGA and Welsh Government such that Monmouthshire could benefit from a fairer settlement in future.

3.14 As a result of the consultation and upon subsequent reflection of concerns raised it is recommended that the following revisions are made to the savings proposals:

- a) That the proposed council tax increase of 4.95% is reduced to 3.89%.
- b) Further investment in the capital programme, and that will result in additional investment in flood alleviation and match funding that enables grant funded schemes to be delivered.
- c) An ongoing commitment to recognise and value the contribution made by the workforce and ensuring that local government staff are paid no less than the minimum wage set by the Living Wage Foundation of £9.50 per hour and that will take effect from April 2021. And that as a result of the Cabinet decision in January that this also be extended to apprenticeship roles within the Council.

## PROVISIONAL AND FINAL SETTLEMENT

- 3.15 The Welsh Government published its draft budget on 21<sup>st</sup> December. The overall increase in the Welsh Government draft revenue budget was £1.5bn (7.8%). Revenue spending will increase by £848m (5.0%) and spending on capital will increase by £671m (24.9%). There were no indicative revenue figures for future years as a result of the UK Government and Chancellor's one year spending review. Whilst understandable given the current level of uncertainty with the UK economy and public finances it does not assist the Council in financial planning for the future.
- 3.16 On 22<sup>nd</sup> December the Minister for Housing and Local Government published the provisional local government finance settlement. There is an increase in the revenue settlement (Aggregate External Finance) of 3.8% for 2021/22 on a like-for-like basis and including transfers that for Monmouthshire only related to specific teacher's pay grant transferring into the AEF. The Welsh Government has increased AEF by £172m.
- 3.17 Whilst a proportion of pressures faced by the Council have been funded by this settlement there is a question mark over the actual pressures that will arise for pay in the context of the Chancellors Spending Review Statement on the 25 November. The Council has revised its budget assumption for pay (local government and teaching staff) down to 1%. However it recognises the budgetary risk if pay awards are subsequently confirmed in excess of this. One-off reserve cover is in place to mitigate this potential impact.
- 3.18 The Council in fact saw an increase in its AEF of 3.9%, above the all-Wales average of 3.8%. On the one hand this was welcome news as it has enabled some of the pressures needing to be accommodated in the budget proposals to be offset. And was significantly ahead of the original and prudent modelling assumption factored into the MTFP. However, the Council still remains rooted to the bottom of the table for funding per capita (£1,067 per capita).
- 3.19 Welsh Government have also confirmed that funding of COVID pressures, in the form of increased costs and income losses, will be separately announced in the coming weeks and will be informed and influenced by the Chancellor's Spring budget announcement on the 3<sup>rd</sup> March. The budget assumption for next year remains that Welsh Government will fund such COVID pressures. Clearly, any resultant shortfall will be identified through in-year budget monitoring with budget recovery action being taken as required.
- 3.20 The provisional settlement also only included the notifications of specific grants at an all Wales level. There are still a number of grant announcements to be made and this position is extremely disappointing as it makes planning for next year's budget even more difficult. It is hoped that the final settlement on 2<sup>nd</sup> March will provide further clarification. The current position on Welsh Government specific grants (all Wales) is included in **Appendix C**. There are a number of significant grants where the Authority remains unclear as to the amount to be received and resultant terms and conditions attached.
- 3.21 A table showing each authorities position resulting from the provisional settlement is included at **Appendix B1** to this report. Monmouthshire again remains at the bottom of the table in terms of AEF per head of population. A response to Welsh Government regarding the Provisional Settlement is attached at **Appendix B2**.
- 3.22 Whilst no further changes to funding levels are anticipated as a result of the final settlement announcement by Welsh Government on 2<sup>nd</sup> March any further changes to the budget will need be considered as part of the Council Tax resolution when it is considered by Full Council on 11<sup>th</sup> March 2021.

- 3.23 The medium term prognosis is still of concern, there are no indicative settlement figures published and which significantly impedes and impacts on forward planning of budgets over the medium term. At this stage and with uncertainties remaining as to future levels of local government funding the MTFP for 2021/22 onwards factors in no cash increase in funding (0.0%), so that planning can be undertaken on a prudent basis.
- 3.24 There is still a need to think differently about the even greater challenges of the medium term and this work and engagement will continue in the coming months, and notably with other local authorities, Welsh Government and the Welsh Local Government Association (WLGA) and where funding distribution and projections are concerned. Specifically, the Leader continues to garner support with the WLGA rural forum for an evidence based review of the funding formula to be undertaken to demonstrate how rural authorities are disadvantaged in the formula distribution.

### **BUDGET PROCESS CONTEXT AND CHANGES**

- 3.25 Subsequent to Cabinet's budget consideration on 20<sup>th</sup> January 2020, proposals went on consultation and which looked to accommodate £10.07m of pressures by way of savings proposals of £3.682m and a one-off contribution from the Council's general reserves of £748k. Work has continued to review and revise existing and new savings and pressures in the light of further engagement and scrutiny. All the original proposals are available as part of the draft budget proposals. Details of revised savings and pressures and the movement from draft to final proposals are included in **Appendix D** and **E**.
- 3.26 The table below illustrates the movements that have been seen as a result of the budget proposals being finalized and subsequent to public consultation, scrutiny and more up to date information being made available since the draft proposals were released on consultation on 20th January 2021.

<b>Budget Reconciliation</b>	<b>Amount £'000</b>
Draft budget proposals – budget shortfall	0
Revisions and additions to pressures	240
Revisions and additions to savings	(1,052)
Update to treasury and appropriation budgets	(442)
Adjustment to transfers from settlement	(102)
Reduction in council tax increase	608
Removal of one-off contribution from Council Fund	748
<b>Final budget proposals – budget shortfall</b>	<b>0</b>

- 3.27 The revisions and additions to pressures are summarised as follows:

- A £651,000 reduction in the homelessness pressure from £875,000 to £224,000 as a result of recent confirmation of specific grant funding from Welsh Government



together with the continued expectation that Welsh Government will continue to meet COVID related costs next year.

- £300,000 earmarked investment and that looks to enhance the Council's digital design and innovation and data analytics capabilities. This will be funded through flexible use of capital receipts and in relation to costs associated with service reform. It will also be subject to a subsequent report to Cabinet for consideration and approval and that will outline the detailed proposals.
- £207,500 investment in the Council's procurement capability, achieved through a proposal to collaborate with Cardiff Council. This will be also funded through flexible use of capital receipts and in relation to costs associated with service reform.
- As approved by Cabinet in January, £103,000 investment to ensure that apprenticeship roles are paid as a minimum in line with the Council's pay scales and therefore in line with the ongoing commitment to pay in line with the Real Living Wage set by the Living Wage Foundation each year.
- A £91,000 investment and that contributes towards the need for further resilience around COVID recovery.
- £84,000 investment to develop local outreach advisory and direct support which would align and link with the Pupil Referral Service "In-reach" in place in Secondary Schools. This would work closely with other services to provide a multi-agency response to school's requests for support where a child is displaying extreme challenging behavior, thus supporting the maintenance of pupils in their local communities.
- An additional budget pressure of £60,000 to recognise the need for the sleep-in allowance to be included in holiday pay calculations in social services.
- Recognition of a £31,000 pressure to ensure that the existing in-house developed social care case management system is maintained ahead of a subsequent future move to the all Wales care package system (WCCIS).
- A further increase in the budget for the South Wales Fire Authority precept of £14k and resulting from update in population estimates used.

3.28 The revisions and additions to savings are summarised as follows:

- The revision and additions to savings principally concern a delay in the county-wide rollout of the *Turning the World Upside Down* commissioning strategy. This results in a saving of £548k consistent with the investment that was made as part of the current year (2020/21) budget proposals. The Council had already paused progress during the current year, as a consequence of the impact and response to the pandemic, and to also assist in the in-year budget recovery plan. The implementation strategy is being reviewed during 2021/22 with a view to revised proposals being brought back for future consideration in the coming months.
- As noted above an increase in the flexible use of capital receipts in 2021/22 and each of the subsequent years of the capital MTFP of £507,500 to support investment in procurement, digital design and data analytics.

3.29 Further changes to the budget proposals for 2021/22 include:

- As is the case ahead of the final budget proposals being prepared a full and further update is undertaken, based on most recent forecasts, of treasury budgets. This aligns with the work done in parallel in producing the Council's treasury strategy for 2021/22. As a result of the significant work undertaken by officers and treasury advisors the Council will be looking to make more continued use of short-term borrowing during 2021/22 and resulting from the continued low interest rate environment. The consequence of this has been a net reduction in anticipated treasury costs of £472,000.
- An analysis of the potential capital receipts forecast over the medium term has identified some consequential costs of disposal that are required in 2021/22 in relation to items such as survey's and professional fees.
- A sum of £102,000 was included in the provisional settlement in respect of transfers into the settlement and to meet costs that had been previously grant funded by Welsh Government (teachers' pay for 2020/21). This sum was identified as already having been incorporated into the existing 2020/21 base budget and therefore the further transfer has been reversed.

3.30 The increase in the Band "D" equivalent Council Tax for the County has been reduced from 4.95% to 3.89% and resulting from resident feedback and the budget consultation and scrutiny process. The consequence of this will be a reduction in council tax income of £608,000 in 2021/22 and has a continued impact on the MTFP going forward.

3.31 The consequence of the adjustments results in the originally proposed one-off contribution from general reserves of £748,000 now no longer being required. This is welcomed and allows for the retained headroom within the Council Fund above minimum 4% thresholds to be reserved as cover against future financial risks and challenges.

3.32 Whilst no further changes to funding levels are anticipated as a result of the final settlement announcement by Welsh Government on 2<sup>nd</sup> March any further proposed changes to the budget proposals will be considered as part of the Council Tax resolution when it is considered by Full Council on 11<sup>th</sup> March 2021.

3.33 It is worth noting that the ongoing financial challenges remain as always a dynamic situation. As stated in recommendation 2.9 further work will be undertaken to develop the MTFP and that will include an ongoing assessment of pressures, risks and modelling assumptions. Notably key risks remaining to be assessed and managed in 2021/22 and as yet unknown are:

- The fact that neither the Teacher's pay award for the next academic year or the LGE pay award are known. The current modelling assumption for pay award for non-teaching staff is currently 1%.
- A key remaining and potentially significant financial risk relates to the pay awards for local government staff and teaching staff. The reality is that Welsh Government did not receive any additional funding through the Barnett formula to provide for public sector wide pay awards next year given the UK Government's decision to pause public sector pay rises, with the exception of the NHS and those on the lowest wages. The implications of pay awards in 2021-22 will therefore need to be accommodated within the Council's budget planning and through reserve cover in place as required.

Local government pay is nationally set by Local Government Employers (LGE) and Teachers pay in Wales is set by the IWPRB (Independent Welsh Pay Review Body).

Pay budgets have been built on a modelling assumption and pay award of 1%. Any increase in pay award above this will draw further on the Council's finances and therefore this remains a key risk. The Council awaits subsequent notification on pay from awarding bodies and that will now extend into 2021/22 and where pay awards are subject to consultation with trade unions.

- The Council is grateful to Welsh Government for the continued funding provided to local authorities via its COVID Hardship Fund to offset significant COVID related expenditure and income losses. Whilst comfort is held around all such pressures being funded by Welsh Government in this financial year a risk still remains that Welsh Government funding will be inadequate to cover COVID related expenditure and income losses through 2021/22. This will be significantly influenced by UK Government's further announcements, and notably via the Chancellor's Spring budget announcement on 3<sup>rd</sup> March.
- Clarification is still being sought on levels of specific grant funding for next year. It is hoped that further detail will be provided when Welsh Government released the final settlement on 2<sup>nd</sup> March. This will be closely monitored in the coming weeks and any material impacts will be considered as part of in-year budget monitoring with recovery action being taken as required.
- Demand-led pressures remain, as evidenced by the extent and level of pressures needing to be accommodated within these budget proposals. Ongoing budget monitoring and review of pressures will identify whether any further pressures need to be managed. As stated this is a dynamic situation to which the Authority will respond as any situation evolves.

### **Council Tax**

- 3.34 The increase in the Band "D" equivalent Council Tax for the County has been reduced from 4.95% to 3.89% and resulting from resident feedback and the budget consultation and scrutiny process. The revised increase of 3.89% is now being used as the planning assumption in the budget model and to apply for County purposes in 2021/22, reverting to a 3.95% increase 2022/23 and 4.95% in each of the subsequent 2 years.

### **OVERALL REVENUE BUDGET POSITION**

- 3.35 The current revenue position for each of the next 4 years is included in **Appendix I2**. The proposed position for 2021-22 specifically is,

Services	Indicative Base 2021/22 £000	Indicative Base 2022/23 £000	Indicative Base 2023/24 £000	Indicative Base 2024/25 £000
Children & Young People	56,527	57,044	57,518	57,996
Social Care & Health	52,825	53,494	54,233	54,978
Enterprise	25,767	26,212	26,544	27,063
Resources	8,361	8,482	8,660	8,795
Chief Executive's Unit	5,048	5,220	5,166	5,243
Corporate Costs & Levies	23,414	28,139	34,939	39,839
<b>Sub Total</b>	<b>171,942</b>	<b>178,590</b>	<b>187,060</b>	<b>193,915</b>
Transfers to reserves	195	188	63	63
Transfers from reserves	(588)	(294)	(139)	(139)
Treasury	6,417	6,853	7,055	7,536
<b>Appropriations Total</b>	<b>6,024</b>	<b>6,747</b>	<b>6,979</b>	<b>7,460</b>
<b>Total Expenditure Budget</b>	<b>177,966</b>	<b>185,337</b>	<b>194,039</b>	<b>201,375</b>
Aggregate External Financing (AEF)	(101,483)	(101,483)	(101,483)	(101,483)
Council Tax (MCC)	(60,078)	(62,451)	(65,542)	(68,786)
Council Tax (Gwent Police)	(13,451)	(13,451)	(13,451)	(13,451)
Council Tax (Community Councils)	(2,954)	(2,954)	(2,954)	(2,954)
Contribution to/(from) Council Fund	0	0	0	0
Disinvestment	0	0	0	0
<b>Sub Total Financing</b>	<b>(177,966)</b>	<b>(180,339)</b>	<b>(183,431)</b>	<b>(186,675)</b>
<b>(Headroom)/Shortfall</b>	<b>0</b>	<b>4,998</b>	<b>10,608</b>	<b>14,700</b>

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

## CAPITAL BUDGET

- 3.36 On September 19<sup>th</sup> 2019 Council approved the first full Capital Strategy, an annual requirement of the Prudential Code for Capital Finance that was updated in 2017. The Authority's Capital Strategy is required to define at a high level how the Authority ensures its capital plans:
- Contribute to the provision of local public services;
  - Are affordable, prudent and sustainable;
  - Demonstrate that existing assets are adequately maintained;
  - Are developed with a full understanding of the risks involved;
  - Are appropriate for the Authority and suit local circumstances; and
  - Have due regard for the long term financing implications and risks to the Authority.
- 3.37 In preparing the draft capital budget proposals for 2021/22 and the subsequent three years of the capital MTFP regard has been given to underlying principles of the current strategy and that remained fit for purpose.
- 3.38 An updated capital strategy for 2021/22 will be considered by Council alongside the treasury strategy at its meeting on 11th March 2021. A draft revised strategy is appended for information at **appendix M**.
- 3.39 The capital MTFP and capital strategy seek to work towards a financially sustainable core capital programme, whilst balancing the need to deliver capital investment plans in line with policy commitment and need. The draft capital budget proposals were prepared on this basis and were issued by Cabinet for consultation purposes at its meeting on 20<sup>th</sup> January 2021.
- 3.40 During the financial year, any new schemes volunteered can only be added to the programme if the business case demonstrates either:
- That they are self-financing;
  - The scheme is deemed a higher priority than current schemes in the programme and therefore displaces it;
  - They do not compromise the core principles of affordability, sustainability or prudence
- 3.41 When considering the relative merits of projects and potential displacement, the priority matrix in the capital strategy will be applied, either endorsing or amending it for onward consideration by full Council.
- 3.42 The provisional settlement announced on 22<sup>nd</sup> December 2020 maintains effectively a standstill funding position in respect of core general capital grant and supported borrowing for 2021/22. This is assumed to continue at current levels through the latter 3 years of the capital MTFP. However, the current levels of general capital grant include an additional level of capital grant maintained from 2020/21. Any reduction or removal of this additional sum in future years would have consequences on both capital and revenue budgets.

The proposed changes to the capital programme since the draft proposals were released on consultation by Cabinet on January 20<sup>th</sup>, based on feedback from public consultation and scrutiny, and more up to date information being made available have resulted in the following increases in the capital programme:

Financial Year	Draft proposals £'000	Final proposals £'000	Increase £'000
2021/22	24,271	26,514	2,243
2022/22	23,714	25,800	2,086
2023/24	8,656	10,538	1,882
2024/25	8,783	10,665	1,882

3.43 The specific additions to the capital budget proposals are:

- Recognition of the Council's share in the up-front capital investment of £361k in 2021/22 and resultant decommissioning costs of £203k in 2022/23 to enable the SRS data centre move from Blaenavon to NGD in Newport, approved by Council in October 2020;
- An increased level of capital investment of £375k in 2021/22 and each of the following years of the capital MTFP into flood alleviation work and that look to enhance existing infrastructure assets that become susceptible to flooding;
- The introduction of a £1m capital budget in 2021/22 and each of the following years of the capital MTFP to support capital bids that are submitted and successfully awarded by grant funding bodies and that require a match funding contribution. Such capital bids or awards will be reviewed by the Capital and Asset Management Working Group before being considered by Cabinet for approval and to ensure they align with the Council's priorities.
- A further flexible use of capital receipts in 2021/22 and each of the subsequent years of the capital MTFP of £507,500 to support:
  - i. £207,500 in recognition of additional investment in the Council's procurement capability, achieved through a proposal to collaborate with Cardiff Council;
  - ii. £300,000 earmarked investment and that looks to enhance the Council's digital design and innovation and data analytics capabilities. This will be subject to a subsequent report to Cabinet for consideration and approval.

3.44 The Summary Capital MTFP is shown in **Appendix J1**. There remain significant pressures and planned investments of a capital nature that cannot be afforded within the capital MTFP and these are outlined in **Appendix J6**. A review of the pressures and associated risks has been undertaken since the draft budget proposals were issued for consultation purposes. This has concluded that further feasibility studies and technical assessments will be undertaken on specific infrastructure assets during 20/21, funded from existing highways infrastructure capital budgets. The results of these studies and assessments will inform the capital MTFP and pressures that will need to be accommodated and funded therein in future financial years.

3.45 **Appendix J3**, the capital receipts summary shows the expected level of receipts and planned usage and highlights the balances available in the next couple of years. Future investment in capital schemes, is in part dependent on future success of achieving capital receipts and there are risks attached to some receipts materializing as shown in

**Appendix J4.** The revised forecast receipt schedule is provided as exempt background papers to this report for Members approval as **Appendix J5.**

## **THE PRUDENTIAL CODE**

- 3.46 Under the Prudential Code, local authorities are required to publish Prudential Indicators produced to demonstrate that capital programmes are prudent, sustainable and affordable in the longer term. The indicators for 2020/21 to 2023/24 are contained at **Appendix G** to this report, assuming eventual Council approval of Cabinet's budget and Council Tax recommendations.

## **THE ROBUSTNESS OF PROCESS AND RESERVES**

- 3.47 The level of the Council Fund, The Council's general reserve, is at £8.9 million, subject to 2020-21 year-end, but at present it is within the range of 4-6% of net revenue budget and considered to be at a prudent level. The final revenue budget proposals do not now include a requirement to use any of the general reserve to balance the budget in 2021/22.
- 3.48 The Council tactically created headroom in its general reserve at the end of 2019/20 and based on this current assessment the headroom above the de minimum 4% threshold in general reserves stands at £2.167m.
- 3.49 The focus therefore turns to the uncertain outlook and future financial challenges and where the headroom in the Council Fund balance is reserved and if required to cover the following, and where mitigating budgetary recovery action is unable to manage such pressures on the Council's budget:
- Any budget pressure in 2021/22 resulting from pay award announcements in excess of the 1% modelling assumption in the final budget proposals;
  - Any COVID related pressure caused by a shortfall in Welsh Government funding in 2021/22;
  - Any one-off contribution to support the 2022/23 budget proposals;
  - To allow for future reserve cover across the MTFP and beyond
- 3.50 Net school balances have remained at low levels and have reduced in recent years to a net deficit balance of £435k. As at month 9, school balances were however forecast to increase to a net deficit of £166k. The improvement has resulted from positive recovery action being taken by schools together with Welsh Government grants that have looked to ensure that the costs that schools have had to bear during the pandemic have been met.
- 3.51 Continued emphasis is placed by LEA finance colleagues to agree budgets with schools that are sustainable to the resources available rather than passporting additional deficits to their school reserve. Recovery plans are in place for all schools in deficit and are being closely monitored by the LEA and relevant Cabinet members.
- 3.52 The total planned net earmarked reserve utilization in support of the 2021/22 revenue and capital budget is £0.41m. **Appendix H1** shows the call on and contributions to reserves for the 2021/22 budget and **Appendix H2** shows the reserve balances projected for the medium term. Total planned reserve utilization in support of current year revenue and capital budgets means that by the end of 2020-21 the balance of

earmarked reserves is likely to be £5.5 million. The further call in 2020/21 means that the earmarked reserves will fall to £5.1 million, with the useable balance down to £3.4m.

- 3.53 Useable capital receipts also provide a limited one-off resource to support financing of the capital programme. In recent years the Council has also made use of Welsh Government's guidance allowing flexible use of capital receipts to meet one-off costs associated with service reform. The Council has had to make use of this flexibility in 2019/20 and 2020/21 and plans to do similarly in 2021/22 and over the remaining three years of the MTFP. Useable capital receipts are forecast to reduce to £4.9m by the end of 2024/25 based on the capital MTFP. The continued use of capital receipts for this purpose is recognized as a necessary but unsustainable approach and has the added consequence of requiring the Council to fund any further and future capital investment through prudential borrowing where it cannot be met from other sources.
- 3.54 Under the provisions of the 2003 Local Government Act, the Responsible Financial Officer has to provide conclusions on the robustness of the budget process and the adequacy of reserves. Those conclusions certify are shown at **Appendix F**. The RFO opinion also includes an acknowledgement of the risks taken into account in producing the budget proposals for 2021/22 as well as those budgetary risks that will need to be managed going forward in the MTFP.
- 3.55 The effect of Cabinets revenue budget recommendations is shown at **Appendix I**. The effect of Cabinet's capital recommendations is shown at **Appendix J**. Final Council Tax setting is reserved for decision of Full Council on 11<sup>th</sup> March 2021.

#### **4. OPTIONS APPRAISAL:**

- 4.1 Chief Officers and Directorates are required to consider and outline the options that have been considered for each of the budget savings proposals and pressures accommodated within the final budget proposals presented in this report.
- 4.2 The detail is contained in the original budget mandates that supported the drafted budget proposals. Where new or amended proposals have been considered as part of the final budget proposals these are available under **appendix E1**.

#### **5. EVALUATION CRITERIA:**

- 5.1 The means of assessing whether the final budget proposals for 2021/22 have been successfully implemented is undertaken throughout the year via regular budget monitoring and periodic reports to Cabinet and then to Select committees for scrutiny.
- 5.2 Since the start of the pandemic the Council has been reporting on both COVID and non-COVID budget deficits, with the former being funded by Welsh Government to date through the COVID Hardship Fund. Reporting will extend into 2021/22 on the same basis as the impact of the pandemic continues to impact on the Council's finances.
- 5.3 Alongside the Corporate plan the Council continues to iterate and develop its Coronavirus strategy, its third iteration (Winter Strategy) approved by Cabinet in December 2020. Regular monitoring of the performance of the Council against service business plans, the Corporate Plan and the Coronavirus strategy takes place. Taken together these arrangements enable the Council to evaluate its success and progress against its longer term plans within the resources available.

#### **6. REASONS:**



- 6.1 To make appropriate recommendations to Council on the revenue and capital budgets for 2021/22, and the resultant Council Tax recommended to be set for County purposes, taking into account the public consultation and scrutiny in January and February.
- 6.2 To sustain the capital programme and establish capital resources to support the programme by the sale of surplus assets where this is deemed necessary and appropriate.
- 6.3 As required by statute, to consider the Responsible Financial Officer's conclusions on the robustness on the budget process and the adequacy of reserves going forward.
- 6.4 To approve the Prudential Capital Indicators calculated by the Responsible Financial Officer.

## **7. RESOURCE IMPLICATIONS:**

As identified within the report and appendices.

## **8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING and CORPORATE PARENTING):**

- 8.1 There is a requirement placed on Local Authorities to comply with the general equality duties set out in the Equality Act 2010 and the specific equality duties such as the statutory responsibilities to assess the equality impacts of their budgetary decisions. The Equality Act 2010 places a General Duty on Monmouthshire County Council to eliminate discrimination according to nine "protected characteristics" (age, belief and non-belief, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, and sexual orientation). Also we need to comply with the Welsh Language Act 1993 and the Welsh Language Measure 2011 through which the Welsh Language Commissioner has shaped the Welsh Standards which will come into force from 30<sup>th</sup> March 2016.
- 8.2 The Wellbeing of Future Generations Act requires public bodies to improve social, economic, environmental and cultural wellbeing, by taking action in accordance with the sustainable development principle aimed at achieving the Wellbeing Goals. The authority was an early adopter of The Act and re-shaped its pre-decision evaluation tool to reflect the well-being goals and the principles which it sets out.
- 8.3 The Council has continued to respond to these issues by building considerations of equality, diversity and sustainability into the planning and delivery of its 2021/22 budget. It has done this by:
  - Requiring Chief Officers to undertake a Future Generations evaluation of all savings proposals they offered for their service area to contribute towards the Council's overall savings target. Where necessary this evaluation has since been updated to reflect the final budget proposals and individual evaluations are linked to each budget proposal.
  - Producing an overall FGE assessment of the revenue budget proposals and publishing this as part of the revenue budget proposals for consultation. This is attached as **appendix K** and the assessment has been updated as a result of budget consultation and the final revenue budget proposals being presented to Cabinet for consideration.

- Undertaking a FGE assessment of the capital budget proposals and publishing this as part of the capital budget proposals for consultation.
- Enabling the Council's Cabinet Members to consider savings proposals with the benefit of the FGEs, and to make initial decisions based on this information. The budget proposals reflect Cabinet's key priorities and therefore key services that support equalities – such as social care and schools.
- Deciding that once the final shape of the budget is agreed by Council in March 2021, Council service areas carry out more detailed work to mitigate and manage any equalities or Future Generation issues that have been identified.
- Including the FGEs as part of this report and published on the Council's website so that residents can understand the factors that went into the planning of the 2021/22 budget.
- Ensuring that where proposals will be the subject of further reports it is expected that further FGEs will be undertaken at that time and where savings are being made from decisions already taken then those implementing those decisions should consider mitigating any negative impacts where necessary.

**9. CONSULTEES:** Cabinet, Strategic Leadership Teams

**10. BACKGROUND PAPERS:**

- a) Directorate Budget builds, detailed capital programme and associated papers
- b) Draft revenue budget proposals, draft capital budget proposals – released on consultation by Cabinet on 20<sup>th</sup> January 2021
- c) Provisional Local Government Settlement
- d) The CIPFA Prudential Code for Capital Expenditure

**11. AUTHORS:**

Peter Davies – Chief Officer for Resources (S151 officer)

**12. CONTACT DETAILS:**

Tel: 07398 954828

Email: [peterdavies@monmouthshire.gov.uk](mailto:peterdavies@monmouthshire.gov.uk)

## **Appendices:**

- A1 Extract of draft minutes of Children & Young People Select Committee – 19<sup>th</sup> Jan 2021
- A2 Extract of draft minutes of Economy & Development Select Committee – 21<sup>st</sup> Jan 2021
- A1 Extract of draft minutes of Adults Select committee – 26<sup>th</sup> January 2021
- A4 Extract of draft minutes of Strong Communities Select Committee – 28<sup>th</sup> January 2021
- A5 Draft minutes of Schools Budget Forum – 21<sup>st</sup> January 2021
- A6 Draft minutes of JAG (Joint Advisory Group) – 25<sup>th</sup> January 2021
  
- A7 Summary of MyMates livestream event – 21<sup>st</sup> January 2021
- A8 Summary of Budget livestream event – 27<sup>th</sup> January 2021
- A9 Summary of Head Teachers meeting – 29<sup>th</sup> January 2021
- A10 Summary of Friday Friendly Young People Group – 29<sup>th</sup> January 2021
- A11 Draft minutes of Town and Community Council Cluster meeting – 2<sup>nd</sup> February 2021
- A12 Overview of Monmouthshire County Council budget engagement
  
- B1 Provisional Settlement Data
- B2 Provisional Settlement – MCC response letter
- C Specific Grants 2021/22 (All Wales)
- D Summary of savings and pressures
- E1 New or revised Revenue budget mandates
- E2 Full cost briefing note
- F Responsible Financial Officers Opinion
- G Prudential Indicators
- H1 Use of reserves for Revenue Budget Purposes
- H2 Reserve Balances
- I1 Reconciliation through budget process
- I2 Revenue Budget Summary
- J1 Capital Budget Summary
- J2 Schools Capital Budget Summary
- J3 Capital Receipts Summary
- J4 Receipt Risk Factors
- J5 Capital Receipts (Exempt – supplied under separate cover)
- J6 Capital Pressures
- J7 Exemption form for appendix J5
- K Overall Wellbeing and Future Generations Evaluation
- L Explanation of Service Groupings
- M Draft Capital Strategy 2021/22 (to follow)

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## **A1 Extract of draft minutes of Children & Young People Select Committee – 19<sup>th</sup> Jan 2021**

### Budget Scrutiny: Scrutiny of the budget proposals for 2021/22.

Peter Davies, Nicola Wellington and Tyrone Stokes delivered the presentation and report, and answered the members' questions, along with Julie Boothroyd and Cabinet Member Phil Murphy.

#### **Challenge:**

***Monlife must have lost a lot of revenue from schools using leisure centres, as well as gyms being closed. Are we happy that Monlife will be able to ride the storm?***

Timing couldn't have been any worse for Monlife, in terms of what has happened this year. The income losses suffered by Monlife have been met in full by Welsh Government through the Covid Hardship Fund – to their credit, they have followed through with funding dealing with income shortfalls resulting from the pandemic. We expect this to continue into next year until services are back up and running. Monlife is confident of footfall returning when things can reopen fully. While we have furloughed a number of Monlife staff, we have drawn on that capacity release to support Test, Trace and Protect, and assisted with Business Grants administration, and it will assist in supporting some of the pandemic rollout, working with health.

***As our levels of looked-after children have increased, is there any scope for additional grants from Welsh Government, particularly if the increase is greater than in other local authorities?***

There have been some small amounts of funding that have helped on the periphery, but nothing specifically for looked-after children. Over a year ago, a Welsh Government task force assessed our strategy around the reduction in looked-after children, and we have to report on a quarterly basis as to how we are progressing. So it is being observed very closely from a Welsh Government perspective. Our numbers plateaued this year, which we hope will continue. Small amounts of grant money that have come through have been helpful in bolstering intervention and prevention provision, to prevent escalation further up into more costly services. We hope to be able, through the evidence gathered from that, to secure other monies.

***Are the 3 remaining pupils at Mounton House still based there, and is that under the PRU? What is the plan for them?***

The 3 pupils referred to are the Monmouthshire pupils who were in Mounton House when it closed. Two have now moved into independent provision, one has moved over to PRS. The cost for all 3 has been built in and will be included in the tracker mentioned earlier as we move forward.

*Is the PRS based in Mounton House? Are there other pupils for PRS based there?*

Mounton House remains vacant. There would be a business case to back that provision if we did decide to move in that way, but it wouldn't be one pupil, it would be the PRS service. We are looking at that option but there are cost implications to work through.

***There is a concern about the collection of council tax following the economic effects of Covid, and the demographic changes. Has that been properly evaluated and factored into the calculations?***

The tax yield is predicated on us determining a council tax base for the council. One of the drivers behind that is a forecast and assessment of the number of chargeable dwellings and new properties being built. The second key consideration is the council tax collection rate. We have in fact retained an underlying assumption of a 99% collection rate because our data shows strength and a positive rebound on collection. If we compare to other authorities in Wales, overall we have a much stronger recovery position. We are comfortable in holding it at 99%. The challenges our communities are facing are at the heart of the work done by Richard Jones (Policy and Governance) and his team, looking at the overall Wellbeing and Future Generations Equality Impact assessment – council tax is a key feature of that. It also looks at the impact of the array of budget proposals and where that ends up on those with lower incomes. Council Tax reduction schemes and discounts available to families are important. It is a very difficult balance for the council to strike, given its finances. Cabinet is proposing a 4.9% increase but safeguards and mitigations are in place around the discounts on offer.

***Regarding the list of potential risks, are we confident evaluating the investments that we aren't affecting our ability to borrow in the future?***

Yes, the slide on risks and considerations wasn't exhaustive. One bullet point talks about the pressures that we aren't currently aware of – this is the strategic risk register, highlighting where we have risks that could materialise. The budget is predicated on a set of assumptions. If, for example, an officer were to ask for extra money in a budget proposal for extra pressures but wasn't able to provide evidence that those pressures were forthcoming, it wouldn't work its way in. The reasonable assumption that has been introduced is based on the looked-after children pressure that we have to accommodate, and the fact that it is stabilised. We look at each case in isolation and comfort ourselves on the underlying assumptions. We don't want to base things on risks that are more probable than likely, because if they are probable then prudence would dictate that they be incorporated in some way in the budget.

***Looking at the existing risks, and our potential inability to borrow, is there potential risk on funding across the board?***

We are governed by the Prudential Code, which determines that our borrowing is affordable, sustainable and prudent. Indicators set thresholds within which we work. We have sufficient headroom in our borrowing capabilities. Ultimately, the ability to determine whether our borrowing is sustainable, prudent and affordable will be couched within our ability to fund it within the revenue budget i.e. the borrowing costs in terms of interest and repayment, which is called MRP. We don't have any concerns in that regard at this point. For further information, the treasury strategy is going to Audit Committee and then Council on 11<sup>th</sup> March, and will draw those conclusions.

**Chair's Summary:**

Questions were asked about Monlife and sustainability, issues of grants for looked-after children, and matters relating to Council tax collection, as well as broader questions deemed to be outside the scope of this committee. For information: there will be a virtual consultation over the next 4 weeks. The website's budget page will contain an overview, a link to the core budget consultation presentation, budget papers, a blog from Cabinet Member Phil Murphy, and a feedback form. Answers to general questions related to the budget can be found in the Cabinet papers.

## **A2 Extract of draft minutes of Economy & Development Select Committee – 21<sup>st</sup> Jan 2021**

### Budget Scrutiny: Scrutiny of the budget proposals for 2021/22.

Jonathan Davies and Dave Loder delivered the presentation and answered the members' questions, with Frances O'Brien.

#### **Challenge:**

***Given the previous discussion about pay freezes and service delivery, and pressures next year, is it realistic to say that we are going to continue delivering our full suite of services?***

That's a valid question because we are going to have to consider if some of the services will be sustainable long-term, or whether they can be delivered in a different way. We will need to continue reviewing them over the medium-term financial plan and strategy. We've been very fortunate not to have to significantly close or change any services, but we have to continually monitor the situation and prioritise, in terms of what non-statutory services are there that we would look to adapt and change. Those are very difficult considerations to make.

***One of the cost pressures not budgeted for is MonLife investment considerations. Can we have more detail on this?***

We don't have detailed information for this meeting. The team is considering whether to postpone some of those investments for the immediate future while we understand what the Covid recovery situation is. The presentation slide was in relation to the capital commitments going forward, and those pressures and investments sitting outside the current budget. There's a list of potential MonLife investments that they would seek to make over the medium term, which is available in the pack of papers that went to Cabinet and is linked on today's agenda.

***The Welsh Government settlement has been more generous than ever this year. What are the reasons for this? Are there lessons to learn from other councils?***

The settlement itself is made up of quite a complicated calculation around many factors, of which some have higher impacts than others. A couple of the indicators where we've benefitted this time are concerning population and 'equalisation of resources': this looks at the ability of authorities to raise their funding from council tax, and applies a ratio to adjust for that across Welsh authorities. It is very difficult to explain. Welsh Government are working now to make that indicator a lot clearer for authorities. It's been a big factor this time; the reasons for that are probably statistical, and we don't understand the full picture of that yet.

***Does our input affect the amount that we get?***

The inputs are set at a statutory level so the returns we make, in terms of those statistical returns to Welsh Government, go towards producing that data for them to put into their model. We don't have the ability to change those but there are varying amounts of what goes in: pupil numbers, population estimates, benefits data, and the demands on our services and populations that we give information back on. We therefore have very limited scope to change or influence those factors – it is very much reliant on those statutory indicators that we have to report back.

***What have the discussions been around medium-term plan and deficit recovery? What are our expectations?***

It's a very difficult picture to play through in relation to the medium term. We're continuing to focus on the areas that we can control, and look to influence Welsh Government to give more clarity on the position going forward. When we have a one-year settlement there is very limited scope to plan past the end of 2021-22. We will always aim to maintain and sustain services – we don't want services to fall away. Many of them are going to transform and develop as we recover from the pandemic e.g. how town centres look, how residents travel, working from home, etc. Various working groups have been established to look at these things. The key point is to put pressure at a political level back on Welsh Government to provide clarity over how our funding will come through in the longer-term settlement.

***Has our Section 151 Officer (Peter Davies) raised any concerns about the drawdown of reserves?***

Our officer has had to consider that as we develop these proposals. A lot of the reserves and council fund balances are limited. We have benefitted from the 2019-20 outturn position – we were able to bolster the council fund by £1.8m. This gave us some flexibility to deal with the Covid and non-Covid pressures coming in the current financial year. It's important to note that even though that was increased by £1.8m it still brought us to a middling level on the council fund reserve, compared to across the Welsh authorities. We're proposing to use £750k from that council fund, which is very much a one-off use. When we say it's not sustainable to maintain that, if we use it and we don't then top up that reserve at year-end, it's a continual cycle in the reduction in those balances, and gives us limited opportunities to support the budget when our only other viable options of funding those priorities are council tax and Welsh Government settlement. Per head, we are still right at the bottom of that funding.

***Chair's Summary:***

We have covered the impact on income, which has had a significant income on budget planning. The various levels of uncertainty in relation to central government is a challenge for us to map out what the next few years will look like, financially. There are no particular recommendations but we can give overall feedback, as a committee. Cabinet Member Phil Murphy will pick up the points and questions raised by members today.

**A3 Extract of draft minutes of Adults Select committee – 26<sup>th</sup> January 2021**

Budget Scrutiny: Scrutiny of the budget proposals for 2021/22

Jonathan Davies and Tyrone Stokes delivered the presentation and answered the members' questions with Ian Saunders and Peter Davies.

***This committee previously had a report that said the Disabled Facility Grant will be reduced to £600k from £900k?***

The support for the £900k capital budget for DFGs has been in the proposals for a number of years now. So continuation at that level, above £600k, has been reported for a while, with £900k as the base budget. We aren't sure which report is referred to but we can check that.



***The Disabled Facility Grant includes Safety At Home, the amount for which is going up – is the £900k for DFG definite, and how much of it is the DFGs, rather than Safety At Home?***

We try to be as flexible with that on a year-by-year basis as we can. We work closely with Social Care around that split because we know how important safety at home is. Around £100k of that budget goes to safety at home but we will be flexible, and will take our steer from OTEs and Care And Repair in relation to the levels of expenditure. In addition to our budget we also have Enable, which is a Welsh Government grant that helps us to build in some flexibility around adaptation.

***Covid is splitting society – is the council acknowledging the number of people going through resultant difficulties, and what effect will this have on the budget's distribution?***

As we exit the pandemic, we don't know what's around the corner or what the new level will be. In terms of addressing the pandemic, the Welsh Government Covid Hardship Fund has allowed us to address the pressures in the Care sector as well – this is support across the board, covering younger adults (including those with physical and mental disabilities) and older adults (to help to stabilise the marketplace and address those needs as we go through the pandemic.) There was significant investment in this year's budget for physically and learning disabled adults: £1.044m. We have tried to address all of the population's needs, not leaving anyone behind, and are committed to continuing that.

***The figures from Stats Wales don't agree with Monmouthshire's – can this be addressed?***

The reason is that our budget, which we label as 'DFGs', should probably be 'Disabled Adaptations', so it has proved to be a bit misleading.

***Regarding the increase in fees for residential and non-residential care: what effect would the £100 cap have on the residential side? How does the cap operate?***

In terms of charging, we follow the Social Services and Wellbeing Act that was introduced in 2014 by Welsh Government. For non-residential services it covers care in the home or community (day centres and respite), and the amount that we can charge anybody is capped at £100 per week. To arrive at that, they go through a means-tested assessment. If they are assessed that they can pay up to the maximum of £100, we will charge them whichever is lower: the £100 or the cost of the service. So if someone were only getting 2 hours per week, we would only charge them the hourly rate (£14.64) x 2. If someone were getting 20 hours a week, 20 x £14.64 would be much more than £100, in which case we would charge them the £100.

There is no cap for residential services. It is based not only on the person's income but also on their assets and dwelling i.e. their main property would be brought into consideration. If it is deemed that they have enough income and capital to pay for themselves, then they might not qualify for local authority financial support.

***Does the £100 cap apply if, for example, someone is coming in in the morning and again in the evening to help an elderly person who doesn't need a care home?***

When we charge, there is no distinction between whether the service was provided by the local authority or external market. If someone were to get 1 hour per week from the local authority and 1 hour private, the charge would be roughly £30 per week. If someone is assessed and they can pay the maximum amount, it is capped at £100 so we would charge them £30. If they were to get 20 hours a week – 5 from the local authority and 5 from the private sector – it would be approximately £150 total,

and therefore the charge would be £100. No one will pay any more than £100 if they've come through the local authority and they've been financially assessed, in terms of non-residential. That includes care in their own home or day centre provision – it's all capped at £100. We have an hourly rate for care in the home and a session charge for day centre attendance.

***So non-residential is not based on income or capital?***

It is, because if someone has gone through a means-tested assessment they will only be charged what they can afford. If they can afford to pay more than the £100, it will be capped at £100. It still includes income and capital but not their main dwelling, as they live in the community and still need a home. But if they then go into residential or nursing care, the main dwelling is then taken into consideration; that's one of the differences between residential and non-residential, and why the charge can be more, or they might not qualify for local authority assistance, because with residential more can be taken into consideration than with means-tested assessment.

***Is that different from England?***

Yes, the Welsh Care Act is different from the English one. Therefore, if someone moves from England to Wales there can be some confusion that we need to clear up with them. Also, if clients engage in services with solicitors from England, or places like Age Concern, we have to point out to them that the Act is different in Wales.

***There is an assumption of a 1% increase of pay costs for staff – what about care staff? What would be the wider impact if companies also provided more than 1% for their staff?***

The pay award is governed by the announcement from the UK Chancellor. We have been prudent in assigning a 1% pay award. The external carers are explained in the slideshow presentation, concerning the pressures that we have in Adult Social Care next year: we have a £536k pressure for provider fees, which is to incorporate any pay increases that private providers might give their staff. We have a fair fee negotiation tool that we use with the care providers; with this, we look at all issues such as pay award. One of the indicators we look at is the increase in the National Living Wage. That's already been announced by the UK Chancellor, and we have incorporated it in our modelling.

***Will we still be able to get staff from overseas following Brexit? Will UK staff be willing to fill the vacancies?***

This will be a national concern and we don't know how things will pan out. We've tried to address as much as possible to alleviate the impact on the front line services. With the providers, we have tried to meet the wage increase.

***Is it wise to include the £536k – will the care providers therefore raise their pay further?***

One of our mission statements as an authority is to be transparent. It is right to put forward our budget and try to address those issues. We have the fair fee consultation negotiation, so discussion with providers about fees is already underway, so that we can continue to work in partnership. But we do have limited financial resources with which to work, something that the Care sector appreciates. The fair fee negotiation tool has served us very well for the last 10+ years.

***What discussions have taken place to try to understand how the Hardship Fund will evolve?***

Our approach has been to focus on things that we can control i.e. those elements of the budget that we know. We also have the risk register looking at potential Covid risks and how they may or may not be funded as we move into the next financial year. We need to consider a number of things. Most important is to have the engagement with Welsh Government about how the Fund might continue, perhaps developing into more specific grants coming through, moving away from a claims basis towards allocation. We're continuing to lobby at a political level, with the Leader making strong representations. But at a local level, we're looking at the potential impacts from the pandemic on service deliveries, and how the demands on services might change as we come out of it. There are many different things to consider over the long term.

***Regarding void payments, have we seen any unintended consequences with providers not accepting placements because the voids are covered?***

We are making void payments on behalf of Welsh Government through the Hardship Fund. It is understandable that care homes are cautious about accepting new clients, but they aren't resistant, and are working with us. We talk to the care sector in a weekly forum about various issues and how we can support them with any problems they encounter. It is a joint approach.

***With people needing rehabilitation and reablement due to Covid, do we have a pipeline figure in terms of pressure and new care packages for next year?***

We have a short-term intervention reablement policy and a reablement team. We are over-recruiting our own in-house home carers to accommodate the demand, and Health has come up with winter pressures money to alleviate that impact. There is also a £250k extra investment for the shortfall in commissioned care in the Usk area. We are looking to accommodate that specific additional capacity in next year's budget.

***As Covid is a health issue, surely the process of rehabilitation and reablement shouldn't be a pressure that falls solely to local authorities? What about the Health Board and its funding?***

Our 3 community care teams are integrated with Health, so we have their practitioners as well around OTs. We have a joint integrated services partnership board that meets as well. The assessment process will identify what is a social care task and responsibility from the local authority and what is a Health one. It is split out at that stage, ensuring that everyone is meeting their obligations.

Coming out of the pandemic, Welsh Government should have Social Care very high on its agenda. All local authorities in Wales will lobby them very hard for fair funding within the care sector. We hope that there is proper recognition and funding as we move into that period, as the sector will continue to be a budgetary pressure point. So it's not just a case of local authorities and health boards – Welsh Government plays a key role in its acknowledgement of where funding is distributed.

***Regarding the provider fees, could the £536k figure potentially increase?***

We have modelled this figure in terms of our fair fee negotiations. Part 9 of the Act covers to the pooling of residential budgets, and another covers a regional fee-setting process: there is a Gwent working group that has discussed this, but it is a long way off from being agreed, as is pricing up the implications if Monmouthshire were to adopt it. If we were to get to that juncture, before adopting anything it would be presented to members for scrutiny and agreement.

***What is an example of the flexible use of capital receipts to fund service reform?***

The flexible use of capital receipts is under a Capitalisation directive from Welsh Government. We've used it in the 2019/20 financial year and have budgeted it for this year too. We are permitted to use our capital receipts to fund eligible revenue expenditure that looks to fund service reform. We propose using another £1m of capital receipts as part of this draft budget. The key risk around that is that our capital receipts pot is limited. Traditionally, we have used that to support our ongoing capital pressures. We have to be mindful of the limited nature of the reserves to support the capital programme. As part of these budget proposals, we recognise that this is an exceptional year and a one-off use of reserves, as far as possible.

***So to use capita monies on revenue certain criteria have to be met?***

Yes, there are strict criteria for usage of capital receipts, around service transformation, partnership working, sharing with regional authorities and organisations, etc.

***Were non-residential care savings based on a slight increase in the hourly rate, and what was the increase? How are the residential care savings arrived at?***

Non-residential savings were £11k and residential were £68k. The savings are related to the fees and charges, as discussed earlier, based on the increase announced by the department of Work and Pensions to the state retirement and benefits of 2.5%. We've taken our income budgets and uplifted them 2.5%. That's the extra income that we've put forward as a saving and that we might be able to get from the charging. The residential saving doesn't only relate to our care home (Severn View), it's people in residential care, generally. They could be in a private care home and their placement is funded by the local authority, and their means-tested assessment says that they can't pay the full charge themselves but they have to pay a contribution to the local authority, regardless of whether they reside in our single care home or in a private care home.

***Looking forward, is there any expectation to redesign services?***

We've taken a conscious decision with next year's budget (21/22) not to bring any savings from redesigning frontline services. It is possible that services will be provided in a different way as we come out of Covid – but we simply don't know at this stage. If and when it is felt that a service needs to be redesigned, we will pick that budget year and bring it the members' attention.

***Homelessness is another huge pressure – £874k. Can we hear about the policy update from Welsh Government, and what their expectation will be for the next financial year?***

The position is consistent with previous discussions. Welsh Government is continuing with their change in policy concerning eliminating rough sleeping. They want to improve the provision of temporary and permanent accommodation – quality, type, etc. No one would disagree with the sentiment of the policy but it creates a challenge for us. Our demands continue to be high; at the last count, we had over 120 people in temporary accommodation, most of whom are high need and have challenging, complex cases. The situation over the last 6 months has been more challenging because of funding but it has significantly improved, and continues to. Welsh Government's main thrust has been to uplift the Housing Support grant programme. We have just under £700k extra in that programme and are looking to continue Phase 2 projects that were granted this financial year. We have also had government assurance about the Hardship Fund in this area, and we hope that Cabinet will agree to some

additional staffing, taking us to a more proactive position. We continue to work with the housing associations over additional accommodation.

***Aside from Health and Care, what is the position of the budget in relation to the other portfolios?***

In terms of the overall directorate, we have pressures just under £3m. £1.26m relates to this Adult Select portfolio, the remaining pressures relate to Children's Services and trying to address the overspend and the pressures that were delivered in the paper to CYP Select last week. Public Protection had Covid-related pressures from lost registrar's income, which Welsh Government has now decided to compensate us for, allowing that team to come within its budget. TTP is Gwent-wide, for which there are various boards, managed by Health. We are recovering all of the monies in line with the costs Monmouthshire put forward for TTP.

**Chair's Summary:**

The committee thanks officers and frontline staff for their hard work. Councillor Pavia is concerned that rehab and reablement doesn't fall disproportionately to local government but that Health takes its fair share of responsibility, especially as Post-Covid syndrome is a complete unknown. Officers agreed and will keep this in mind. As there are a lot of crosscutting aspects in the budgets, officers were asked to put page numbers on the reports. Peter Davies noted that information needs to be distilled and simplified for the public – this is the purpose of the presentation – but that there is further information on the website for any member of the public wishing to seek further details.

**A4 Extract of draft minutes of Strong Communities Select Committee – 28<sup>th</sup> January 2021**

Budget Scrutiny: Scrutiny of the budget proposals for 2021/22.

Jonathan Davies and Dave Loder delivered the presentation and answered the members' questions, with additional comments from Cabinet Member Phil Murphy.

**Challenge:**

***When comparing Welsh Government funding for Blaenau Gwent and Monmouthshire, should more context not to be given i.e. that the former has much more deprivation?***

We are conscious that our demographics in Monmouthshire are quite different from some of the other authorities but the funding formula itself is supposed to deal with all of those. We are aware that that formula doesn't benefit us in many ways, and we are looking to have a dialogue with Welsh Government over its reform. Regarding the proposed settlement for next year, the areas where we have benefitted, comparatively, are from population numbers, pupil numbers and equalisation of resource – Welsh Government has gone some way to recognising that Monmouthshire has the largest proportion of funding from council tax, which isn't sustainable for residents over the long term. Comparison between Blaenau Gwent and Monmouthshire is very useful for the public, so is included here principally for the public consultation.

***What was Welsh Government offsetting through its grants? Homelessness, for example?***

We are awaiting specific grant settlement figures. The pressure recognises that we haven't had the confirmation from Welsh Government yet, so the pressure you see in the papers is the gross pressure and doesn't recognise the further support that we expect to receive on homelessness and the housing grant. The current homelessness pressure is £875k. We've had information regarding additional grants for the next financial year; one is an increase in the housing support grant of £667k. We can't apportion a lot of that homelessness cost to that additional funding – that's being used up elsewhere – but Welsh Government has released another £4m across Wales to help deal with the homelessness issue. Housing officers think that we can move about £275k of that £875k against this funding. So Welsh Government has agreed to fund the first 6 months our homelessness costs via the Hardship Fund. Therefore, the £875k has come down to £600k.

***We're increasing fees and charges in line with inflation – could we have the precise figures? Are we going for an average? What's the bigger picture?***

There is a detailed breakdown of the fees and charges in Appendix 2 of the budget papers. There isn't an overall increase; the increases are specific to services. The average increase is 2.5%, which is a little over current inflation. Officers set their price increases based on what they think the market will afford. They take into consideration the effect on the public etc.

***To clarify: we will increase council tax by 4.95%, and, as an average, increase charges that the market can handle, at 2.5% – 'the market' presumably being our residents. Is that accurate?***

Yes, on average, for the services in this portfolio, there is a 2.5% increase. In the detailed appendix listing the fees and charges, there is a percentage against each one. Not all services have been increased. Across this portfolio, we're expecting to only pull in £10k more of income.

***There has been a significant increase in free school meals. What are our contingencies for feeding families in the holidays, especially in the summer?***

In our settlement from Welsh Government, there is an amount for FSMs. The further commitment to support those meals during the holidays comes from a Welsh Government policy commitment specifically – we get funding for that through the Hardship Fund. We continue to make those payments and to meet that policy commitment. Moving into next year, we will continue with our existing provision for FSMs. We are seeing an increase in numbers, which has been reflected as we've moved through this financial year. We certainly need to accommodate that pressure as we proceed.

***Environmental health staff are doing extra work and have been redeployed. Where's our backfill and where's the money coming from for that?***

Waste relates to the environmental health team, falling within our public protection, alongside trading standards etc. But yes, a lot of staff have been redeployed to Track And Trace. Those costs will be reclaimable through Track And Trace funding, via the Health Board.

***Extra I.T. provision is needed in schools. Where's the money coming from to help them?***

We will have to defer this question to the Education Finance Officer, and respond later.

***There is a deficit in CYP concerning looked-after children and safeguarding but not enough money seems to be put in. Is there any extra provision to help families with looked-after children?***

Yes, this was discussed at CYP Select last week. It's important to note that there is provision in the draft budget for an additional £1.46m for support for looked-after children costs, which goes some way towards meeting those commitments. The service works very closely with Health in ensuring that there is early intervention, where possible. Also, we aren't making staff efficiencies and applying a vacancy factor to that service in 2021-22, so we recognise that there is additional pressure in that area.

***It's very positive that some hotels have opened up for homelessness and domestic abuse pressures. Homelessness is not in our portfolio but what money is being put towards that?***

We are putting provision into next year's budget to cover as much of the homelessness budget as we can. We hope to receive further funding to offset that pressure. Questions concerning the suitability of rooms should probably be directed to the Housing Officer.

***There has been a lot of flytipping and recycling workers have been moved elsewhere: where is that in this budget, and is there further provision for them not moving back anytime soon?***

With recycling centres closed, there has probably been an increase in flytipping, and our teams will be doing their utmost to keep on top of it. It will probably cost us more money to get rid of it, and is an unfortunate consequence of the centres being closed. We recognise that Covid is having a very large impact on services not just monetarily, but in terms of resources too.

***An uptake of free schools meals entitles a school to additional funding. Where does that additional funding come from?***

The settlement for any financial year from Welsh Government will include an amount based on the data that we submit.

***How will schools attendance affect the contract hand-back with taxis etc.?***

It is a problem. Sometimes there are contract hand-backs because the operator goes out of business or they feel that they can't run the service on the contract that we have given to them. The Passenger Transport Team does a very good job in managing that, dealing with sudden dropouts from operators at short notice. Going forward, there is a potential risk that we won't be able to put on a service but so far, the Passenger Transport Service has managed any problem that it has encountered.

***There is a £65k saving on sweepers: is there a part-funding arrangement for these? If so, how will this affect us?***

The part-funding offer sent to community councils wasn't taken up much. £65k is the cost of the machine that is operating. It won't affect the service, as far as we are aware.

***Caldicot Town Council has an arrangement with town centre sweeping that includes the use of a sweeper. Could that be considered?***

It's probably best to refer that directly to the Commercial and Operations Manager for an answer.

***How many outstanding loans do we have with Welsh Government for street lighting?***

There are currently 4 outstanding loans. Each has a different payment period, as some were taken out earlier than others.

***What is the status of council tax collection this year? Have we put in place contingencies – do we expect to collect as much next year?***

Early indications, when the pandemic first broke, were that there would be problems in terms of collection. As the year has progressed, we are returning to our usual levels. We don't foresee an overall issue. The total council tax collection usually takes a long time to manifest – we probably won't know the final position on that for quite some time. But it's important to note that Welsh Government is supporting local authorities with some specific funding that will come in February. We don't know yet how much that will be. We should get an allocation to support us with any shortfalls that we will face. As we move into next year, the signs are that our collection rates won't deteriorate and we shouldn't be affected in totality.

***Is a 4.95% council tax increase sufficient?***

We are proposing to support the budget this year with reserve usage and looking to limit the impact on council taxpayers as much as possible. As we move towards the final budget our commitment to that reserve usage will remain. The point of putting last year's surplus into reserves was for it to be used in circumstances such as these. No one likes to see council tax go up – 4.95 is about the absolute maximum that we could countenance under present circumstances. It will cause difficulties for some, which is why there are reliefs. It is better to use reserves rather than hit the public with more than we need to.

**Chair's Summary:**

Councillor Batrouni asked why we are comparing Blaenau Gwent and Monmouthshire given the disparity in deprivation between them. Officers confirmed that they are conscious that our demographic is different from other local authorities but the funding formula doesn't recognise the difference. The largest proportion of funding from council tax and Welsh Government recognises this. We compare ourselves to other authorities because it helps the public to understand the difference between what we and other authorities get. The councillor also asked about Welsh Government offsetting through its grants for homelessness – officers confirmed that we are awaiting grant settlement figures but that will come under the Adults Select committee. A breakdown of fees and charges in line with inflation was requested – officers confirmed that a detailed breakdown is available in Appendix 2 of the budget. Clarity was sought as to whether we're increasing council tax and charges by 2.5%. Officers confirmed that not all services are being increased, but on average, there is a 2.5% increase.

Councillor Guppy asked questions about free school meals. Officers confirmed that there is an increase in the number of applicants for FSMs and we will get a settlement from Welsh Government for that. The councillor also asked where the money is coming from for waste pressures, with environmental health being redeployed to Track And Trace: these costs will be reclaimed through Track And Trace. With regard to looked-after children, there is a provision of £1.46m. Hotel costs, homelessness and domestic abuse: it has been put provisionally into next year's budget to receive further funding from Welsh Government.



Councillor Eason asked about contract hand-backs, which the officers confirmed can be problematic, and there has been a risk to services, but so far, Transport has not failed to support the services. Officers asked that the Councillor direct his question regarding the sweeper to Nigel Leaworthy.

Councillor Guppy also asked if we expect to see as much council tax coming in next year. Officers advised that there were indications of issues collecting council tax at the start of last year, however things seem to be more consistent now, and there are allocations from Welsh Government. Councillor Guppy also requested that we make communications to residents about council tax relief very clear.

## **A5 Draft minutes of Schools Budget Forum – 21<sup>st</sup> January 2021**

### Presentation from Cllr P. Murphy on the 2021-22 budget proposals for Monmouthshire County Council.

Cllr P. Murphy introduced the budget presentation, members understood that over the last 4 years the council had managed to save £22m to enable the budgets to be balanced. There is still an on-going pressure due to demographics and demand led pressures, for 21-22 this is a pressure of £10.1m.

The settlement has been above average for the coming financial year, but Monmouthshire remains the worst funded council in Wales. The increase is 3.9%, the Wales average is 3.8%, funding per head or population is £1,067 with the Wales average being £1,471.

Despite this services have been challenged to sustain themselves rather than see a service close. This may result in services redesigning how they work or scaling back rather than close.

Members understood that council tax is proposed to increase by 4.95% which is an increase of £1.31 per week for a band D property. This would see the Monmouthshire average increase to £1,380.76 compared with the Wales average of £1,354.02.

The proposals for the 2021-22 budget will see all pay and pension pressures funded for schools, the current proposal is 1% but should it increase above that then there would be funding to support. It also recognises all the current demands on the additional learning needs budget. Members were provided with other pressures that were included in the budget that related to other services areas apart from education.

The education budget is 34.2% of the total Monmouthshire budget with social care and health being 31.2%, these are the two largest budgets.

Cllr P. Murphy presented the pressures and investments by directorate and outlined the key risks and uncertainties for each. One of the key risks is if Welsh Government withdraw the funding to support losses from the current pandemic and how that will affect services moving forward.

The pressures afforded to education are:

- £304k loss of summer term recoupment income with the closure of Mounton House.
- £118k cost of placements for the Monmouthshire pupils who were attending Mounton House at the time of closure.
- £75k for Educational Psychology linked to the new Additional Learning Needs Act.
- £21k for Early Years linked to the new Additional Learning Needs Act.
- £58k pressure for pupils with Additional Learning Needs placed in independent schools.

- £130k for pupils with Additional Learning Needs placed in other Local Authority schools.
- £494k for support for pupils with Additional Learning Needs placed in Monmouthshire schools.
- £431k for the pay award for teaching and non-teaching staff.

The savings for education are:

- £1.258m for the closure of Mounton House Special School.
- £252k additional recoupment income relating to other local authority pupils placed in Monmouthshire schools.

The capital programme for schools continues with band A being completed (Monmouth and Caldicot) with the new Abergavenny 3 – 19 school commencing in band B.

Members understood that all questions and comments would be added to the formal consultation process for Cabinet to consider and that the consultation period ends on the 17<sup>th</sup> February 2021.

The chair thanks Cllr P. Murphy for the presentation and asked members for any questions or comments. Members were pleased that the pay award had been afforded to schools, there were no further comments or questions. It was agreed to send the presentation to all members.

## **A6 Draft minutes of JAG (Joint Advisory Group) – 25<sup>th</sup> January 2021**

### Presentation regarding Monmouthshire County Council's Draft Budget Proposals 2021- 2022

The Cabinet Member for Resources, County Councillor P. Murphy, provided a presentation regarding Monmouthshire County Council's Draft Budget Proposals 2021-2022.

It was noted that the Foundation Phase Living Wage was being continued.

The consultation period will end on 17<sup>th</sup> February 2021 and final budget proposals will go to Cabinet on 3<sup>rd</sup> March 2021 and Full Council on 11<sup>th</sup> March 2021.

### Items for discussion from the Trade Union Side

The following questions were raised via the Trade Union Side.

1. How has Monmouthshire County Council's allocation from the Welsh Government's £29m Recruit, Recover and Raise Standards funding been utilised?
2. Many other Local Authorities may have used their additional funding from this scheme to fund, via Supply Agencies, Teaching Assistants rather than qualified Supply Teachers. Has any part of this funding been used to support schools who may have employed supply teachers directly in Monmouthshire schools?

In response, the Chief Officer for Resources provided the Group with the following information:

- Of the £29m, the County Council will receive £547,000 which will span the academic year.

- Schools and the LEA have agreed the allocation methodology based on pupil numbers from the January 2020 PLASC data and from FSM data as at September 2020.
- In a smaller comprehensive school this equates to around £2000 to £3000 for the seven month period, which could be even lower for very small schools.
- Data shows an increase in FTE staffing into schools of 25.99 FTE.
- In relation to the second question, data is still being awaited. When received, this information will be forwarded to the Trade Union representatives. However, it was noted that the Chief Officer for Children and Young People has a robust mechanism in place for ensuring and following through with schools to ensure that the funding is being allocated correctly.

A further question was raised by the Trade Union Side regarding Ash Tree dieback disease in which there will be further pressure on schools budgets to maintain and keep these sites safe.

In response, the Chief Officer for Resources informed the Group that this matter was currently being addressed whereby dialogue was being undertaken between Monmouthshire County Council and Welsh Government. Discussions are addressing where the responsibility lies in terms of remedying the issue. It is anticipated that clarification from Welsh Government will be made available in due course in order to assist public bodies with addressing these issues. When clarification has been established from Welsh Government, this information will be made available to schools.

## **A7 Summary of MyMates livestream event – 21<sup>st</sup> January 2021**

About MyMates: **MyMates is a friendship project for people with disabilities, run by Monmouthshire County Council.**

Taking part – Sarah Seabourne, Cllr Phil Murphy, Abigail Barton, Kemmine Parrish, Jan Whitham, Janet Cox, Tracy, and 13 others members of the MyMates group.

Cllr Phil Murphy talked through the budget presentation, starting with the overview.

Only two questions were submitted after the presentation, neither of which were connected to the budget proposals directly.

## **A8 Summary of Budget livestream event – 27<sup>th</sup> January 2021**

About the session – open to all members of the public, advertised widely in the week before the event. A recording was made of the session and uploaded to the Monmouthshire County Council website on the /budget-2021-2022 page.

21 residents signed up for the livestream link, ten of whom pre-submitted questions, which have been answered.

## LIVE QUESTIONS RECEIVED DURING THE SESSION

*“Is it not now time for the council to challenge the settlement from Welsh Government?”*

*“I may have missed it, what happens to our pink and purple recycling if there is no longer a source of income from selling it on? Is it now incinerated rather than recycled?”*

*“Re the banding comparison, what is the actual monetary gain via residents given the volume of discount and Welsh Government support to these areas, suggesting real cost is less to individuals in those areas vs Monmouthshire?”*

*“It appears that Blaenau Gwent remains as a “high earner” from Welsh Government contributions, Monmouthshire County Council will never be able to achieve a higher proportion of the finances available.”*

### **A9 Summary of Head Teachers meeting – 29<sup>th</sup> January 2021**

#### Budget Presentation – Cllr Phil Murphy and Peter Davies

Cllr Murphy gave his presentation on the draft budget proposals for 2021/22 (attached).

It was noted that the consultation will run until the 17<sup>th</sup> February 2021.

Any comments to be sent to Nikki Wellington who will feed into the budget consultation via Peter Davies.

### **A10 Summary of Friday Friendly Young People Group – 29<sup>th</sup> January 2021**

Budget Engagement with the Friday Friendly Group of young people took place 29th January 2021. The Budget Proposal video was played, then Cllr Phil Murphy answered questions submitted during the livestream.

**Has MCC made any savings by furloughing people during lockdown?** *Not as much as you would imagine. We reallocated staff to preserve jobs, and almost all services were still running. Even buildings, which were closed, still have running costs, whether or not they have people in them.*

**Young people are saying we should not have a council tax rise – why? What is it for?** *Cllr. Murphy explained the situation regarding the settlement from Welsh Government, and how to protect services the council tax would need to be raised. Cllr Murphy also gave a wide overview of all the services that are covered by the council.*

**Do you think young people can make a valuable difference, and how?** *Cllr Murphy said that a large section of volunteers across Monmouthshire are young people. He discussed how to get involved, and how important this work is for the community, and how beneficial for young people’s CVs.*

**Will funds be taken away from education?** *Cllr Murphy confirmed that there are no planned cuts in education.*

**How is the money from investments, such as Spytty, used by the council?** *The return from investments such as the leisure park (Spytty) helps to supplement other income from council tax and the Welsh Government settlement.*

**Are we likely to see cuts in the future due to the cost of the pandemic?** *Cllr Murphy confirmed that this could not be ruled out in the future.*

**A11 Draft minutes of Town and Community Council Cluster meeting – 2<sup>nd</sup> February 2021**

County Councillor Murphy opened the meeting and welcomed those present. The 2021/2022 Draft Budget Proposals presentation was introduced explaining the budget challenge. It was noted that Monmouthshire still receives the least funding per head of population compared to the rest of Wales. With this in mind the presentation outlined the council’s plan to continue to drive for efficiency and effectiveness regardless of the uncertainty of grant funding and significant pressures relating to on-going commitments and significant pressures of some unaccounted for demands.

QUESTIONS	
Despite maintaining service delivery year on year and the slightly above average provisional settlement this year, what non statutory services could potentially have to be curtailed	Hopefully nothing. Some flexibility on delivery. Some grant funded services could be vulnerable. Leisure services continue to generate income and community involvement which is anticipated to continue into the future. Working with the Community Councils has helped to sustain and maintain services
In future years, can the consultation on the MCC budget be launched earlier so that when Town Councils are setting their budgets that can be mindful of MCC proposals?	In order to tailor the budget we rely on the One Year Spending Review announcement but unfortunately the Welsh Government didn’t provide its provisional settlement until 22 <sup>nd</sup> December with the final announcement on 2 <sup>nd</sup> March. Hopefully the Chancellor will be able to return to the cycle of a multi-year spending review which will assist Welsh Government to issue settlement figures earlier enabling us to submit budget proposals in a more timely manner.
Town and Community Councils are key partners and discussions with regard to budget proposals and service delivery plans have evolved and matured. Are there other opportunities or shared partnership models where Town and Community Councils can support the unitary authority with a service offer but	Partnership working between the Council and Town and Community Councils is going to be inevitable going forward but on what basis remains to be seen. Comparison was made to four or five years ago when sharing financial responsibilities was at the forefront of maintaining services. An active line of approach which could well return. This is an active conversation with senior management at the moment to capitalise on and strengthen. Working closely with voluntary networks throughout the pandemic

maybe a revenue return with profit sharing in the future?

Gaps in domiciliary care?

has been invaluable and we want to maintain this relationship going forward.

Opportunity to draw on social capital or monies set aside for covid recovery to be explored.

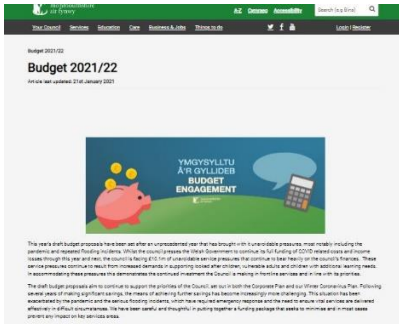
## A12 Overview of Monmouthshire County Council budget engagement



# Report on the engagement activities for the 2021/22 Budget Proposals

## OVERVIEW

2021 has been a year that has brought challenges in light of the pandemic, which has made traditional face-to-face consultation activities not possible so every effort was made to reach as many people as possible, especially via online sessions and social media. The engagement activities were supported by a pro-active communications plan, which included:



Creation of a section on the website for all budget material in Welsh and English: [Monmouthshire.gov.uk/budget-2021-2022](https://www.monmouthshire.gov.uk/budget-2021-2022)



Cllr. Phil Murphy produced a **video** giving an overview of the proposals, uploaded to the page above, and shared across all social media  
**2021 consultation survey** – link on the page above, which was promoted in all budget coverage



**Budget Engagement Livestream open to all** – on 27<sup>th</sup> January 2021 via Teams. 21 people signed up via a registration form on the webpage, which also gave an opportunity to pre-submit questions (in addition to being able to raise questions during the live event).

**Video of the livestream with both English and Welsh subtitles** – the livestream was recorded and was available to watch on the website, alongside the other Budget Proposal material throughout the consultation period.

MyMates – Teams meeting to present Budget Proposals to the group in January 2021. Excellent discussion and reflections.

Climate Change Champions have shared all budget information to its members.

All budget information cascaded with the Engage to Change group of young people during its Friday Friendly meeting (29<sup>th</sup> January 2021)

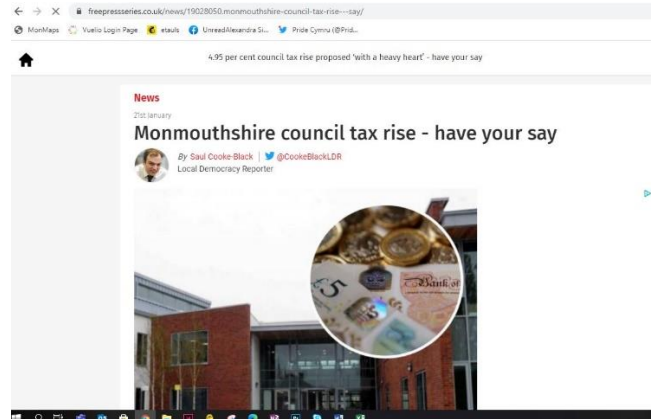
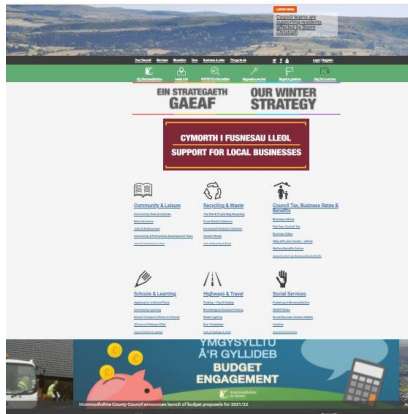
Friday Friendly – Teams meeting in which the Budget Proposals were discussed amongst a group of Young People on Friday 29<sup>th</sup> January 2021.

Cllr Murphy presented the budget proposals to the Children & Young People Select Committee

## CONSULTATION LAUNCH

**Launched on Wednesday 20<sup>th</sup> January 2021, the coverage included:**

Press release issued to all press and added to the front page of [monmouthshire.gov.uk](https://www.monmouthshire.gov.uk). Articles appeared in several of the local papers, including the Free Press and the South Wales Argus.



**SOCIAL MEDIA** - Facebook and Twitter posts in Welsh and English with links to [Monmouthshire.gov.uk/budget-2021-2022](https://www.monmouthshire.gov.uk/budget-2021-2022). These posts were also shared on a regular basis, at various times of day, via a wide range of groups around in the county, extending their reach even further. The launch post on 20<sup>th</sup> January reached 1366 people, with 1416 impressions, while the 26<sup>th</sup> January post reached 2063 people, with 2219 impressions.

**Post Details**

**Performance for your post**

1366	People reached
4	Likes, comments and shares
18	Post clicks
0	Photo views
16	Link clicks
2	Other Clicks

**NEGATIVE FEEDBACK**

0	Hide all posts
0	Hide post
0	Report as spam
0	Unlike Page

**BRANDED CONTENT DISTRIBUTION**

1366	Total reach
1366	Organic reach
0	Paid reach

**1416** Total impressions  
**1416** Organic impressions  
**0** Paid impressions

**Post Details**

**Performance for your post**

2063	People reached
9	Likes, comments and shares
137	Post clicks
32	Clicks to Play
12	Link clicks
93	Other Clicks

**NEGATIVE FEEDBACK**

0	Hide all posts
0	Hide post
0	Report as spam
0	Unlike Page

**BRANDED CONTENT DISTRIBUTION**

2063	Total reach
2063	Organic reach
0	Paid reach

**2219** Total impressions  
**2219** Organic impressions  
**0** Paid impressions

**User** @MonmouthshireCC

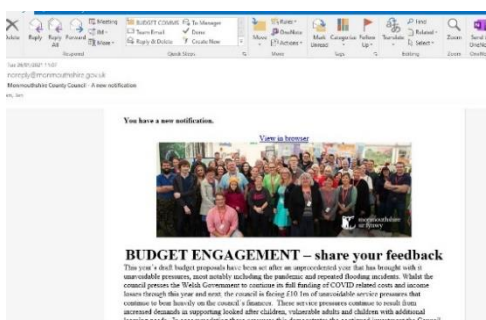
**Monmouthshire** @MonmouthshireCC

Cyngor Sir Fynwy yn cyhoeddi llystiad cynllunio cyllideb ar gyfer 2021/22. Darganfyddwch fwy, cofrestrwch ar gyfer ddiwyddiad ffrydio'n fyw ac anfonwch eich sbortio: [bit.ly/35V24WA](https://bit.ly/35V24WA)

**Monmouthshire** @MonmouthshireCC

Monmouthshire County Council announces launch of budget proposals for 2021/22. Find out more, register for a livestreamed event and send your feedback: [bit.ly/3bWaoP7](https://bit.ly/3bWaoP7)

**Monmouthshire** Retweeted **Paul Matthews** @PaulMatthews07



The full release with links to the video, the detailed proposals and the survey was emailed to all **MyMonmouthshire** subscribers, reaching 12,173 people.

The Budget Proposals also featured on The Hub and the weekly emailed newsletter 'Compass', which reaches over 3,000 people within MCC's own staff base.

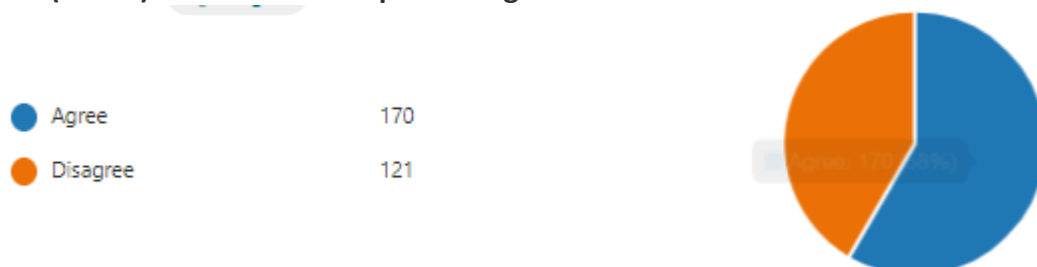
## The Responses



**291 residents responded to the survey prior to the consultation period closing on 17<sup>th</sup> February 2021. The largest response (219 people) was to the proposal to raise council tax by 4.95%, with strong objections raised.**

Do you agree or disagree with the service pressures being accommodated for Education, and notably around children with additional learning needs?

**170 (58.4%) of those who responded agreed**

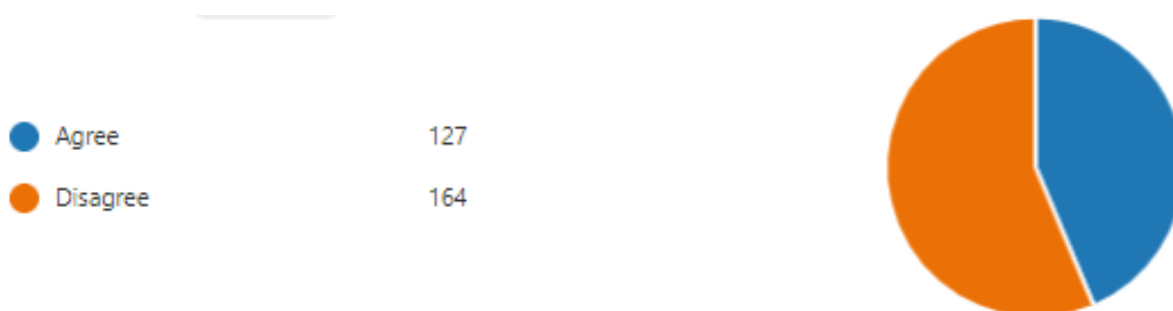


**Key themes from the 83 responses:**

- Comments from those who disagreed included a feeling that funding was not reaching those most in “genuine” need, an impression that too many children were being identified as ALN leading to unnecessary spending.
- Those who agreed felt that supporting children with ALN was important, especially within mainstream schools and that money should be spent in this area and resources protected.

Do you agree or disagree with the proposals for Social Care and Health, both in terms of the service pressures being accommodated in Children’s and Adult Services, and the proposed increase in fees and charges?

**164 (56.3%) of those who responded disagreed**



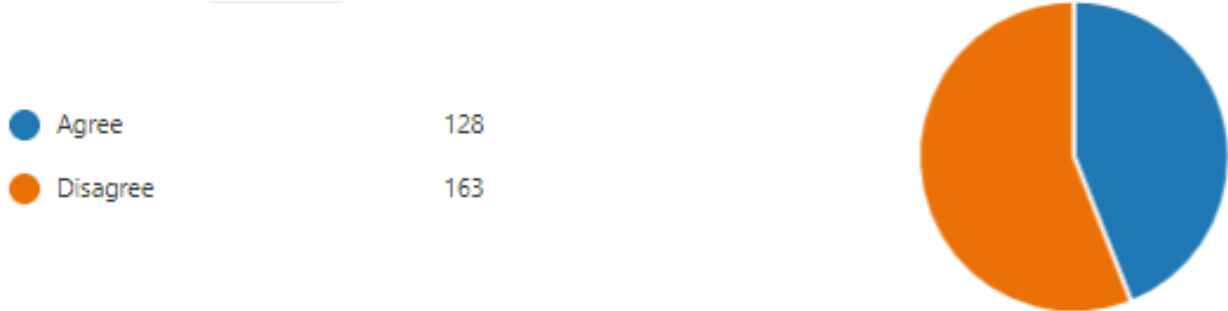
**Key lines from the 63 responses:**

- Those who agreed felt that vulnerable residents ought to be supported, and this was an important area in terms of protecting services.
- Those who disagreed felt that this was not the right time to use extra funds, and that more efficiencies ought to be made.
- A common theme was a feeling that MCC ought to go to Welsh Government to press for more funding in all areas in future, following another year where its settlement per capita was the lowest in Wales.
- Suggestions were made that too many private service providers were benefitting from increased charges, and that more should be covered in-house.

- The responses to this question also saw the proposed council tax rise mentioned as a factor – I’m all for social care, but not if it means raises taxes.

Do you agree or disagree with the services pressures being accommodated for Enterprise, and that significantly relate to service pressures being accommodated with Recycling & Waste, Homelessness and Transport?

**163 (56%) of those who responded disagreed**

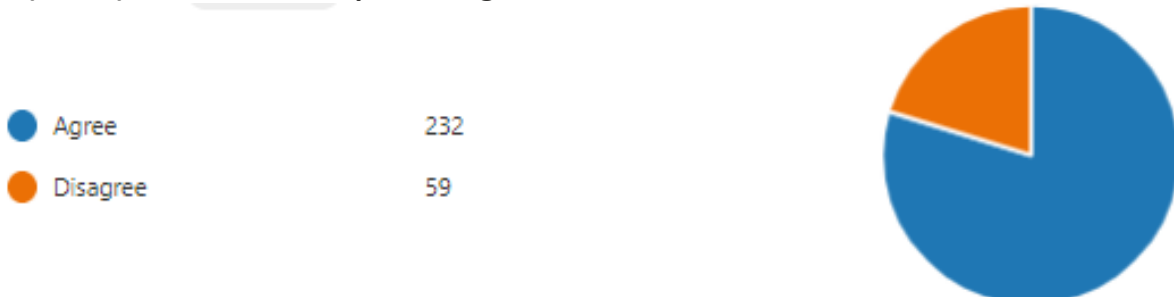


**Key lines from the 66 responses:**

- The recurring theme was objection to decisions already confirmed, such as the increase in charge for Green Garden Waste and the closure of Usk HWRC also featured in comments.
- A strong feeling that residents were not getting their money’s worth in terms of services.
- Some expressed a lack of comprehension as to why reusable recycling bags were worth the money (as opposed to the current disposable bags)
- Suggestions were made - such as changing recycling collections from weekly to fortnightly.
- Views towards homelessness and transport were mixed, however a lack of support for investing funds in assisting homeless residents was expressed.

We are looking to make one-off use of limited reserves and capital receipts in order to support the budget this year and to allow service pressures to be accommodated and to less the burden on council tax payers. Do you agree or disagree with this approach?

**232 (79.7%) of those who responded agreed**



We propose a 4.95% increase in Council Tax as a result of the significant financial challenges faced. Accepting that the Council Tax Reduction Scheme will provide support to those on low income and benefits, and 25% discount to single people. Do you agree or disagree?

**256 (87.9%) of those who responded disagreed**

● Agree  
● Disagree

35

256



#### Frequent comments from the 219 responses:

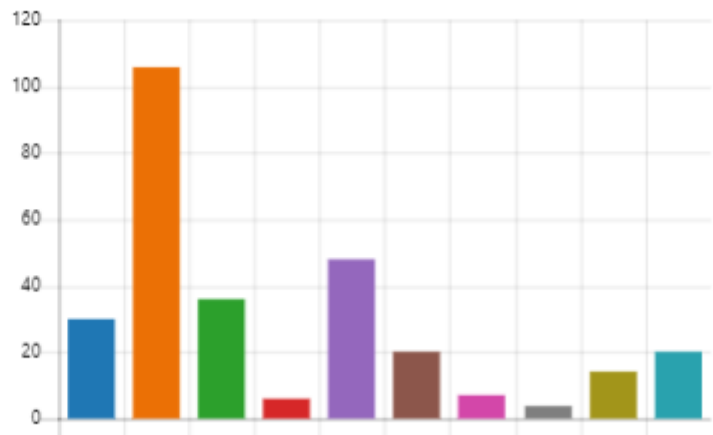
- The most frequent response was an expression of anger and disbelief that, at a time many have been furloughed or lost their jobs, an increase in council tax was ill-timed and unfair. Many commented that residents were already struggling to keep afloat as a result of the pandemic and its effect on jobs and income.
- This proposed rise is seen by many who responded as “yet another increase” in council tax, not due to any exceptional circumstances over the past year.
- There was also mention of Newport Leisure Park, with some misunderstanding by residents that this was funded by Council borrowing and generated a return to the Council that enabled them to sustain and maintain services.
- It was also suggested that the proposed increase should not be above the current inflation rate, that it was disproportionate.
- Some also commented in the fact that Monmouthshire receives the least funding per capita than any other LA in Wales and should petition harder for a better settlement.
- The impression that, during the pandemic, services have been “non-existent” and shut down, hence why should we pay more.
- Comments that road surfaces and flood protection measures are poor.
- An underlying theme appears to be a lack of clarity of where the money is being spent, especially over the past year. To many, it is felt that most services stopped being provided when the pandemic lockdowns started.

#### An overview of those who responded

The biggest response to the survey was from residents of Caldicot, who made up 36.4%, followed by Magor & Undy, at 16.49%. The age groups that responded most were 35-44 (21.6%), followed by 45-54 (21.3%) and 55-64 (18.2%). Those aged over 75 made up 4.46% of those who responded. 46.39% of residents who responded stated that they were Welsh, with 26.1% describing themselves as British. 48.4% of respondents were male. 13.05% of residents who responded stated that they had a disability as described by the Equality Act 2010.

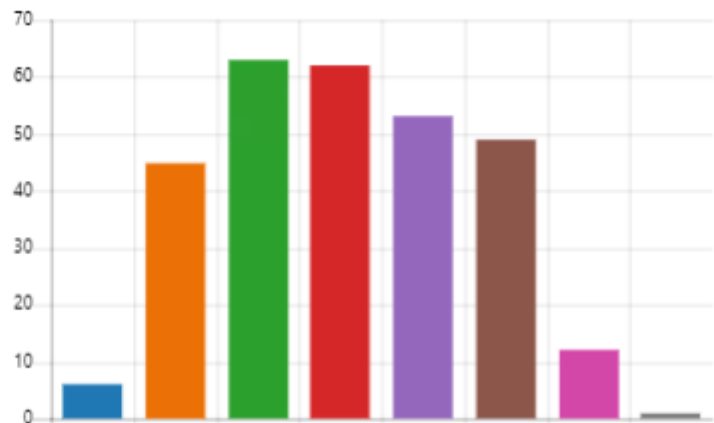
Where do you live (please state nearest town or village)

Abergavenny	30
Caldicot	106
Chepstow	36
Gilwern	6
Magor & Undy	48
Monmouth	20
Raglan	7
Tintern	4
Usk	14
Other	20



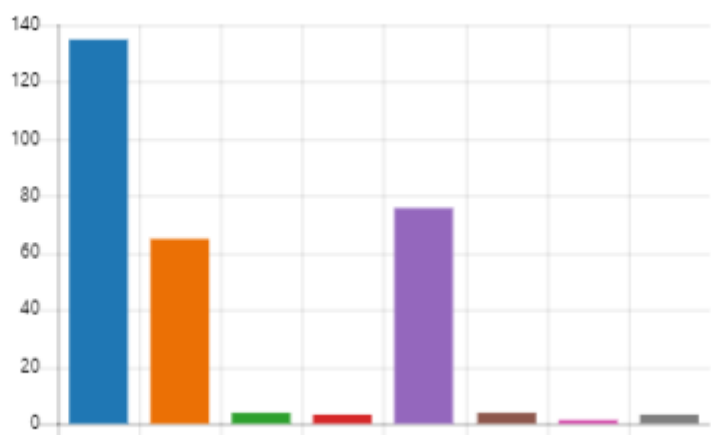
### What age group do you fall within?

16-24	6
25-34	45
35-44	63
45-54	62
55-64	53
65-74	49
75-84	12
85+	1



### Nationality

Welsh	135
English	65
Scottish	4
Irish	3
British	76
EU Citizen	4
Non-EU Citizen	1
Other	3



### What gender do you identify as?

Female	134
Male	141
Non-binary	2
Prefer not to say	14



Disability is defined by the Equality Act 2010 as: A physical or mental impairment, which has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities. The disability could be physical, sensory or mental and must be expected to last at least 12 months. Do you consider yourself to have a disability as defined by the Equality Act?

Yes	38
No	253



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## Welsh Local Government Revenue Settlement 2021-2022

Provisional

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

£'000s

Unitary Authority	2020-21 final Aggregate External Finance*	2021-22 provisional Aggregate External Finance	Percentage difference	Rank
Isle of Anglesey	101,369	104,825	3.4%	18
Gwynedd	188,409	194,793	3.4%	19
Conwy	161,181	166,906	3.6%	17
Denbighshire	153,089	158,632	3.6%	16
Flintshire	199,267	206,778	3.8%	14
Wrexham	184,569	188,856	2.3%	21
Powys	184,554	191,897	4.0%	8
Ceredigion	107,545	109,658	2.0%	22
Pembrokeshire	172,502	179,387	4.0%	7
Carmarthenshire	274,355	284,820	3.8%	13
Swansea	339,445	352,642	3.9%	10
Neath Port Talbot	227,198	236,680	4.2%	6
Bridgend	203,540	212,192	4.3%	5
The Vale of Glamorgan	160,455	168,316	4.9%	2
Rhondda Cynon Taf	389,403	404,375	3.8%	11
Merthyr Tydfil	96,973	101,476	4.6%	3
Caerphilly	283,708	292,367	3.1%	20
Blaenau Gwent	116,112	120,361	3.7%	15
Torfaen	140,308	146,340	4.3%	4
Monmouthshire	97,673	101,483	3.9%	9
Newport	228,000	240,796	5.6%	1
Cardiff	469,913	487,913	3.8%	12
<b>Total unitary authorities</b>	<b>4,479,570</b>	<b>4,651,494</b>	<b>3.8%</b>	

**Table 1c: Aggregate External Finance (AEF) per capita, by Unitary Authority, 2021-22**

<b>Unitary Authority</b>	<b>2021-22 provisional Aggregate External Finance (£'000s)</b>	<b>Provisional Aggregate External Finance per capita (£)*</b>	<b>Rank</b>
Isle of Anglesey	104,825	1,500	12
Gwynedd	194,793	1,559	8
Conwy	166,906	1,414	17
Denbighshire	158,632	1,655	4
Flintshire	206,778	1,318	20
Wrexham	188,856	1,382	18
Powys	191,897	1,449	13
Ceredigion	109,658	1,534	10
Pembrokeshire	179,387	1,424	15
Carmarthenshire	284,820	1,507	11
Swansea	352,642	1,419	16
Neath Port Talbot	236,680	1,644	5
Bridgend	212,192	1,442	14
The Vale of Glamorgan	168,316	1,249	21
Rhondda Cynon Taf	404,375	1,670	3
Merthyr Tydfil	101,476	1,670	2
Caerphilly	292,367	1,608	6
Blaenau Gwent	120,361	1,730	1
Torfaen	146,340	1,559	7
<b>Monmouthshire</b>	<b>101,483</b>	<b>1,067</b>	<b>22</b>
Newport	240,796	1,534	9
Cardiff	487,913	1,329	19
<b>Total unitary authorities</b>	<b>4,651,494</b>	<b>1,471</b>	

\* Based upon the 2018 LA based 2021 Population projections





**monmouthshire**  
**sir fynwy**

Cyngor Sir Fynwy  
Neuadd y Sir, Y Rhadyr,  
Brynbuga, Sir Fynwy  
NP15 1GA  
Monmouthshire County Council  
County Hall, Y Rhadyr, Usk,  
Monmouthshire  
NP15 1GA

Ffôn/Tel: 01633 644 644  
Web/Gwefan: [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk)  
Ein Cyt/Our ref:  
Eich Cyt/Your ref:

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

CF10 3NQ

Dear Mr Edwards,

**Re: Local Government Provisional Settlement 2021/22**

Thank you for the opportunity to comment on the Provisional Settlement announced on 22<sup>nd</sup> December 2020.

Cabinet released its draft budget proposals out for public consultation and scrutiny on 20<sup>th</sup> January 2021 for a four-week period. At the meeting Cabinet endorsed this response to the provisional settlement and that provides the views of members.

Given the current pandemic and the restrictions that remain in place the Council will be looking to engage with key stakeholders and the public through its website, social media and via virtual budget consultation events.

In terms of the settlement itself it was welcome news to find that the Council has received confirmation from Welsh Government that it will receive a 3.9% increase in its core funding next year, ahead of the 3.8% average for Wales and where councils across Wales had settlements ranging from increases of between 2.0% and 5.6%.

It was pleasing to note that the role of local government in this extraordinary year has been recognised by Welsh Government. The Council's services continue to be under continued and increasing pressure, even beyond the cost increases and income shortfalls resulting from the pandemic. The above average increase will at the very least give the Council some additional flexibility to respond to the unprecedented strain on the Council's finances and the choices it makes when setting the budget for next year.

One notable aspect of concern in the settlement announcement is the position being taken by Welsh Government with regards to pay awards. A significant question mark still arises over the pressures that will arise for pay awards and in the context of the Chancellors Spending Review Statement on the 25 November. This leaves the Council in a difficult position and at the behest of the pay awarding bodies for teachers

and local government staff and that could result in further pressures falling on the Council to fund. Given the current financial challenges this is not acceptable and we call for Welsh Government to make available further in-year funding if the pay awards are ahead of expectations set by the Chancellor.

Alongside the settlement announcement and the COVID funding that the Council has successfully claimed this year already it is vital that further COVID related costs and income losses are funded by Welsh Government. Both for the remainder of this financial year and through 2021/22. Without such funding the Council will again be left in a position of having to take hard and difficult decisions and regardless of the good news offered by the provisional settlement.

Whilst it is understandable given the global and national economic uncertainty at this time, and that UK Government has only allowed Welsh Government to provide a one year funding outlook, this will continue to make medium-term financial planning difficult.

We hope that this above average increase is not short lived and given that the Council has historically and to date been the worst funded Council in Wales. In fact, the Council remains firmly rooted to the bottom of the table for the amount of funding per head of population it receives from Welsh Government.

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 Welsh 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.

Turning to specific grant funding support we ask that Welsh Government provide early notification of grant awards to assist budget planning for next year. Furthermore, and given the extraordinary challenges brought about by the pandemic, the Council asks Welsh Government to give consideration to allow local authorities the flexibility to carry forward unspent grant allocations. Councils across Wales have had to focus on the emergency response to the pandemic and ensuring that vital services are maintained. The natural consequence of this is that capacity and resources are stretched which impacts on delivery of Welsh Government and the Council's policy objectives that are funded from specific grants.

Monmouthshire also 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 there is concern that local authorities have not benefitted from the significant investment in capital and infrastructure announced by UK Government as part of the spending review. It is also a concern that many capital grant funding streams are provided through specific grant funding streams rather than increases in General Capital Funding. We urge Welsh Government to give consideration to a fairer capital settlement for local authorities in Wales and to afford local authorities with the flexibility that would be given through increases in General Capital Funding rather than

specific grants. The need to invest in priority areas such as 21<sup>st</sup> Century Schools, climate emergency, homelessness provision, waste management and infrastructure remains high, with WG support remaining a critical success factor.

Despite the welcome news that came with the provisional settlement the future funding prognosis remains of real concern and given that the expectations and demands on local council services are continuing to grow. Councils will face difficult decisions in managing budget pressures next year if they are not adequately funded for COVID related costs and income losses.

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.

As Wales as a nation comes out of the pandemic and thoughts turn to recovery 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**

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## WELSH LOCAL GOVERNMENT SETTLEMENT 2021-22

### Provisional Revenue - Indicative Estimates

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

Portfolio and Grant Name	2020-21 (£000)	2021-22 (£000)
<b>Education</b>		
Regional Consortia School Improvement Grant <sup>1</sup>	148,211	148,211
Pupil Development Grant	103,000	103,000
Sixth Form Provision	95,722	95,722
PDG Access <sup>2</sup>	10,454	10,454
Youth Support	10,056	10,056
Transition support for Minority Ethnic and Gypsy, Roma, Traveller learners <sup>2</sup>	10,000	11,000
Additional Learning Needs <sup>2</sup>	7,155	7,155
Reducing Infant Class Sizes Grant - Revenue	6,000	6,000
Local Authority Post-16 Education Provision 2020-21 – Adult Learning Provision	4,915	4,915
Teachers Pay	3,981	RSG
Additional Learning Needs Transformation Fund	3,578	3,200
Small and Rural Schools Grant	2,500	2,500
Whole School Approach to Wellbeing	2,000	2,000
A Healthy and Nutritious Breakfast	835	TBC
SEREN	827	526
Elective Home Education <sup>2</sup>	400	400
<b>TOTAL</b>	<b>409,635</b>	<b>405,139</b>
<b>Housing and Local Government</b>		
Children and Communities Grant <sup>3</sup>	137,742	135,442
Housing Support Grant	123,688	123,688
Cardiff Capital Region City Deal <sup>4</sup>	10,000	0
Cardiff Harbour Authority	5,223	5,223
Affordable Housing Grant	2,515	2,515
Digital Transformation Fund	1,500	1,500
Electoral Reform Support <sup>5</sup>	1,100	0
Child Burials	600	600
EFAS 2020 Flooding	432	TBC
Armed Forces Liaison Officer Grant	250	275
South Wales Regional Aggregate Working Party (RAWP)	50	50
Waste Planning Monitoring Report - North Wales and South East Wales	48	48
Rural Housing Enabler	44	TBC
North Wales Regional Aggregate Working Party (RAWP)	25	25
Waste Planning Monitoring Report - South West Wales	16	16
Armed Forces Day <sup>6</sup>	0	20
<b>TOTAL</b>	<b>283,233</b>	<b>269,402</b>
<b>Health and Social Services</b>		
Childcare Offer- Childcare Costs	73,455	60,000
Social Care Workforce Grant	40,000	50,000
Transformation Fund	15,866	12,699
Childcare Offer- Administration Grant	3,500	3,500
Family Justice	3,000	TBC
Adoption Services	2,300	2,300
Family group conferencing – pump priming	2,200	TBC
Early Years Integration Transformation Programme	1,686	TBC

Intervention fund for supporting child and family well-being to safely divert cases from child protection registration	1,600	TBC
Childcare Offer- Additional Support grant	1,350	1,500
Transformation Programme	1,230	1,230
Care Leavers hardship fund	1,000	TBC
National Approach to Statutory Advocacy for Children and Young People	550	550
National Fostering Framework	320	320
Capacity Building Funding for Local Authorities - to support the implementation of the new Performance and Improvement Framework	220	220
Young Carers ID card	200	200
Maintaining the Delivery of the Wales Adoption Register	182	182
Wales Community Care Information System (WCCIS) - top up	150	TBC
Funding to support the placement of UASC	80	80
Supporting Safeguarding Boards to deliver training for the implementation of Welsh Government policy and legislation	60	60
Residential care homes for Children - task and finish group	50	50
Contact Services	21	4
Review of National Minimum Allowance for Registered Foster Carers in Wales 20-21 <sup>5</sup>	10	0
Review of the Local Authority Performance Management Framework Grant	6	6
<b>TOTAL</b>	<b>149,036</b>	<b>132,900</b>

### **Environment, Energy and Rural Affairs**

Sustainable Waste Management Grant	17,400	16,400
Food and Residual Waste Treatment Gate Fee Support	13,300	13,300
Coastal Risk Management Programme <sup>7</sup>	3,074	5,683
Flood and Coastal Erosion Risk Management	2,610	TBC
Enabling Natural Resources and Well-being in Wales Grant (ENRaW)	433	494
Implementation of measures to tackle nitrogen dioxide emissions	418	373
Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction <sup>5</sup>	210	0
Local Authority Animal Health and Welfare Framework Funding	200	200
Welfare of Horses <sup>5</sup>	107	0
Smart Living Initiative	80	TBC
Non-domestic (Business) Rates Support for Hydropower <sup>5</sup>	9	0
<b>TOTAL</b>	<b>37,842</b>	<b>36,451</b>

### **Economy and Transport**

Free Concessionary Bus travel	31,172	60,133
Bus Revenue Support - Traws Cymru	3,238	4,367
Arfor innovation Fund	1,000	TBC
Road Safety Grant	950	2,000
Anglesey Airport - Operation & Maintenance	800	800
LA Grant Fund for Cyber Improvement <sup>5</sup>	248	0
Funding to improve Cyber Resilience <sup>5</sup>	100	0
Public Sector Certified Cyber Training Scheme Grant Fund <sup>5</sup>	150	0
Bus Services Support Grant	25	25
Mid Wales Applied Research & Innovation Study <sup>5</sup>	25	0
Penrhos Feasibility Study <sup>5</sup>	25	0
Nemesis Bioscience Welsh Phage Project <sup>5</sup>	10	0
Accelerator Programme <sup>5</sup>	9	0
Youth Discounted Travel Scheme (My Travel Pass)	2	2
<b>TOTAL</b>	<b>37,754</b>	<b>67,327</b>

### **Mental Health, Wellbeing and Welsh Language**

Substance Misuse Action Fund	26,488	25,063
Complex Needs Funding - Substance Misuse and Mental Health <sup>5</sup>	881	0

Promote and Faciliate the use of the Welsh Language	374	374
Deprivation of Liberty Safeguards (DoLS)	263	263
Drug & Alcohol Initiatives Naloxone Programme	160	80
Major Events Unit Grants Scheme <sup>6</sup>	0	15
<b>TOTAL</b>	<b>28,166</b>	<b>25,795</b>

#### **Finance and Trefnydd**

Retail, Leisure and Hospitality Rates Relief Scheme	27,700	27,700
<b>TOTAL</b>	<b>27,700</b>	<b>27,700</b>

#### **Deputy Minister and Chief Whip**

Violence against Women, Domestic Abuse & Sexual Violence Grant (Core & Perpetrator element)	1,699	1,699
Period Dignity in Schools	1,140	1,140
Community Cohesion Grant	1,120	360
Period Dignity in Communities	220	220
<b>TOTAL</b>	<b>4,179</b>	<b>3,419</b>

#### **Culture, Sport and Tourism**

MALD strategic grants, including Fusion	208	208
Specialist Service Grants	25	25
<b>TOTAL</b>	<b>233</b>	<b>233</b>

<b>All Grants</b>	<b>977,776</b>	<b>968,366</b>
<b>All Grants excluding TBC and RSG transfers (for like-for like comparison)</b>	<b>958,013</b>	<b>968,366</b>

- i The information shown above details the total amount of each grant. Some grants may be split between local authorities
- ii It is important to note that amounts for future years are indicative at this stage and are liable to change.
- iii Formal notification of grant allocations is a matter for the relevant policy area.

TBC= To be confirmed

RSG = funding transferring to Revenue Support Grant

<sup>1</sup> Includes programmes: EIG, Raising School Standards, Pioneer Schools, Assessment for Learning, Welsh Language

<sup>2</sup> Programmes are part of the Local Authority Education Grant

<sup>3</sup> Includes programmes: Childcare & Play, Communities for Work Plus, Families First, Flying start, Legacy Fund, promoting

<sup>4</sup> This will be a Capital Grant in 2021-22

<sup>5</sup> Grant ending in 2020-21

<sup>6</sup> Funding suspended for 2020-21 due to COVID 19

<sup>7</sup> £1.15m being transferred to RSG in 2021-22

#### **COVID 19 Grants**

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

<b>Portfolio and Grant Name</b>	<b>2020-21 (£000)</b>	<b>2021-22 (£000)</b>
<b><u>Housing and Local Government</u></b>		
Local Government Single Emergency Hardship fund	510,859	0
Local Government COVID19 Council Tax Reduction	11,000	0
Transforming Towns and Covid Recovery Revenue Funding	550	0
COVID19 Local Resilience Forum Crisis Funding	550	0
<b>TOTAL</b>	<b>522,959</b>	<b>0</b>
<b><u>Finance and Trefnydd</u></b>		
COVID19 - Retail, Leisure and Hospitality Rates Relief Scheme	332,000	TBC

<b>TOTAL</b>	<b>332,000</b>	<b>0</b>
<b><u>Economy and Transport</u></b>		
Bus Emergency Support	72,696	TBC
<b>TOTAL</b>	<b>72,696</b>	<b>0</b>
<b><u>Health and Social Services</u></b>		
Support for Social Care Workforce	40,464	0
Childcare Provider Grant	4,500	0
Child Development Fund	3,500	0
Promote Family Stability and Relationship Quality	800	TBC
Early Year Integration Transformation Programme - New Pathfinders	120	TBC
<b>TOTAL</b>	<b>49,384</b>	<b>0</b>
<b><u>Education</u></b>		
Accelerated Learning Programme (ALP)	16,588	11,849
Local Authority Post-16 Education Provision 2020-21 Recruit, Recover, Raise Standards: Accelerating Learning Programme.	4,187	TBC
Face Covering	1,885	0
Safe Operation of Schools (cleaning materials)	729	0
<b>TOTAL</b>	<b>23,389</b>	<b>11,849</b>
<b><u>Environment, Energy and Rural Affairs</u></b>		
Green Recovery Circular Economy Revenue Fund	5,500	0
Smart Living COVID reconstruction challenges	385	0
<b>TOTAL</b>	<b>5,885</b>	<b>0</b>
<b><u>Culture, Sport and Tourism</u></b>		
Local Government Cultural Service Fund	2,700	0
Cultural Resilience Fund	700	TBC
<b>TOTAL</b>	<b>3,400</b>	<b>0</b>
<b><u>Deputy Minister and Chief Whip</u></b>		
Violence against Women, Domestic Abuse & Sexual Violence Grant- Needs Based Covid 19 element	1,035	1,035
<b>TOTAL</b>	<b>1,035</b>	<b>1,035</b>
<b>All Grants</b>	<b>1,010,748</b>	<b>12,884</b>
<b>All Grants excluding TBC (for like-for like comparison)</b>	<b>596,432</b>	<b>12,884</b>

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

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

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

TBC= To be confirmed



Ref	Pressure/Saving by Directorate	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
CYP	Children & Young People	1,469	84	<b>1,554</b>	<b>(1,510)</b>	0	<b>(1,510)</b>
SCH	Social Care & Health	2,979	91	<b>3,070</b>	<b>(326)</b>	<b>(548)</b>	<b>(874)</b>
ENT	Enterprise	4,107	<b>(651)</b>	<b>3,456</b>	<b>(925)</b>	4	<b>(921)</b>
CEO	Chief Executives Unit	195	91	<b>286</b>	<b>(32)</b>	0	<b>(32)</b>
RES	Resources	756	0	<b>756</b>	<b>(165)</b>	0	<b>(165)</b>
CORP	Corporate Costs & Levies	520	625	<b>1,145</b>	<b>(1,000)</b>	<b>(508)</b>	<b>(1,508)</b>
APP	Appropriations	44	0	<b>44</b>	275	0	<b>275</b>
FIN	Financing	0	0	<b>0</b>	0	0	<b>0</b>
	<b>Totals</b>	<b>10,071</b>	<b>240</b>	<b>10,310</b>	<b>(3,682)</b>	<b>(1,052)</b>	<b>(4,734)</b>

Ref	Children & Young People	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
CYP1	ALN recoupment income (Mounton House)	304		<b>304</b>			
CYP1	ALN - Independent schools	58		<b>58</b>			
CYP1	ALN - Other LA's	130		<b>130</b>			
CYP1	ALN - School action plus	495		<b>495</b>			
CYP1	Additional recoupment income - mainstream			<b>0</b>	<b>(252)</b>		<b>(252)</b>
Report to Cabinet Sep 2019	Mounton House closure impact on ISB			<b>0</b>	<b>(1,258)</b>		<b>(1,258)</b>
Report to Cabinet Sep 2019	Mounton House closure impact on ISB - Inclusion Centres	269		<b>269</b>			
Report to Cabinet Sep 2019	Mounton House closure impact on ISB - Placement costs	118		<b>118</b>			
CYP2	Mounton House related Cost pressure - Education Psychology	75		<b>75</b>			
CYP2	Mounton House related Cost pressure - Early years	21		<b>21</b>			
	Primary PRU and behaviour support		84	<b>84</b>			
	<b>CYP Totals</b>	<b>1,469</b>	<b>84</b>	<b>1,554</b>	<b>(1,510)</b>	<b>0</b>	<b>(1,510)</b>

Ref	Social Care, Health & Safeguarding	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
SCHACC 21.22	Additional in year 1.75% pay award	346		<b>346</b>			
SCHACC 21.22	Unachievable 2% staff efficiency saving	242		<b>242</b>			
SCHACC 21.22	CS 2% staff efficiency	100		<b>100</b>			
SCHACC 21.22	SCH Safeguarding team recruitment & training (20/21 capitalisation directive)	45		<b>45</b>			
SCHCS 21.22	Month 7 Pressure - Childrens	1,460		<b>1,460</b>			

SCHFEES 21.22	Provider fees	536		<b>536</b>			
SCHUSK 21.22	Month 7 pressure - Increase in care packages (Radis Usk)	250		<b>250</b>			
	Inclusion of the sleep-in allowance in the calculation of holiday pay		60	<b>60</b>			
	WCCIS care management package		31	<b>31</b>			
SCHF&C 21.22	Fees & Charges 2021/22				(79)		(79)
Full cost briefing note	Increase in SCWD grant				(247)		(247)
Full cost briefing note	Removal of TWUD base budget					(548)	(548)
	<b>SCH Totals</b>	<b>2,979</b>	<b>91</b>	<b>3,070</b>	<b>(326)</b>	<b>(548)</b>	<b>(874)</b>

Ref	Enterprise & Monlife	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
PENT0001	FACFLEET - PTU Commissioning - Additional pupils and catchment change consequences	366		<b>366</b>			
PENT0001	FACFLEET - PTU Operations - Recurring staffing pressure, service expansion and consequence of contract handback	327		<b>327</b>			
PENT0001	FACFLEET - PTU - Private Hire income shortfall - total loss £324k, £100k related to covid.	224		<b>224</b>			
PENT0002	FACFLEET - Catering - Catering Staff Resources Supervisor (fully funded 20-21, needs funding in 21-22 onwards) & re-structure costs.	48		<b>48</b>			
PENT0002A	FACFLEET - Catering - Increase in Free School Meal Entitlement (primary only) and consequential loss of school meal income	36		<b>36</b>			
PENT0003	FACFLEET - Transport - Increased premises costs & additional staff resource to enable transport review.	73		<b>73</b>			
PENT0004	PLANHOUS - Car Parking - Business Rates increase	21		<b>21</b>			
PENT0005	PLANHOUS - Planning income pressures	200		<b>200</b>			
PENT0005	PLANHOUS - Staff Saving - 20-21 Staff Restructure Savings (£11,950) + £50k LDP senior officer saving, frozen until 23/24.				(62)		(62)
PENT0006	PLANHOUS- Homelessness - Increased costs due to change in WG policy	875	(651)	<b>224</b>			
PENT0007	MONLIFE - Shirehall income loss	70		<b>70</b>			
PENT0009	MONLIFE - Unachievable Vacancy Factor Frontline Services	106		<b>106</b>			
PENT0010	MONLIFE - Unbudgeted 20-21 Pay award	124		<b>124</b>			
PENT0011	MONLIFE - Contract & Energy Inflation	53		<b>53</b>			
PENT0012	NEIGHBOURHOOD - Waste - Additional budget requirement due to recurring pressures.	1,435		<b>1,435</b>			
PENT0012	NEIGHBOURHOOD - Waste - Service Savings				(685)		(685)
PENT0012	NEIGHBOURHOOD - Grounds Maintenance - Remove Sweeper & Staff savings				(65)		(65)
PENT0013	PLANHOUS & ENT - Project Manager resource *2, Business manager resource *1	149		<b>149</b>			

ENT0001	MONLIFE - Removal of Events Co-ordinator Post				(29)	4	(25)
ENT0003	MONLIFE - Introduce Car Parking Charges at Caldicot Castle				(20)		(20)
ENT0004	Increase in discretionary Fees & Charges				(64)		(64)
	<b>ENT Totals</b>	<b>4,107</b>	<b>(651)</b>	<b>3,456</b>	<b>(925)</b>	<b>4</b>	<b>(921)</b>

Ref	Chief Executive's Unit	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
PCEO0001	LEGALLAND - Land charges - income pressure.	40		<b>40</b>			
PCEO0001	LEGALLAND - Legal - External Income Pressure	40		<b>40</b>			
PCEO0002	GOVDEMSUP - Welsh Translation - increase in costs	22		<b>22</b>			
PCEO0003	GOVDEMSUP - Contact Centre - Restructure savings pressure	60		<b>60</b>			
PCEO0003	GOVDEMSUP - Contact Centre - Additional staff to cope with booking system at HWRC	33		<b>33</b>			
	COVID Recovery Resilience		91	<b>91</b>			
CEO003	GOVDEMSUP - Members Supplies & Services				(15)		(15)
CEO003	GOVDEMSUP - Staff Vacancy Saving				(17)		(17)
	<b>CEO Totals</b>	<b>195</b>	<b>91</b>	<b>286</b>	<b>(32)</b>	<b>0</b>	<b>(32)</b>

Ref	Resources	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
PRES0002	CORPLLORD - Estates Development Company Income Pressure	100		<b>100</b>			
PRES0002	CORPLLORD - Estates - Commercial income increase, not achieved in 20-21	200		<b>200</b>			
PRES0002	CORPLLORD - Cemeteries - Income pressure	31		<b>31</b>			
RES0002	CORPLLORD - Property Accommodation Savings.				(50)		(50)
RES0003	FUTUREMON - Mileage & Agency savings	112		<b>112</b>			
RES0003	FUTUREMON - Mileage Savings				(71)		(71)
RES0003	FUTUREMON - Staff Secondment Savings				(44)		(44)
PRES004	ICT - Increase in SRS Contribution	99		<b>99</b>			
PRES0005	PEOPLE - HR & Payroll Staff Pressure	113		<b>113</b>			
PRES0005	PEOPLE - Training income pressure	50		<b>50</b>			
PRES0005	PEOPLE - E-recruit & Onboarding Software	51		<b>51</b>			
	<b>RES Totals</b>	<b>756</b>	<b>0</b>	<b>756</b>	<b>(165)</b>	<b>0</b>	<b>(165)</b>

Ref	Corporate	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
Full cost briefing note	Insurance premium	131		<b>131</b>			
Full cost briefing note	Fire Authority precept	162	14	<b>176</b>			

Full cost briefing note	Pension strain costs	151		<b>151</b>			
Full cost briefing note	Digital Investment	0	300	<b>300</b>			
Full cost briefing note	Procurement SLA	0	208	<b>208</b>			
Full cost briefing note	Coroner levy	30		<b>30</b>			
Full cost briefing note	Crematorium distribution reduction	46		<b>46</b>			
	Apprenticeship NLW Foundation rate		103	<b>103</b>			
Full cost briefing note	Capitalisation directive				(1,000)	(508)	<b>(1,508)</b>
	<b>CORP Totals</b>	<b>520</b>	<b>625</b>	<b>1,145</b>	<b>(1,000)</b>	<b>(508)</b>	<b>(1,508)</b>

Ref	Appropriations	Draft Pressure £000	Move ment	Final Pressure £000	Draft Saving £000	Movem ent	Final Saving £000
Full cost briefing note	Additional borrowing in respect of Future schools tranche A, DFGs, and sewer plants	44		<b>44</b>			
Full cost briefing note	Net Minimum Revenue Provision (MRP) increase based on additional activity				275		<b>275</b>
	<b>APP Totals</b>	<b>44</b>	<b>0</b>	<b>44</b>	<b>275</b>	<b>0</b>	<b>275</b>

## Inclusion of the sleep-in allowance in the calculation of holiday pay

### Background

In 2020, a query was raised as to whether the sleep in allowance payment should be included in the calculation of holiday pay. Further to legal advice, it was established that holiday pay **should** include the amount paid by way of a sleep in allowance and the corresponding Employing People and Contracts Guidance for Managers was updated accordingly.

However, the following points of detail remain outstanding:

1. Should the inclusion of the sleep-in allowance in the calculation of holiday pay be applied to 4 weeks, the statutory minimum of 5.6 weeks or the full MCC holiday entitlement?
2. Should a period of pack pay be applied?

### **POINT 1**

- ACAS guidance

If you regularly get paid overtime, commission or bonuses, your employer must include these payments in at least 4 weeks of your paid holiday.

- MCC in house legal advice

“Whether to pay holiday pay for the additional 1.6 weeks and any additional contractual entitlement at the rate which includes the sleep in allowance is a matter of contractual entitlement pursuant to the employees contracts of employment.

I checked what my contract of employment said in this regard but it doesn't say anything as to how holiday pay will be calculated (that omission may be in breach of the statutory obligation to provide written particulars of employment which obligation extends to providing sufficient information as to how holiday pay will be calculated) so I assume all MCC contracts of employment are similarly silent on the point.

That makes it very difficult to know whether all holiday pay will be calculated to include allowances or just the first 20 days.

It is possible that by custom and practice MCC do pay employees holiday pay at a rate which includes allowances or regular overtime amounts throughout the holiday entitlement and not just for the first 20 days. If that is the case then it is probably an implied term of the contracts of employment that such additional payments will be included.”

- MCC HR advice

The inclusion of the sleep in allowance in the calculation of holiday pay, should apply to the full MCC entitlement. If it is deemed that this should also apply to the statutory minimum or full MCC entitlement, it is advisable to consider:

- Practices across other directorates ensuring equality in pay approach
- Future service delivery models and the impact (particularly financial) of any changes
- The process of how this should be claimed/calculated depending on the outcome agreed

## **OUTCOME**

A decision at SCH DMT was to accept in house Legal and HR advice to include sleep in allowances in the calculation of holiday pay based on the MCC leave entitlement of 5.6 weeks.

**ANNUAL COST PRESSURE      £60,000**

With point 2, it has been agreed to offer any backdated claims going back maximum 2 years. The cost of any backdated payments will go against the Social Care Workforce and Sustainability Grant.

## WCCIS budget pressure

### 1. Background

In 2015 after developing a bespoke in house care management package called FLO/Plant, it was implemented for use.

An all Wales care package system has been developed called WCCIS for use throughout Local Authorities and Health within Wales, which means the operational use of FLO is limited.

Following recent implementation plans, the start date for WCCIS has been delayed but as at January 2021, the earliest achievable go live date would be sometime between September 2022 and March 2023, we are dependent on the Option Appraisal by NWIS for this date.

### 2. Pressure

To ensure Flo/Plant provides us with a robust platform over this time period we will need to commit to the following financial pressures

#### Hardware: SRS

- SRS are responsible for providing us with the servers for FLO/Plant. They are currently going through a server refresh program and although there will be no cost for the servers, consultancy for Ty Du Solutions will be required for the operating system and database, which is included in the pressure below. There will be overtime for the SRS should work be required out of hours we are waiting for accurate costs for this – estimate £1,000

**Software:** Ty Du Solutions – 12 Weeks to 15 Weeks ESTIMATE £25,000 - £30,000

- OS: The operating system on the servers was updated in 2019 to version 16.04.6 LTS (Long term support). This would need to be updated to at least 18.04.5 LTS.
- Database: MySQL will need to be updated and this will mean the ODBC drivers we use for reporting will need to be updated.
- Elastic Search: The search engine will have to be update
- General Maintenance: There are several issues that have not been addressed during 2020/21. If left these could become serious so we will need to address these.

#### Future Development

If any future development is needed, then this will be costed separately.

#### OUTCOME

Ty Du Solutions will not be available until at least April 2021 so the budget pressure for 2021/22 is tabled below

SRS	£1,000
Ty Du Solutions	£30,000
<b>2021/22 COST PRESSURE</b>	<b>£31,000</b>

## 2021/22 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Primary Behaviour Outreach Support	Senior Responsible Officer:	Will Mclean
Your Ref No:	RA	Operational Lead Officer:	Richard Austin

Version No:	1	Directorate:	CYP
Date:	15-01-21	Section:	Inclusion

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**1. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

The Local Authority is proposing to develop local outreach advisory and direct support which would align and link with the Pupil Referral Service "In-reach" in place in Secondary Schools. This would work closely with other services; e.g. EPS, EWS and the Early Help Panel to provide a multi-agency response to school's requests for support where a child is displaying extreme challenging behaviour. This The aim would be to support the maintenance of pupils in their local communities and align with the corporate aim of Building Sustainable Communities.

The aims of the provision would be to-

- provide advice and guidance to schools to enhance capacity of schools
- provide specialist intervention to enable the child to remain engaged with school provision
- provide support and intervention for the school and stabilise the child through a period of crisis
- provide targeted intervention via provision of additional support to school
- provide further strategies/approaches that the school can use
- provide a systemic approach to intervention that supports schools and other professionals to recognise and understand patterns and themes that might occur with the child in school and their wider environment.
- provide support, advice and guidance to school to identify and adapt their approach in cases where ACES might be a feature and therefore trying to address the root cause of the escalating issue
- use recognised assessment processes such as Boxall, Thrive, Iscan, Neale's to identify any presenting issues
- address any adverse childhood experiences which may be having an impact upon child
- wherever possible maintain the child within educational provision within Monmouthshire. However it is recognised that in a few instances specialist provision may be required if it is unlikely that placement can be sustained in school

**2. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

Rates of fixed term exclusion (FTE) from Primary Schools within Monmouthshire are too high and increasing as evidenced in the table below. Three year rolling averages are in brackets

Year	Days lost to FTE	Pupils Affected	Episodes of FTE
15/16	111 ( 71)	22 (21)	67 (44)
16/17	184.5 (112)	29 (24)	95 (67)
17/18	151.5 (149)	49 (33)	112 (91)
18/19	154 (163)	37 (38)	95 (101)
19/20 *	172 (159)	38 (41)	89 (99)

\*These figures are until March 20<sup>th</sup> and would be higher for the full year

In the Estyn inspection 2020, exclusions wasn't an area of focus but reference was made to the rates of exclusion. This remains an area of risk for the Local Authority and needs to be lower by the time Estyn return. Schools require more effective support and challenge to reduce the days lost in the education of vulnerable children. If support and intervention isn't put in place at an early stage then behaviours can escalate and it could result in specialist out county provision being required. (The cost of specialist out of county provision begins at £40,000 plus transport). This proposal would aim to provide earlier intervention and advice and support to schools to improve universal provision in order to reduce the numbers of young people requiring specialist provision. NB this proposal would not eliminate the need for all out county provision requests.

**3. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated. The primary objective of this proposal is to reduce rates of fixed term exclusion and enhance the capacity of primary schools, however if successful potentially there could be budget savings.

This proposal would not necessarily produce savings within the Pupil Referral Service however it could impact upon budget pressures within ALN. If this approach is successful in maintaining children within MCC schools then there could be a reduction in pupils being placed in specialist provision due to the capacity of schools being enhanced. The mandate of £84,206 would be cost neutral if it succeeded in maintaining 2 pupils in mainstream school as opposed to a specialist placement being required.

**Cost of a Headlands placement would be £40,000 plus transport**  
**Cost of a Talocher placement would be £70,000 plus transport -**

Service area		Proposed Cash	Target year
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	Current Budget £'000	Proposed Cash Pressure £'000	Saving £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	Total Budget Change Proposed £'000
PRU	£451,313	£84,206		£84,206				£535,519
ALN	Potential Savings here if specialist placement is not required in primary phase							
PTU	Potential Savings here if specialist placement is not required in primary phase							

4. **External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)
There is currently no external funding opportunities for this provision.		

5. **Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	
Has an initial Wellbeing & Future Generation Assessment being undertaken?	Y	
Will an option appraisal be required?	N	
Will this proposal require any amendments to MCC policy?	N	This proposal will not require any amendments to MCC policy.

6. **Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?
Reduction in pupils being excluded from Primary Provision	Pupils	+ve
Sharing of best practice on a school to school basis to enhance capacity of schools	Staff, Pupils	+ve
Potential reduction in requests for out of county provision	ALN Budget, ALN Officers, Pupils	+ve

7. **Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

<p>There is always an option not to have a service which provides support and intervention. However the ramifications for the Local Authority would be continued high rates of FTE in the primary sector. Potentially pupils would either have to move schools, as a result of exclusion or a managed move and this could incur transport costs.</p> <p>We would not be supporting schools and enhancing their capacities so that whenever this issue arose, more children could experience educational disruption or be required to attend out county specialist provision.</p>
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8. **Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	Y	It will require the appointment via a secondment of a 0.5 FTE member of teaching staff with a 1.0 HLTA and 1.0 TA

Will this project have any legal implication for the authority?	N	
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### 9.Up-front Investment Requirement

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

Any additional capability required	Where will this come from	Any other resource/ business need (non-financial)
Appointed staff will require skills knowledge and experience of providing advice and guidance for schools	There will be training provided for these staff by Principal Officer Inclusion, Principal officer Inclusion ALN and Pupil Referral Service Coordinator	Staff will need supervision, support and mentoring. This will come from Pupil referral Service Coordinator
Staff will require ICT hardware	Pupil Referral Service Budget	Access to relevant drives and MCC networks

9. **Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)
PRU Coordinator	This proposal has been discussed with PRS Coordinator	November 2020
DMT	This proposal has been discussed at CYP DMT	December 2020
Primary Head Teachers	This proposal will need to be discussed with Primary Head Teachers	Spring Term 2020-21

### 10. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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
Decision to exclude rests with the head teacher	Operational	Data as evidenced in supporting data in section 2.	Medium	Principal Officers for Inclusion and ALN to revise guidelines for Primary Head teachers which highlight LA expectations in providing a graduated response to young people who present with challenging behaviour.

### 11. Assumptions

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

Assumption	Reason why assumption is being made (evidence)	Decision Maker
There will be fewer days lost due to FTE in Monmouthshire.	There is currently negligible resources available to provide support and intervention to primary schools. Principal officer Inclusion and Pupil Referral Service Coordinator can provide advice only and they have limited capacity to do so.	Principal Officer Inclusion
There will be fewer applications for out of county provision required as a result of being able to provide earlier support and intervention.	With increased resources being available then earlier intervention can be put in place on a multi-disciplinary basis to provide more effective intervention.	Principal Officer Inclusion

### 12. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2020/21	Target 2021/22	Target 2022/23	Target 2023/24

Process	Reduction in days lost due to FTE in Primary schools	120	100	80	60
	Reduction in numbers of primary aged pupils subject to FTE	30	25	20	15
Customer	Percentage of head teachers who feel that intervention has improved their school's capacity to support pupils displaying challenger behaviour	100%	100%	100%	100%

**13. Additional considerations:**

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services or works?	N	
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	Y	<b>It could if there was a similar teacher post in a neighbouring LA.</b>
Will this project benefit from digital intervention?	Y	<b>Use of digital technology would negate the need for travel in some instances.</b>  <b>For example, professional to professional coaching/planning work would be undertaken via TEAMS which is now established practice in the profession.</b>



## Future Generations Evaluation (Includes Equalities and Sustainability Impact Assessments)

**Richard Austin**  
**Phone no: 07799 034 670**  
**E-mail: Richardaustin@monmouthshire.gov.uk**

### Primary Behaviour Support

The aims of the provision would be to-

- provide advice and guidance to schools to enhance capacity of schools
- provide specialist intervention to enable the child to remain engaged with school provision
- provide support and intervention for the school and stabilise the child through a period of crisis
- provide targeted intervention via provision of additional support to school
- provide further strategies/approaches that the school can use
- use recognised assessment processes such as Boxall, Thrive, Iscan, Neale's to identify any presenting issues
- address any adverse childhood experiences which may be having an impact upon child
- wherever possible maintain the child within educational provision within Monmouthshire. However it is recognised that in a few instances specialist provision may be required if it is unlikely that placement can be sustained in school

**Inclusion Service**

**Date Future Generations Evaluation 20.01.21**

***NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan,***




**Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc**



**1. Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Yes- The approach will use the skills in place in some schools to provide support and interevntion in a strategic approach making use of existing skills and enhancing and developing staff skills in other schools</p>	<p>There will be staff training via school to school work.  Sharing of approaches that have been successful in other schools.</p>
<p><b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Yes- If young people are maintained in their own local school then specialist provision would not be provided. This would entail transport costs and contribute towards CO2 footprint.</p>	
<p><b>A healthier Wales</b> People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Yes- By working in such a way in providing support, the aim would be for staff to have access to advice and guidance from specialists and stress levels would be reduced.  By enhancing the capacity of staff and school and providing effective behaviour support approaches then the young people who are affected by the challenging behaviour would hopefully feel calmer. This would apply to the pupil displaying the behavior and classmates.</p>	<p>Discussion with agencies such as Early Help Panel and Educational Psychology Service to provide a targeted approach to address presenting behaviours on a holistic basis.</p>

<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	Yes - If young people are maintained in their own local school then specialist provision would not be provided and young people will feel part of their community.	
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	N/A	
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Yes- Within the job description an ability to communicate in Welsh will be indicated	
<b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances	This is at the heart of the proposal which aims to support children and young people to achieve their full potential, maintain them within their own community and work on a multi-agency basis to address any underlying issues which may be affecting their behaviour	Discussion with agencies such as Early Help Panel and Educational Psychology Service to provide a targeted approach to address presenting behaviours on a holistic basis.

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Long Term</b></p> <p>Balancing short term need with long term and planning for the future</p>	<p>Yes the proposal provides early intervention and will allow the LA to provide support and intervention in the short term, the aim will be to affect longer term change in schools approaches, thereby enhancing their capacity and also addressing the presenting behaviours in the child and providing them and where necessary support for the family.</p>	
 <p><b>Collaboration</b></p> <p>Working together with other partners to deliver objectives</p>	<p>Yes this proposal provides the opportunity for early intervention on a multi-disciplinary basis.</p> <p>Discussion has taken place with the Family Support Services Manager and CYP Colleagues to establish a cohesive response to requests for help and support.</p>	
 <p><b>Involvement</b></p> <p>Involving those with an interest and seeking their views</p>	<p>Schools as stakeholders have outlined that they need additional support and intervention if they have to address presenting behaviours.</p> <p>The issue has been raised in working parties held between CYP Officers ALN, Inclusion with primary colleagues.</p>	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>This is very much a preventative agenda as too many children are being excluded from schools. The aim is to provide support advice and guidance and maintain young people in their own local school wherever possible.</p>	
 <p><b>Integration</b></p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>By working with Family Support Team, ALN, EPS and EWS, schools will be supported and issues addressed. By working in a multi-disciplinary approach it is hoped that children and families will feel better support and require less intervention from other MCC directorates.</p>	

- 3. Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below. For more detailed information on the protected characteristics, the Equality Act 2010 and the Welsh Language Standards that apply to Monmouthshire Council please follow this link: <http://hub/corporatedocs/Equalities/Forms/AllItems.aspx> or contact Alan Burkitt on 01633 644010 or [alanburkitt@monmouthshire.gov.uk](mailto:alanburkitt@monmouthshire.gov.uk)



<b>Protected Characteristics</b>	<b>Describe any positive impacts your proposal has on the protected characteristic</b>	<b>Describe any negative impacts your proposal has on the protected characteristic</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
Age	This proposal will focus upon primary aged pupils only		
Disability	It will provide advice and guidance and intervention for pupils presenting with challenging behaviour who are categorized as having a disability e.g. ADHD		
Gender reassignment	It will provide advice and guidance for all pupils		
Marriage or civil partnership	N/A		
Pregnancy or maternity	N/A		
Race	It will provide advice and guidance for all pupils		
Religion or Belief	It will provide advice and guidance for all pupils		
Sex	It will provide advice and guidance for all pupils		
Sexual Orientation	It will provide advice and guidance for all pupils		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Welsh Language	It will provide advice and guidance for all pupils		

4. Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance <http://hub/corporatedocs/Democratic%20Services/Safeguarding%20Guidance.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	This proposal will aim to ensure that children are maintained in MCC and be supported in MCC schools who would be fully aware of MCC safeguarding expectations		
Corporate Parenting	This proposal would aim to support all children and would specifically prioritise LAC pupils who are at risk of exclusion		

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

The following evidence has been used to inform the development of the proposal

Rates of fixed term exclusion (FTE) from Primary Schools within Monmouthshire are too high and increasing as evidenced in the table below. Three year rolling averages are in brackets

Year	Days lost to FTE	Pupils Affected	Episodes of FTE
15/16	111 ( 71)	22 (21)	67 (44)
16/17	184.5 (112)	29 (24)	95 (67)
17/18	151.5 (149)	49 (33)	112 (91)
18/19	154 (163)	37 (38)	95 (101)
19/20 *	172 (159)	38 (41)	89 (99)

\*These figures are until March 20<sup>th</sup> and would be higher for the full year

In the Estyn inspection 2020, exclusions wasn't an area of focus but reference was made to the rates of exclusion. This remains an area of risk for the Local Authority and needs to be lower by the time Estyn return. Schools require more effective support and challenge to reduce the days lost in the education of vulnerable children. If support and intervention isn't put in place at an early stage then behaviours can escalate and it could result in specialist out county provision being required. (The cost of specialist out of county provision begins at £40,000 plus transport). This proposal would aim to provide earlier intervention and advice and support to schools to improve universal provision in order to reduce the numbers of young people requiring specialist provision. NB this proposal would not eliminate the need for all out county provision requests.

- SUMMARY:** As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?
- ACTIONS:** As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
Secure agreement for proposal	Spring Term 2021	Principal officer Inclusion	Discussed in DMT Discussed with PRU coordinator Discussed with Family Support Team Manager
Share proposal with focus group of Primary Head teachers	Spring term 2021	Principal officer Inclusion	Meeting to be arranged

**8. MONITORING:** The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	July 2022 (we will have had a full academic year's FTE data)
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**9. VERSION CONTROL:** The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	Draft for consultation with schools	January 2021	

## 2021/22 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Review of Housing Options Team Staff	Senior Responsible Officer:	Mark Hand
Your Ref No:	PENT0006	Operational Lead Officer:	Ian Bakewell
Version No:		Directorate:	Enterprise
Date:	27.11.20	Section:	Housing & Communities

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**14. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

The background to the proposal is the change in Welsh Government homeless policy and the issue of Phase 2 Planning Guidance for Homelessness & Housing Related Support.

The guidance recognises that councils are operating a service within the Covid pandemic and the guidance sets out Welsh Governments expectations of local authorities to transition from the said status of 'crisis' to a new Welsh Government vision of:

- Continue to support those in temporary accommodation and ensuring nobody sleeps or is at risk of sleeping rough
- Prepare a Transition Plan setting out provision of more sustainable accommodation. (The MCC transition plan is in draft and is due to be considered by Cabinet in 2021 following scrutiny by select committee).
- Improve quality and availability of temporary, permanent, semi-permanent and supported accommodation which should be Temporary 'Homes' – not the bare necessity; should be safe & secure and where lives can be re-built
- Welsh Government are introducing policy goals that homelessness should be brief and non-recurring and require Councils to operate a system of Rapid Re-Housing.

Due to the above changes and the type and level of homeless need that the Council is now having to respond to and support, there is a need to review the Councils resources available for homelessness. This includes staffing, accommodation and support.

Key issues includes:

- Inadequate staffing levels necessary to react quickly, work pro-actively and plan eg visiting applicants and attending accommodation; developing new initiatives etc
- The ability to appropriately accommodate and support young people appropriately eg there is no accommodation for high needs young people resulting in the need use B & B or place in shared housing with adults. This can create management issues with wider impacts on neighbours and the Police.
- The ability to appropriately accommodate and support those with multiple needs such as substance misuse, mental health etc. This can create management issues which can also impact on neighbours and the Police
- Excessive use of B & B, which is resulting in over-spending.
- An outdated Housing Support Grant programme that isn't due to be fully re-commissioned until April 2023.

**15. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

**2020/2021 homeless service demand:**

Total Q3 Homeless Presentations – 639 (the number is slightly higher than last year but the number of these needing accommodation has increased significantly)

- Of these, young person presentations:
  - 16/17 year olds – 12 presentations
  - 18-24 year olds – 102 140 presentations
- 305 open cases (the level of open cases impacts on the ability to pro-actively prevent)

At 31.12.20 the Council had implemented an unprecedented 364 offers of accommodation to applicants (13 per week)

Numbers in temporary accommodation and needing moving on to alternative temporary accommodation or permanent – 123 households at 31.12.20, of which 100 are single people. Includes:

- 66 applicants in B & B . This includes
  - 56 singles
  - 7 couples
  - 3 families
- 15 families in temporary accommodation- 5 in B & B
- Young People 1-24 in temporary accommodation (not including Solas)
  - 16 in B & B; 1 PSL; 11 shared 1 x 16/17 year olds and 25 x 18-24 year olds and 1 17 year old within a couple
  - Pending – 4 (includes 1 x 16/17 year old)
- The number of applicants with mental health needs is considerable and significant. It is considered approx 80% have mental health issues
- 

The level of housing associations voids is extremely low at present due to Covid, which is impacting on the Council's ability to move people on.

Welsh Government Phase 2 Guidance requires the Council to provide self-contained homeless accommodation and have issued accommodation standards. A key part of the available homeless accommodation doesn't meet this standard.

- The Council's current family hostel is shared x 5 units
- The Council's main provision for single people is shared housing
- Some of Solas's young person's accommodation

**Homelessness - Additional budget Requirements**

**Additional Leasing**

£

· 8 x 1 Bed units of temp accomm – low need (south)	11,683
· 6 x units of emergency family accomm (north)	9,000
· 5 x units Norman Court	12,000

**Total additional Leasing Cost**

**£32,683**

**\* This will reduce the number of people having to stay in B&B**

**B&B Accommodation**

\* Currently housing 70 residents - if we assume 13 of the additional leased units will help reduce this requirement to 57.

Current average daily cost of B&B accommodation

£58

Total cost per night based on 57 residents

£3,306

**Estimated annual outgoing (if numbers remain constant)**

**£1,206,690**

Housing Benefit Subsidy @ 66%

-£796,415

<b>Potential Additional Cost</b>		<b>£410,275</b>
Existing Budget Provision for B&B		£22,770
<b>Estimated Accommodation Budget Pressure</b>		<b>£387,505</b>
<b><u>Security @ Hostels</u></b>		
<b>Site</b>	<b>Cost per week</b>	<b>No. of Weeks</b>
Cinderhill Street Hostel - 4 Residents	£2,856	52
George Hotel - 11 Residents	£2,856	52
<b>Total Cost of Security</b>	<b>£5,712</b>	<b>£297,024</b>
<b><u>Additional Staffing Requirement</u></b>		
<b>Post</b>	<b>Band</b>	<b>Total</b>
Snr Accom Officer	I	£52,116
Snr Options Officer	I	£52,116
Accommodation Duty Officer	E	£33,074
Accommodation Assistant	E	£33,074
Accommodation Assistant 0.5	E	£15,975
Homeless Project Officer	F	£36,862
Temporary Accommodation Assistants (B & B)	F	£33,074
Temporary Accommodation Assistants (B & B)	F	£33,074
MLS Negotiator 0.5	H	£22,653
Prevention Officer	F	£36,862
<b>Total</b>		<b>£348,880</b>
Less : Post Deletions & available Grant Funding		-£91,076
<b>Total Staffing Budget Pressure</b>		<b>£257,804</b>
<b>Overall Homelessness Budget Pressure</b>		<b>£975,016</b>

Subsequent to determining the above, Welsh Government have very recently announced homeless funding arrangements for 2021/22, which helps to mitigate against the Council's homeless budget pressure. It is anticipated that the announcement will help to reduce the above pressure as below:

- B & B Expenditure – Welsh Government have confirmed that to ensure continuity of emergency provision, the Council can block book B & B expenditure until 30<sup>th</sup> September 2021 and claim against the Covid-19 Hardship fund. It has been assumed that this will also continue for the remainder of the year. Therefore, it is anticipated that the projected budget pressure of £387,505 can potentially be removed.
- Security – As security is an additional Covid-19 activity and related expenditure, the Council should be able to continue claiming against the Covid-19 Hardship fund. It is anticipated that the projected budget pressure of £297,024 can potentially be removed.
- Staffing – Welsh Government have agreed to fund the two Temporary Accommodation Assistants (B&B) from the Covid-19 Hardship fund until 30<sup>th</sup> September 2021. It has been assumed that this will also continue for the remainder of the year. Therefore, it is anticipated that the projected budget pressure of £257,804 can potentially be reduced.

Therefore, the total reduction for B & B, Security and Staffing is estimated at £750,677.

- **Projected Overall Homeless Budget Pressure £224,339**

**16. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Service area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	
Housing Budget	822							
Homelessness – additional leasing		33			33			33
Homelessness – B&B Accommodation		0			0			0
Homelessness – Security @ Hostels		0			0			0
Homelessness – Additional Staffing		191			191			191
<b>Total Pressure</b>		<b>224</b>			<b>224</b>			<b>224</b>

**17. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)
	Covid Hardship funding has been provided in 20-21 but we do not know if this will continue in 21-22.	
£72,919 (existing funding) Already included in calculations above.	Homeless Prevention Housing Support Grant	This is annual Welsh Government funding that complements MCC GF funding and is being utilised for Housing Options Team staffing and landlord incentives

**18. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Yes	Improving the Council's homeless service aligns fully with the Councils Corporate Plan and contributes to: <ul style="list-style-type: none"> <li>Sustainable &amp; Resilient Communities (vision)</li> <li>Best Possible Start in Life Priority (in respect of the additional support that is proposed for young people with a homeless need)]</li> </ul>



		<ul style="list-style-type: none"> <li>Thriving &amp; Well Connected Community (in respect of the additional support that is proposed for homeless applicants particularly young people and those applicants in higher needs)</li> </ul>
Has an initial Wellbeing & Future Generation Assessment being undertaken?	Yes	Attached
Will an option appraisal be required?	Potentially yes	This will be determined by the service area in question
Will this proposal require any amendments to MCC policy?	Potentially yes	Eg what standard of accommodation does the Council work to

**19. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?
Improved Safeguarding	<p>All applicants</p> <p>Housing Options Team staff making placements and managing placements</p> <p>External agencies accommodating, supporting and managing applicants.</p>	<p>Positive</p> <p>The proposals will facilitate increased support to applicants and increased flexibility around placements</p>
Equalities	Those with protected characteristics eg disabled, will have improved access to homeless related services	Positive
Improved community safety	The community and the Police	Positive

**20. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

The following actions or proposed actions will mitigate against budget pressures:

**Current Actions**

- Utilising Welsh Government Covid Hardship funding eg to fund security/concierge expenditure – **if funding continues into 21-22.**
- On-going Development of Monmouthshire Lettings to encourage private landlords to work with the Council to help avoid the use of B & B
- Liaising with housing associations to provide accommodation that can be used as an alternative to B & B
- Factoring homelessness into the SHG programme to increase the available temporary and permanent accommodation for homelessness, which will mitigate against B & B
- The establishment of a Housing First project which in part seeks to eliminate the need to use the Market Hall for accommodation
- Liaising with Planning in respect of using S106 contributions towards supporting housing association leasing to mitigate against overspends

**Proposed Actions**

- Establishing new young persons accommodation which will reduce the need to use B & B and eliminate the need for security
- Establishing multiple needs accommodation which will reduce the need to use B & B and eliminate the need for security

## 21. Additional Considerations:

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	Yes	Posts listed in workings above.
Will this project have any legal implication for the authority?	Yes	The Council has legal homeless duties under Housing (Wales) Act 2014

## 22. Up-front Investment Requirement

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

Any additional capability required	Where will this come from	Any other resource/ business need (non-financial)
Additional staffing resources are required and set out within this proposal		

**23. Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)
SLT	Briefing on the current situation and proposed Homeless Transition Plan	22.09.20
Informal Cabinet	Briefing on the current situation and proposed Homeless Transition Plan	02.10.20
Cabinet members	Briefing on the current situation and proposed Homeless Transition Plan	On-going
Housing Support Grant Commissioning Team	Briefing on the current situation and proposed Homeless Transition Plan and developing individual initiatives	On going
Welsh Government	Briefing on the current situation and proposed Homeless Transition Plan and developing individual initiatives	On-going
Adults Select Committee	Briefing on the current situation and proposed Homeless Transition Plan	20.10.20
Children's & Young People Select Committee	Briefing on the current situation and proposed Homeless Transition Plan and developing individual initiatives	25.11.20
Melin, Pobl and Monmouthshire Housing Associations	Rapid Housing Protocol; Allocations Policy; Individual accommodation schemes; Housing Support	On-going

## 24. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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
Homelessness may increase after furlough ends and private sector housing regulations relax in April 21	Operational	Unemployment could increase resulting in possible rent arrears and	Medium	Housing & Communities are contacting local lettings agents as an early intervention rather than wait for households to contact MCC
Welsh Government have confirmed that the Council will get additional Housing Support Grant for 2021/22. Although this is positive, any projects will need to meet the eligibility criteria of HSG. don't provide homeless funding in 21/22	Operational	Some existing projects eg B & B Accommodation Assistants and potential new projects may not be eligible for HSG funding	Low	Implementation of Homeless Transition Plan  Exploring or considering other funding sources
Welsh Government hardship funding may ends on 31 <sup>st</sup> March 21	Operational	Costs being attributed to the hardship fund may need to be absorbed by the Council after April 21	Low  WG have indicated that they recognise the need for future Hardship funding and are giving this consideration for 21/22.	Implementation of Homeless Transition plan including liaising closely with HSG Commissioning
B & B's decide not continue to work with MCC accommodating homeless people	Operational	Some B & B's may wish to revert back to tourism	Medium	Developing accommodation proposals  Implementing Monmouthshire Lettings

## 25. Assumptions

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

Assumption	Reason why assumption is being made (evidence)	Decision Maker
The Council will be required by WG to continue accommodating <u>all</u> homeless people	Current WG guidance  On-going policy discussions about eliminating rough sleeping; eliminating youth homelessness; abolishing intentional homelessness; abolishing priority need  WG expectation that no one is evicted to homelessness	Welsh Government
The Council will be required to increase temporary and permanent accommodation; improve the type and quality of the accommodation; increase the type of housing support	Current WG guidance	Welsh Government

Level of accommodation demand will continue into the short to medium. <b>And</b> the level of social housing vacancies will continue to be low	This is the current situation	N/A
The responsibility for the Council to provide good quality and sustainable support for vulnerable and high need applicants will continue	Current WG guidance MCC Corporate Plan	Welsh Government MCC

## 26. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2020/21	Target 2021/22	Target 2022/23	Target 2023/24
Budget	Level of overspend				
Process	No. in B & B; No. of new accommodation units/schemes; No. of new housing support schemes				
Staff	Increase in capacity				
Clients	Customer satisfaction; case studies				

## 27. Additional considerations:

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services or works?	Potentially Yes	
Will this proposal impact on the authority's built assets?	Yes	Conversion of properties if they are acquired
Will this proposal present any collaboration opportunities?	Yes	This mandate is based on collaboration with the following internal and external agencies: <ul style="list-style-type: none"> <li>• Social Services – Children's</li> <li>• Housing Support Grant Commissioning</li> <li>• Planning</li> <li>• Estates</li> <li>• Property Services</li> <li>• Pobl, Melin and Monmouthshire Housing Associations</li> <li>• Llamau</li> <li>• Cyfannol</li> <li>• Welsh Government</li> <li>• Private landlords</li> <li>• Gwent Drug &amp; Alcohol Advisory Service</li> <li>• Community Mental Health Team</li> <li>• ABHB</li> </ul>
Will this project benefit from digital intervention?	Yes	To increase the level of face to face contact with Housing Options Officers when clients make homeless applications.

		There is agreement in principal to establish an arrangement with each of the individual Hubs.
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## **REVENUE BUDGET 2021/22**

### **Full Cost budget adjustment explanations**

In addition to specific service pressure and savings mandates, the budget has the potential to also move year on year due to corporate changes. The following briefing note provides details of those revisions.

### **PRESSURES**

		Draft £000	Movement £000	Final £000
Full cost briefing note	Fire Authority precept	162	14	176

The Council has received final notice from the South Wales Fire & Rescue Authority of their draft precept for next year. This exhibits an average increase in contributions required of 3.54%. The movement between draft and final is due to clarification of population numbers.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Insurance premium	131	0	131

The Insurance premium budget is already under pressure in the current year by £40k. The insurance contract is reviewed annually (every October) to take account of activity changes and premiums have seen increases in Property (£74k increase), Motor (£15k increase) and Liability (£14k) insurance, with minor reductions across other premium areas. For property this is primarily due to the worsening claims experience following the flooding claim at Monmouth leisure centre and the increased value of properties on cover. For Motor it is an increase in the number of vehicles on cover and worsening claims history.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Pension strain costs	151	0	151

Additional pension strain costs relating to redundancies that have been approved to date. Pension strain costs relate to staff who retire before their normal pension age and where the employer is required to top up the pension fund to cover the shortfall in contributions. The exact value of these costs are hard to quantify given the uncertainty over the timing, value and individual pension implications of redundancies, however the above pressure is the minimum that would be incurred based on current known data.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Coroner levy	30	0	30

Staffing pressure relating to the requirement to meet minimum national guidelines has resulted in an increased draft levy.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Crematorium distribution reduction	46	0	46

The estimated dividend distribution is likely to reduce based on the forecast Crematorium budget for 2021/22 and given a challenging operating environment with alternative sites becoming available in Gwent.

		Draft £000	Movement £000	Final £000
Full cost briefing note	MRP in relation to the Additional borrowing in respect of Future schools tranche A, DFGs, and sewer plants	44	0	44

The revenue budget will always require review of corporate financing provisions to ensure they remain accurate. Sale of assets, revisions to capital financing requirement, and changes in activity of the capital programme can all affect the quantum of minimum revenue provision (MRP), Interest payable and Interest receivable. The combined adjustments above are also reflective of the Capital MTFP priorities and their related funding assumptions being considered by members during the budget process.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Fixed asset disposal costs	0	30	30

An analysis of the potential capital receipts forecast over the medium term has identified some consequential costs of disposal that are required in 2021/22 in relation to items such as survey's and professional fees.



		Draft £000	Movement £000	Final £000
Full cost briefing note	COVID Recovery Resilience	0	91	91

As we move into the recovery phase of the pandemic it is important that the Authority has the latitude and flexibility to be able to adapt to the challenges and changes in future demands on its services. It is imperative that future investment is aligned with the Authorities corporate priorities and this budget will enable the Authority to ensure that investment is directed to the appropriate areas.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Digital Investment	0	300	300

£300,000 earmarked investment and that looks to enhance the Council's digital design and innovation and data analytics capabilities. This will be subject to a subsequent report to Cabinet for consideration and approval.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Procurement SLA	0	208	208

Collaboration via a service level agreement with Atebion Solutions (Cardiff Council owned LA Trading Company) .

For mutual benefit, the Councils will collaborate in the discharge and provision of their procurement services which would be delivered by CCC on behalf of both councils, In doing so, MCC would delegate its procurement functions for the three year period under the Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations under s19 LGA 2000 although this does not prohibit MCC from exercising the Delegated Functions itself with agreement from CC.

This proposal will enable MCC to be benefit from resource from the award winning and highly respected Cardiff Council procurement service which will include:

- a leadership and management team which led the transformation of procurement within Cardiff and play a key role in leading procurement collaboration at a national level;
- the technical capability, expertise and category specific knowledge available within CCC's existing three Category Teams;
- CCC's Strategy and Policy Team which is recognised across Wales as leading the development and delivery of good practice in support of local and national priorities

## SAVINGS

		Draft £000	Movement £000	Final £000
Full cost briefing note	Capitalisation directive	(1,000)	(508)	(1,508)

A schedule of expenditure of £1m had been identified as eligible expenditure to be funded from capital receipts under the flexible use of capital receipts directive. The identified expenditure meets the definition of being service transformational, driving a digital approach or working collaboratively to reduce overall costs. It is important to note that funding from capital receipts, much like that from reserve is a one-off source of funding which cannot be used again. Since the draft budget proposals were produced further investment in Digital and the Procurement SLA has been identified as being eligible to be funded via this mechanism.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Increase in SCWD grant	(247)	0	(247)

The provisional Welsh Government funding settlement included an overall increase in the Social Care Workforce Development grant across Wales of £10m. The proposed budget saving of £247k represents Monmouthshire's likely share of this increase.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Net treasury movement based on budgeted capital investment activity	275	(472)	(197)

The revenue budget will always require review of corporate financing provisions to ensure they remain accurate. Sale of assets, revisions to capital financing requirement, and changes in activity of the capital programme can all affect the quantum of minimum revenue provision (MRP), Interest payable and Interest receivable. The combined adjustments above are also reflective of the Capital MTFP priorities and their related funding assumptions being considered by members during the budget process.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Transfer into Welsh Government settlement of teachers pay award	0	(102)	(102)

The Welsh Government settlement includes an allocation which partially covers the impact of the 2020/21 teachers pay award and its cost to the 2021/22 budget. The Authority had already fully funded this cost within its medium term financial plan and therefore the allocation from WG acts as a saving to the overall budget.

		Draft £000	Movement £000	Final £000
Full cost briefing note	Removal of Turning the world upside down base budget	0	(548)	(548)

The SCH base budget in the draft budget proposals included £548k as part of the first stage of investment into redesigning the Adult social care pricing model. Given the pressures on staff resources due to the Covid-19 pandemic and the potential changes to Adult care service delivery as a result of the longer term impacts of the pandemic, this investment has been removed from the budget proposals pending future clarification of the service delivery.

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

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

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

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

- The use of the Council's Medium Term Financial Plan as an integral part of budget planning
- Cabinet ownership of budget principles and assumptions through the development of the Medium Term Financial Plan and budget proposals
- Anticipating likely and known events through the application of appropriate indices for base costs.
- Applying rigour via Directorate Management Teams, Chief Officers, Strategic Leadership Team and Cabinet Member scrutiny.
- Comparing year on year budgets by using 2019/20 outturn and 2020/21 budget monitoring data.
- Looking at a unit cost analysis for services against other Welsh authorities where necessary.
- Providing Select Committees with opportunity to look at and scrutinize current budgets, gaining an understanding of the budgets within the remit of their Select committee.
- Providing Cabinet and Select Committees with the assumptions underlying the Medium Term Financial Plan.
- Consulting on budget proposals through virtual public meetings, the website and social media as well as virtually with Town and Community Councils, the Schools Budget Forum, Trade Unions (via the Joint Advisory Group), vulnerable groups and with young people at a Young People Session.
- Communicating emerging Settlement considerations to Cabinet members.
- Being clear on risks and assumptions within budget proposals and identifying the links with the corporate priorities of the Council and as set out in the Corporate Plan and the accompanying Winter Strategy and coronavirus strategic aims.
- Ensuring all members are involved in the budget setting process by establishing that budget and Council Tax settings is a function of full Council.

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

- The extent of significant and ongoing additional costs and income losses that result as a consequence of the pandemic and the extent to which Welsh Government don't continue to fully fund such shortfalls. The Council has benefitted and is grateful to Welsh Government for the extent of the funding during 2020/21 to meet such costs. However, the budget is predicated on this funding continuing and in meeting the full cost of such impacts. In the event that full funding is not forthcoming further savings and recourse to one-off use of reserves may need to be considered as part of a budget recovery plan.
- Continued increase in demand and evidenced based pressures in relation to the financial impact of increasing demand in children's social services, demographic changes such as increasing elderly population, changes in pupil numbers, increase in special educational need provision has been included in the current budget process. The extent of these pressures in both the current year and next year are unprecedented. However, these risks have in part been mitigated by the protection and prioritisation given to these areas in the sense that budget savings continue to be more heavily weighted to other areas of the budget. Or where savings can be achieved to accommodate such pressures without having an adverse impact on the sustainability of these areas. However, given the current year position against the budget in many of these areas, these potential pressures will require careful monitoring over the course of the financial year so that problems can be highlighted early and any appropriate corrective action taken.
- Directorates are being required to manage some pressures within their service areas as only significant pressures have been highlighted and included in the budget build. Whilst individually these pressures are relatively small in total there is a considerable pressure to be managed alongside the achievement of the budget saving proposals contained as part of this budget.
- A number of the savings/efficiency proposals involve the generation of income, changes to current structures, systems and processes, consideration of alternative delivery models or have implications for service design involving community, other partners and entities. These savings involve higher levels of risk than those which broadly maintain current arrangements. At the practical level these risks begin with the income targets not being achieved, possibility of slippage and disruption in the transition from old to new arrangements resulting in further pressures to be managed in the year in which savings are budgeted to be made. Clearly robust and timely monitoring of the delivery of the savings in the budget will be critically important in order to manage the potential for these risks to materialise.
- The need to ensure that the Authority manages within its in-year revenue and capital budgets as the consequence of any resultant overspend removes the ability to replenish reduced levels of earmarked reserve and places an additional risk that Council Fund levels will be compromised below 4%-6% financial planning assumption traditionally volunteered to Members as prudent. Robust budget monitoring arrangements are in place and corrective action will be taken as needed by the Strategic Leadership Team in consultation with Cabinet Members as required.

- Some of the significant pressures evident during month 7 in-year monitoring have been addressed as specific pressures in 2021-22 budget proposals, and furthermore adjustments that need to be made in respect of previously savings volunteered to members and supported by them which are not subsequently being delivered.
- Late notification of grant funding streams being removed or reduced. There are still significant grant streams that the Council relies upon, that have either not yet been communicated by Welsh Government, have been received late in the budget process or where the impact of notifications is awaiting further clarification. This is particularly an issue where the expenditure backing this grant has an effect on the financing of permanent staff. These will need to be managed on a case by case basis, with the default position being that if the grant ceases the activity also ceases unless a business case can be built that justifies the maintenance of the activity, the expenditure and identifies a means of funding this expenditure following the loss of grant income.
- No allowance for non-pay inflation is afforded in the proposed budget, despite CPI predictions over next three years being between circa 2% per annum. Unless recognised as specific pressures in the budget proposals services will not receive budget to cover the full extent of inflation factors next year if they turn out as expected. This puts further pressure on service budgets to find efficiencies savings to manage this shortfall. There is an expectation that this would need to be managed within overall directorate budgets.
- General pressures on school budgets indicated by the number of schools requiring an agreed deficit budget recovery plan. As previously identified, schools have been protected from the level of savings required from the rest of the Authority. The LEA will be working closely with schools to help costs savings to be established. However, it is understood that some schools still need to establish timely sustainable budget management plans and where necessary budget recovery plans. A loan mechanism being offered to schools assists schools in managing and repaying these deficit balances.
- Treasury estimates established in the budget are based on cashflows, timing of capital spend, forecast interest rate levels and capital receipts occurring as planned.
- The risks on the capital side are largely caused by limited additional capital receipts being foreseen by colleagues during the next MTFP window, placing an additional emphasis on borrowing going forward, at a time when revenue headroom to afford borrowing is compromised by the extent of annual savings necessary to achieve a balanced budget. The need to make use of flexible use of capital receipts to fund revenue costs associated with service reform for 2019-20, 2020-21 and 2021-22 also results in a further depletion of available capital receipts.
- Whilst the Council is not playing a reliance on commercial income generation its commercial activities do naturally present commercial risks. The governance arrangements in place through Investment Committee and Audit Committee ensure that investments are made on the basis of sound recommendation resulting from robust business cases. Investment performance is monitored by Investment Committee, through budget monitoring reports but explicitly by Audit Committee on an annual basis.

- There are a significant amount of unbudgeted capital pressures and investment plans which can bear on the Council's limited capital resources if policy commitments are made to add further to the capital programme or risks materialize and that require the Council to act to respond to failures in the operational nature of assets.

1.5 Whilst the above risks in the 2021/22 budget have been identified, the main budgetary risks going forward in for the MTFP will also need to be managed and outlined are as follow:

- The increasing challenges with sustaining and maintaining existing service delivery and in line with the priorities outlined in the Council's corporate plan
- The implications and impact on public services and that result from the longer term impact of the pandemic on Monmouthshire's communities and wider economy
- The risk and uncertainty around funding settlements projected for the medium term
- The risk of pay awards not being fully funded by UK and Welsh Government
- The financial, service and strategic implications of service redesign and transformation
- The national and local emphasis on carbon reduction
- The deteriorating condition of local roads, associated infrastructure and property
- The ageing population
- Continued uncertainty in financial markets
- Low economic activity leading to increased demand for some services and reduced income in others.

## **1.6 Adequacy of reserves**

1.7 The MTFP has established the principles for general and earmarked reserve utilization. The level of the Council Fund reserve stood at £8.907m at the start of 2020-21, excluding delegated school balances. Whilst the latest month 9 financial monitoring information shared with Members and SLT during the year indicates a favourable non-COVID forecast situation of £142k, contained within this are significant service overspends and pressures. Furthermore, the forecast is predicated on Welsh Government fully funding COVID related cost pressures and income shortfalls.

1.8 Any further adverse volatility in service costs and pressures, the delivery of the in-year budget recovery plan or shortfall in Welsh Government COVID funding could have a material effect on Council's prudent financial planning assumption of keeping general reserve levels between 4-6% of net expenditure. However, late notification and receipt of specific grant funding from Welsh Government, together with reasonable assurance that Welsh Government will fund COVID costs and income losses, have greatly assisted in mitigating this risk going into year-end.

1.9 Based on a budgeted net expenditure (excluding Police and Community Council precepts) and before financing totalling £168.5m, a £9.05m balance (i.e. brought forward reserve



balance plus £245k) equates to 5.37% cover, which sits just above the middle of agreed acceptable levels.

- 1.10 Based on this current assessment the headroom above the de minimum 4% threshold in general reserves stands at £2.167m. This headroom was created tactically as part of the 2019/20 outturn strategy. The latest in-year forecast and the final budget proposals are not suggesting any need to call on general reserves.
- 1.11 The focus therefore turns to the uncertain outlook and future financial challenges and where the headroom in the Council Fund balance is reserved and if required to cover the following, and where mitigating budgetary recovery action is unable to manage such pressures on the Council's budget:
- Any budget pressure in 2021/22 resulting from pay award announcements in excess of the 1% modelling assumption in the final budget proposals
  - Any COVID related pressure caused by a shortfall in Welsh Government funding in 2021/22
  - Any one-off contribution to support the 2022/23 budget proposals
  - To allow for future reserve cover across the MTFP and beyond
- 1.12 Net school balances have remained at low levels and have reduced in recent years to a net deficit balance of £435k. As at month 9, school balances were forecast to increase to a net deficit of £166k. The improvement has resulted from positive recovery action being taken by schools together with Welsh Government grants that have looked to ensure that the costs that schools have had to bear during the pandemic have been met. Continued emphasis is placed by LEA finance colleagues to agree budgets with schools that are sustainable to the resources available rather than passporting additional deficits to their school reserve. Recovery plans are in place for all schools in deficit and are being closely monitored by the LEA and relevant Cabinet members.
- 1.13 The 2021/22 budget anticipates some limited use of earmarked reserves to support the budget proposals. Earmarked reserves have been established over time for use for designated purpose over time, and whilst not currently earmarked for use provide a level of contingency for some of the risks associated with the budget recommendations highlighted in this report.
- 1.14 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £5.5 million forecast at end of 2020/21 to £5.1 million at the end of 2021/22 (See appendix H1). Taking into account that some of these reserves are specific, for example relating to joint arrangements or to fund capital projects, this brings the usable balance down to circa £3.4 million.
- 1.15 Useable capital receipts also provide a limited one-off resource to support financing of the capital programme. In recent years the Council has also made use of Welsh Government's guidance allowing flexible use of capital receipts to meet one-off costs associated with service reform. The Council has had to make use of this flexibility in 2019/20 and 2020/21 and plans to do similarly in 2021/22 and indicatively in 2022/23. Useable capital receipts are forecast to reduce to £4.9m by the end of 2024/25 based on MTFP capital budgets. The continued use of capital receipts for this purpose is recognized as a necessary but unsustainable approach and has the added consequence of requiring the Council to fund any further and future capital investment through prudential borrowing where it cannot be met from other sources.

- 1.16 My judgement, taking into account the current budget forecast, the 2021/22 budget proposals, the medium term outlook and its associated risks and notably around funding certainty, is to certify that reserves are adequate presently. Both in terms of the quantum of earmarked reserves as well as the General Reserve. However, given that the financial outlook is not set to improve significantly into the medium term, and fundamentally remains uncertain it is vital that the reserve position continues to be closely monitored. This will require continued sound budget management in future years and close Cabinet scrutiny of any further proposals to make use of reserves in the coming months.
- 1.17 Extra savings may need to be drawn up and communicated to members after the budget process, if the 2020-21 outturn position or in-year forecasts in 2021-22 indicate a Council Fund balance falling below 4%. Alongside this a review of the reserves policy will be undertaken subsequent to 2020/21 outturn and in readiness for the budget strategy for 2022/23 and over the MTFP period.
- 1.18 The schedule of reserves estimated at the end of the financial year is included as an appendix to the budget report.

Peter Davies  
Responsible Financial Officer

## Prudential Indicators

<b>Capital Expenditure £m</b>	<b>2020/21 Forecast</b>	<b>2021/22 Budget</b>	<b>2022/23 Budget</b>	<b>2023/24 Budget</b>	<b>2024/25 Budget</b>
Capital Fund Services	61.2	25.0	24.3	9.0	9.2

<b>Capital Financing £m</b>	<b>2020/21 Forecast</b>	<b>2021/22 Budget</b>	<b>2022/23 Budget</b>	<b>2023/24 Budget</b>	<b>2024/25 Budget</b>
External Sources (Grants & S106 Contributions)	25.9	15.6	2.4	2.4	2.5
Own Resources (Capital receipt and reserves)	5.1	2.9	2.9	1.2	1.2
Borrowing & other Debt	30.2	6.5	19.0	5.4	5.5
<b>Total</b>	<b>61.2</b>	<b>25.0</b>	<b>24.3</b>	<b>9.0</b>	<b>9.2</b>

<b>Gross Debt Forecast compared to CFR £m</b>	<b>2020/21 Forecast</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
Debt (Inc. PFI, leases, right of use assets)	176.5	168.5	175.4	172.3	164.3
Capital Financing Requirement (Total)	213.8	213.9	226.3	225.2	224.0

<b><u>Authorised &amp; Operational Borrowing Limits £m</u></b>	<b>2020/21 Forecast</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
Authorised limit - borrowing	247.0	246.5	259.8	258.7	257.5
Operational boundary - PFI, leases & right of use assets	4.4	4.4	4.4	4.4	4.4
<b>Authorised Limit - total external debt</b>	<b>251.5</b>	<b>250.9</b>	<b>264.2</b>	<b>263.1</b>	<b>261.9</b>
Operational Boundary - borrowing	216.8	216.3	229.6	228.5	227.3
Operational Boundary - PFI, leases & right of use assets	2.9	2.9	2.9	2.9	2.9
<b>Operational Boundary - total external debt</b>	<b>219.8</b>	<b>219.2</b>	<b>232.5</b>	<b>231.4</b>	<b>230.2</b>

<b>Proportion of Financing Costs to net revenue stream</b>	<b>2020/21 Forecast</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
Interest £m	4.0	3.5	3.7	3.8	3.6
MRP £m	6.1	6.4	6.6	6.5	6.7
<b>Total Financing costs £m</b>	<b>10.1</b>	<b>9.9</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>
Net Revenue Stream (£m)	155.1	161.5	168.9	177.6	185.0
<b>Proportion of net revenue stream %</b>	<b>6.54%</b>	<b>6.15%</b>	<b>6.08%</b>	<b>5.80%</b>	<b>5.58%</b>

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## 2021/22 Budgeted use of Reserves

Reserve	2020/21 Carried Forward	Budgeted Contributions To	Budgeted Contributions From	2021/22 Carried Forward
Council Fund (Authority)	(8,906,782)			(8,906,782)
School Balances	435,128			435,128
<b>Total Council Fund</b>	<b>(8,471,655)</b>	<b>0</b>	<b>0</b>	<b>(8,471,655)</b>
<b><i>Earmarked Reserves:</i></b>				
Invest to Redesign	(1,042,858)	(132,255)	32,469	(1,142,644)
IT Transformation	(34,031)	0	11,755	(22,276)
Insurance and Risk Management	(935,332)	0	0	(935,332)
Capital Receipt Generation	(65,079)	0	51,000	(14,079)
Treasury Equalisation	(590,024)	0	0	(590,024)
Redundancy and Pensions	(156,759)	0	88,038	(68,721)
Capital Investment	(625,339)	0	15,999	(609,340)
Priority Investment	(405,000)	0	405,000	0
<b>Sub Total Earmarked Reserves:</b>	<b>(3,854,422)</b>	<b>(132,255)</b>	<b>604,261</b>	<b>(3,382,417)</b>
Museums Acquisitions Reserve	(52,885)			(52,885)
Elections Reserve	(153,183)	(35,000)		(188,183)
Grass Routes Buses Reserve	(161,084)	(5,000)		(166,084)
Youth Offending Team	(150,000)			(150,000)
Building Control trading reserve	(1,322)			(1,322)
CYP maternity	(47,342)			(47,342)
Plant & Equipment reserve (Highways)	(108,541)			(108,541)
Homeless Prevention Reserve Fund	(49,803)			(49,803)
Solar Farm Maintenance & Community Fund	(87,000)	(23,000)		(110,000)
Newport Leisure Park Reserve	(61,899)			(61,899)
Castlegate Reserve	(79,500)			(79,500)
Local Resilience Forum Reserve (Gwent PCC Tfr)	(197,641)			(197,641)
Rural Development Plan Reserve	(529,507)			(529,507)
<b>Sub-Total Service Specific Reserves</b>	<b>(1,679,707)</b>	<b>(63,000)</b>	<b>0</b>	<b>(1,742,707)</b>
<b>Total Earmarked Reserves</b>	<b>(5,534,129)</b>	<b>(195,255)</b>	<b>604,261</b>	<b>(5,125,124)</b>
<b>Total useable revenue reserves</b>	<b>(14,005,784)</b>	<b>(195,255)</b>	<b>604,261</b>	<b>(13,596,778)</b>

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## Budgeted useable reserve balances

Financial Year ending	2021	2022	2023	2024
	£000	£000	£000	£000
<b><u>Council Fund</u></b>				
Council Fund (Authority)	(8,907)	(8,907)	(8,907)	(8,907)
School Balances	435	435	435	435
<b>Sub Total Council Fund</b>	<b>(8,472)</b>	<b>(8,472)</b>	<b>(8,472)</b>	<b>(8,472)</b>
<b><u>Earmarked Reserves</u></b>				
Invest to Redesign Reserve	(1,043)	(1,143)	(1,243)	(1,243)
IT Transformation Reserve	(34)	(22)	(22)	(22)
Insurances & Risk Management Reserve	(935)	(935)	(935)	(935)
Capital Receipt Generation Reserve	(65)	(14)	37	88
Treasury Equalisation Reserve	(590)	(590)	(590)	(590)
Redundancy and Pensions Reserve	(157)	(69)	19	107
Capital Investment Reserve	(625)	(609)	(593)	(577)
Priority Investment Reserve	(405)	0	0	0
Service Specific Reserves	(1,680)	(1,271)	(1,204)	(1,267)
<b>Sub Total Earmarked Reserves</b>	<b>(5,534)</b>	<b>(4,653)</b>	<b>(4,531)</b>	<b>(4,439)</b>
<b>Total Useable Revenue Reserves</b>	<b>(14,006)</b>	<b>(13,125)</b>	<b>(13,003)</b>	<b>(12,911)</b>

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2021/22 Reconciliation through Budget process

	January 2021 Cabinet proposals							Final Settlement Changes		March 2021 Cabinet and Final budget recommendations to Council			
	Adjusted Base Budget 2020/21	Proposed savings	Identified Explicit Pressures	Budget Assumptions	Corporate Adjustments incl. reserves	Council Tax Income	Proposed Budget 2021/22	Adjustment to AEF	Settlement pressures / adjustments	Changes to Pressures	Changes to Savings	Final amendments	Final budget recommended
<b>Net Expenditure Budgets</b>													
Children and Young People	56,072	(1,510)	1,469	513	0		56,544			84		(102)	56,526
Social Care and Health	50,515	(326)	2,979	113	0		53,282			91	(548)		52,825
Enterprise	22,602	(925)	4,107	246	385		26,415			(651)	4		25,768
Resources	7,682	(165)	756	76	13		8,362						8,362
Chief Executive's unit	4,749	(32)	195	45	0		4,957			91			5,048
Corporate Costs & Levies	22,972	(1,000)	520				22,492			625	(508)	805	23,414
<b>Sub Total</b>	<b>164,592</b>	<b>(3,958)</b>	<b>10,026</b>	<b>993</b>	<b>398</b>	<b>0</b>	<b>172,051</b>	<b>0</b>	<b>0</b>	<b>240</b>	<b>(1,052)</b>	<b>703</b>	<b>171,943</b>
Appropriations	6,628	275	44		(88)		6,859					(442)	6,417
Contributions to Earmarked reserves	143				52		195						195
Contributions from Earmarked reserves	(657)				69		(588)						(588)
<b>Total Net Proposed Budget</b>	<b>170,706</b>	<b>(3,682)</b>	<b>10,070</b>	<b>993</b>	<b>431</b>	<b>0</b>	<b>178,517</b>	<b>0</b>	<b>0</b>	<b>240</b>	<b>(1,052)</b>	<b>261</b>	<b>177,966</b>
<b>Funding Budgets</b>													
Aggregate External Financing (AEF)	(97,760)			(3,723)			(101,483)						(101,483)
Council Tax (MCC)	(57,347)					(3,339)	(60,686)				608		(60,078)
Council Tax (Gwent Police)	(12,647)						(12,647)				(804)		(13,451)
Council Tax (Community Councils)	(2,952)						(2,952)				(2)		(2,954)
Council Fund Contribution	0				(748)		(748)				748		(0)
<b>Total Funding</b>	<b>(170,706)</b>	<b>0</b>	<b>0</b>	<b>(3,723)</b>	<b>(748)</b>	<b>(3,339)</b>	<b>(178,517)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>	<b>(177,966)</b>
<b>Headroom/-shortfall</b>	<b>(0)</b>	<b>(3,682)</b>	<b>10,070</b>	<b>(2,730)</b>	<b>(318)</b>	<b>(3,339)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>	<b>(1,052)</b>	<b>811</b>	<b>(0)</b>
	<b>Council Tax 2020/21</b>						<b>2021/22 tax base</b>	<b>Council Tax 2021/22</b>	<b>%age increase</b>				
<b>Council tax recommendations</b>	1,380.76						46,711.94	1,434.47	3.89%				

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## Revenue Budget Summary

Services	Adjusted Base 2020/21 £000	Indicative Base 2021/22 £000	Indicative Base 2022/23 £000	Indicative Base 2023/24 £000	Indicative Base 2024/25 £000
Children & Young People	56,072	56,527	57,044	57,518	57,996
Social Care & Health	50,515	52,825	53,494	54,233	54,978
Enterprise	22,602	25,767	26,212	26,544	27,063
Resources	7,682	8,361	8,482	8,660	8,795
Chief Executive's Unit	4,749	5,048	5,220	5,166	5,243
Corporate Costs & Levies	22,972	23,414	28,139	34,939	39,839
<b>Sub Total</b>	<b>164,592</b>	<b>171,942</b>	<b>178,590</b>	<b>187,060</b>	<b>193,915</b>
Transfers to reserves	143	195	188	63	63
Transfers from reserves	(657)	(588)	(294)	(139)	(139)
Treasury	6,628	6,417	6,853	7,055	7,536
<b>Appropriations Total</b>	<b>6,114</b>	<b>6,024</b>	<b>6,747</b>	<b>6,979</b>	<b>7,460</b>
<b>Total Expenditure Budget</b>	<b>170,706</b>	<b>177,966</b>	<b>185,337</b>	<b>194,039</b>	<b>201,375</b>
Aggregate External Financing (AEF)	(97,760)	(101,483)	(101,483)	(101,483)	(101,483)
Council Tax (MCC)	(57,347)	(60,078)	(62,451)	(65,542)	(68,786)
Council Tax (Gwent Police)	(12,647)	(13,451)	(13,451)	(13,451)	(13,451)
Council Tax (Community Councils)	(2,952)	(2,954)	(2,954)	(2,954)	(2,954)
Contribution to/(from) Council Fund	0	0	0	0	0
Disinvestment		0	0	0	0
<b>Sub Total Financing</b>	<b>(170,706)</b>	<b>(177,966)</b>	<b>(180,339)</b>	<b>(183,431)</b>	<b>(186,675)</b>
<b>(Headroom)/Shortfall</b>	<b>0</b>	<b>0</b>	<b>4,998</b>	<b>10,608</b>	<b>14,700</b>

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Capital Budget Summary 2021/22 to 2024/25

	Indicative Budget 2021/22	Indicative Budget 2022/23	Indicative Budget 2023/24	Indicative Budget 2024/25
Asset Management Schemes	1,929,276	1,929,276	1,929,276	1,929,276
School Development Schemes	14,383,334	13,681,287	50,000	50,000
Infrastructure & Transport Schemes	3,427,740	3,427,740	3,427,740	3,427,740
Regeneration Schemes	184,700	330,400	602,900	730,200
County Farms Schemes	300,773	300,773	300,773	300,773
Inclusion Schemes	1,150,000	1,150,000	1,150,000	1,150,000
ICT Schemes	361,000	203,000	0	0
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Capitalisation Directive	2,207,500	2,207,500	507,500	507,500
Other Schemes	1,070,000	1,070,000	1,070,000	1,070,000
<b>TOTAL EXPENDITURE</b>	<b>26,514,323</b>	<b>25,799,977</b>	<b>10,538,190</b>	<b>10,665,490</b>
Supported Borrowing	(2,431,000)	(2,431,000)	(2,431,000)	(2,431,000)
Unsupported (Prudential) Borrowing	(4,093,697)	(16,539,687)	(2,977,900)	(3,105,200)
General Capital Grant	(2,438,000)	(2,438,000)	(2,438,000)	(2,438,000)
Grants & Contributions	(13,160,336)	0	0	0
Reserve & Revenue Contributions	0	0	0	0
Capital Receipts	(2,891,290)	(2,891,290)	(1,191,290)	(1,191,290)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
<b>TOTAL FUNDING</b>	<b>(26,514,323)</b>	<b>(25,799,977)</b>	<b>(10,538,190)</b>	<b>(10,665,490)</b>
<b>(SURPLUS) / DEFICIT</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

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**Band B Schools Programme Summary**

Band B Schools Programme	Financial Year 2020/21	Financial Year 2021/22	Financial Year 2022/23	Financial Year 2023/24	Financial Year 2024/25
	Approved Budget	Indicative Budget	Indicative Budget	Indicative Budget	Indicative Budget
	£	£	£	£	£
<b>Expenditure:</b>					
Band B - Abergavenny 3-19 Band B Schools Team	14,333,333 638,678	14,333,334	13,631,287		
<b>Total Expenditure</b>	<b>15,014,100</b>	<b>14,333,334</b>	<b>13,631,287</b>	<b>0</b>	<b>0</b>
<b>Financing:</b>					
Band B (65% intervention rate)	(14,789,663)	(13,160,336)	0		
<b>External Grant &amp; Contribution Funding</b>	<b>(14,831,752)</b>	<b>(13,160,336)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Band B Schools Team	(182,348)				
<b>Capital Receipts</b>	<b>(182,348)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Band B - Abergavenny 3-19 Band B Schools Team	456,330 (456,330)	(1,172,998)	(13,631,287)		
<b>Unsupported Specific Borrowing</b>	<b>0</b>	<b>(1,172,998)</b>	<b>(13,631,287)</b>	<b>0</b>	<b>0</b>
<b>Total Financing</b>	<b>(15,014,100)</b>	<b>(14,333,334)</b>	<b>(13,631,287)</b>	<b>0</b>	<b>0</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Capital Receipts Summary

### Forecast Useable Capital Receipts

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

The forecast movement on the reserve based on forecast capital receipts and the budgeted application of capital receipts to support the financing of the Authority's capital programme is summarised below:

<b><u>GENERAL RECEIPTS</u></b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1st April	3,040	7,355	8,154	6,567	5,480
Less: capital receipts used for financing	(1,387)	(1,985)	(684)	(684)	(684)
Less: capital receipts used to support capitalisation directive	(2,091)	(2,208)	(2,208)	(508)	(508)
	<b>(438)</b>	<b>3,162</b>	<b>5,263</b>	<b>5,376</b>	<b>4,289</b>
Capital receipts Received	2,402	0	0	0	0
Capital receipts Forecast	5,290	4,888	1,200	0	0
Deferred capital receipts - General	4	4	4	4	4
- ACM	96	100	100	100	100
Less: capital receipts set aside:	0	0	0	0	0
<b>Forecast Balance as at 31st March</b>	<b>7,355</b>	<b>8,154</b>	<b>6,567</b>	<b>5,480</b>	<b>4,393</b>
<b><u>LOW COST HOME OWNERSHIP AND HOMEFINDER RECEIPTS</u></b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1st April	142	182	182	182	182
LCHO receipts received	40	0	0	0	0
Less: capital receipts used for financing	0	0	0	0	0
	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>
Capital receipts Received / Forecast	-	-	-	-	-
<b>Balance as at 31st March</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>182</b>

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## Capital Receipts Risk Factor

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

Capital Receipts Risk Factor	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
<b>Education Receipts</b>					
Low / completed	0	0	0	0	0
Medium	100,000	0	0	0	0
High	0	0	0	0	0
<b>Total Education Receipts</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>County Farm Receipts</b>					
Low / completed	282,000	0	0	0	0
Medium	0	0	0	0	0
High	0	200,000	0	0	0
<b>Total County Farm Receipts</b>	<b>282,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Receipts</b>					
Low / completed	139,926	1,104,289	104,289	104,289	104,289
Medium	0	200,000	0	0	0
High	0	0	0	0	0
<b>Total General Receipts</b>	<b>139,926</b>	<b>1,304,289</b>	<b>104,289</b>	<b>104,289</b>	<b>104,289</b>
<b>Strategic Accommodation Review</b>					
Low / completed	2,080,000	0	0	0	0
Medium	0	0	700,000	0	0
High	0	0	0	0	0
<b>Total Strategic Accommodation Receipts</b>	<b>2,080,000</b>	<b>0</b>	<b>700,000</b>	<b>0</b>	<b>0</b>
<b>Dependent on Outcome of LDP</b>					
Low / completed	0	0	0	0	0
Medium	5,190,490	3,487,500	500,000	0	0
High	0	0	0	0	0
<b>Total LDP Receipts</b>	<b>5,190,490</b>	<b>3,487,500</b>	<b>500,000</b>	<b>0</b>	<b>0</b>
<b>TOTALS</b>					
Low / completed	2,501,926	1,104,289	104,289	104,289	104,289
Medium	5,290,490	3,687,500	1,200,000	0	0
High	0	200,000	0	0	0
<b>Total Capital Receipts Forecasted / Received</b>	<b>7,792,416</b>	<b>4,991,789</b>	<b>1,304,289</b>	<b>104,289</b>	<b>104,289</b>

### Risk Factor key:

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

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

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

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

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## Capital MTFP pressures and investment considerations

Capital Pressures	Forecast Pressure	Date Updated	Responsible Officer
<p><b>Mitchel Troy, Monmouth Community Amenity site, Household Waste Recycling Centre upgrade</b> - indicative costs provided in 2019 were £1.5-2m with development of the council depot below the current site. This would require relocation of the grounds maintenance and waste collection function to Raglan or Llanfoist depots. Funding is also being sought through WG grants. The introduction of booking system and subsequent reduction of usage of the site is being monitored.</p>	2,000,000	Dec-20	Roger Hoggins, Carl Touhig
<p><b>Five Lanes access road purchase</b> To secure long term viability of the waste site and reduce annual £10k easement payment.</p>	Unknown at this stage	Dec 20	Carl Touhig
<p><b>Property Maintenance</b> requirements for both schools &amp; non-schools as valued by condition surveys carried out some years ago. The existing £2m annual budget mainly targets urgent maintenance e.g. health &amp; safety, maintaining buildings wind &amp; watertight, etc., and is insufficient to address the maintenance backlog. A lack of funding means maintenance costs will rise; that our ability to sell buildings at maximum market rates will be affected ; Our ability to deliver effective services will be affected and a Loss of revenue and poor public image.</p>	22,000,000	Dec-20	Deb Hill Howells
<p><b>Disabled adaptation works</b> to public buildings required under disability discrimination legislation.</p>	5,000,000	Dec-20	Deb Hill Howells
<p><b>School Traffic Management Improvements</b> - based on works carried out on similar buildings.</p>	450,000	Dec-20	Deb Hill Howells
<p><b>School fencing improvements</b></p>	450,000	Dec-20	Deb Hill Howells
<p><b>Modification works to school kitchens</b> to comply with Environmental Health Standards. Without additional funding school kitchens may have to be closed and additional costs for transporting meals in incurred, possibly causing disruption to the education process.</p>	150,000	Dec-20	Deb Hill Howells
<p><b>Bringing County highways to the level of a safe road network.</b> This backlog calculation figure has been provided by Welsh Government.</p>	80,000,000	Jan-21	Mark Hand/ Paul Keeble

<b>Capital Pressures</b>	<b>Forecast Pressure</b>	<b>Date Updated</b>	<b>Responsible Officer</b>
<p>The reduction and shortfall in revenue budgets over recent years for maintaining our highways and associated infrastructure has resulted in a concerning backlog and the need for a major injection of funding to address the situation.</p> <p>In order to halt the deterioration of MCC roads and footways, a minimum annual investment of £2.5M for each year over the next 3 years will be required. This is in addition to any specific grant funding from Welsh Government, which if awarded will be for the purpose of reducing the backlog and improving the overall condition of the highway network.</p>			
<b>Transportation/safety strategy</b> –Air Quality Management, 20 m.p.h legislation and DDA (car parks)	1,200,000	Jan-21	Mark Hand/ Paul Keeble
<b>Investing in infrastructure projects needed to arrest road closures due to whole or partial bank slips.</b> Reflective of works such as the slips on the A466 at Wyndcliffe and Livox as well as retaining wall stabilisations on A4136 Staunton Road and A466 Treehouse Redbrook.	5,900,000	Jan-21	Mark Hand/ Paul Keeble
<b>Wyebridge Chepstow</b> , remedial maintenance	450,000	Jan-21	Mark Hand/ Paul Keeble
<b>A466 Wyebridge Monmouth</b> , remedial maintenance	1,200,000	Jan-21	Mark Hand/ Paul Keeble
<b>Redbrook Road Rail structure</b> remedial maintenance	550,000	Jan-21	Mark Hand/ Paul Keeble
<b>Tintern Wire Works Bridge</b> remedial maintenance	1,500,000	Jan-21	Mark Hand/ Paul Keeble
<b>A4077 Gilwern Viaduct</b> substandard structure	2,000,000	Jan-21	Mark Hand/ Paul Keeble
<b>Reprovision or repair of Chain Bridge</b> - Cost prediction is indicative at present. Without remedial work, the structure will continue to deteriorate. The current 40T maximum limit will have to be further reduced restricting access to the Lancayo area especially for heavy vehicles. Options evaluated from repairing sufficiently to maintain 40t limit, to converting to footbridge and reprovisioning	1,275,000	Jan-21	Mark Hand/ Paul Keeble
<b>Public Rights of Way (total for 5 years £4.2m)</b> work needed to bring network up to statutorily required and safe standard. Based on an updated assessment completed to inform the Rights of Way Improvement Plan. Includes signage backlog, drainage and surfacing, stiles and gates and known bridge replacement need. This should be taken as a provisional figure as surveys and assessments of bridges and structures are on-going. It excludes larger (over 6m) structures requiring bespoke solution and specific rights of way structural issues, such as the Whitebrook byways slippage (estimated in region	4,117,000	Dec-20	Matthew Lewis



<b>Capital Pressures</b>	<b>Forecast Pressure</b>	<b>Date Updated</b>	<b>Responsible Officer</b>
of 75-100K) and works required on both the Wye Valley and Usk Valley Walks, and any flood damage whose costs cannot be recovered from Welsh Government grant. [MonLife]			
<b>Countryside access sites</b> – to maintain countryside visitor and heritage sites to a safe standard includes stonework on scheduled ancient monuments, cycleway / path works, river protection works, and repairs to car parks. Excludes Clydach Ironworks SAM restoration costs currently being assessed and any pressures as a result of ash dieback disease. [MonLife]	467,000	Dec-20	Matthew Lewis
<b>Leisure sites</b> - Astro pitch / outside pitches at shared leisure / school sites have suffered from a lack of maintenance and carpets will need to be replaced. Not purely an external customer issue, the pitches are heavily used by the Schools to deliver the school curriculum. 250k per school site. [MonLife]	1,000,000	Dec-20	Ian Saunders
<b>Total Pressures</b>	<b>132,709,000</b>		

## MonLife Investment Considerations

Investment Considerations	Forecast Pressure	Date Updated	Responsible Officer
Gilwern Site –new rope course 70k/ other commercial developments 100k / improve accommodation 250k	420,000	Dec-20	Ian Saunders
Monmouth Museum Move – lighting upgrade / security measures/ storage requirements – 100k initially but looking for further grant funding (heritage lottery / MALD etc.)	100,000	Dec-20	Ian Saunders
Caldicot Leisure Centre Redevelopment (Feasibility and cost certainty completed)	8,000,000	Dec-20	Ian Saunders
Chepstow Feasibility Study –New equipment / café area redesigned	500,000	Dec-20	Ian Saunders
Abergavenny Leisure Centre Redevelopment	10,000,000	Dec-20	Ian Saunders
Velopark at Llanfoist – we have secured 400k from section 106 but the whole cost will be about 1.2 million	800,000	Dec-20	Ian Saunders
<b>Total Investment Considerations</b>	<b>19,820,000</b>		

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

**Meeting and Date of Meeting: Cabinet 3rd March 2021**

**Report: Final Revenue & Capital budget proposals 2021/22 – Appendix J5 Capital receipt forecast**

**Author: Peter Davies, Chief Officer - Resources**

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

**Exemptions applying to the report:**

**Appendix J5** – detailed indication of the value of future individual capital receipts.

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

**Factors in favour of disclosure:**

Openness & transparency in matters concerned with the public.

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

In communicating **Appendix J5** intact, the Council would be undermining its negotiating position with regard to future capital receipts by communicating the likely value it would accept in the sale of particular assets.

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

Factors in favour of disclosure are outweighed by those against.

**Recommended decision on exemption from disclosure:**

Maintain exemption from publication in relation to report

Signed:

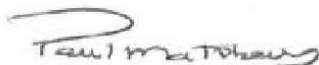


Name: Peter Davies  
Post: Chief Officer - Resources  
Date: 22nd February 2021

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I accept the recommendation made above

Signed:



Name: Paul Matthews  
Post: Chief Executive Officer  
Date: 22<sup>nd</sup> February 2021

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## **Evaluating the Potential Impact of the 2021/22 Budget Proposals**

### **Introduction**

Monmouthshire receives the lowest funding per head of population of any local authority in Wales. This means that a higher proportion of the income we need to generate to provide services needs to come from council tax and charges for services. In 2020/21 our budgeted gross expenditure is the lowest per head of population of any Council in Wales at £2,039<sup>1</sup>. The Council has worked hard to make sure this money goes where it matters.

Over the last 4 years we have adopted savings proposals totalling £22.0 million and have needed to find additional money to meet demands and pressures on services for example services for children who are looked after. After several years of delivering significant savings from the budget, the means of achieving further reductions becomes increasingly more challenging.

Over the past year, the Council has faced significant and unprecedented challenges, notably the flood response and recovery in February 2020, and the COVID-19 pandemic and lockdown restrictions implemented since March 2020, with uncertainty continuing. We are continually working to understand the financial circumstances and challenges resulting from the pandemic.

The draft Welsh Government budget shows that the Council is due to receive a 3.9% increase in its core funding in 2021/22, marginally above of the 3.8% average for Wales, the final settlement is due on 2 March 2021. This goes some way to giving some additional flexibility to respond to the pressure on Council finances and the choices it makes when setting the budget for next year.

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

We recognise that when we increase charges and put up Council Tax it can have a detrimental impact on those who can least afford it, this does not just mean those who are unemployed, many people experience in-work poverty while others are impacted upon by disability or other protected characteristics that affect their opportunities. Also, through the past year there is evidence the coronavirus and lockdown measures could have a disproportionately negative impact on the well-being of some sections of our communities.

Whenever we introduce changes to policy or increase charges, we evaluate the impact of these upon different groups. Our commitment to social justice means that we also look at the potential impact on those in poverty. This approach continues to be developed in line with new socio-economic duty, due to commence in Wales on 31<sup>st</sup> March 2021, with aim of the assessing the impact on those experiencing socio-economic disadvantage.

Where a budget proposal could alter a service, or the way it is delivered in 2021/22 an Equalities and Future Generations Evaluation assessment of its potential impact has been completed. This assesses its potential impact on the national well-being goals and the ways of working enshrined in the Well-being of Future Generations Act and also the people and groups who possess the protected characteristics specified as part of our duty under the Equality Act 2010.

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

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

Open and robust scrutiny and challenge is essential as the proposals are shaped in line with the priorities in our corporate plan and the issues that matter most to our communities. This analysis has been updated following public engagement and scrutiny in January and February 2021. This year that has brought challenges in light of the pandemic, which has made traditional face-to-face consultation activities not possible so every effort was made to reach as many people as possible, especially via online sessions and social media. The engagement activities were supported by a pro-active communications plan. Full details of the engagement activities and responses are in the appended report.

	Age	Disability	Gender Re-assignment	Marriage or civil partnership	Pregnancy and Maternity	Race	Religion or Belief	Sex	Sexual Orientation	Welsh Language	Socio-Economic	Safeguarding	Sustainable Development	National Well-being goals
Social Care and Health fees and charges increases (SCH001)	Amber	Amber									Green			Green
Cultural and Leisure service fees and charges increases (CEO004)											Red			Amber
Streetworks fees and charges increases (CEO004)														Amber
Introduce car parking charges at Caldicot Castle (ENT003)											Amber			Amber
Increased funding for pupils with additional needs (CYP)	Green	Green												Green
Increased funding for children's social care (SCH)	Green	Green										Green		Green
Investment in care packages in the Usk area (SCH)	Green	Green												Green
Investment in Homelessness services(PENT0012)											Green			Green
Mileage savings (RES003)													Green	Green
Investment in Primary Behaviour Outreach Support (PRU)	Green	Green										Green		Green
Council Tax Increase											Red			

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**Key**

- Red – negative impact on this category that is difficult to overcome with mitigating actions
- Amber – some potential negative impact which is lower risk or can be managed with mitigation
- Green – impact is largely positive
- White – no impact has been identified at this stage

## **Our Corporate Plan objectives and strategic aims**

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

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

The goals are:

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

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

At the outset of the Coronavirus pandemic Cabinet introduced a revised purpose and new strategic aims for the Council to provide clarity and ensure accountability through this period. The latest iteration was agreed in December 2020 in the Winter Strategy<sup>2</sup>. Delivery of the strategic aims will continue to have significant resource implications, including increased costs to maintain current service delivery and demands in setting up new or amended services. Close financial and budget monitoring continues. A specific action has been set in the strategy on setting a budget for the financial year 2021/22 capable of delivering these priorities.

We continue to develop our Medium Term Financial Plan to support us as far as possible to continue to deliver the aims and aspirations set out in this Corporate Plan and our purpose. While the Council's medium term financial planning has been severely disrupted by the pandemic, we continue to aim to ensure our focus is not only on short-term response, but medium-term recovery and long term sustainability

We recognise this is not without challenges and uncertainty however it will enable us to focus our finite resources on the areas that matter most to people and enable us to build a sustainable service offer for current residents and businesses as well as future generations.

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



## **The Legal Context**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The new socio-economic duty comes into effect on 31<sup>st</sup> March 2021 placing a duty on councils to consider the need to reduce the inequalities that result from socio-economic disadvantage. The approach taken in this assessment has been developed in line with the duty, to evaluate the potential impact of the 2021-22 budget proposals on those experiencing socio-economic disadvantage and consider how this might help reduce inequalities. We recognise this approach will need to continue to be developed as we further embed the duty in our processes and practice.

### **Approach / Methodology**

As part of our impact evaluation we have looked to establish the financial impact of proposals on different people within our communities. This paper has been prepared alongside the budget proposals for 2021-22 to assess the cumulative financial impact of the budget. It also brings together the most significant issues identified by the Equality and Future Generations Evaluations completed for each of the proposals to understand whether any groups will experience a detrimental position as a result of the cumulative impact of separate proposals.

When any change is looked at in isolation it may not seem significant but the cumulative impact of multiple changes can sometimes mount up placing pressures on some groups in society

Monmouthshire has adopted the Joseph Rowntree Foundation definition to define poverty 'When a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).' and to supplement this with statistical measures of household income and material deprivation. At present, one of the ways of assessing poverty in the UK is the proportion of households where the income is below 60% of the median income.

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

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

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

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

## **The Impact and Mitigation**

### Disability

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

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

### Age

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

Charges for domiciliary care have increased from £14.29 to £14.64 per hour. These are capped at £100 per week in Wales. However, as these services are means tested only those who are assessed as being able to afford this will pay.

There have also been increases in fees for local authority run residential care from £557.92 to £571.82. This will impact on proportionately more older people but these are means tested and so the impact on those on the lowest incomes will be mitigated.

The contract to specifically address the unmet care needs in the Usk region will ensure the care needs of our older population are catered for.

Children and Young People – Around 14% of children in Monmouthshire live in poverty and this figure rises to 29% in the least well-off wards<sup>3</sup>. Continued economic and social pressures on families are likely to put increased pressure on some families.

Proposals to manage budget pressure within Children's Services will help ensure the service is adequately funded to support the needs of its looked after Children.

Increased funding for pupils with additional needs will help meet pressures in demand for support for pupils.

The proposed development of Primary Behaviour Outreach Support will provide advice and guidance and intervention for primary age pupils presenting with challenging behaviour.

### Other protected characteristics

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

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

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

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

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

### Socio-economic Impact

Any increase in fees and charges for services will have a higher impact on households on the lowest incomes. 9,076 households in Monmouthshire live on below 60% of the GB median income and 10% of people live in households in material deprivation.

We will continue to work to use local data to gain a better understanding of poverty locally to inform future versions of this analysis and use this understanding to identify any mitigations that can be applied to lessen the impact.

Budget engagement feedback showed 88% of respondents disagreed with the proposed 4.95% Council tax increase. Following the engagement the proposed council tax increase has been revised to 3.89% which will result in an additional monthly cost of £4.48 or £53.72 annually on a Band D property (at 4.95% the monthly cost would have been £5.70 or £68.36 annually).<sup>4</sup> This will impact on all groups, while this modelling has been based on a Band D property those with higher incomes typically live in larger properties and therefore will pay higher council tax. However it is acknowledged that some people may have a large house and low income. This can often be true of older people. Mitigations such as the Council Tax reduction scheme are in place.

All residents will also be impacted upon by inflation which will result in higher prices, the rate of inflation is presently 0.6%<sup>5</sup>. The extent to which higher prices are off-set by wage rises will vary by household and is not included within this assessment, nor is any impact on prices or incomes that could arise following the UK's exit from the European Union. As part of the Council's continued planning consideration will need to be given to the economic impact of the coronavirus pandemic in Monmouthshire on businesses, jobs and wage levels.

### Mitigation

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

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

There will be a range of additional mitigations that are not fully modelled here, further detail will be contained in individual Equality and Future Generation evaluations completed on proposals.

### The Cumulative Financial Impact

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

A household with an income of £16,000 per year, with two children would see their costs rise by £76.02 per year or £1.46 per week, if they paid for an increase in children swimming lessons, a garden waste bin and paid Band D council tax (Council element only) with no discounts. This would equate to 0.48% of their income. It is unlikely that someone in this financial position would be paying for social care.

A household with an income of £29,000 per year and two children paying the increases above and if they were paying the increased domiciliary care charge would be paying an additional £167.02 per year, or £3.21 per week. This would equate to 0.58% of their income.

A household with an income of £40,000 per year would pay the same increases, assuming they lived in a Band D property. This would equate to 0.42% of their income. A household with an income of £56,000 would experience increased charges equating to 0.30% of their income on the same assumptions. However, as incomes rise it would be expected that many household will be living in more expensive properties and would be paying higher rates of council tax.



## Equality and Future Generations Evaluation

<p><b>Name of the Officer:</b> Matthew Gatehouse</p> <p><b>Phone no:</b> 01633 644397</p> <p><b>E-mail:</b> matthewgatehouse@monmouthshire.gov.uk</p>	<p><b>Please give a brief description of the aims of the proposal:</b> To deliver a balanced budget while continuing to make progress against the council's well-being objectives and delivering the long-held purpose of building sustainable and resilient communities</p>
<p><b>Name of Service area:</b> Chief Executive's</p>	<p><b>Date:</b> 22 February 2021</p>

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	Local Authorities provide many universal services such as highways and waste collections which bring multiple benefits to all age groups. However many of our services are delivered to proportionately higher numbers of younger and older people.	There will be an increase in charges of 2.5% for both residential and non-residential social care which will have a disproportionate impact on older people.	Ensure the Social Services and Well-being Act charging legislation is adhered to, so service users are means tested to determine their ability to pay. There are no increased charges for community meals  Provide earlier help and prevention (e.g. family support); provide services

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
	<p>Practice change in adult social services which are person-centred with a focus on well-being reducing dependency and empowering individuals and families to achieve their own outcomes which is a positive outcome.</p> <p>Deployment of early intervention and preventative services for children who are looked after can reduce the likelihood of placements breaking down and lead to better and more stable long-term outcomes.</p> <p>Early intervention and support for pupils with Additional Learning Needs will allow pupils to meet their full potential.</p> <p>The proposed development of Primary Behaviour Outreach Support will provide support for primary age pupils presenting with challenging behavior.</p> <p>Increasing budgets for the contact centre will allow increased phone capacity, this channel tends to be used by a higher proportion of older people</p>		<p>that seek to prevent children coming into care (e.g. Achieving Change Together) and provide services that seek to repatriate children into community or family placements (e.g. MyST, Monmouthshire Families Together).</p> <p>The budget for the Adult Social Services transformation programme, Turning World Upside Down, has been paused due to the impact of coronavirus pandemic on the council and the need to reconsider the service model and implementation.</p>

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
	when compared to self-service via the chatbot or app.		
Disability	<p>Continuation of practice change in social care are likely to have a particular impact on people who have disabilities.</p> <p>Schools will offer advice and training to allow them to support a range of disabilities.</p>	<p>Any changes to social care arrangements are likely to have a particular impact on people who have disabilities; this includes increased charges as described above.</p> <p>There will be an increase in fees and charges for both residential and non-residential social care which will have a disproportionate increase on people with disabilities</p>	For social care charging increases, we will ensure that service users are means tested to determine their ability to pay.
Gender reassignment	At this stage none of the proposals have identified a particular impact, either positive or negative, on people who have undergone or are considering gender reassignment.	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions are necessary
Marriage or civil partnership	Same-sex couples who register as civil partners have the same rights as married couples in employment and must be provided with the same benefits available to married couples, such as survivor pensions, flexible working, maternity/paternity pay and healthcare insurance. At this point of the analysis there are no proposals which have been assessed as having	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions are necessary



Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
	either a positive or negative impact on this group		
Pregnancy or maternity	In the provision of services, goods and facilities, recreational or training facilities, a woman is protected from discrimination during the period of her pregnancy and the period of 26 weeks beginning with the day on which she gives birth. None of the budget proposals have been identified as having either a positive or negative impact at this stage.	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions necessary
Race	There are no proposals identified that will have a specific positive outcome that will differ by race.	Proposals to increase back office efficiency may have an element of artificial intelligence or AI. Research has shown that AI has the potential to reinforce existing biases. This is because computer algorithms are unequipped to consciously counteract learned biases in the same way that humans do.	Work closely with developers to understand any applications where this could potentially occur and remedy immediately.
Religion or Belief	There are no impacts, either positive or negative that have been identified.	There are no impacts, either positive or negative that have been identified.	No mitigating actions necessary
Sex	The council has already carried out a full pay evaluation exercise.	None identified	No mitigating actions necessary
Sexual Orientation	None of the budget proposals have been identified as having either a	None of the budget proposals have been identified as having either a positive or negative impact at this stage.	No mitigating actions necessary

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
	positive or negative impact at this stage.		

## **2. The Socio-economic Duty and Social Justice**

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>Socio-economic Duty and Social Justice</b>	<p>Social justice is about reducing inequalities in society by working towards more equal distribution of wealth and opportunities so everyone can achieve their full potential.</p> <p>It is important to assess and understand the impact of our proposals on those in poverty, especially if there is a cumulative impact from a number of proposals. This is in line with our Social Justice policy.</p> <p>Additional funding to cover an increase in the free school meal entitlement in primary schools.</p> <p>Significant additional investment is being made in homeless services.</p>	<p>An increase in council tax will have a financial impact on all households. Those on lower incomes as any bills will form a higher proportion of their household expenditure will feel the impact more acutely.</p> <p>There is a risk that any budget proposals that increase discretionary charges, such as a 2.5% increase for sports hall hire or swimming classes, will have a disproportionate impact on people on low incomes and therefore will widen inequality.</p>	<p>There are a range of mitigations in place. These include a council tax reduction scheme.</p> <p>Free school meals are available for those on incomes below a certain level.</p> <p>The council is committed to aligning evidence-based policy, programmes of work and resources with the aim of supporting people and communities to fulfil their potential. During the past year we appointed a Tackling Poverty and Inequality Manager to focus on these issues. When introducing or increasing service charges mitigation will be introduced to reduce the financial burden on people who can least afford it.</p> <p>The council has agreed to align the pay of its apprentices with the rates set by the National Living Wage Foundation.</p>

### 3. Policy making and the Welsh language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<b>Policy Making</b> Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language no less favourably	Increase in the budget for Welsh translation will ensure we can continue to comply with the Welsh Language Standards.	None identified	All signage and material arising from budget proposals will be compliant with the Welsh Language Measure 2011
<b>Operational</b> Recruitment & Training of workforce	We will ensure that new vacancies are assessed and where possible advertised as 'Welsh essential' to increase people opportunities to engage with the council through the medium of Welsh.	None identified	Active promotion of vacancies in Welsh language publications and websites as well as targeted promotion via LinkedIn
<b>Service delivery</b> Use of Welsh language in service delivery Promoting use of the language	Increased resources for the contact centre will increase our ability to recruit Welsh speakers to ensure increased ability for service users to use the language in their dealings with the council.	None identified	


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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Examples of proposals that impact positively on this goal include the disposal of capital assets which will generate a financial return and where provide opportunities for business to utilize those assets to create employment. However, there is an opportunity cost since these assets will not be available to the authority in future.</p> <p>Increases of 2.5% for streetworks licenses, trade waste and non-statutory pre-application planning fees will result in higher costs for some businesses.</p> <p>Additional funding will ensure that all pupils with additional learning needs are identified as early as possible and additional support is provided to ensure they can meet their full potential.</p>	<p>The council has agreed to align the pay of its apprentices with the rates set by the National Living Wage Foundation.</p>
<p><b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>The council has declared a climate emergency. The authority has not yet modelled the financial consequences of its commitment to reduce its carbon emissions.</p>	<p>Proposals to reduce staff mileage, and increase the use of electric and hybrid vehicles will reduce carbon emissions.</p>




<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<p><b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Place-based working is expected to have a positive impact on physical and mental well-being.</p>	<p>Examples of proposals within the budget include practice change in Adult Social Services which focus on prevention and person-centred well-being. The budget for the Adult Social Services transformation programme, Turning World Upside Down, has been paused due to the impact of coronavirus pandemic on the council and the need to reconsider the service model and implementation.</p>
<p><b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected</p>	<p>Place-based approaches proposed as part of practice change proposals in adult social care will contribute to healthy inclusive communities.</p>	<p>Some communities may be opposed to commercial development or regeneration schemes In such cases we will involve people with proposals subject to planning and local consultation.</p>
<p><b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>We continue our efforts to reduce pollution and greenhouse gases while increasing recycling. These will have a small but important positive impact on CO2 emissions and waste which will contribute to global environmental efforts.</p>	<p>Wales has an enviable record in sustainable waste management and we will continue to progress this in our approaches to waste management and carbon reduction.</p>
<p><b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>Introduction of car parking charges at Caldicot Castle could make the visiting the attraction less affordable for some groups.</p>	<p>Admission to Caldicot Castle will remain free and enhancements will be made to promote and encourage active travel to the destination</p> <p>We will ensure that new vacancies are assessed and where possible advertised as 'Welsh essential' to increase people opportunities to engage with the council through the medium of Welsh.</p>


Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p><b>A more equal Wales</b> People can fulfil their potential no matter what their background or circumstances</p>	<p>The council has already carried out a full pay evaluation exercise.</p> <p>Increased charges for some services enable the council to provide other services such as transport which benefit people on low incomes and which has positive environmental impacts.</p> <p>Enhancing effective behavior support approaches to young people will help support children and young people to achieve their full potential and maintain them within their own community.</p>	<p>The council will uplift salaries for apprentices and those employed through the kickstarter scheme above to meet the national living wage.</p> <p>Many of the council services that are sustained through charging provide a valuable safety net and contribute to more equal outcomes.</p>

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Balancing short term need with long term and planning for the future</p>	<p>Increases in fees and charges have been considered in the context of whole life cost analysis over the long-term in order to ensure sustainable and cost effective service delivery now and in the future.</p> <p>Additional funding for pupils with additional learning needs includes early intervention to support that child through the whole of their education</p>	<p>Mitigating arrangements are in place to minimise the impact of increased fees or charges on people on low incomes</p>



Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p><b>Collaboration</b></p> <p>Working together with other partners to deliver objectives</p>	<p>The budget includes a range of collaborative proposals. This includes working with health, the voluntary sector and private companies.</p>	<p>No specific further actions are proposed at this stage</p>
 <p><b>Involvement</b></p> <p>Involving those with an interest and seeking their views</p>	<p>These proposals formed part of the budget exercise and have been subject to a public consultation exercise. This included sessions with existing groups in the county.</p>	<p>Ensuring that proposals and the accompanying Future Generations evaluations have been updated as a result of, consultation and engagement.</p>
 <p><b>Prevention</b></p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Practice change in adult social services which person centred with a focus on well-being reducing dependency and empowering individuals and families to achieve their own outcomes. Additional investment in children's social care should increase placement stability.</p>	<p>The budget for the Adult Social Services transformation programme, Turning World Upside Down, has been paused due to the impact of coronavirus pandemic on the council and the need to reconsider the service model and implementation.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="237 600 376 632"><b>Integration</b></p> <p data-bbox="203 659 566 767">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="589 355 1312 539">The council works across many areas and many of these proposals can have positive and potentially negative impacts on another. It is important that as individual proposals are developed we seek to balance competing impacts.</p>	<p data-bbox="1335 355 2022 555">The council's Corporate Plan contains a table which highlighting the objectives impacts on each of the seven national well-being goals. Any detailed proposals brought forward following the consultation will need to assess the impact of that proposal on the well-being goals.</p>

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

	<b>Describe any positive impacts your proposal has</b>	<b>Describe any negative impacts your proposal has</b>	<b>What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?</b>
Safeguarding	Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect. Specific Proposals include the strengthening of the councils legal service since lawyers sits at the heart of all child protection work around the Court system.	There are no specific negative impacts identified at this stage	Safeguarding is at the heart of everything the council does. All staff are trained to a level that is appropriate to their role.
Corporate Parenting	Further investment is being made into children's social services including those working with looked-after children and young people whose needs are such that they require significant support to keep them safe, maintain secure relationships and stable placements and improve their life chances.	There are no specific negative impacts identified at this stage	

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

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

Data sources include for example:

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

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

This assessment has been updated from the pre-consultation version following the budget engagement.

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

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

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

<b>Version No.</b>	<b>Decision making stage</b>	<b>Date considered</b>	<b>Brief description of any amendments made following consideration</b>
1.0	Cabinet	20/1/21	
2.0	Cabinet	3/3/21	Updated following budget consultation.

## References

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<sup>1</sup> Stats Wales, Budgeted Revenue expenditure by authority and service, <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Budgets/budgetedrevenueexpenditure-by-authority-service>

<sup>2</sup> Monmouthshire County Council, strategic aims <https://www.monmouthshire.gov.uk/our-coronavirus-strategy/>

<sup>3</sup> Figures quoted are before housing costs. Equivalent rounded after housing cost figures are 22% and 43% [http://www.endchildpoverty.org.uk/wp-content/uploads/2018/01/Wales\\_LA-and-ward-data.xlsx](http://www.endchildpoverty.org.uk/wp-content/uploads/2018/01/Wales_LA-and-ward-data.xlsx)

<sup>4</sup> Average Band D in 2020-21 = £1,380.76 (Council only element excluding community council or Police levy), <https://www.monmouthshire.gov.uk/app/uploads/2020/03/Bandings-Template-2020-21.pdf>

<sup>5</sup> Consumer Price Index, ONS, November 2020 <https://www.ons.gov.uk/economy/inflationandpriceindices>

# Understanding how services are grouped

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

## **Social Care, Health & Safeguarding**

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

# Understanding how services are grouped

## **Enterprise**

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

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



# Understanding how services are grouped

## **Chief Executive's Unit**

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

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

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

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

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