

# Public Document Pack



Neuadd y Sir  
Y Rhadyr  
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NP15 1GA

Monday, 5 October 2015

## Notice of Reports Received following Publication of Agenda.

### Adults Select Committee

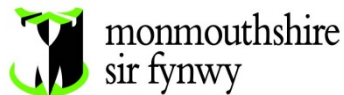
Tuesday, 13th October, 2015 at 10.00 am,  
Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA

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
1.1	DRAFT BUDGET PROPOSALS 2016/17 FOR CONSULTATION	1 - 22

**Paul Matthews**  
Chief Executive

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<b>SUBJECT:</b>	<b>DRAFT BUDGET PROPOSALS 2016/17 FOR CONSULTATION</b>
<b>MEETING:</b>	<b>Adults Select committee</b>
<b>DATE:</b>	<b>20<sup>th</sup> October 2015</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

## 1. PURPOSE:

- 1.1 To provide detailed draft proposals on the budget savings required to meet the gap between available resources and need to spend in 2016/17, for consultation purposes.
- 1.2 To consider the 2016/17 budget within the context of the 4 year Medium Term Financial Plan

## 2. RECOMMENDATIONS:

- 2.1 That Select committee scrutinises the budget savings proposals for 2016/17 released for consultation purposes and provide their response by the 30<sup>th</sup> November 2015.

## 3. KEY ISSUES:

### Background

- 3.1 In January 2015, Cabinet approved a balanced budget for 2015/16 and acknowledged an indicative MTFP position which forecast the gap in resources over the remaining three year period as £10 million. Each year the MTFP model is rolled forward to present a 4 year position and this produced a gap of £13 million, based on original assumptions contained in the model.
- 3.2 Cabinet received a further report on the MTFP in June, agreed some revised assumptions and assessed the level of pressures that needed to be considered. Work has continued over the summer to refine the modelling assumptions and outline the income generation or savings proposals that will need to be considered.

### 3.3 Funding Assumptions

Welsh Government funding – a reduction of 4.3% has been assumed in the absence of any further updates. It is expected that the provisional settlement normally expected in

October will be delayed until December 2015/January 2016, in order for the impact of the Spending Review (Nov 2015) on the Welsh Budget to be worked through.

Council Tax increases – this has been modelled on 4.95% across the 4 years

Fees and Charges – 2.5% increase has been assumed, however there is a proposal to consider higher increases.

### **3.4 Expenditure assumptions**

Pay award – 1% increase (except schools)

Vacancy factor for staff turnover – 2% reduction (except schools)

Non- pay inflation – 0%

Cash flat line for schools

### **3.5 Pressures**

In addition to this, the pressures going forward have been reviewed and the changes to the pressures going into the model since the last report are:

1. Demographic pressure in social care – has been taken out as it will be managed through the change in practice work that is already underway
2. The impact of the National living wage on social care contracts for residential care and domiciliary care
3. Waste – increase in recycling costs, specific WG grant reduction, growth in waste tonnages
4. Passenger transport unit – realignment of income budget, SEN transport costs, transport for welsh medium at Duffryn
5. Redundancy provision will be built into the base budget from 2017/18 onwards, with 2016/17 costs being met from reserves
6. National Living wage impact for MCC staff in the later years of the MTFP
7. Treasury impact of increased capital financing requirement, potentially to be offset by a savings from a change in the Authority's Treasury Strategy currently being worked on.

3.6 A summary table of pressures is provided in Appendix 1 and further detailed information on some of these pressures is provided in the Pressure mandates in Appendix 2. It is noticeable that there are a limited number of pressures identified for years 2 to 4 of the MTFP, however it is common for them to be recognised closer to the year in question and this needs to be borne in mind when considering the remaining gap in the MTFP.

3.7 In addition, previously agreed savings that have not been achieved in 2014/15 and 2015/16 (so far) have not been recognised as pressures in the model as Directorates are in the process of identifying replacement savings during the course of this year. Whilst

there is confidence that this can be achieved it does present a risk that will need to be managed.

3.8 The effect of the roll forward of the model, revised assumptions and pressures revisions above is to create a revised gap of £11 million over the period of the plan. The previously agreed MTFP contained savings targets of £844k which had mandates to explain how the savings were going to be found. These savings are therefore not being repeated here for approval.

### **MTFP Strategy**

3.9 After several years of reducing budgets (over £22 million in last 5 years) the means of achieving further savings becomes increasingly more challenging. The work streams and lead in times require sustained leadership and management capacity to ensure that the proposals can be worked up and the changes made to ensure required outcomes and savings are delivered. In the light of these circumstances, the approach adopted has been to work up next years proposals, whilst taking into account the medium term position. Work is being undertaken on the savings targets further out in the MTFP and these will be the subject of a future report. However much more work is necessary in order to consider the remaining 3 years of the MTFP and what the future shape of the Authority needs to look like in the light of the emerging financial position.

3.10 This approach has been key to enabling a focus on the Council's Single Integrated Plan with its vision of sustainable and resilient communities and 3 themes of the County's Single Integrated Plan of; Nobody is left behind, People are capable, confident and involved, Our County thrives and their associated outcomes. This has also allowed the core priorities, as identified within the Administration's Mid Term Report and Continuance Agreement 2015-17, to be maintained, namely:

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

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

3.12 The following table demonstrates the links at a summary level that have been made with the 4 priorities, Single Integrated Plan and the strategic risks:

<b>Proposal</b>	<b>Link to Priority Areas /</b>	<b>Link to Whole Authority</b>
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	<b>Single Integrated Plan</b>	<b>Risk assessment</b>
Schools budgets have been protected at 2015/16 levels,	Direct Spending in schools is maintained People are Capable, confident and Involved Our County Thrives	Budget proposals are mindful of the risk around children not achieving their full potential
Social care budgets will see additional resources going into the budget for Children's social services	Services to protect vulnerable people Nobody is left behind	These proposals seeks to address the risks around more people becoming vulnerable and in need and the needs of children with additional learning needs not being met
The service transformation projects in Adults social care and Children's services for special needs, aims to ensure that the needs of the vulnerable are still being met albeit in a different way	Services to protect vulnerable people Nobody is left behind	
Work has started on reshaping the leisure, tourism, culture, outdoor education and Youth service offer with a view to establishing an alternative service delivery model.	Activities that support the creation of jobs and wealth in the local economy and maintain locally accessible services	
The drive for service efficiencies savings has continued across all service areas in order to avoid more stringent cuts to frontline services for example looking at how we rationalise and use our properties in the light of the Asset Management Plan, ICT in the light of iCounty strategy and vehicles more efficiently	Further reviews of management and support structures and consolidation of office accommodation, contributes to the aims of creating a sustainable and resilient communities.	Addresses risks around the ability to sustain our priorities within the current financial climate
The need to think differently what income can be generated has been a clear imperative in working up the proposals. Clear examples are the income opportunities in and	Being able to generate further income streams responds to the consultation responses in previous years regarding a preference for this compared to services cuts and contributes to the aims of creating a sustainable and	

Highways, Planning and other discretionary charges	resilient communities.	
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3.13 The process adopted of capturing ideas through detailed mandates and business cases has sought to improve and formalise the links between individual budget proposals, the key priorities of the authority, key performance indicators and the strategic risks from the whole authority risk assessment.

### **Savings Targets**

3.14 It is recognised that so far, more emphasis has been put on the 2016/17 proposals and figures in order to set the budget and close the gap for next year. The individual proposals are outlined in Appendix 4 and have been through an initial Future Generations challenge, the results of which are linked to each proposal. The main headlines are:

- Establishing an alternative service delivery model for Tourism, Leisure, culture, outdoor education and youth services in the form of a wholly owned ‘not for profit trust model’
- Working with Town and Community to sustain locally accessible services together, if this is not possible, reductions in services will need to be reviewed.
- Managing the increasing demand for social care by increasing the capacity for people to sustain independent lives within their own communities
- Enabling children with additional learning needs to have those needs met as far as possible within Monmouthshire schools
- Reducing spend on highways maintenance, grounds maintenance and property services
- Transferring some of our buildings to community groups and selling others where we can consolidate services in reduced accommodation
- Increasing discretionary fees and charges by 10% rather than 2.5% assumed in the MTFP model, following feedback from previous public consultation events

3.15 It is expected that Welsh Government will continue to seek protection for education budgets in the future although there have been no announcements on the specific details of this. The authority more than met its target in this respect in previous years, and for 2016/17 is protecting funding at cash flatline.

3.16 Work is continuing on the need to address the longer term issue of a reducing resource base. It is expected that further mandates and business cases outlining the detail to address the savings targets in the latter years of the MTFP will continue to be worked up and submitted for scrutiny through select committees. This will ensure that the work needed to balance the MTFP is undertaken now in order to deliver savings in the later years of the plan. This longer term plan will need to link closely with the work on the corporate Improvement Plan, so that the new shape of the Authority and its performance expectations are matched with the expected resource base for delivering services.

### **Impact of Capital MTFP**

3.17 Work is continuing on the Capital MTFP and this will be considered by Cabinet at the next meeting. For the purposes of establishing the revenue impact of any changes to the

capital MTFP it has been assumed at this stage that any additional schemes which are established as priorities will displace schemes or budget allocations already in the capital programme rather than add any additional pressure which would require financing and therefore potentially impact on the revenue budget.

### **Council Tax**

3.18 The Council Tax increase in the budget has been assumed as 4.95% per annum across the MTFP as a planning assumption.. The Council tax base will be formally set by Cabinet in December. This will include an assessment of collection rates and growth in properties but early indications are that the budget could be increased. In addition, the demand for Council Tax Reduction Scheme payments has been assessed as reducing next year based on the forecasts being projected forward from the current year activity. Taken together £400,000 of additional Council Tax has been used in the calculations so far and this will be revisited when more detailed assessments are made.

### **Summary position**

3.19 In summary, the 2016/17 budget gap is now £1.738m, if all the savings proposals contained in the Appendix 4 are approved.

	<b>2016/17</b>
<b>Summary Draft MTFP</b>	<b>£000s</b>
<b>Gap</b>	<b>6,319</b>
MTFP savings agreed	844
Savings with mandates	3,332
Council Tax base	400
<b>New Gap</b>	<b>1,743</b>

3.20 However, this still leaves a gap of £6.5 million to be found over the whole of the 4 year period.

### **Reserves strategy**

3.21 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £9 million at the start of 2015/16 to £6.2 million at the end of 2019/20. 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 £5 million.

3.22 Whilst every effort will be made to avoid redundancy costs and the Protection of Employment policy is used to ensure redundancy is minimised, it is expected there may be some that are inevitable and reserve cover may be required for this, possibly in the region of £500,000 per year. Over the MTFP this could require £2 million reserve funding cover, if services are unable to fund the payments from their budgets. The MTFP model now includes a fund for redundancy costs in the base budget from 2017/18.

### **Next Steps**

3.23 The information contained in this report constitutes the budget proposals that are now made available for formal consultation. Cabinet are interested in consultation views on



the proposals and how the remaining gap may be closed. This is the opportunity for Members, the public and community groups to consider the budget proposals and make comments on them. Cabinet will not however, be prepared to recommend anything to Council that has not been subject to a Future Generations and EQIA and therefore a deadline to receive alternative proposals has been set as 30<sup>th</sup> November 2015.

- 3.24 Public engagement sessions (to include the formal requirement to consult businesses) and Select Committee Scrutiny of Budget proposals, will take place over the course of October and November. The scrutiny of and consultation on the budget proposals are key areas of this part of the budget process. The following dates have been set of the Select committees and work is continuing on providing dates for public consultation in the same timescales:

20<sup>th</sup> Oct 2pm Adults  
21<sup>st</sup> Oct 2015 10am CYP  
22<sup>nd</sup> Oct 2015 10am Strong Communities  
4<sup>th</sup> Nov 2015 10am Economy and Development

- 3.25 The aim this year has been to enable more time to consider the responses to the consultation on the budget proposals. To that end it is proposed that the consultation will end on the 30<sup>th</sup> November 2015 to enable Council to consider the responses and approve final budget proposals in January 2016 if possible. There may need to be some flexibility around this date given the expected late notifications of funding to be received from Welsh Government. Formal Council Tax setting will still take place at full Council on 26<sup>th</sup> February 2015 once the Police precept and all the Community Council precepts have been notified.

#### **4 REASONS:**

- 4.1 To agree budget proposals for 2016/17 for consultation purposes

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

As identified in the report and appendices

#### **6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

The future generation and equality impacts of each individual saving proposal have been initially identified in the assessment and are linked to the saving proposal document. No significant negative impact has been identified. Further consultation requirements have been identified and are on going. Further assessment of the total impact of the all the proposals will be undertaken for the final budget report.

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

#### **7. CONSULTEES:**

SLT  
Cabinet

Head of Legal Services  
Head of Strategic Personnel

**8. BACKGROUND PAPERS:**

Appendix 1: Summary table of Pressures

Appendix 2: Detail of individual pressures

Appendix 3: Summary list of budget savings

Appendix 4: Individual proposals – detailed mandates or business cases with attached  
Future Generation assessments, numbered between B1 and B23

**9. AUTHOR:**

Joy Robson  
Head of Finance

**10. CONTACT DETAILS:**

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**E-mail:** [joyrobson@monmouthshire.gov.uk](mailto:joyrobson@monmouthshire.gov.uk)

**APPENDIX 1**

**Summary table of pressures**

	Revised 2016/17 £000	Revised 2017/18 £000	2018/19 £000	2019/20 £000	Revised Total £000
- demographics	-	-	-		-
- corrected pension auto enrolment		913	92		1,005
Increase in employers national insurance	968				968
Cost of Local development plan	125				125
Childrens social serivces	483				483
SCH Contract inflation care fees - residential	784				784
SCH Contract inflation care fees - domicillary care	347				347
Waste	1,150	311			1,461
PTU	355	30	47	72	504
Provision for redundancy	0	250	250		500
Living Wage	0	0	58	112	170
Treasury (to be reviewed)	100				100
<b>Total Pressures</b>	<b>4,312</b>	<b>1,504</b>	<b>447</b>	<b>184</b>	<b>6,447</b>

Reduce to zero, being managed through practice change

Excluding schools

Reserve funded

revised pressures based on living wage rather than min v

revised pressures based on living wage rather than min v

Fund by reserves in 2016/17

Treasury policy being worked on

vage  
vage

Pressure Mandate Proposal Number :  
 Pressure Mandate Title : Increase in residential/nursing care home fees due to introduction of the Living Wage

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

<b>Mandate Completed by</b>	<i>Tyrone Stokes</i>
<b>Date</b>	<i>10<sup>th</sup> September 2015</i>

#### Why is this pressure required?

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

Within the SCH 2016/17 budget we have a £10,186,788 third party budget covering payments to residential/nursing care homes for the elderly supporting 280 placements as at 31<sup>st</sup> March 2015.

Work we have done with the Adult Residential and Nursing care home sector through the "Fair Fee" exercise tells us that care providers have a cost base of 70% wages not sensitive to RPI but sensitive to wage increases, in this mandate Living Wage.

In this year's budget the Chancellor announced the introduction of the Living Wage being the lowest hourly rate paid for work being £7.20 in 2016 rising to £9 in 2020.

We are unable to mitigate this increase and are contractually bound to reflect in our fees. The reason why we cannot mitigate this increase is that four years ago the Council agreed to undertake the fair fee exercise to defend the Council against a judicial review in not considering the true costs of running a care homes in its fees. Two Authorities namely Pembrokeshire and Vale of Glamorgan did have a judicial review and in the case of Pembrokeshire, led to a million plus sum in fines and legal costs and the back payment in increased fees.

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

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

£10,186,788 is 70% linked to pay/minimum wage and based on the introduction of the £7.20 per hour Living Wage to replace the current £6.50 minimum wage, this will be an 11% increase to be reflected in our fees paid. The 11% will equate to £784,383 for 2016 increasing to 38% in 2020 (£9 per hour Living Wage) equating to £2,709,686.

**Directorate & Service Area responsible**

SCH and Community Care

**Mandate lead(s)**

Tyrone Stokes

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

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

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

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

**Will any further consultation be needed?**

Name	Organisation/ department	Date

**Final pressure approved by Cabinet**

**Date:**

## 1. Vision and Outcomes of the Pressure Mandate

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

### What are the outcomes of investing in the identified pressure?

The outcome will allow the directorate to maintain contractual and legal obligations to meet cost pressures on its providers, maintaining a quality of provision for vulnerable people in the Community

### Expected positive impacts

Harbour good relations with providers and sustain a viable market which can meet cost pressures through increases in minimum wage to care staff.

### Expected negative impacts

If we cannot meet Living wage increases to providers we risk a judicial review by the Courts from providers due to the Council not being in a budget position to accommodate cost pressures.

## 2. Pressure proposed

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

### What is the evidence for the pressure? How has it been estimated?

Evidence for the pressure is based on the introduction of the Living Wage hourly rate of £7.20 in 2016.

Estimate has been calculated from the Authority's fair fee toolkit.

Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	Target year			Total pressure proposed
				15/16	16/17	17/18	
Community Care	£10,186,788	£784,383	0	n/a	£784,383	£	£784,383

### 3. Actions to required to minimise the pressure

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

Action	Officer/ Service responsible	Timescale
We review wage increases and take advice from consultants such as Rockhaven Healthcare Ltd to advise on our position as to honouring cost pressures through fee increases to providers	Tyrone Stokes and Shelley Welton	Annual

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### 4. Additional skills/ business needs

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

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



## 5. Measuring performance on the mandate

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

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

## 6. Key Risks and Issues

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

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

## 7. Assumptions

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

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


## 8. Options

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

Options	Reason why Option was not progressed	Decision Maker
Do not reflect Living wage increases in our fee toolkit	Face judicial review from care providers	Julie Boothroyd

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## 9. Monitoring the pressure mandate

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

Pressure Mandate Proposal Number :  
 Pressure Mandate Title : Increase in Domiciliary Care provider fees due to introduction of the Living Wage

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

<b>Mandate Completed by</b>	<i>Tyrone Stokes</i>
<b>Date</b>	<i>10<sup>th</sup> September 2015</i>

#### Why is this pressure required?

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

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

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

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

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

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

£346,965 for 2016/17 just to address the introduced Living wage rate of £7.20

<b>Directorate &amp; Service Area responsible</b>		
SCH and Community Care		
<b>Mandate lead(s)</b>		
Tyrone Stokes		

<b>Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?</b>		
Name	Organisation/ department	Date
Mark Howcroft	Assistant Head of Finance	20 <sup>th</sup> July then challenge panel 4 <sup>th</sup> September
Joy Robson	Head of Finance	20 <sup>th</sup> July then challenge panel 4 <sup>th</sup> September
Simon Burch	Former SCH Director	20 <sup>th</sup> July
Julie Boothroyd	Interim SCH Director	20 <sup>th</sup> July

<b>Has the specific budget pressure been consulted on?</b>		
<b>Function</b>	<b>Date</b>	<b>Details of any changes made?</b>
Department Management Team		
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee		
Public or other stakeholders		
Cabinet (sign off to proceed)		

<b>Will any further consultation be needed?</b>		
Name	Organisation/ department	Date

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

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

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

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

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## 2. Pressure proposed

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

<b>What is the evidence for the pressure? How has it been estimated?</b>							
Evidence for the pressure is based on the introduction of the Living Wage hourly rate of £7.20 in 2016 and research issued by the UKHCA. We have determined the pressure using the weekly care hours provided.							
Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	Target year			Total pressure proposed
				15/16	16/17	17/18	
Community Care	£8,822,039	£346,965	0	n/a	£346,965	£	£346,965

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### 3. Actions to required to minimise the pressure

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

Action	Officer/ Service responsible	Timescale

### 4. Additional skills/ business needs

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

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

### 5. Measuring performance on the mandate

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

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


## 6. Key Risks and Issues

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

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

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## 7. Assumptions

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

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

## 8. Options

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

Options	Reason why Option was not progressed	Decision Maker
Do not reflect Living wage increases in our fee	Care agencies face financial hardship, domiciliary care business in no longer viable in Monmouthshire	Julie Boothroyd
Increase eligibility criteria	<p>Previous raising of eligible criteria has not materialised savings. Adult services approach to manage practice is by maximising support from family and community before providing formal services, which has resulted in Community Care delivering to budget, despite demographics and increased complexity pressures.</p> <p>In addition, mandate 34 has addressed the raising of eligibility criteria to removing the 'moderate' threshold.</p>	Julie Boothroyd
Reduce services provided	As with above this is addressed in mandate 34 and mirrors our current direction of travel. At present we are looking to support service users through community support, small local enterprises and community co-ordination that will see less reliance on formal support and a more blended approach for people to remain safe and connected to communities.	Julie Boothroyd

## 9. Monitoring the pressure mandate

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