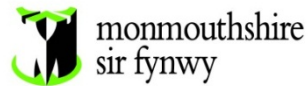


Public Document Pack



County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 15 January 2019

Notice of meeting

Severnside Area Committee

**Wednesday, 23rd January, 2019 at 1.00 pm,
Room 6 Innovation House Magor - Room 6 Innovation House Magor**

AGENDA

Item No	Item	Pages
1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Public Open Forum	
4.	Budget Consultation Engagement	1 - 126
5.	Town Team Update	
6.	Caldicot Regeneration Update	
7.	Presentation from the Community and Partnership Development Team - Delivering the Social Justice Plan	
8.	Monmouthshire Replacement Local Development Plan Draft Issues, Vision and Objectives	127 - 168
9.	Speed Management Strategy	169 - 222
10.	Confirm and sign the minutes of the previous meeting	223 - 226
11.	Date and time of next meeting - Wednesday 17th April 2019 at 10am	

Paul Matthews

Chief Executive / Prif Weithredwr

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillors:

D. Evans
J.Watkins
J. Higginson
A. Easson
P.A. Fox
L. Guppy
F. Taylor
A.Davies
L.Dymock

Public Information

Access to paper copies of agendas and reports

A copy of this agenda and relevant reports can be made available to members of the public attending a meeting by requesting a copy from Democratic Services on 01633 644219. Please note that we must receive 24 hours notice prior to the meeting in order to provide you with a hard copy of this agenda.

Welsh Language

The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with adequate notice to accommodate your needs.

Aims and Values of Monmouthshire County Council

Our purpose

Building Sustainable and Resilient Communities

Objectives we are working towards

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

Our Values

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

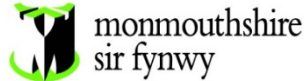
Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

This page is intentionally left blank

Public Document Pack Agenda Item 4



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 11 December 2018

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **Conference Room - Usk, NP15 1ADGA** on **Wednesday, 19th December, 2018, at 10.00 am.**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To consider the following reports (Copies attached):
 - i. **OPENING OF A POST OFFICE WITHIN USK COMMUNITY HUB** 1 - 14
Divisions/Wards affected: All

Purpose: To seek approval, subject to a successful application and planning permission, to create and operate a Post Office within Usk Community Hub following the announcement of the planned closure of the current facility on Bridge Street.

Author: Matthew Gatehouse, Head of Policy and Governance
Richard Drinkwater, Community Hub Manager (Caldicot, Chepstow & Usk)

Contact Details: matthewgatehouse@monmouthshire.gov.uk;
richarddrinkwater@monmouthshire.gov.uk
 - ii. **REVENUE & CAPITAL MONITORING 2018/19 OUTTURN STATEMENT** 15 - 48
Division/Wards Affected: All

Purpose: The purpose of this report is to provide Members with information on the revenue and capital outturn position of the Authority at the end of reporting period 2 which represents the financial outturn position for the 2018/19 financial year based on October inclusive activities.

This report will also be considered by Select Committees as part of their responsibility to,

- assess whether effective budget monitoring is taking place,

- monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
- challenge the reasonableness of projected over or underspends, and
- monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

Author: Mark Howcroft – Assistant Head of Finance
Dave Jarrett – Senior Accountant Business Support

Contact Details: markhowcroft@monmouthshire.gov.uk

iii. **CAPITAL STRATEGY ASSESSMENT 2018-19 and DRAFT CAPITAL BUDGET PROPOSALS 2019-20 to 2022-23** 49 - 100

Division/Wards Affected: All

Purpose: Chartered institute of Public Finance and Accountancy (CIPFA) produced a revised regulatory Code in December 2017, which included a need for local authorities to produce a **Capital Strategy**. The requirements were staggered with an aim for reporting compliance during 2018/19 with a full **Capital Strategy** implemented for 2019/20. This report concentrates on the former in evaluating the governance, planning and priority setting involved in presenting 2019-20 capital budget proposals and the 3 years thereafter making up the collective capital medium term financial plan.

CIPFA report that a **Capital Strategy** should be tailored to individual circumstances and consequentially don't volunteer a prescriptive format. The overall intent is that any **Capital Strategy** should allow Members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured. The overall purpose of a capital strategy being to provide opportunity for engagement with Full Council to ensure overall strategy, governance procedures and risk appetite are fully understood by all elected members

The code, in describing the **Capital Strategy**, reports it can be delegated to Cabinet (or similar body) with Full Council being responsible. MCC's approach is to report budget setting process through Cabinet, with consideration and approval of the future capital programmes resting with full Council. The Council's Constitution is consistent with compliance requirements. It is anticipated that the actual resulting capital strategy will be reconciled and consistent with a wider financial strategy and both available for consideration during Spring cycle of meetings.

Author: **Mark Howcroft – Assistant Head of Finance (Deputy S151 Officer)**

Contact Details: markhowcroft@monmouthshire.gov.uk

iv. **2019 DRAFT REVENUE BUDGET PROPOSALS 2019/20**
Divisions/Wards Affected: All

101 -
120

Purpose: To set out a budget proposal for financial year 2019/20.

To commence a period of consultation on the budget proposal that will remain open until 31 January 2019.

To consider the 2019/20 budget proposal within the context of the 4 year Medium Term Financial Plan (MTFP) and the Corporate Plan.

Author: Joy Robson – Head of Finance

Contact: joyrobson@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	Whole Authority Strategy & Direction CCR Joint Cabinet & Regional Development; Organisation overview; Regional working; Government relations; Public Service Board; WLGA	WLGA Council WLGA Coordinating Board Public Service Board	Portskewett
R.J.W. Greenland (Deputy Leader)	Enterprise Land use planning; Economy & Tourism; Town Centre Regeneration; Leisure; Cultural services; ADM development	WLGA Council Capital Region Tourism	Devauden
P. Jordan	Governance Council & Executive decision support; Scrutiny; Regulatory Committee standards; Community governance; Member support; Elections, Democracy promotion & engagement; Law, Ethics & Standards; Whole Authority performance; Whole Authority service planning & evaluation; Regulatory body liaison; Audit; Development control; Building control; Community Hubs inc Adult Education		Cantref
R. John	Children & Young People School standards; School improvement; School governance; EAS overview; Early years; Additional Learning Needs; Inclusion; Youth Service; Extended curriculum; Outdoor education; Admissions; Catchment areas; Post 16 offer; Coleg Gwent liaison.	Joint Education Group (EAS) WJEC	Mitchel Troy
P. Jones	Social Care, Safeguarding & Health Children; Adult; Fostering & adoption; Youth offending service; Supporting people; Whole Authority safeguarding (children & adults); Disabilities; Mental Health; Public Health; Health liaison.		Raglan
P. Murphy	Resources Finance; Information technology (SRS); Human Resources; Training; Health & Safety; Emergency planning; Procurement; Land & buildings (inc. Estate, Cemeteries, Allotments, Farms); Property maintenance; Digital office; Commercial office	Prosiect Gwrydd Wales Purchasing Consortium	Caerwent

S.B. Jones	County Operations Highways maintenance, Transport, Traffic & Network Management, Fleet management; Waste including recycling, Public conveniences; Car parks; Parks & open spaces; Cleansing; Countryside; Landscapes & biodiversity; Flood Risk.	SEWTA Prosiect Gwyrdd	Goytre Fawr
S. Jones	Social Justice & Community Development Community engagement; Deprivation & Isolation; Housing & Homelessness; Social cohesion; Poverty; Equalities; Diversity; Welsh language; Public relations; Trading standards; Environmental health; Licensing; Communications		Llanover

Aims and Values of Monmouthshire County Council

Our purpose

Building Sustainable and Resilient Communities

Objectives we are working towards

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

Our Values

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

SUBJECT:	OPENING OF A POST OFFICE WITHIN USK COMMUNITY HUB
MEETING:	CABINET
DATE:	19th December 2018
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To seek approval, subject to a successful application and planning permission, to create and operate a Post Office within Usk Community Hub following the announcement of the planned closure of the current facility on Bridge Street.

2. RECOMMENDATIONS:

- 2.1 That subject to a satisfactory application that meets the requirements of Post Office Ltd and satisfies officers of the authority in terms of contractual and financial risk, that Cabinet approves that any shortfall in funds that cannot be met from counter service income be funded from existing community hub budgets, subject to an agreement with Usk Town Council that these costs be shared equally with the Town Council.
- 2.2 To submit a planning application for change of use, to enable the Post Office to operate within the hub premises. This will not compromise the present service offer.
- 2.3 To create an additional 30 hour per week Information Assistant Post, employed by the local authority, on NJC terms and conditions to enable the Post Office to be staffed and opened during the same hours as the hub.

3. KEY ISSUES:

- 3.1 The town of Usk sits in the heart of Monmouthshire and benefits from many shops, food establishments and other businesses which enrich the lives not only of those within the town but also of many thousands of people from surrounding communities.
- 3.2 Barclays Bank closed its doors at the end of September 2018 and the local sub-post office also announced its intention to close following the planned retirement of the existing Postmistress. Attempts by the Post Office to find someone willing to take on the operation proved unsuccessful and Usk presently faces the possibility of having no post office or banking service, which would have a detrimental impact on our purpose of helping to build sustainable and resilient communities. At present the existing Post Office has remained open as part of a goodwill gesture to enable officers to progress this application but will close its doors for the last time no later than the end of March 2019.
- 3.3 Local authorities in Wales have the power to promote or improve economic, social or environmental well-being under the Local Government Act 2000. This is enhanced by the Well-being of Future Generations Act which places a duty on public bodies to take an integrated and collaborative approach to improving the well-being of current and future generations of residents identifying innovative and shared solutions to some of the most pressing challenges facing our communities.
- 3.4 Monmouthshire's Community Hubs were created by a decision of Cabinet in May 2015 and have proved successful in maintaining front-line services, including one-stop-shops and libraries within a single site in each of our largest towns. Other community services also use the hubs and colleagues in Abergavenny are now working alongside officers from Gwent Police in an expanded hub offer. The provision a Post Office service would be a further expansion of the hub offer while maintaining an important local service which is consistent with the ethos of the hub.
- 3.5 Under the proposal the local authority would become the Postmaster and get paid a fee for every Post Office transaction conducted, this includes things like postage, home shopping returns, parcel collection, sale of travel money, and bill payments. Estimates of the volume of business suggest that the branch would operate at a loss, albeit the closure of the local bank could result in increased transaction for counter services. The operation would therefore effectively require a subsidy from the local authority. This is estimated to be around £8,000 per year assuming no uplift in income from the closure of the bank. The Town Council has agreed in principle to meet half of this cost resulting in a financial contribution of £4,000 from the local authority which it is anticipated could be met from planned efficiencies in other parts of hub operations. This figure does not presently include an increase in insurance costs

albeit based on current discussions this figure is likely to be low or result in no increase in premium as a result of the arrangements that the Post Office already have in place.

- 3.6 The Post Office will operate 30 hours per week mirroring that of the Community Hub operations. This will necessitate the employment of one additional part-time member of staff. Cover during lunchbreaks and holidays will be provided by other staff within the hub. It is anticipated that the role be similar in nature to that of information assistant within the hubs and paid at Band E (SCP 21-15) subject to the outcome of job evaluation.
- 3.7 It will be necessary to apply for a planning application for change of use and guidance has been sought informally from the Development Management section ahead of an application. This will not impact on the external appearance of the building other than the addition of signage.
- 3.8 The Post Office will operate entirely separately from the council's own accountancy procedures. The software used will be part of the Post Office system and the reconciliation of accounts and cash collection will be done in accordance with the procedures of Post Office Ltd rather than Monmouthshire County Council, effectively ensuring a firewall between the two organisations for accountancy purposes. The application will be subject to being able to reach a satisfactory agreement on contractual issues.
- 3.9 It seems likely that the onus placed on public bodies by the Equality Act 2010 will limit our options to exit this arrangement in the future should the service provision prove onerous in some way, and needs to be recognised as a risk. This is as a result of previous case law relating to the closure of a Post Office and the negative impact this would have on people with disabilities.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 The Future Generations Act requires public bodies to prevent problems occurring or getting worse and take an integrated and collaborative approach. The Post Office is used by people of all generations but its loss would be felt particularly by older residents and those without access to a car who would otherwise need to journey to other towns to conduct transactions contributing to congestion and increasing carbon emissions. Preserving a local service would have positive benefits for local businesses who would be without a local financial service to deposit and withdraw cash.

5. OPTIONS APPRAISAL

5.1 Options considered were:

- Do nothing – This would result in the loss of an important local service and see the town of Usk without any banking facilities. It has potential negative impacts for residents and businesses. Doing nothing presents a significant opportunity cost to delivering the council's purpose of building sustainable and resilient communities but would be the easiest and lowest risk option when looked at against the financial and legal responsibilities of the organisation
- Seek a new private operator – This would have been the preferred option. It has been explored extensively by Post Office Ltd but no interest has been shown
- Continue with the existing service – This is not possible due to the retirement of the current postmistress
- Run the Post Office from a more central location – This remains an interesting proposition as it could result in higher footfall and would offer a greater positive impact on the high street. However this would necessitate acquiring a leasehold property, re-locating the existing hub and incurring additional capital expenditure. It may be considered at a future date.
- Operate a Post Office within the Hub on Maryport Street – This emerged as the preferred option and is the subject of this paper.

6. EVALUATION CRITERIA

6.1 The performance management arrangements will be incorporated into the Service Business Plan for the Community Hub and Contact Centre and monitored throughout the year in accordance with the council's performance management framework. An evaluation will be completed after 12 months of operation. The criteria will include:

- That use of library and community education services are maintained
- Number of counter transactions measured against forecasts and the resulting revenue generated from these
- Overspend/Underspend against forecast operating costs

7. REASONS:

To enable the continued provision of local services which are important for the sustainability of a key town in Monmouthshire.

8. RESOURCE IMPLICATIONS:

- 8.1 Post Office counter services would be expected to deliver an income of around £13,800. If the opening hours were to mirror those of the current hub operation this would not be sufficient to cover the uplift in staffing needed to cover counter services. Staffing costs would be 21,817 including on-costs. It is anticipated that the difference could be met by contributions from existing budgets and the Town Council, subject to separate decision by that body. The cost to the local authority being £4,000, should the Town Council not formally approve sharing the costs of the service this would rise to £8,000. The revenues team are exploring any potential changes to the rateable value of the premises with the valuation office.
- 8.2 Longer term the closure of Barclays Bank on Bridge Street may result in the potential to increase income from counter services. However, at this stage the business case will be developed on conservative estimates of future income streams that do not assume significant growth from factors outside the control of the local authority.
- 8.3 The supply and fit-out of counter service including a safe, ICT, counter and security measures will be met by the Post Office Ltd as part of their capital expenditure. There will be a small uplift in insurance premiums resulting from the operations and this cost will need to be met from community hub budgets rather than the insurance section.

9. CONSULTEES:

Cabinet

SLT

Head of Law / Monitoring Officer – explicit engagement over and above strategic SLT role

Assistance Head of Finance (Revenue Benefits and Exchequer)

Assistant Head of Finance and Deputy Section 151 Officer

Principal Insurance Officer

Internal Audit Manager

Development Management Area Team Manager

Area Network Change Manager, Post Office Ltd

Discussions and the development of the proposal have also involved Councillor Brian Strong, Councillor Sheila Woodhouse and members of Usk Town Council. The provision of a cash-point was explored during consultation but found to be not financially viable. Consultees raised a number of points regarding contracts, insurance and financial procedures all of which are referred to in the body

of report where appropriate. In some instances contractual issues will need to be explored and resolved during the application and negotiation stage. Other issues raised, including the level of VAT on transactions have been raised and proved not to be problematic and so are not referred to in the body of the report.

8. BACKGROUND PAPERS:

None

9. AUTHORS:

Matthew Gatehouse, Head of Policy and Governance
Richard Drinkwater, Community Hub Manager (Caldicot, Chepstow & Usk)

10. CONTACT DETAILS:

Tel: 01633 644397 / 0778 555 6727
E-mail: matthewgatehouse@monmouthshire.gov.uk

Tel: 0776 8055 283
E-mail: richarddrinkwater@monmouthshire.gov.uk



<p>Name of the Officer Matthew Gatehouse</p> <p>Phone no: 01633 644397 / 0778 555 6727 E-mail: matthewgatehouse@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal:</p> <p>To create and operate a Post Office within Usk Community Hub following the announcement of the planned closure of the current facility on Bridge Street.</p>
<p>Name of Service area: Policy Governance and Customer Service</p>	<p>Date: 20 November 2018</p>

Page 73

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	The proposal should benefit people of all ages. The Office is used by people of all generations but its loss would be felt particularly by older residents and those without access to a car who would otherwise need to journey to other towns to conduct transactions.	None identified at this safe	No additional actions identified at this stage

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability	People with a disability are less likely to own a car and a proposal to retain a local post office would be beneficial to people who have mobility issues and cannot easily travel to other towns to access services		Explore the effectiveness of chatbots for people with visual impairments who may be using them over a screen-reader. Further improve the accessibility of the council's website using guidance developed by the Government Digital Service
Gender reassignment	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 additional actions identified at this stage
Marriage or civil partnership	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 additional actions identified at this stage
Pregnancy or maternity	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 additional actions identified at this stage
Race	None identified	There are no impacts, either positive or negative that have been identified.	No additional actions identified at this stage
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 additional actions identified at this stage
Sex	None identified	There are no impacts, either positive or negative that have been identified.	No additional actions identified at this stage
Sexual Orientation	None	There are no impacts, either positive or negative that have been identified.	No additional actions identified at this stage
Welsh Language		None identified	All Post Office Material is bi-lingual

DPP
0999
0999


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?
Poverty	Post Office's enable people who do not have their own transport to access financial services ensuring greater equality of access.	None identified	None identified





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

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?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Preserving a local service would have positive benefits for local businesses who would be without a local financial service to deposit and withdraw cash.	Ensure that staff working in the council's hub learn new skills that contribute to their future careers and employment prospects. Post Office users will gain greater exposure to the offer from community hubs including These include digital literacy and other courses that could potentially improve their career prospects.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Availability of a local service reduces car journeys, congestion and the resulting carbon emissions which are harmful for the environment.	No potential actions identified at this stage
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Local Post Offices provide people with access to many services which have a positive impact on their well-being	By locating the Post Office alongside community education services in the hub there are potential advantages to increase people's awareness of the courses on offer which can have a positive impact on well-being.
A Wales of cohesive communities	By investing in a local service we enabling contributing to helping a local community to thrive	No potential actions identified at this stage

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?
Communities are attractive, viable, safe and well connected		
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	No impacts have been identified at this stage	No potential actions identified at this stage
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Post Office users will gain greater exposure to the offer from community hubs including cultural and language courses.	No potential actions identified at this stage
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Post Office's enable people who do not have access to transport and to access financial services ensuring greater equality of access.	No potential actions identified at this stage

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Balancing short term need with long term and planning for the future</p>	Once local services disappear we know they are unlikely to return. This proposal carries a short-term financial cost but it is one that could preserve a service with long-term benefits for the local community.	None identified at this stage

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>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A collaboration between Post Office Ltd and Monmouthshire County Council would be a UK first contributing to the aspirations of both organisations</p>	<p>None identified at this stage</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The pace with which this proposal has arisen means there has not been extensive consultation at this stage. However, politicians at all levels have received representations from local people indicating the importance of the local post office.</p>	<p>Continue to seek user feedback to enhance the offer.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Investing in a local services and ensuring its continuity would prevent future problems from poor access to that service arising in future</p>	<p>None identified at this stage</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>At this stage there are no competing impacts that need to be re-considered. The proposal is seeking to bring multiple important local services into a single place to ensure their viability and sustainability through economies of scale.</p>	

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

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Social Justice	Monmouthshire' s Social Justice Strategy identified that rural isolation and a paucity of transport and services into rural communities is a critical barrier for some in getting the help they need. By retaining key local service the proposal is making a contribution to minimizing these barriers	None identified	By locating the Post Office alongside community education services in the hub there are potential advantages to increase peoples' awareness of the courses on offer. These include digital literacy and other courses that could improve peoples' career prospects.
Safeguarding	No safeguarding implications have been identified at this time.	None identified	None identified at this stage
Corporate Parenting	No corporate Parenting implications have been identified at this time.	None identified	None identified at this stage

Page 18

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

<ul style="list-style-type: none"> • Volume and value of likely transactions data from Post Office Ltd • Estimated operating costs for the new service
--

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

The Post Office is used by people of all generations but its loss would be felt particularly by older residents and those without access to a car who would otherwise need to journey to other towns to conduct transactions contributing to congestion and increasing carbon emissions. Preserving a local service would have positive benefits for local businesses who would be without a local financial service to deposit and withdraw cash.

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

What are you going to do	When are you going to do it?	Who is responsible
No additional actions at this stage		

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

Page 19

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1.0	Pre-Cabinet Consultation	Scheduled for 19 th December	

This page is intentionally left blank

REPORT

SUBJECT	REVENUE & CAPITAL MONITORING 2018/19 OUTTURN STATEMENT
DIRECTORATE	Resources
MEETING	Cabinet
DATE	19th December 2018
DIVISIONS/ WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the revenue and capital outturn position of the Authority at the end of reporting period 2 which represents the financial outturn position for the 2018/19 financial year based on October inclusive activities.
- 1.2 This report will also be considered by Select Committees as part of their responsibility to,
- assess whether effective budget monitoring is taking place,
 - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
 - challenge the reasonableness of projected over or underspends, and
 - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

2. RECOMMENDATIONS PROPOSED TO CABINET

- 2.1 That Members consider a net revenue forecast of £316,000 surplus, and approves the local education authority costs of compromise agreements being borne by the corporate redundancy budget rather than Children and Young People Directorate.
- 2.2 That they also recognise circa £1.3m extra capital resourcing provided recently and note that the revenue forecast is predicated on capitalising £444k expenditure accordingly, a decision that still needs to be considered by full Council in January 2019.
- 2.3 That Members note the 86% delivery of the budget setting savings agreed by full Council previously and a need for remedial action/savings in respect of £727k savings reported as delayed or unachievable by service managers.
- 2.4 That Members consider the capital outturn spend of £40.8m, introducing a £1m anticipated overspend and the presumption made around financing such as per para 3.6.7.
- 2.5 That members note the anticipated use of reserve funding predicted at outturn and the low level of earmarked reserves, which will notably reduce the flexibility the Council has in re-engineering services and facilitating change to mitigate the challenges of scarce resources going forward.
- 2.6 Members note the extent of movements in individual budgeted draws on school balances, and reported recovery plan intentions as a consequence of their approving changes to Fairer Funding guidelines since month 2

3. MONITORING ANALYSIS

3.1 Revenue Position

3.1.1 Revenue budget monitoring information for each directorate's directly managed budgets is provided together with information on corporate areas.

3.1.2 Responsible Financial Officer's Summary of Overall Position Period 2

Table 1: Council Fund 2018/19 Outturn Forecast Summary Statement at Outturn

Service Area	Initial 2018-19 Annual Budget	Virements to budget Mth2	Virements to budget Mth 7	Period 7 Annual Budget	Revised Forecast Outturn	Revised Forecast Variance	Forecast Over/ (Under) @ Month 2
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services	7,501	0	-89	7,412	7,388	-24	72
Children Services	11,373	0	87	11,460	12,022	562	282
Community Care	22,704	0	64	22,768	21,974	-794	-132
Commissioning	1,631	0	-4	1,627	1,542	-85	-48
Partnerships	366	0	0	366	366	0	0
Public Protection	1,417	0	-7	1,410	1,401	-9	18
Resources & Performance	676	0	-21	655	615	-40	-16
Total Social Care & Health	45,668	0	30	45,698	45,308	-390	176
Individual School Budget	43,620	0	1	43,621	43,436	-185	1
Resources	1,440	0	0	1,440	1,390	-50	0
Standards	5,113	0	-2	5,111	5,582	471	381
Total Children & Young People	50,173	0	-1	50,172	50,408	236	382
Business Growth & Enterprise	1,456	0	-124	1,332	1,208	-124	8
Operations	15,394	47	64	15,505	16,126	621	174
Planning & Housing	1,815	0	-88	1,727	1,576	-151	0
Tourism Life & Culture	3,445	0	0	3,445	3,702	257	58
Total Enterprise	22,110	47	-148	22,009	22,612	603	240
Legal & Land Charges	458		-2	456	501	45	-3
Governance, Democracy and Support	3,893	0	-13	3,880	3,820	-60	-11
Total Chief Executives Unit	4,351	0	-15	4,336	4,321	-15	-14
Finance	2,486	0		2,484	2,328	-156	-47

Information Communication Technology	2,679	0	0	2,679	2,740	61	54
People Future Monmouthshire	1,680	-47	-3 123	1,630 123	1,660 143	30 20	34 0
Commercial and Corporate Landlord Services	844	0	-14	830	911	81	158
Total Resources	7,689	-47	104	7,746	7,782	36	199
Precepts and Levies	18,467	0	0	18,467	18,466	-1	-1
Corporate Management (CM)	120	0	131	251	-72	-323	-59
Non Distributed Costs (NDC)	669	0	0	669	707	38	0
Strategic Initiatives	493	0	-69	424	92	-332	-493
Insurance	1,333	0	0	1,333	1,237	-96	0
Total Corporate Costs & Levies	21,082	0	62	21,144	20,430	-714	-553
Net Cost of Services	151,073	0	32	151,105	150,861	-244	430
Fixed Asset disposal costs	153	0	0	153	160	7	0
Interest and Investment Income	-56	0	0	-56	-114	-58	-6
Interest payable & Similar Charges	3,326	0	11	3,337	3,373	36	5
Charges required under regulation	4,500	0	-63	4,437	4,430	-7	0
Contributions to Reserves	224	0	-131	93	93	0	0
Contributions from Reserves	-1,408	0	151	-1,257	-1,257	0	0
Capital Expenditure funded by revenue contribution			0	0	0	0	0
Appropriations	6,739	0	-32	6,707	6,685	-22	-1
General Government Grants	-63,091		0	-63,091	-63,091	0	0
Non Domestic rates	-30,177		0	-30,177	-30,177	0	0
Council Tax	-70,838	0	0	-70,838	-70,778	60	0
Council Tax Benefits Support	6,294		0	6,294	6,184	-110	-50
Financing	-157,812	0	0	-157,812	-157,862	-50	-50
Net Council Fund (Surplus) / Deficit	0	0	0	0	-316	-316	379

3.1.3 This outturn forecast presumes the beneficial effect of £444k of revenue cost meeting capital definitions, and being capitalised against the additional national capital resources (£1.3m) notified by Welsh Government as per para 3.6.6, however this decision still requires consideration by full Council in January 2019 as the Constitution is specific in requiring their assent to add any new projects to capital programme.

The outturn variance at month 7 is compared against that reported at month 2 for comparative purposes. The potential volatility around Children's services and Tourism, Leisure and

Culture was highlighted at month 2, so those variances aren't too surprising at month 7, but the additional adverse movement in Children and Young people additional learning needs wasn't predicted. Despite these volatilities, Children's services pressures continue to be absorbed by the beneficial effect of wider Social Care activities, and Additional learning pressures is anticipated absorbed by wider Children and Young people Directorate activities. Putting such variances in context, they both equate to less than 0.5% variation against the net cost budget before financing. This is an incredibly close correlation given the volume of budget holders involved in the process, the volatility in pressures and savings proposals experienced during the year and the need to secure compensatory savings to mitigate adverse positions highlighted earlier in the year. However clearly a surplus is more attractive to the Council than an equivalent deficit, so the use of periodic monitoring as a tool for change during the year should not be underestimated.

3.1.4 There have been continuing budget movements between Directorates since month 2 as new responsibilities bed in, the main ones being the movement of Operations into Enterprise directorate and the removal of Governance, Democracy and Support subdivision out of Enterprise Directorate and back to Chief Executives Dept.

3.1.5 A comparison of the Net Council fund line against previous years activity indicates the following,

Net Council Fund Surplus	2018-19	2017-18	2016-17	2015-16	2014-15
	£'000	£'000	£'000	£'000	£'000
Period 1	379 deficit	164 deficit	1,511 deficit	867 deficit	219 deficit
Period 2	316 surplus	62 deficit	839 deficit	1,066 deficit	116 deficit
Period 3			79 surplus	162 deficit	144 deficit
Outturn		652 surplus	884 Surplus	579 surplus	327 surplus

3.2 A summary of main pressures and under spends within the Net Cost of Services Directorates include,

3.2.1 Stronger Communities Select Portfolio (£81k net underspend)

- Operations (£621k deficit)

The position for each of main Operations areas is as follows, Transport Garage and car parks £272k deficit, catering £25k deficit, cleaning breakeven, Passenger Transport £210k deficit, Waste and Streetscene £113k deficit and Highways at a break even forecast.

- Chief Executives Unit (£15k underspend)

Legal division exhibited a £45k overspend, due to staff cost pressure and a shortfall in land charges income. **Governance, democracy and support** anticipate a £60k surplus due to staff vacancies and windfall electoral management grant more than compensating for the pressure in Contact centre and inability to make staff vacancy efficiencies in support and scrutiny positions.

- Resources Directorate (£36k overspend)

Finance Division predict an underspend of £156k, predominantly predicted savings in Revenues and Exchequer sub division and savings in management cost. **IT predicts an £61k**

overspend, due to overestimation of SRS reserve returned to MCC at year end, and a degree of salary savings not yet delivered within SRS. **People services** predicts **£30k deficit**, mainly the result of sickness and maternity cover within the division. **Landlord division** anticipates a **£81k deficit**, predominantly the effect of procurement savings anticipated but not delivered as yet. **Future Monmouthshire** responsibility has moved across to Resources since month 2, and exhibits a **£20k deficit**, being a proportion of digitisation and agency cost savings not yet attributable to services.

- Corporate (£714k underspend)

The net effect of the unutilised redundancy budget (£332k), together with one off rate refund receipts in respect of Council's buildings and an extraordinary dividend from the Crematoria Joint Committee.

- Appropriations (£22k underspend)

Anticipated reserve usage has been adjusted in both Appropriations and service Directorates hence the budgetary virements undertaken between month 2 and 7, such that anticipated use of reserves agrees with budget. The savings are instead a mixture of additional interest receivable on investments and small savings in minimum revenue provision required to repay borrowing after accommodating the net costs of affording ££1m anticipated overspend to this year's capital programme.

Unusually Treasury consultants cannot easily predict future interest rate trends into the spring. This is due to uncertainty as how smooth the Brexit process will be, but they have indicated a sense in having a balanced loan portfolio with a mixture of short/long term debt and proportion of variable/fixed debt. Over the medium term we have tended to take short term recurrent borrowing at effectively variable rate. This has provided Treasury savings over the last 3 years. It is more likely that we will be locking a higher proportion of that short term recurrent borrowing into more fixed rate longer term instruments. Longer term rates are more expensive than recurrent short term rates, so this is anticipated to mitigate the positive effect that Treasury traditionally brings in balancing the budget in future years.

- Financing (£50k underspend)

Council tax receipts indicates a £60k shortfall given an increasing level of discounts and allowances being requested. The traditional underspend in anticipated Council tax benefit payments is still being forecast as £110k benefit, however this is an area where activity is likely to be more volatile than traditionally given advertising campaign undertaken by Welsh Government and the advent of universal credit bringing focus to individual's financial circumstances.

RESOURCES DIRECTOR'S CONTEXT & COMMENTARY

It is pleasing to note that the over spend reported at month 2 (£144k) has reduced to a forecast £35k over spend, assisting the overall Authority position.

Savings have been derived from staff vacancies within the Estates team, lower than anticipated insurance costs with the solar farm and higher than anticipated income from PV installations. There will soon be a restructuring of the Estates team that will look to ensure that we have the capability to progress with the delivery of the revised Asset Management and Commercial strategies.

Additional premises cost have resulted with our Industrial Units and County Farms have incurred cost pressures resulting from a compensation payment and professional fees together with strain on rental incomes being achieved from farm holdings. A £50k saving on accommodation costs across our main office sites has been offset by additional supplies and services costs within Office Services.

Procurement is still reporting an over spend resulting from the non-delivery of an element of the authority wide savings (£147k). This has been factored in as a pressure into next year's budget proposals. Alongside this a proposal is being finalised that will look to direct some targeted resources into identifying and exploiting further procurement opportunities consistent with taking forward the revised procurement strategy.

Finance is reporting an increased underspend of £156k (£47k at month 2). Savings have resulted from staff vacancies, one-off grant received from DWP in respect of Housing Benefits and the cost of the cash system and merchant fees being less than anticipated. The introduction of the new cash system will increase costs but for now the saving is welcomed in allowing the directorate to put downward pressure on its net over spend position.

The Future Monmouthshire budget is exhibiting some strain (£19k over spend) as a result of cross authority savings not yet being allocated in respect of digitisation, agency costs and mileage allowances. It is anticipating that this situation will improve moving towards the year end. These cost pressures have been offset through downward pressure being placed on professional fees.

ICT and the specifically the Shared Resource Service are forecasting an over spend of £61k as a reserve that the Authority was looking to call on to contribute to the budget savings for the current year have been confirmed as not being available though further work is being undertaken to determine an amount that can be recovered.

The picture is completed by a net cost pressures continuing within People Services (£31k) and resulting from increasing staff costs as a result of the need to cover staff sickness, one-off costs with HMRC regarding historic mileage claims offset by savings in Corporate Training with a delay in recruiting a modern apprentice.

Further downward pressure will be placed on budgets by teams working across the Directorate and with the aim of bringing the budget out over an over spend position by the end of the year.

3.2.2 Economy & development Select Portfolio (£548k net underspend)

- Enterprise Directorate (£603k net overspend)

Business growth and enterprise predict a net **£124k underspend**, being effect of staffing savings, and a small net income from Events firework display. The staffing has been core funded through a reduction to corporate redundancy budget, an Events Service Plan will be finalised by the end of the year following advice from the performance management team. but there is still no formal Events strategy to indicate how events income will contribute a holistic benefit in sustaining services. This remains similar to the Borough Theatre situation. Following the appointment of the Borough Theatre manager on the 5th of November we are now working with Arts Council Wales to produce a business plan which will align with the service business plan and will also enable us to draw down the capital funding for the refurbishment in 2019/20.

Planning & Housing (net £151k underspend) – Development control has historically experienced a significant deficit in income against budget. The extent of some larger sites coming online during the year allows the service to predict higher than usual income levels. The pressure accommodated in respect of lodging scheme as part of 2018-19 budget process, allows the Housing service to predict a breakeven position.

Tourism, leisure & culture (£257k overspend) - £85k of overspend is artificial to the MCC bottom line as it relates to the Outdoor Education service which transfers any surpluses or deficit to its trading reserve. The pressure within Outdoor Education relates to an eroding income base as historic partners look to withdraw their core support. This has been known

for the last 3 years with the team developing a recovery plan over the past month for consideration at select in December 2018 with a further action plan to follow.

Attractions anticipate a £60k pressure in respect of redundancies. The 2nd stage report requesting corporate funding is being prepared, but for now this shows as an overspend.

Leisure centres anticipate a net £50k pressure to income target in South establishments, and unexpected expenditure at Monmouth LC.

Youth has incurred a £10k job evaluation regrading consequence.

Museums anticipated a £32k overspend mainly for staff and sickness cover, and remediation consequences of withdrawing from using the Caldicot storage facility.

- Social Care & Health (£9k underspend)

Public Protection (£9k underspend) – predominantly the net effect of minor savings across the Division and whilst Registrars services still anticipating a deficit, the income prediction has improved since month 2.

ENTERPRISE DIRECTOR'S CONTEXT & COMMENTARY

Whilst the month 7 forecast indicates an under spend for the Enterprise Directorate overall there are deficit trends in the Operations Department that cause concern. Whilst the Highways section are reporting a forecast break even position, as we enter the winter period there is a risk that the financial outturn will deteriorate if adverse weather is encountered and whilst our response is extremely effective the two periods of snow last winter resulted in significant extra expenditure.

There is a projected overspend on the Passenger Transport Unit of £210k. This section has experienced a great deal of operational and financial change during this year. The introduction of the Dynamic Purchasing System (DPS) brought service cost savings when all education services were submitted to tender but these savings have been eliminated by increased maintenance costs for the in house fleet coupled with hiring in of buses to fulfil our service commitments. Overtime costs have also exceeded the budget and work is underway to review the fleet, routes and staffing issues to get these costs back under control. There are also some underlying changes which are worth mentioning at this time; in particular whilst taxi and minibuss operators are reasonably common (creating a healthy market) there are fewer coach operators in this area resulting in coach contracts increasing in cost. Finally the special education needs (transport) budget is on budget but it should be noted that transport for SEN students is over £1.5m and recent trends suggest that it will continue to rise. Officers are investigating what might be done to control these costs without undue impact upon the students.

There is a projected overspend in transport (fleet management and maintenance plus car park management) of around £242k. This partly due to maintenance costs on an ageing fleet (£44k) although this will be addressed by the new waste fleet arriving in the New Year. Of greater concern is the reduction in car parking income. This service has performed well for many years but in 18/19 the forecast is a loss of £197k. One cause has been the closure of two car parks for essential utility installation work but the largest impact has been the opening of the Morrison's store and car park in Abergavenny. The store allows two hours free parking. This undermines the MCC charging regime and the affect has been dramatic with approximately £2.5k loss of income per week.

There is a loss of £113k in waste although this is largely explained by 18/19 budget assumptions that did not come to fruition – in particular and assumed £100k income from Blaenau Gwent CBC as contribution to HWRC costs at Llanfoist due to BGCBC residents using the facility; ultimately BGCBC declined to make the payment (but shortly members will see proposals to limit use of our HWRC's to MCC residents). The other smaller element was £13k attributable to changing opening times at HWRC sites which was not progressed. Finally there has been a reduction in primary school meal income. Although only £25k it is a matter of concern for this well respected service and officers are developing ideas to restore custom levels including advertising and emphasising the healthy aspect of the meals and possibly bring forward proposals to discount meal cost for loyalty or even multiple siblings. There is some anecdotal evidence that the parent pay system may be focusing parents minds of the cost of the service (having to pay weekly or monthly) so an incentive to take up the service may bring dividends in custom levels – any such proposals will be reported separately to members

3.2.3 Adult Select Portfolio (net £894k underspend)

- Social Care & Health

Adult Services (£24k underspend) – a drop off in community meals income of £20k is anticipated, together with £51k staffing pressures (sickness cover and ERS pension saving not realised) within net direct care establishments (Severn View and Mardy Park), compensated for by vacancies and management savings of £72k.

Community Care (£794k underspend) – net savings within Mental Health Care team budget and Frailty pooled budget compensate for the inherent pressure to external agreement costs as recharge agreements are historic in nature and haven't kept pace with periodic inflation. Ad hoc extraordinary resourcing of £406k provided by Welsh Government to assist with Social Care funding.

Commissioning (£85k underspend) – predominantly a part year saving to commissioning staffing, and a continued savings within Drybridge Gardens service area.

Resources (£40k underspend) – capitalisation of IT development work.

SOCIAL CARE & HEALTH DIRECTOR'S CONTEXT & COMMENTARY

The month 7 forecast outturn for the directorate is predicting an underspend of £309,000, which against a budget of £45.7M is a great achievement. This underspend is after a savings budget reduction of £925,000, of which £896,000 is forecast to be delivered. It has included the effect of extraordinary in year resourcing (£406,000) provided by Welsh Government recently.

However, we are entering the winter months which traditionally brings added pressures on Social Care, and coupled with the current unmet care need of 300 weekly hours, an increased take up of older people's residential placements, Looked After Children numbers increasing to 148, with 66 in placements, could present a challenge to remain within forecast.

Within the Adult Services budget, the forecast is set to deliver an underspend of £894,000, this after delivering savings totalling £653,000. This position is masked by the current 300 weekly hours of unmet need which we are unable to presently procure in the market, against a backdrop of rising older people's residential placements. The continuance of practice change within the service has been an effective method of budget management, cases

moving over to Continuing Healthcare and property sales income have been significant this year.

For Children's Services, the budget is predicted to overspend by £561,000, after savings target deductions of £260,000. Currently we are supporting 148 Looked After Children, with 66 in placement, accounting for £302,000 of the forecast overspend. A significant amount of work has been carried out by the service to not only meet current savings, such as reviewing and right sizing of high cost placement packages, but bolstering our front of house/edge of care provision. A forward plan of action around reducing the cost pressure is in place, this will be aided by the reconfiguration of the Family Contact service and the development of the therapeutic foster care programme known as MyST, initially funded through an Integrated Care Fund grant. We are also benefiting from a more stable workforce following the successful introduction of our Workforce plan, which has seen the service move away from reliance on agency staffing.

Public Protection operates on a very small budget of just £1.4M to provide its wide range of services such as Trading Standards, Environmental and Public Protection, Licensing, Health & Safety and Registrars. This area of the budget is set to underspend by £10,000, this after a savings target deduction of £12,000.

3.2.4 Children & Young People Select Portfolio (net £798k overspend)

- Social Care & Health (£562k overspend)

Children's Services (net £562k overspend) – this can be a fairly volatile area to manage budget wise, with individual placements potentially having a significant effect. The service did receive net £534k extra resourcing as part of 2018-19 budget process. The service's forecast assumptions also presume circa £390k funding from Health for 2 continuing care cases. In comparison to 2017-18 activity which was £1.6m overspend, the 2018-19 forecast still indicates a significantly improving position albeit circa £300k worse than month 2, predominantly in looked after children external placement costs and associated transport costs borne, and an increase in staffing cost deficit of £30k since month 2 to forecast a £290k deficit, in the form of not being able to meet staff efficiency reductions, travel savings and the continued employment of agency staff.

Youth offending team partnership (breakeven) – this partnership is managed in a similar fashion to Outdoor Education, in so far as surpluses or deficits do not affect MCC outturn position and are instead transferred to their trading account. The Board overseeing the management of the service has agreed to hold the combined surplus at £150k, which means that circa £99k beneficial effect will be redirected back through to partners at year end. It is not recommended to use this windfall in balancing 2018-19 position as it is also understood that should the partnership balance fall below £150k in future years as a result of overspends these will need to be borne by increased partner contributions. It is proposed to have any extraordinary credit off to an MCC specific reserve to mitigate any future volatility.

- Children and Young People (net £236k overspend)

Service colleagues report **School Budget Funding moved from breakeven at month 2 to £185k surplus at month 7**, based largely on capitalising expenditure and anticipating redundancy and settlement agreements being borne by corporate redundancy budget. **Resources Divisions** are now anticipating a £50k surplus, caused by net vacancies and reduced hours. **Standards subdivision** exhibits a **£471k overspend** reported as largely the

consequence of continued reduced residential place numbers at Mounton House as MCC considers the future use for the facility. The main change since month 2 involving an £80k deficit swing involves the additional support provided to schools to manage additional learning needs.

SOCIAL CARE & HEALTH DIRECTOR'S CONTEXT & COMMENTARY

The month 7 forecast outturn for the directorate is predicting an underspend of £309,000, which against a budget of £45.7M is a great achievement. This underspend is after a savings budget reduction of £925,000, of which £896,000 is forecast to be delivered. It has included the effect of extraordinary in year resourcing (£406,000) provided by Welsh Government recently.

However, we are entering the winter months which traditionally brings added pressures on Social Care, and coupled with the current unmet care need of 300 weekly hours, an increased take up of older people's residential placements, Looked After Children numbers increasing to 148, with 66 in placements, could present a challenge to remain within forecast.

Within the Adult Services budget, the forecast is set to deliver an underspend of £894,000, this after delivering savings totalling £653,000. This position is masked by the current 300 weekly hours of unmet need which we are unable to presently procure in the market, against a backdrop of rising older people's residential placements. The continuance of practice change within the service has been an effective method of budget management, cases moving over to Continuing Healthcare and property sales income have been significant this year.

For Children's Services, the budget is predicted to overspend by £561,000, after savings target deductions of £260,000. Currently we are supporting 148 Looked After Children, with 66 in placement, accounting for £302,000 of the forecast overspend. A significant amount of work has been carried out by the service to not only meet current savings, such as reviewing and right sizing of high cost placement packages, but bolstering our front of house/edge of care provision. A forward plan of action around reducing the cost pressure is in place, this will be aided by the reconfiguration of the Family Contact service and the development of the therapeutic foster care programme known as MyST, initially funded through an Integrated Care Fund grant. We are also benefiting from a more stable workforce following the successful introduction of our Workforce plan, which has seen the service move away from reliance on agency staffing.

Public Protection operates on a very small budget of just £1.4M to provide its wide range of services such as Trading Standards, Environmental and Public Protection, Licensing, Health & Safety and Registrars. This area of the budget is set to underspend by £10,000, this after a savings target deduction of £12,000.

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY

The Directorate's Month 7 position is a forecasted overspend of £329,448 which is an increase on the month 2 forecast over spend of £52,190. All parts of the directorate are working to reduce those areas of pressure and bring the budget back to a balanced position.

The Additional Learning Needs budget continues to remain under significant pressure due to the requirement to support more of our pupils with complex needs. This is not a simple picture of additional costs and officers have managed the costs of four students to reduce the pressure by

£87,837. However, there have been new complex additions to the number of children requiring support; these can be significant and the part year impact of one of these placements is as much as £50,000. It is important to note that the pressure of supporting children within mainstream Monmouthshire schools is a more significant pressure than the out of county pressure.

Despite increasing the recoupment level i.e. charging level for students from outside of Monmouthshire, in last year's budget cycle Mounon House brings a recoupment pressure of £336,000. This will be address for the last term of the year by looking to increase the recoupment levels in year. The future of Mounon House is a key focus of the Additional Learning Needs (ALN) Review.

There have been some additional severance costs incurred by schools which have influenced the Directorate's overspend position. We will seek that these are addressed by the corporate redundancy budget.

Schools and CYP budgets remain exceptionally challenging across Wales and Monmouthshire is no different. Officers within the ALN team will review levels of funding to schools and the Directorate as a whole has moved to a position of essential spend only.

Along with the rest of the organisation, schools are facing a challenging financial settlement and have again budgeted to be in a collective deficit by the end of the year. This forecasted position has improved since month 2 were set and we will continue to work closely with our school colleagues to ensure their plans are as robust as possible to minimise any impact whilst continuing to improve standards for our young people.

3.3 Redundancy costs

Members are commonly keen to understand the extent of any redundancy payments made during the year, as staffing remains the most significant and controllable expense to most service areas. Traditionally the expectation is that services absorb the cost of any redundancies in the first instance, only making a call upon the corporate budget where necessary. To date the only anticipated approval or caveated use of redundancy budget agreed by Members relates to the re-engineering of Attractions service incurring a £60k consequence. The corporate redundancy budget of £450k was reduced to £400k to allow the net creation of Events team staffing costs.

The above forecast also assumes the Local education authority's share of schools' compromise agreements is unlikely to be afforded by Children and Young People Directorate, and illustrates this cost instead being borne by corporate redundancy budget (£92k).

3.4 Given the financial challenges that will continue to face the Authority for the foreseeable future, Chief Officers continue to be tasked with ensuring that services live within the budgets and savings targets set for the current financial year.

3.4.1 It isn't particularly usual for a Senior Finance Officer to proffer symptomatic considerations as part of the periodic monitoring report in addition to Directors comments, but it would be sensible to highlight,

- The financial environment facing Councils over the next 4 years will be very challenging. It will be increasingly difficult to find additional remedial savings through the year in addition to those required to allow a balanced budget to be established every February. This volatility risk is traditionally mitigated by a heightened accountability culture whereby service managers are reminded of the need to comply within the budget control totals established by members, and are more responsible for any variances to SLT and Cabinet and equally for Select Committees to exhibit a more focussed reflection upon the adequacy of budget monitoring being applied. Members may wish to re-enforce such accountabilities and review any remedial action proposed by service managers to resolve adverse situations.
- The budget process this year involved the late consideration and development of additional savings caused predominantly by national 2% pay award agreed during the budget process introducing an extra £1m volatility into the usual budget process. By necessity some of the late savings were less robust, and less certain than earlier ones, as evidenced in the savings matrix below. A prudent approach has been adopted in the savings progress reported, as some of the intentions, whilst laudable, will always have an inherent speculative aspect, so for instance in relation to social care activities there is a presumption of colleagues negotiating effectively with other public sector colleagues to passport costs or secure funding/contribution where the nature of service is more reflective of health rather than care. They have been quite successful in such deliberations previously, but probability suggests, they won't win every case.
- An increasing feature for all Councils is how to sustain core services rather than reduce them. This does lend itself to the consideration of activities not traditional to Councils, often described as innovative, commercial or private sector influenced. Experience of such activities within MCC suggest the implementation phase is key to the success or otherwise of such initiatives. Commercial skills aren't necessarily commonplace to a local authority, such that when faced with considering such, members should increasingly test out the practicalities involved and establish a tolerance to any business case received after which officers are required to re-report to members. This is necessary as the Council has a different duty in the protection of public funds that wouldn't apply in private sector, and the private sector can more easily respond to a deficient project by dropping or amending the proposal. It isn't as easy to do that at pace in a public entity which is problematic as Councils have limited capacity to absorb the effect of deficient projects, so instead public sector will commonly look to reassess the success of the scheme against an alternate lens, most commonly the social benefit when instead the proposal was volunteered to members primarily as a financial benefit.
- Relatedly, there's an unusual degree of work being undertaken by a multi discipline team known as "hit squad" and targeted managers to consider the financial viability of commercial type services e.g. Borough Theatre, Events, PTU, procurement etc. These may have knock on consequences to reserve usage and costs to the Council not currently captured in annual budget agreed by members or evaluated in the current monitoring position.
- Similarly, Members have registered support for the provision of a Leisure Trust to become active at the end of this financial year, acknowledging that there will be an additional cost to this facilitation approved by members to a ceiling of £155,000, to be afforded by one off reserve usage. Any additional costs volunteered during the process to best position the shadow organisation to succeed or reflect responsibilities captured in the future management agreement between new organisation and council e.g. the destabilising effect to Council's central support functions with budgets moving to the Trust, or the prioritising of capital expenditure towards Leisure establishments, aren't yet quantified or factored into current monitoring, but could be anticipated to add to the financial churn this year and the budget process for next.

3.5 2018/19 Budget Savings Progress

3.5.1 This section monitors the specific savings initiatives and the progress made in delivering them during 2018-19 as part of the MTFP budgeting process.

In summary they are as follows,

Disinvestment by Directorate 2018-19	2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable YTD
REVENUE MONITORING 2018-19	£000	£000	£000	£000
Children & Young People	(631)	(596)	(20)	(15)
Social Care & Health	(925)	(896)	(14)	(15)
Enterprise	(242)	(138)	(94)	(10)
Resources	(771)	(508)	(263)	0
Chief Executives Units	(1,296)	(1,059)	(79)	(158)
Appropriations	(396)	(396)	0	0
Financing	(800)	(740)	0	(60)
DIRECTORATE Totals	(5,061)	(4,333)	(469)	(258)

3.5.2 Mandated saving performance is running at 86% of budgeted levels, with currently £258,000 being deemed potentially unachievable, and a further £469,000 to be delayed to later years.

3.5.3 The emphasis of reporting savings has changed from previously where savings were reported when they were manifest, however the judgement is now whether saving is forecast to be achieved.

3.5.4 Consequently the savings appendix (appendix 1) also has a traffic light system to indicate whether savings are likely to be achieved or have justifiable reasons explaining delayed implementation. The following summary of savings mandates are highlighted as requiring further work to crystallise or exhibit an anticipated degree of volatility.

3.5.5 Stronger Communities Select Portfolio

Resources Directorate

- Delayed savings are anticipated in respect of the likely introduction of the Revenues sub division's new document image system (£10k), the Procurement gateway review £150k appears to exhibit little progress to date, savings from more zealous use of duplicate payment software (£25k), and the reviewing of technology and systems and introduction of chatbot functionality (£79k) all report delays in implementation and the timing when savings crystallise.

Enterprise (ENT) Directorate

- A Council wide target, overseen by Future Monmouthshire colleagues, to reduce agency costs by £80k is reported unlikely to be delivered. Similarly a shortfall to increase fees and income by £32k has fallen short by £10k and the presumption to reduce Council travel costs by £10k is likely to fall short of aspiration by

circa £14k. A £30k saving in Community Hub expenditure in the form of vacant post freeze and software savings has been reported as achieved in full.

3.5.6 Economy & Development Select Portfolio

Chief Executive's Office/Operations

- Approved car park price increases weren't introduced in April reducing the anticipated income levels (£21k). The CA site opening time reductions haven't been introduced resulting in £13k saving shortfall. Matter has fallen into a wider CA sustainability review during 2018-19.
- The savings agenda within PTU is significant and wide ranging and involves significant officer time outside of core PTU team. Latest anticipation from a current retendering exercise suggests a £29k shortfall on the £171k estimated. The £30k saving from reducing payments to contractors but providing a more timely cashflow has been reviewed, as it potentially discourages take up, and perpetuates a need for multiple approaches. The service is still trialling a payment on account process, with the intention of moving all contractors across to it from September, but has instead chosen to take an increased saving from the successful pilot of personal transport budgets. The extended provision of in-house ALN transport service designed to deliver £41k, is not as advanced as other PTU practice changes currently, and the saving of £49k from Raglan training is only anticipated to deliver £20k additional income this year.
- The £100k proposal to effectively sell Recycling activity targets to a neighbouring authority to avoid their penalisation hasn't been progressed, as they've received a relaxation to potential sanctions. £35k of the seasonal garden waste income saving has been achieved leaving a £5k shortfall.

3.5.7 Adult Select Portfolio

Social Care & Health (SCH) Directorate

- Adult social care proposals are anticipated to the full extent of proposed £638k efficiencies.
- The additional income predicted from Meals on wheels (£15k) and Registrars (£12k) isn't yet manifest, and the increasing cost of meals on wheels has had a perceived reduction in demand.

3.5.8 Children and Young People Select Portfolio

Social Care & Health (SCH) Directorate

- Whilst not a true net saving, a 4 year financial recovery improvement target was established to compensate for £560k pressure volunteered by the service. As present predictions suggest an outturn of £561k deficit, which would indicate no improvement against recovery plan aspirations. The financial volatility this causes is being significantly absorbed within wider Social Care directorate in exhibited only a net £55k deficit. However Children's' services does remain one of the more volatile budgets within the Council, where individual decisions can result in significant consequences, so the position will need to be closely monitored through the year.

Children and Young People (CYP) Directorate

- Directorate colleagues report a £20k shortfall in anticipated income from breakfast club income, and £15k shortfall in being able to adjust premature retirement budget.

3.6 Capital Position

3.6.1 The summary Capital position at Month 7 is as follows

MCC CAPITAL BUDGET MONITORING 2018-19 at Month 7 by SELECT COMMITTEE						
SELECT PORTFOLIO	Forecast Spend at Outturn	Slippage Brought Forward	Total Approved Budget 2018/19	Forecast Capital Slippage to 2019/20	Revised Capital Budget 2018/19	Capital Expenditure Variance
	£000	£000	£000	£000	£000	£000
Children & Young People	23,127	9,359	22,273	(231)	22,042	1,085
Adult	23	0	23	0	23	0
Economic & Development	9,461	98	17,925	(8,464)	9,461	0
Strong Communities	9,265	2,376	14,034	(4,774)	9,260	5
Capital Schemes Total 2018-19	41,876	11,833	54,255	(13,469)	40,786	1,090

3.6.2 Capital expenditure at month 7 has two major overspends in 21st Century Schools building projects at the old Caldicot Comprehensive (£738,612) and at the old Monmouth Comprehensive (£346,230) due to project management costs incurred over a longer timeframe and greater incidence of asbestos remediation from ground and demolished buildings than anticipated upon survey. All other schemes are forecasting to come in on budget except for an over spend of £5k on the Off-riding Cycling Feasibility Study in S106.

Slippage to 2019-20

3.6.3 Total Provisional Slippage at Month 7 is (£13,469k) due to delays in:-

- Finding suitable investment properties for the Asset Investment Fund (£8,463k), budget has been input into capital programme in equal instalments over 3 year period, and it was always unlikely that investment opportunities would mirror budget so closely.
- J Block re-development (£2,232k) and Abergavenny Community Hub (£1,956k) development are delayed into 2019-20 to reflect the refurbishment costs unlikely to be undertaken this financial year.
- Other notable delays are at:
 - Granville Street Car Park (£163k) due to drainage issues currently with NRW;
 - £201k in regard to additional learning needs at Overmonnow Special Needs Resource (S106) as work needs to be undertaken in the school holidays next summer
 - Reported delays to Access for all works (£90k).
 - Other S106 delays (£275k) include
 - the New Playing Field Pitches at Clydach Juniors S106 scheme (£53k) that cannot proceed due to delays on the Heads of Valley duelling project
 - security of tenure delays on the S106 Llanelly Hill Welfare Car Park scheme (£22k),
 - also possible delays on Gilwern OEC (£53k).

Capital Financing and Receipts

3.6.4 Given the anticipated capital spending profile reported in para 3.6.1, the following financing mechanisms are expected to be utilised.

MCC CAPITAL FINANCING BUDGET MONITORING 2018-19 at Month 7 by FINANCING CATEGORY						
CAPITAL FINANCING SCHEME	Annual Financing	Slippage Brought Forward	Total Approved Financing Budget 2018/19	Provisional Budget Slippage to 2019/20	Revised Financing Budget 2018/19	Forecast Capital Financing Variance 2018/19
	£000	£000	£000	£000	£000	£000
Supported Borrowing	2,323	0	2,410	(87)	2,323	0
General Capital Grant	1,467	0	1,467	0	1,467	0
Grants and Contributions	7,974	4,725	7,974	0	7,974	0
S106 Contributions	1,709	650	2,185	(476)	1,709	(0)
Unsupported borrowing	16,132	1,231	28,825	(12,693)	16,132	(0)
Earmarked reserve & Revenue Funding	21	169	174	(153)	21	(0)
Capital Receipts	11,126	5,024	11,186	(60)	11,126	0
Low cost home ownership receipts	34	34	34	0	34	(0)
Unfinanced	1,090	0	0	0	0	1,090
Capital Financing Total 2018-19	41,876	11,833	54,255	(13,469)	40,786	1,090

3.6.5 Unusually, as part of its 2019-20 budget considerations, WG has identified extra capital funding to assist Councils during 2018-19 i.e.

An extra £50m capital for local authorities' general capital fund – this is the first instalment of a £100m increase over three years to the general capital fund.”

It is so recent that Councils are yet to receive any specific correspondence pertaining to their share of this national award. It will likely come through with final settlement information on 19th December, but if reasonably extrapolated on the same basis as general capital grant award, this could provide an additional £1.34m resourcing.

Colleagues have considered the headroom this creates and volunteer the following usage

Service Area	Nature	Amount
		£'000
Enterprise - Passenger transport	Major vehicle repairs	150
Enterprise - Garage	Major vehicle repairs	44
Enterprise – Garage	Caldicot Depot refurbishment	50
Enterprise – Highways & Grounds	Capitalising maintenance programme	150
Social Care – Adult	IT system development	40
Resources – Estates	Innovation House 2 nd flr refit	20
	Solar farm invoices	15
Children & young people – Gilwern School	Reception improvements	32
Children & young people – Y Fenni School	Additional classroom	30
Children & young people – King Henry VIII school	IT replacement	30
Children & young people – schools general	IT replacement	63
Total		624

3.6.6 Of this, £444k provides a beneficial effect to revenue monitoring forecasting. That assumption has been made in revenue monitoring table in para 3.1.2 above, however consideration from full Council is still required before that situation crystallises. It is intended to report the matter for approval alongside Members consideration of the 2019-20 capital proposals at the next scheduled full Council financial touchpoint on 17th January 2019.

3.6.7 This results in £716k of additional resourcing not utilised explicitly. Recognising a potential overspend of £1.09million to this year's capital programme which has to be financed, it is proposed to use any unused balance to mitigate the additional borrowing necessary and which has been added to the Treasury and Appropriations revenue forecast above.

3.7 Useable Capital Receipts Available

3.7.1 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments is shown. This is also compared to the balances forecast within the 2018/22 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

TOTAL RECEIPTS	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000
Balance b/f 1 st April	3,411	3,103	7,630	13,262
Add:				
Receipts received in YTD	6,312			
Receipts forecast received	4,351	5,065	6,091	1,000
Deferred capital receipts	155	97	100	102
Less:				
Receipts to be applied	(11,126)	(635)	(559)	(559)
Set aside			0	0

Predicted Year end receipts balance	3,103	7,630	13,262	13,805
Financial Planning Assumption 2018/22 MTFP Capital Budget	856	6,122	8,861	10,599
Increase / (Decrease) compared to MTFP Capital Receipts Forecast	2,247	1,508	4,401	3,206

- 3.7.2 The balances forecast to be held at the 31st March each year are higher than forecast in the MTFP due to a re-profiling of the LDP receipts for land at Undy (Rockfield Farm).
- 3.7.3 There is still an increasingly significant risk to the Council resulting from the need to utilise capital receipts in the same year that they come into the Council. This provides no tolerance or flexibility should the receipts be delayed, which isn't uncommon, and would necessitate compensatory temporary borrowing which is more costly than utilising capital receipts and would necessitate additional revenue savings annually to afford.

3.8 Reserves

Reserve Usage

3.8.1 Revenue and Capital monitoring reflects an approved use of reserves. A specific analysis is undertaken at every formal periodic monitoring exercise to establish whether reserve cover conveyed to them by members will be fully utilised within the financial year. Where it is apparent this is not the case, both the reserve movement budget in appropriations budget and the expenditure within service directorate is adjusted. This is to prevent any imbalance in the bottom line position for net cost of services. The forecast outturn position based on month 7 activity is,

Account	2017/18 C/F	2018/19					C/F
		Slipped reserve usage from 1718	In year Contribution s To Reserve	In Year Contribution from Reserves for Revenue Purposes	In year Contribution from Reserves for Capital Purposes	Delayed Expenditure , contribution slipped forward into	
Council Fund (Authority)	-7,111,078						-7,111,078
School Balances	-175,225						-175,225
Sub Total Council Fund	-7,286,303		0	0	0		-7,286,303
<i>Earmarked Reserves:</i>	0						
Sub-Total Invest to Redesign	-1,302,343	29,000	-40,000	418,828	152,214	-36,170	-778,472
Sub-Total IT Transformation	-734,881	111,913	0	114,000	16,573	-10,000	-502,396
Sub-Total Insurance and Risk Management	-1,046,416	0	0	0	0	0	-1,046,416
Sub-Total Capital Receipt Generation	-347,139	72,072	0	81,343	0	0	-193,724
Sub Total Treasury Equalisation	-990,024	0	0	0	0	0	-990,024
Sub-Total Redundancy and Pensions	-496,813	0	0	163,978	0		-332,835
Sub-Total Capital Investment	-648,336	0	0	0	0	0	-648,336
Sub-Total Priority Investment	-686,751	88,000	0	628,751	0	-300,000	-270,000
Sub-Total Other Earmarked Reserves	-1,121,237	0	-53,000	185,460	0	-86,471	-1,075,248
Total Earmarked Reserves	-7,373,942	300,985	-93,000	1,592,360	168,787	-432,641	-5,837,452
	-14,660,245	300,985	-93,000	1,592,360	168,787	-432,641	-13,123,755

3.8.2 Earmarked reserves remain at limited levels unlikely to provide any material capacity/headroom to meet unanticipated volatility or significantly facilitate future service re-engineering and design.

As a useful reminder, with regard to the allocation of bottom line surplus to replenish reserves, the Sc151 officer's considered advice at last year's outturn was

Priority Investment Fund	£155k (to extinguish ADM deficit)
Capital Receipts Generation Reserve	£70k (Capital receipts generation reserve part funds Valuation team's cost, and a top up is necessary to accord with their indicative 2018-19 costs.)
Balance Invest to Redesign Reserve	£448k
Total	£653k

3.8.3 Despite those top ups, the current predicted use of the Priority investment reserve means that it will likely expire by the end of 2018-19 as a funding source, as the £300k year end balance is earmarked/allocated to local development plan purposes. Given the forecast use of earmarked reserves, Cabinet has previously approved a policy on earmarked reserves to ensure that earmarked reserves are focused on investment in areas where they can achieve most impact hence putting the balance for redistribution into “Invest to Re-design”.

Schools Reserves

3.8.4 Each of the Authority’s Schools is directly governed by a Board of Governors, which is responsible for managing their school’s finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools.

3.8.5 The net effect of an individual school’s annual surplus or deficit is shown in a ring-fence reserve for the particular school. Details of which for each school are included in Appendix 2, together with an indication of any recovery plan targets agreed and how close the Governing Body is in satisfying that responsibility in current year.

3.8.6 In summary form the anticipated outturn school balances are predicted to be,

	Opening Reserves 2018-19 (surplus)/deficit	In year position at Month 7 (surplus)/deficit	Anticipated Outturn Position (surplus)/deficit
Combined balance	(£175,225)	£832,981	£657,756

3.8.7 Whilst any extraordinary funding from WG and beneficial revisions to budgeted draw on reserves will sustain the reserve situation for longer than is often predicted, it remains unlikely that the collective level of reserves will sustain the traditional annual draw by schools on reserves in recent years, which will add additional focus by schools to address the need to remain within budget going forward rather than passporting the consequences to their reserves, given that collective flexibility is now pretty much exhausted.

3.8.8 Our Fairer Funding Regulations adopted by Council and Governing Bodies have traditionally precluded governing bodies from planning for a deficit position. This was changed in 2016-17, (which coincides quite closely with declining net balance above) to allow licensed deficits where a recovery plan is agreed and followed. However this flexibility only extended as far as there being a collective schools reserve surplus.

The following table exhibits the net trend in use, indicating collectively schools are currently using reserves at a considerably faster rate than they have replenished them traditionally.

Financial Year-end	Net level of School Balances £'000
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19 forecast	658

3.8.9 There are however weaknesses in the forecasting approaches of individual schools, such that the budgeted forecast in the last row above will seldom match the reality.

For instance, whilst extraordinary Welsh Government grant of £344k in the last quarter of 2017-18 would have had a beneficial effect on balance levels, collectively they only actually used £94k of their reserves for the year, a £900k variation in original forecasting. That sort of volatility potentially makes it very difficult for senior colleagues and Members to predict the necessary action from year to year.

3.8.10 At month 2 Cabinet agreed to alterations to Fairer Funding guidance available to governing bodies, in an attempt to strengthen forecasting arrangements helpfully recognising that the problem is not so much with schools actual use of reserves but more to do with their forecast or budgeted draw. The bringing forward of Recovery Plan submissions, to be consistent with annual budget consideration, is designed to provide a better quality of data/information on which to consider the approval of any deficit budget, and would be reassuring to Members that any annual deficit volatility is accommodated within a multi year budget strategy.

3.8.11 There is some evidence from narratives in Appendix 2 and extent of recovery figures provided, that this change is reducing the hiatus between reporting problem and reporting solution. However the month 7 prediction is £35k worse than forecast at month 2, so there's still a way to go, this deficit at month 7 is materially skewed by an unanticipated £156k adverse movement at Chepstow secondary school movement.

3.8.12 Based on school's predictions, general trends can be extrapolated, so 12 schools started this year in deficit. There is an increasing trend of schools entering deficit, (net further 5 predicted at present by schools), and that position looks particularly acute in secondary schools. Further insight/reassurance has been requested in respect of Chepstow secondary school, as whilst they still predict a small surplus by end of year, it is sensible to check the potential for them to yo-yo back into deficit and a need for a further recovery exercise, which wouldn't be advantageous to Governing body's administration.

3.8.13 It is questionable whether LEA colleagues have the capacity to facilitate the level of engagement and interaction necessary to resolve 18+ adverse financial scenarios within reasonable timeframes without extending recovery plans beyond usual 3 years. They will of course be prioritising the more significant aspects, but it can be seen from the recovery plan indicators included alongside the reserve position in Appendix 2, that some of the schools starting the year in deficit still had no agreed recovery plan, whilst others showed a perverse agreement to an increasing deficit.

4 REASONS

4.1 To improve budget monitoring and forecasting information being provided to Senior Officers and Members.

5 RESOURCE IMPLICATIONS

5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

6.1 The decisions highlighted in this report have no equality and sustainability implications.

7 CONSULTTEES

Strategic Leadership Team
All Cabinet Members
All Select Committee Chairs
Head of Legal Services

8 BACKGROUND PAPERS

Outturn Monitoring Reports (Period 2)
<http://corphub/initiatives/Budgetmon/20182019/Forms/Quarter%202.aspx>

9 AUTHOR

Mark Howcroft – Assistant Head of Finance
Dave Jarrett – Senior Accountant Business Support

10 CONTACT DETAILS

Tel. 01633 644740








e-mail. markhowcroft@monmouthshire.gov.uk






Appendices (attached below)

Appendix 1 Mandated Savings Progress Report
Appendix 2 School Reserves

Appendix 1 – Savings Matrix

Disinvestment by Directorate 2018-19		2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment	ASSESSMENT of Progress	Risk of current forecast saving NOT being achieved (High / Medium / Low)
REVENUE MONITORING 2018-19		£000	£000	£000	£000	£000		
	Children & Young People	(631)	(596)	(20)	(15)			
	Social Care & Health	(925)	(896)	(14)	(15)			
	Enterprise	(242)	(138)	(94)	(10)			
	Resources	(771)	(508)	(263)	0			
	Chief Executives Units	(1,296)	(1,059)	(79)	(158)			
	Appropriations	(396)	(396)	0	0			
	Financing	(800)	(740)	0	(60)			
	DIRECTORATE Totals	(5,061)	(4,333)	(469)	(258)			

Ref	Children & Young People	2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
		£000	£000	£000	£000	£000	
CYP1	Federated school model	(32)	(32)				
CYP3	General 5% reduction on supplies & services	(132)	(132)				
CYP4	Reduce school premature retirement budget	(50)	(35)		(15)		
CYP2	CYP - Increased fee & charges income - Breakfast clubs	(125)	(105)	(20)			
	CYP Acceleration of ALN review	(107)	(107)				
	CYP - Mouton House Increase Charges	(68)	(68)				
	CYP - Reduction in ISB for new schools maintenance budget reduction	(117)	(117)				
CHILDREN & YOUNG PEOPLE Budgeted Savings Total		(631)	(596)	(20)	(15)		

Ref	Social Care & Health	2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
		£000	£000	£000	£000	£000	
SCH1	Adult Disability Services	(638)	(638)				Budget savings have been allocated to the Community Care budgets and service is forecast to breakeven overall, thus achieving full saving
SCH2	Childrens Services (Saving £680k, pressure £561k, net saving in yr 4 £119k)	(113)	(113)				The Children Services overspend pressure identified as part of savings exercise was £561k. The M2 overspend position is £282k which indicates that the £113k saving will be achieved. However, there are some uncertainties around Health income accounted for within the M2 forecast
	SCH - Increased fee & charges income - Meals on wheels	(15)	0		(15)		Increase in the charge has resulted in a reduction in the numbers taking the service. As such it is unlikely that the increased income will be forthcoming
Page 29	SCH - Increased fee & charges income - Registrars	(12)	0	(12)			Fees and charges were for 2018/19 were established prior to the establishment of this income target as bookings are taken in advance. As such the saving will not be possible until 2019/20 fees are established.
	SCH Targetted reduction high cost placements posts	(147)	(145)	(2)			The forecasted cost of the high cost placements specifically targetted for savings are forecasted to largely achieve those savings at M2
SOCIAL CARE & HEALTH Budgeted Savings Total		(925)	(896)	(14)	(15)		

Ref	Enterprise	2018/19 Budgeted Savings £000	Value of Saving forecast at Month 7 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress
	ENT (Fut Mon) Increased fee & charges income - Further 2.5% increase for	(32)	(22)		(10)		Not all fee income streams could be increased by 2.5%
	ENT (Fut Mon) Targetted reduction in agency costs	(80)	0	(80)			Internal audit review completed and informed recommendation from People Services to SLT. Arrangements in place to recover costs from applicable services across the authority so position could improve by year end.
	ENT (Fut Mon) Decrease travel costs (travel free weeks, digital use, car sharing, pool car use)	(72)	(58)	(14)			Forecast mandate recovery of £58K from mileage reduction. Remaining saving to be explored via optimisation of pool car utilisation.
	ENT (Fut Mon) Targetted reduction in overtime	(28)	(28)				Forecast mandate recovery remains on target
	ENT Community hubs- vacant post freeze and software savings	(30)	(30)				Achievable
	ENTERPRISE Budgeted Savings Total	(242)	(138)	(94)	(10)		

Ref	Chief Executive's Unit	2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	
		£000	£000	£000	£000	£000		
OPS2	Car Parks Net 7.5% increase in charges above 2.5% RPI (10% in total)	(100)	(83)	(17)			pressure prices not going up until June - assume 2 months unachievable	
OPS3a	Car Parks 10% increase in permits	(10)	(9)	(2)			pressure prices not going up until June - assume 2 months unachievable	
OPS3b	Car Parks Increase resident permits from £40-£60	(3)	(3)				pressure prices not going up until June - assume 2 months unachievable	
OPS5	Car Parks Penalties increase to £70 discounted £35	(9)	(7)	(2)			pressure prices not going up until June - assume 2 months unachievable	
OPS6	Grounds/waste - Reduced opening hours at all CA sites	(13)	0	0	(13)		Changes were not agreed	
OPS8	Grounds/waste - Stop Bailey park bowls maintenance	(10)	(10)				Achievable	
OPS9	Grounds/waste - Rationalise shrub bed maintenance	(12)	(12)				Achievable	
OPS11	Grounds/waste - 1 year freeze of Head of waste post	(40)	(40)				Achievable	
Page 47 RES1	Property - School meals Price Increase (net after 2.5% RPI)	(23)	(23)				Achievable - Could be possible pressure depending on size of drop-off - we have built in 15% - if it is more than this then we may have a pressure -Current drop off is 3%.	
	RES2	Property income - External Fees (net after 2.5% RPI)	(19)	(19)		0		Achievable through alternate means.
	RES3	Property - Council wide Postage savings	(5)	(5)		0		Achievable through alternate means.
OPS12	Highways - Road Traffic Incident recovery of costs	(15)	(15)				Achievable	
OPS13	Highways - Improved Plant utilisation/recovery	(40)	(40)				Achievable	
OPS14	Passenger Transport - Route 65 changes	(25)	(25)				Achievable	
OPS15	Passenger Transport - CPC Staff Training	(9)	(9)				Achievable	
OPS16	Passenger Transport - S106 Funding to support Sunday Routes 74, 69, 83, 60	(26)	(26)				Achievable	
	CEO/OPS - PTU Improved payment terms at 2.5% reduction in costs	(30)	0				Service decision not to compromise payments to providers, and instead take a greater proportion from personal travel budget initiative	
	CEO/OPS - PTU- DPS retendering and route optimisation	(171)	(142)	(29)			Unsure of outcome at current time	
	CEO/OPS - TRANS - Independent fleet review	(20)	(20)				Achievable	

Ref	Chief Executive's Unit	2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
		£000	£000	£000	£000	£000	
	CEO/OPS - PTU Introduction of personal transport budgets	(31)	(61)				Achievable, and anticipated to outperform to compensate for payment terms initiative not achievable
	CEO/OPS - PTU extended provision of MCC inhouse ALN transport service	(41)	0		(41)		Unachievable - currently not being progressed
	CEO/OPS Highways - Insuring Full overhead recovery on all works	(140)	(140)				Achievable
	CEO/OPS Highways - displace core costs with grant	(200)	(200)				Achievable
	CEO/OPS Raglan Training Centre income increase	(49)	(20)	(29)			Further work being done towards achieving maximum amount of increased income.
Page 48	CEO/OPS - Catering Increased fee & charges income - School meals, extra 25p per meal in addition to 2.5% annual increase agreed for fees & charges	(100)	(100)				Achievable - Could be possible pressure depending on size of drop-off - we have built in 15% - if it is more than this then we may have a pressure -Current drop off is 3%.
	CEO/OPS -PTU school transport concessionary fares increase from £390 to £440 pa.	(16)	(16)				Achievable
	CEO/OPS Apportionment of Waste Recycling (BGCBC)	(100)	0		(100)		Not Achievable - The proposal was stopped by BGBC as their SLT/CLT decided against it. We don't have any other sources of income or scope for efficiency savings.
	CEO/OPS Seasonal Garden Waste	(40)	(35)	0	(5)		Reduction in numbers.
	CHIEF EXECUTIVES' UNIT Budgeted Savings Total	(1,296)	(1,059)	(79)	(159)		

Ref	Resources	2018/19 Budgeted Savings	Value of Saving forecast at Month 7	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
		£000	£000	£000	£000	£000	
RES7	Schools based Revenues SLA (to reflect actual)	(39)	(39)				Achievable if no schools withdraw or reduce service
RES8	Comino system change	(10)	0	(10)			Delays in introducing new system means we cannot cancel contract as originally planned, as Torfaen had some unexpected delays
RES9	Housing Benefit team savings	(8)	(8)				Forecast achievable however still awaiting final confirmation from shared benefit service
RES10	Insurance staff saving	(26)	(26)				Delivered - post frozen
RES11	IT Equipment budget saving	(30)	(30)				Achievable
RES12	SRS saving	(50)	(50)				Achievable
RES13	Public Sector Broadband Agreement PSBA saving (£155k-£22k)	(133)	(133)				Achievable
	RES (Corp Lan) Commercial Property investment income	(30)	(30)				Achievable
	RES (Procurement - freeze, cease or consolidate non essential spend)	(155)	(155)				Mainly Achievable small pressure possible
	RES (Procurement - third party supplier spend reduction)	(29)	(29)				Achievable
	RES (Procurement - Gateway Review)	(150)	0	(150)	0		Possible pressure - work is being undertaken to identify possible saving streams - will have a better idea at M7.
	RES (Procurement - supplementary duplicate payment review)	(25)	0	(25)			Possible delay, exercise in progress but results will not be known for a number of months.
	RES (Reviewing Technology and Systems and Utilisation of Automation and AI)	(87)	(8)	(79)			Digital works programme is continuing to be implemented. Outcomes currently being assessed to measure extent of additional service resilience, cost reduction, quality improvements and resource efficiency, in order to assess extent of financial savings possible in 19/20. Possible £20K saving achievable this year.
RESOURCES Budgeted Savings Total		(771)	(508)	(264)	0		

Ref	Appropriations	2018/19 Budgeted Savings £000	Value of Saving forecast at Month 7 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress
	Interest Payable	(533)	(533)				Treasury consultants anticipate a trend for increasing interest rates starting 3rd quarter 2018-19 circa 0.25%.
	Interest Receivable	136	136				
	MRP	51	51				
	APP - Utilise more short term variable borrowing	(50)	(50)				
	APPROPRIATIONS Budgeted Savings Total	(396)	(396)	0	0		
Ref	Financing	2018/19 Budgeted Savings £000	Value of Saving forecast at Month 7 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress
FIN1	Council Tax Increase from Base changes (net of CTRS)	(435)	(375)		(60)		
	FIN - Council tax gain upon completions	(220)	(220)				Depends upon completion activity
	CTRS	(95)	(95)				Adoption of universal credit may influence extent of CTRS demand
	FIN - Further Reduction in Council tax reduction scheme budget	(50)	(50)				
	FINANCING Budgeted Savings Total	(800)	(740)	0	(60)		

Appendix 2 – Individual Schools Reserves

	Opening reserves 2018-19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Abergavenny cluster									
E003 King Henry VIII Comprehensive	162,460	(44,867)	117,593	Recovery Plan Meetings held and recovery path agreed - awaiting signed copy of plan for years 4 and 5.		105,232	125,533	137,424	5 year recovery plan required and confirmation of Education Achievement Service income awaited.
E073 Cantref Primary School	(65,965)	7,590	(58,375)	Extra grant income helping year end figure along with staffing changes					
E072 Deri View Primary School	(40,000)	(1,711)	(41,711)	Additional Learning Needs Funding has been confirmed with pupil support costs already included in the staff costs forecast.		(30,402)	(7,690)		Senior Teacher Secondment and Support Staff reorganisation
E035 Gilwern Primary School	(52,253)	25,865	(26,388)	Building Improvement works funded by the School Budget.					
E037 Goytre Fawr Primary School	(10,803)	13,698	2,895	Increase in Additional Learning Needs funding with costs of support staff already within the staff forecast.					
E093 Llanfoist Fawr Primary School	(49,580)	41,464	(8,116)	School budget contribution to the costs of three Teaching Assistants appointed from October to support Additional Learning Needs pupils.					
E044 Llanfihlio Pertholey CiW Primary School (VC)	(4,440)	(5,596)	(10,036)	Secondment of a Senior Teacher to another Local Authority and Higher Level Teaching Assistant replaced by a lower scale Teaching Assistant.		(2,866)	(17,755)		Full year effect of 3 Teaching Assistant redundancies.
E045 Llanvihangel Crucorney Primary School	(511)	(9,405)	(9,916)	Additional costs associated with the Federation with Llanfoist including Leadership and Administration.	(4,857)				
E090 Our Lady and St Michael's RC Primary School (VA)	7,084	15,043	22,127	The School continues to make progress in reducing costs including its photocopying contract.		10,182	(1)		Additional pupil numbers, Full Year Effect of Staff changes and revised contracts.
E067 Ysgol Gymraeg Y Fenni	(58,965)	56,718	(2,247)	Resources and Staffing employed in preparation for increased Nursery and main School pupil numbers. School Administrator increased to full time, Read Write Inc Resources, and New Telephone System.					
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					

	Opening reserves 2018-19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Caldicot cluster									
E001 Caldicot School	100,637	(17,086)	83,551	Changes to staffing for SLT increases in costs		30,645		1.35% of funding (£6.2)	Meeting with the school at Month 3. It is anticipated that sufficient efficiencies will be identified to bring school back into surplus by end of 19-20.
E068 Archbishop Rowan Williams CiW Primary School (VA)	(79,455)	33,169	(46,286)	Savings linked to the Head teachers 60% Executive Head appointment to another Monmouthshire Primary School.					
E094 Castle Park Primary School	43,659	(13,340)	30,319	School contribution to Additional Learning Needs support staff reviewed.	18,544	34,659	28,975	28,394	Recovery plan being updated as Head Teacher leaving at end of summer term. This will generate additional savings that should see school back in surplus.
E075 Dewinstow Primary School	(105,626)	53,936	(51,690)						
E034 Duffield Primary School	(71,665)	52,673	(18,992)	Overspend is staffing, marginally better than reported figure in M5					
E048 Maudslayi CiW Primary School (VA)	19,227	13,370	32,597	Revised Support Staff Structure (Teaching Assistants and Midday Supervisors) from 1/9/18 and additional secondment and supply compensation income confirmed.	13,370	13,348			The long term effect of the staff changes implemented by the Executive Head teacher to be built into an amended recovery plan.
E056 Rogiet Primary School	(26,145)	9,365	(16,780)	Improvement due to members of staff coming back later than anticipated and part time.					
E063 Undy Primary School	28,221	54,674	82,895	An additional Foundation Phase Teacher employed from 1/9/18 plus the associated Foundation Phase Teaching Assistants (£40,000). Also the long term absence of a member of staff (£16,000). There are also one off costs of flooring and Furniture for the Foundation Phase classrooms (£17,000). This is a combined total cost of £73,000 - had these costs not been incurred the deficit would have been reduced to £7k rather than the £60k forecasted at Month 2.					
E069 Ysgol Gymraeg Y Ffin	37,616	11,521	49,137	Recoupment of Residential trips money has been poor. 4 teachers on mainscale.					
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					

	Opening reserves 2018 19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Chepstow cluster									
E002 Chepstow School	(158,456)	156,005	(2,451)	Changes in staffing, progression through the pay scales. Increase cost of supply costs for teaching staff					
E091 Pembroke Primary School	(181)	20,954	20,773	Compassionate and Sickness absence of a teacher plus the renegotiation of a Photocopying contract which will yield savings in future financial years	20,954	(209)	(3,760)		A recovery plan was agreed with the Head and Deputy Head teacher on 13/7/18.
E057 Shirenewton Primary School	(118,599)	21,833	(96,766)						
E058 St Mary's Chepstow RC Primary School (VA)	(6,055)	79,191	73,136	Head teacher absence and the employment of a replacement has added unforeseen pressure to the budget and Recovery Plan.					A recovery plan meeting was held on 19/11/18. However the substantive Head teacher does not take over the finances until December.
E060 The Dell Primary School	(22,165)	22,164	(1)						
E061 Thornwell Primary School	9,565	25,476	35,041	Welsh Government class size funding means capacity for the School to increase its pupil roll and trigger additional funding from 2019/2020.		9,058	(10,981)		Additional Pupil Numbers anticipated to be on roll January 2019.
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					

	Opening reserves 2018-19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Monmouth cluster									
E004 Monmouth Comprehensive	423,951	121,843	545,794	Staffing changes including one off costs for the school. The school are still looking to recover in the agreed time scale		240,781	56,720	(67,015)	School presented recovery plan in June 2018 to Cabinet Member. Currently on target.
E032 Cross Ash Primary School	(59,356)	23,878	(35,479)	Support Staff have resigned as at 31/8/18, a Maternity Leave has resulted in savings and Education Achievement Service Income has been anticipated within the forecast					
E092 Kymin View Primary School	(34,657)	20,228	(14,429)	Staff changes required for the new academic year have resulted in a projected overspend. These changes include: part time deputy head teacher being replaced with a full time deputy; a class teacher on main pay scale leaving and being replaced by a teacher on upper pay scale, and an additional TA required to support a pupil with ALN					
E039 Llandogo Primary School	12,449	54,941	67,390	The school have faced high levels of sickness resulting in supply costs.	(1,141)	(1,141)			
E074 Osprey Primary School (VC)	(635)	17,592	16,957	Staffing changes for maternity and sickness has led to the increase in costs.					
E051 Overmonnow Primary School	(28,389)	44,190	15,801	Staff have been employed to provide one to one support for pupils with Additional Learning Needs and funding has not been back dated.					Meeting scheduled for 11/12/18 however Nursery teacher to be replaced as at 1/1/18 and an experienced teacher retiring 31/8/18 so opportunities to reduce costs are available to the Head teacher
E055 Raglan CiW Primary School (VC)	147,743	(58,972)	88,771	Staffing changes have resulted in additional savings		62,644	35,366	17,177	Recovery plan projects surplus of £24,921 in 2022/23
E062 Trellech Primary School	(87,650)	48,427	(39,223)						
E064 Usk CiW Primary School (VC)	(62,920)	80,331	17,411	Additional Foundation Phase teacher and Teaching Assistant to be employed from 1/9/18 which has resulted in a planned deficit. Additional Key Stage 1 top up funding will be triggered in 2019/20 and there will be an increasing pupil roll.					Education Achievement Grants anticipated but not yet confirmed plus confirmation and details of a Water Leak Rebate required
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					
	(151,857)	904,161	752,304						
Special Schools									
E020 Mounton House Special School	33,584	(115,464)	(81,880)	Some staff savings due to a member of staff finishing in August and not being replaced.	28,968	4,947	(39,683)		Month 2 indicates school will return to surplus this financial year.
E095 PRU	(56,951)	44,284	(12,667)						
	(23,367)	(71,180)	(94,547)						
Total for all clusters	(175,225)	832,981	657,756						



AGENDA ITEM TBC

**SUBJECT: CAPITAL STRATEGY ASSESSMENT 2018-19 and
DRAFT CAPITAL BUDGET PROPOSALS 2019-20 to 2022-23**

MEETING: Cabinet

DATE: 19th December, 2018

DIVISION/WARDS AFFECTED: Countywide

1 Purpose & Context

- 1.1 Chartered institute of Public Finance and Accountancy (CIPFA) produced a revised regulatory Code in December 2017, which included a need for local authorities to produce a **Capital Strategy**. The requirements were staggered with an aim for reporting compliance during 2018/19 with a full **Capital Strategy** implemented for 2019/20. This report concentrates on the former in evaluating the governance, planning and priority setting involved in presenting 2019-20 capital budget proposals and the 3 years thereafter making up the collective capital medium term financial plan.
- 1.2 CIPFA report that a **Capital Strategy** should be tailored to individual circumstances and consequentially don't volunteer a prescriptive format. The overall intent is that any **Capital Strategy** should allow Members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured. The overall purpose of a capital strategy being to provide opportunity for engagement with Full Council to ensure overall strategy, governance procedures and risk appetite are fully understood by all elected members
- 1.3 The code, in describing the **Capital Strategy**, reports it can be delegated to Cabinet (or similar body) with Full Council being responsible. MCC's approach is to report budget setting process through Cabinet, with consideration and approval of the future capital programmes resting with full Council. The Council's Constitution is consistent with compliance requirements. It is anticipated that the actual resulting capital strategy will be reconciled and consistent with a wider financial strategy and both available for consideration during Spring cycle of meetings.

2 **Recommendations**

- 2.1 That Cabinet considers the capital strategy requirements and assesses the preparedness of current practices to satisfy capital strategy compliance obligations for onward endorsement to Council as part of capital strategy report in January 2019.
- 2.2 That Cabinet considers the annual core capital programme identified in Appendix 2 for 2019-20, together with the additions proposed in paras 6.14 to 6.18,, and issues its draft capital budget proposals for 2019/20 to 2022/23 for consultation purposes.
- 2.3 That Cabinet reaffirms the principle that during the financial year, any new schemes volunteered can only be added to the programme if the business case demonstrates that they are self-financing or if the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.
- 2.4 When considering the relative merits of projects and potential displacement, that Cabinet consider the indicative priority matrix supplied in para 4.15, either endorsing or amending it for onward consideration by full Council.
- 2.5 That Cabinet considers the extent of proposed sale of assets captured in exempt Appendix 5, in order to support the capital programme, and that once agreed, no further options are considered for these assets.
- 2.6 That Cabinet note the potential forecast of capital receipt levels, prior to the consideration of using £75,000 of receipts balance to afford condition survey work to update historic condition survey information and a ceiling of capital receipts funding of £300k to assist with the business case affordability of Severn View Residential Home replacement. Any excess of capital receipts generated thereafter is proposed to be applied by Treasury colleagues in a fashion that will mitigate minimum revenue provision costs and interest payments, to assist with revenue budget management. This is a change in capital receipt strategy to that applied in earmarking receipt generation to afford Members tranche A Future Schools aspirations. This will mean that any further school redevelopment will need to derive a greater extent of revenue headroom to afford the prudential borrowing financing of such developments.

3. **Capital Strategy Summary Considerations**

- 3.1 The Capital Strategy sets out the council's approach to capital investment over a longer timeframe than is traditional in the 4 year medium term financial plan and will provide a framework through which our resources, and

those matched with key partners, are allocated to help meet strategic priorities.

It is about planning, prioritisation, management and funding and is more informed by the council's consideration of

- Corporate Plan
- Asset Management Plan
- Commercial Investments Strategy
- Treasury Management

These documents are separately considered by Council and current versions are bookmarked as supporting documents.

4. MCC's specific Capital Strategy 2019/20 – 2022/23 Considerations.

- 4.1 The Capital Strategy will increasingly need to form a key part of the Council's overall Corporate Planning Framework. It provides a mechanism by which capital expenditure and investment decisions are better aligned, over a medium term (four years) planning period with the corporate plan. Service colleagues are quantifying the work necessary to afford Corporate Plan aspirations. This should be completed by the time that actual Capital Strategy is provided for consideration.
- 4.2 The Strategy should also provide a framework by which investment decisions will be made, to include consideration of prioritisation, planning, outcomes, management, funding and monitoring, and is linked to the Council's other strategies and plans.
- 4.3 The key aims of the Capital Strategy are to provide a clear set of objectives and a framework, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities of the Council.

Prioritisation and Planning Considerations

- 4.4 Underlying the Capital Strategy is the recognition that the financial resources available to meet Council priorities are constrained by a significant reduction

in financial resources. The Council must therefore continue to rely on capital expenditure that either

- Demonstrably pays for itself through an explicit prudential borrowing business case, or
- Replaces something already in the capital programme, as a higher strategic priority.

4.5 It is also recognised that corporate plan aspirations are predominantly “front facing” service delivery focussed, articulating developments of consequence to the electorate. It won’t cover for instance the regulatory and statutory necessities that are a given in providing services in a professional and reasonable fashion to the ultimate satisfaction of public sector regulatory agents.

4.6 Similarly, the Asset Management Plan (AMP) identifies significant backlog maintenance issues across the Council’s property portfolio. The AMP identifies the necessary investment needed to bring the operational asset stock up to current standards. It is considered that this level of investment is currently unaffordable. The Council’s priority is to dispose of any surplus assets and then prioritise the limited financial resources available via income generation, grant, capital receipts and private sector contributions to maximise outputs with minimal ongoing future revenue costs.

4.7 The wider regeneration of the County relies on housing, highways, education, property investment and employment opportunities, in part funded from private sector investment into new jobs, economic growth and homes. These in turn contribute towards Council funding over the longer term in the form of additional council tax, business rates or land sale receipts. New employment also reduces the reliance upon benefits, creates new economic activity, impacts on the housing market and improves people’s life styles and impacts on wider strategies such as health and social care.

4.8 In order to derive a priority ranking for schemes that is comprehensive and useful into the future, it is necessary to try to anticipate future schemes and demands upon local authorities, examples foreseen include,

- Councils can ascribe to protecting the vulnerable – and traditionally capital expenditure by local authorities tends to be through investment into Council owned or private care facilities that increase service capacity, improve quality, reduce homelessness and where possible mitigate the ongoing revenue costs of care provision for all ages across the County. MCC also has a motivation to support individuals within their communities where appropriate, as an alternative to institutionalised care

- Members acknowledge the sense of promoting employment within the area – Councils can anticipate needing to utilise its own land and property assets with other Government agencies and private developers to create long term employment opportunities.
- Councils retains a significant repairing liability in relation to Highways, and particular Councils, including MCC, also undertake major highway works to trunk roads which is afforded by Welsh Government through an agency arrangement. The sub network, where adopted, remains the direct responsibility of local authorities, and is afforded through specific grant funding and a portion of general capital funding. But also historically there can be pressure to accommodate/manage developer introduced assets once developers have moved on. This can be commonplace in things like community sewer pumping stations that don't discharge into the national network and whose condition and upkeep can be highly variable. Councils have also recently inherited a regulatory responsibility to advise and monitor the provision of sustainable drainage systems (SUDS) in response to reducing risk of flooding, that could be expected to introduce additional cost which can be recharged to developers, but which could be regarded as circular in nature as developers will commonly negotiate down Council's affordable housing requirements on the basis of overall viability of schemes.

Relatedly the Council also oversees Street Lighting & Traffic Control – A significant maintenance backlog has been identified which needs to be addressed. Two tranches of invest to save interest free loans overseen from Welsh Government have been utilised to update lighting columns to more energy efficient facilities, reduce revenue costs of maintenance, energy and carbon tax liabilities, but with loans having to be paid back as the first call on any net savings.

- Other initiatives based on sustainable business plans, to illustratively include:-
 - Reducing its backlog property maintenance liability by rationalising its office accommodation and other operational estate. The rationalisation anticipated to be in the form of moving out of leased / rented accommodation, transforming or integrating services to reduce costs and sales of surplus assets to generate receipts.
 - Investing in schools to improve the asset stock and provide an improved educational environment.
 - Investing in culture and tourism which is a significant part of the Council's aspirations. Culture organisations operate from several Council owned high cost listed buildings so investment will seek to

match against third party funds and move these into the third sector where a sustainable self-funded business plan has been agreed.

- Investing in ICT hardware infrastructure and software on a case by case basis the primary focus being delivering budget savings and providing “state of the art” technologies.

4.9 In the current economic climate financial, public sector resourcing tends to be a limiting factor for Councils, so in common with others, many consider how they may promote future opportunity through various delivery models including its own subsidiary companies e.g. CMC2, Monlife teckal company, energy generation companies, potential development companies, that have access to alternate sources of funding.

Commonly such entities look to address,

- Economic Investment – Councils can seek and deliver projects that generate longer term economic growth alongside the financial benefits. Based on robust business cases, under the oversight of Investment Committee, the Council will continue to make appropriate acquisitions, develop property, retain its existing land for development, transform services or provide business support to assist with the delivery of projects to derive over 3 years a balanced portfolio of investments costing up to £50m total with a basic return on investment test of 2% above financing costs.

4.10 Also in respect of innovative business models, MCC in common with other Councils, retains an active interest in strategic housing matters, but has previously outsourced/released its operational landlord function. This has led to a limited element of past resources being applied to influencing the housing market in the County, whether this being from point of view of releasing land parcels, negotiating affordable housing, or more actively holding equity in limited low cost housing stock around Usk. Should the Council wish to more actively satisfy its aspiration in respect of delivering new homes it may need to consider the creation of a specific Development Company to be able to.

- Safeguard affordable rents
- Offer a mix of products - Rental, for sale, rent to buy
- Influence supported housing needs not delivered by the market, e.g. housing for foster carers, care leavers, older people
- bring private void properties back into use

- more effective use of Council’s land and property assets

Common to Housing stock transfer, the acceptance of WG dowry funding to afford the transfer carried a condition that necessitated the Council’s housing revenue account (HRA) being wound up consequential to a commitment to being no longer a registered social landlord. So it will likely need to consider the merits or otherwise of creating a Housing Development company in facilitating its housing aspirations. This isn’t uncommon, and over a quarter of English authorities, both those with and without HRAs, have established Housing companies to more directly influence housing products whilst deriving an additional income for their parent Council. Martin Tett, housing spokesperson for the Local Government Association, said: *“Councils are setting up housing companies to help plug gaps in their local housing markets. This can aim to help meet the need for affordable homes, move-on accommodation, housing for older people or the provision of good quality private rented homes.”*

4.11 So reflecting upon this multiplicity of considerations as well as Corporate Plan aspirations, potential capital projects could helpfully be pigeonholed into meeting the following criteria: An indicative ranking is volunteered to assist Members’ consideration of the relative priority of projects.

Aspect	Indicative Rank
Health & safety (life and limb works)	1
Legal and Regulatory obligations	1
Allow a balanced revenue budget to be set	2
Deliver corporate plan priorities	2.5
Spend to save – transformational works,	3
Spend to earn net income – rents, interest and dividends	3
Create sustainable income streams – business rates and council tax	3
Asset management plan outcomes	4
Addresses major infrastructure investment	4
Attract significant 3 rd party or private match funding to the County	5
Deliver wider economic outcomes	5

4.12 This ranking provides a pragmatic attempt to provide a prioritised framework for member consideration to collectively endorse or replace. It seeks to prioritise health and safety and regulatory obligations ahead of corporate plan

aspirations, but also seeks to captures a variety of scenarios that may promote capital spending that meet other strategic ends after addressing its corporate plan considerations.

Funding Approach

4.13 In a significant period of public sector funding rationing, Members have previously subscribed to an approach through the year whereby to add a new scheme to the approved programme requires either,

- It to be self-affording in that the financial benefits of such are more than sufficient to meet the ongoing funding costs, and in support of this Council will receive adhoc reports from service managers, very much on a business case by business case basis, to evaluate whether to proceed with such e.g. solar farm considerations, commercial investment programme budget.

OR

- That the importance/priority of the project is perceived higher than something already within the programme and it replaces it. These sort of decisions are more infrequent but as an indication this was the approach that resulted in Property maintenance budget affording the recent work to E block.

Both considerations remain appropriate and sit well within an attempt to provide a priority setting framework for Members from a compliance point of view.

4.14 The Council's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under the Code local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver capital plans and programmes.

4.15 There are a range of potential funding sources which can be generated locally either by the Council itself or in partnership with others. Councils will increasingly need to seek new levels of private sector investment to match against its capital programme, this may be in addition to capital receipts from land sales, joint funding opportunities across the private sector or City Region approved funds on a wide range of projects.

4.16 The Strategy is intended to maximise the financial resources available for investment in service provision and improvement within the framework of the MTFP. Whilst at the same time ensuring that each business case has a robust self-sustaining financial model that delivers on the wider outcomes of the strategy.

4.17 The main sources of capital funding available to the Council are summarised as follows:

- **Central Government grants** – Grants are allocated in relation to specific programmes or projects and the Council would seek to maximise in the current economic climate such allocations, developing appropriate projects and programmes which reflect government and partnership led initiatives and agendas but address priority needs in the County e.g. Future schools programme
- **WG Settlement** - The majority of “planned” capital expenditure for maintenance of transport infrastructure and provision of Disabled Facilities are provided by core AEF capital grant.
- **Untapped Developer and other public/private funding** - A growing number of private organisations and finance houses such as pension fund are showing interest in investing in public sector infrastructure when clear joint benefits exist. Each case will be subject to specific financial appraisals and Council approvals. Increasingly the expectation is for Councils to seek contributions from developers / funders towards the provision of public or private assets or facilities. The Council will continue to work with the private sector and its strategic partners e.g. Registered Social Landlords to utilise its redundant assets and vacant land to bring them into a useful economic purpose to facilitate regeneration and employment creation. It will also continue to work with the health providers and other public agencies to consider projects that are to the mutual benefit of all parties and the wider economic impacts to the County and the region.
- **Section 106 funding** - In some cases contributions are received in order to mitigate the impact of their development on communities referred to as Section 106 receipts and commuted maintenance sums for facilities built by developer and adopted by Council. These contributions are usually earmarked for specific purposes in planning agreements and often related to infrastructure projects. Developers may also contribute to Highways Infrastructure through section 38 and 278 agreements to facilitate their development. The Council is committed to working with its subsidiary companies and partners in the development of the County and its services. Various mechanisms provide opportunities to enhance the Council’s investment potential with support and contributions from other third party and local strategic partners. These may range from commissioning / facilitating others to develop services in the County; funding for regeneration projects; and through match funding joint funding of developments.
- **Locally generated funding**
- **Prudential “unsupported” borrowing** – under the Prudential Code the Council has discretion to undertake borrowing providing it can afford the

consequences, and that the expenditure meets capital expenditure definitions. Given the pressure on the Council’s revenue budget in future years, prudent use is appropriate on schemes with a clear financial benefit, such as “invest to save”, or “spend to earn” – such schemes needing to demonstrate providing a net return over and above the borrowing cost inclusive of interest and Minimum Revenue Provision (MRP) which contributes to the overall Council financial position. Such investment requires compliance with the Code’s regulatory framework which requires any such borrowing to be prudent, affordable and sustainable. The Council will make no assessment of property appreciation in affording such business cases such that any benefit will be received on any future sale of assets enhancing its prudent approach.

- **Capital receipts from asset disposals** – the Council has a substantial land and property estate, mainly for operational service requirements and administrative buildings. This “estate” is managed through the Asset Management Plan which identifies property requirements and, where appropriate, properties which are surplus to requirements and which may be disposed of. However capital receipts from asset disposal represents a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment or offset future debt or transitional costs, included within the new flexibilities provisions, as and when received.

4.18 As part of the 2019-20 budget setting considerations, forecasts of receipts to be received in future years have been revised to reflect the latest strategic programme of sales. The current prediction of capital receipts for the next 4 years is anticipated as supplied in Appendix 5.

In summary though the following table indicates the cumulative anticipated capital receipt levels before application, at the end of respective financial years.

	2019-20	2020-21	2021-22	2022-23
	£'000	£'000	£'000	£'000
Capital Receipt indications for Fin Year ending	8,144	14,001	14,766	14,531

The Council will continue to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or service areas

unless a suitable business case has been considered by asset management working group and endorsed for Council approval. This is consistent with Council's surplus asset policy. Capital receipts have been a significant source of finance in previous financial years, predominantly allowing the newly built Monmouth and Caldicot Comprehensive schools involving £34m capital receipts use. Capital receipts can be utilised to repay existing debt, reducing the capital financing requirement and the extent of minimum revenue provision needing to be afforded. Welsh Government also periodically issue capitalisation directives that allow for traditional revenue expenditure to be afforded by capital receipts usage. For instance, this flexibility is offered in facilitating cross Council working designed to rationalise and share services, it can also in certain circumstance be used to afford redundancy costs where that cost is as a result of wider re-engineering of services. So such receipts can have a role in reducing revenue costs to assist in establishing a balanced budgets. Given a current unbalanced revenue budget and business case for tranche B schools aspiration not yet being available (to be worked on through 2019-20), it is proposed to suspend any significant allocation of capital receipts until those challenges are more explicitly addressed/quantified.

Periodic capital receipts monitoring will continue to be available to Cabinet, and each of the 4 Select Committees, through the financial year.

- **Lease finance** - where alternative funding is not available for vehicles or minor equipment and the revenue budget does not allow for a full capital repayment and there is a robust business case then the option of leasing may be considered. The financing of expenditure by lease needs to take into account;
 - value of expenditure
 - Residual value
 - Life span of equipment matches the funding proposed
 - The equipment to be replaced is part of a rolling programme that covers the whole service area or by type of equipment.

Traditionally the Council has used leasing as a funding source for Leisure equipment replacement and vehicle acquisition, particularly in waste service area with changes to pick up arrangements, and potentially increasing with the expiry of Viridor amenity site management contract where the level of vehicle specificity and equipment demands could reasonably be expected to increase. The Council will utilise operational leases where possible for purchase of minor equipment, IT and vehicles supported by an appropriate robust business case. However changes to financial reporting standards mean that where such operational leases are predominantly for the life of the asset, these should instead be explicit on balance sheet as if they were finance leases in substance

- **Earmarked Reserves** – Earmarked reserves represent a finite one off use resource that have been put aside for a particular purpose. So the IT reserve is commonly used to afford capital IT projects, capital receipts generation reserve is used to part afford the activities of the Corporate landlord service in facilitating sale of assets, and Invest to Save reserve could be used to smooth any peaks and troughs anticipated in a business case to allow them to proceed in affording short term costs for longer term financial benefit and replenishment.
- **Revenue** – Capital expenditure may be funded directly from revenue (CERA – capital expenditure charged to revenue account). In addition to specific revenue funds previously set aside, such as repairs and renewal funds, capital expenditure may be funded by specific revenue budget provision. However, the general pressures on the Council’s revenue budget and council tax levels limits the extent to which this may be utilised on a £ for £ basis as a source of capital funding, instead the focus is more efficiently considered as part of the headroom such capacity brings longer term and recurrently to afford prudential borrowing.

So how will the Capital Strategy assist in how the Council identifies, programmes and prioritises funding requirements and proposals?

Management

- 4.19 The capital MTFP and resulting financing costs built into revenue MTFP reflects a steady state approach to capital schemes, in capturing the extent of schemes that have a core recurring amount applied to them annually e.g. DFGs, property services maintenance, county farms maintenance together with those specific schemes that have already received member consideration and approval to proceed, or reflect an agreed multi year commitment through Members slippage considerations.
- 4.20 Consequently any new schemes proposed for future years will need to be an explicit consideration to members, and part of the presentation of such will involve identifying any of the treasury consequences, so that colleagues can more easily recast treasury figures in MTFP if Members chose to accept any proposed projects.
- 4.21 In giving practical effect to Members approved asset strategies, traditionally officer consideration of new schemes has been through asset management group and capital financing group. Both groups have their strengths and weaknesses, but are restrictive in outlook, such that the asset management group tends to look at facilities management rather than wider infrastructure considerations and capital financing group tends to focus on management of existing programme rather than future schemes, so increasingly there are

occasions where asset decisions are proposed by services without regard to either fora.

- 4.22 As it is usual for very similar managers to attend both the asset management and capital working groups, it is proposed to amalgamate them into one for its terms of reference to include a wider asset considerations better able to consider priorities against a backdrop of funding opportunities in the same meeting, utilising a business case approach and evaluating how closely proposals meet the criteria above in para 4.11, to be able to volunteer proposals to full Council for consideration.
- 4.23 It is anticipated a more holistic group involving financial, legal, property and economic expertise will allow the Council to make better use of this internal officer experience supported by external professional advisors where necessary to ensure robust investment decisions are made. It will however need to widen its emphasis to include more than building maintenance priorities, to include highways and infrastructure and to have a more strategic than operational viewpoint in the management of capital programme, such that the combined asset management and capital working group will also consider options available for funding expenditure and how resources may be maximised to generate investment in the area.
- 4.24 The Council employs professionally qualified and experienced staff in senior positions with responsibility for advising on capital expenditure, borrowing and investment decisions. For example, the Head of Finance and Deputy (fulfilling the Council sc151 responsibilities), the Corporate Landlord Head of service, and legal staff are required to hold an appropriate professional qualification and are committed to continuing professional development. Where other Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and Alder-king as its' commercial investment agent. This approach remains more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 4.25 Members also receive indirectly adhoc updates from finance staff through feedback to resourcing sections of service managers reports, designed to influence the robustness of resource assumptions being made in business cases. They also receive formal periodic updates on the quantum available for investment over the MTFP planning period. It will continue to do this through the periodic monitoring reports in highlighting capital receipt activity, reserve levels and capital scheme progress, and also annually through the Council's budget setting considerations in evaluating settlement information,

coordinating the various income generating aspects, from advising on Council tax levels and facilitating the discretionary fees and charges reports.

- 4.26 Council recently agreed to the provision of an Investments sub Committee to oversee a 3 year £50m Commercial Investment Strategy, reporting activity back through the scrutiny process subsequently. The related Strategy document is bookmarked in Appendices, designed to demonstrate that the strategy application overseen by that Investment Committee has an intended overall balance of risk on a range of projects over timespan, funding mechanism and rate of return, which again is consistent with compliance aspects.
- 4.27 The importance of a capital strategy informing robust Member decision making suggests a heightened discipline from service managers to describe the effective arrangements for the management of proposed capital scheme expenditure including a more resilient assessment of project outcomes and options, budget profiling (where the project extends over multiple financial years), and deliverability risks/assumptions. This will allow for a more useful post project assessment against expected outcomes to review the robustness of planning assumptions. Where the capital expenditure is promoted as an “investment”, in an environment of scarce resourcing, a greater emphasis on a value for money commentary needs to be provided and the safeguards commonly operating around treasury management investments around security, liquidity and yield of investments considerations has been widened to apply to capital investments more generally.
- 4.28 The results of officer activity are intended to assist Members to determine a prudent, affordable and self-sustaining funding policy framework, whilst minimising or mitigating the ongoing revenue implications of any such investment;

Governance and Outcomes

- 4.29 The primary purpose of capital governance as well as satisfying public stewardship, is to ensure that available resources are allocated optimally and deliver value for money, and that investment programme planning is, whilst having its own approval process, determined in parallel with the service and revenue budget planning process within the framework of the MTFP, given the common consequence to revenue budgets in providing necessary headroom to facilitate prudential borrowing.
- 4.30 As described briefly above, any new schemes proposed for next year and onward are separately captured as a pressure in the reporting of the proposed Capital programme and any explicit proposals separately shown in treasury

aspect of Revenue MTFP, to allow Members more transparently to consider the choices more explicitly whether to support a scheme or otherwise.

- 4.31 New programmes of expenditure will be appraised along with other investments and grant allocation programmes following a clearly defined gateway process involving the priority ranking above and ultimately volunteered to Members when proposals are robust, outcomes clear and cost certainty exists, or tolerance established for any financial assumptions needing to be made, as to whether certain due diligence work can proceed or where outcomes or financial parameters are outside that agreed with Council, that it needs to be reported back to full Council for continued endorsement or otherwise.
- 4.32 In consideration of compliance adherence, the democratic decision-making and scrutiny processes which provide overall political direction and ensure accountability for the investments in the Capital Programme includes the following aspects,
- The Executive has overall responsibility for the strategic development, management and monitoring of the capital and investment programme directly;
 - Council which is ultimately responsible for considering and approving the Capital Strategy, the Treasury Management Policy, and the subsequent operational Capital Programme;
 - The Audit Committee is responsible for the development and scrutiny of Treasury Management strategy and onward endorsement to full Council, and could be used in a similar fashion in relation to onward endorsement of Capital strategy.
 - An Investment Committee made up of cross party attendance which will oversee the investment portfolio. It will be supported by a technical group of officers from diverse specialisms that will continue to appraise all business plans using independent external advisors if necessary. This will assist the making of investment decisions based on full site investigations, due diligence, a funding package that indicates a net return to the Council , involving full risk and reward assessments, life time costings and component and asset replacement. The Committee will also review existing projects to monitor outcomes against intentions and divest itself of assets where appropriate.
 - As a small variation in the capital programme approval, pragmatically Cabinet has traditionally been used to approve Leisure section 106 refinements/variations to the approved programme during the year as part of its periodic capital monitoring reports

- The Select Committees are responsible for assessing the quality of monitoring activities for their portfolios during the year
- All projects are required to following the Constitution requirements agreed by Members, including the procurement arrangements, standing orders and financial regulations.
- Directorate Management Teams sponsor, advocate and oversee the preparation of business cases for forward consideration by asset management and capital programme working group prior to sign off and for submission to Members either in the form of report to Investment Sub Committee or full Council for approval or otherwise;
- Specific Project boards of management groups with wide ranging membership to oversee significant development projects as required e.g. Future schools project board.
- The Chief Finance Officer responsibilities extend to reporting to management team colleagues and Members ultimately on the sustainability and affordability of investment decisions having regard to the Council's financial position. The role is also fairly unique within Councils in holding a fiduciary duty on the quality of financial administration to the electorate.

These arrangements are consistent with compliance requirements.

5. Business Case Consideration and Evaluation

- 5.1 For projects and programmes, the business cases submitted will need to be increasingly clearer about the investment levels required, source of funding, outcomes to be delivered, risk assessments, appropriate due diligence, repayment mechanisms, revenue impacts and full lifetime costings. At present, given the newness of capital strategy there isn't a wealth of assessment practice available to volunteer a tested approach for Members to consider in this particular area as yet.
- 5.2 Future monitoring of the programmes will need to include more rigorous expenditure profiling, outcome achievements, delivery against timetable, returns, risk assessments and completion reviews undertaken for each project by responsible service officer, to consider any lessons learned and opportunities to further refine the assessment process.
- 5.3 The existing separation of responsibilities remain fit for purpose with periodic capital programme reports continuing to be submitted to Cabinet that identify changes within the programme to reflect;
- Rescheduling and anticipated delays in programme delivery

- Virements between schemes and programmes to maximise delivery as per delegations captured in Financial Regulations section of Constitution.
- Revisions to spend profile and funding to ensure ongoing revenue costs are minimised.
- Monitor the funding of the programme

The approval of the Capital programme remains with full Council for the following,

- New resource allocations
- Projects reduced or removed
- Capital receipts generated

- 5.4 The Council has recently approved a £50million commercial investment fund to be managed by an Investment Committee over a 3 year period. To date the Council has acquired the Castlegate business site in Caldicot area.
- 5.5 Business case reports will be received by Investment Committee to consider new activity or refine existing portfolio. Economy & Development Select Committee, in annually reviewing such activity, will have access to the external commercial investments made, their justification, progress on outcomes and other key issues and risks arising that may require future actions.
- 5.6 All projects will need to reflect the full development costs including purchase, taxes SDLT at the applicable rates and a level of fees to cover due diligence, full site surveys, legal and other transactional costs. Business cases will also need to include all lifetime maintenance, management costs and income from the proposals. Where necessary, specialist advice and support will be taken.
- 5.7 It is anticipated that the programme involves tangible asset creation for the Council, considering a range of purchase, lease and loan funding. These cash flows will be based on a determined Internal Rate of Return (IRR). The balanced portfolio approach will ensure an overall net average return reflecting some investments will yield higher returns than others, but the key investment metric is that any investment needs to provide a net return more than sufficient to cover its financing costs after its asset life costing.
- 5.8 Projects will be balanced to size of the initial project cost, sector, priority regeneration outcomes and financial returns delivered. Interest rates and borrowing related to projects will be informed by useful asset life.
- Monmouthshire's interest in Commercial Investments is at an early stage. Illustration of the sorts of investments other Councils have involved themselves in include,

- General commercial sectors e.g. office, industrial, retail, distribution, parking, hospitality
- Specific sectors that enhance the growth of other partners, e.g. Councils can commonly look at life sciences in partnership with Health and Universities, or in respect of South East Wales particularly City Deal has exhibited an interest in semiconductor technology to incentive business ingress.
- Consideration of a range of finance structures to spread risks including the Council's own subsidiary companies e.g. Community Interest Companies, Teckals, private company limited by share.
- Range of financial returns, both in revenue income to the County but also investment rate of return.
- Range of outcomes to include new employment, growth, floor space etc.
- Range of asset ownerships to maximise the longer term benefits, buy outright, community ownership, rent and lease.

These catalysts provide much of the rationale for the creation of the Commercial Investments Strategy, which is bookmarked as a background paper.

- 5.9 The Council will adopt a rigorous approach to enforcement of terms relating to investments. It will seek the appropriate advice in the event that terms are not being adhered to and take the appropriate action to recover its funds or divest itself of investment where returns are not sufficient to cover costs.
- 5.10 Currently the strategic focus on investments is towards the creation and ownership of “bricks and mortar” assets, rather than investment in equity based assets. A new international financial reporting standards (IFRS9) affects Equity and financial based instruments, and requires an annual valuation affecting the balance sheet and gains or losses immediately passported to the Revenue Account. This has the potential of creating a greater volatility upon reporting, and so is perhaps better considered after the Council has developed its expertise and skill in commercial property management.

6. SPECIFIC CAPITAL MTFP CONSEQUENCES 2019-20

- 6.1 Councils are required to have a capital strategy for financial year 2019-20, and it is anticipated formal strategy will come before Council in due course.. However, whilst the focus of this report reflects an assessment of preparedness against Capital Strategy requirements, initial capital budget proposals for 2019-20 need to reflect an enhanced capital strategy discipline, hence the exploration of planning, priority setting and governance within a strategic context.
- 6.2 The following section outlines the proposed capital budget for 2019/20 and the indicative capital budgets for the three years 2020/21 to 2022/23.

Key Strategic Issues:

- 6.3 The capital MTFP put in place in the face of an ever reducing resource base from Welsh Government has been reviewed. The strategy going forward will need to have regard for the following key components:
- The core MTFP capital programme needs to be financially sustainable without drawing on further funding.
 - The completion of tranche A Future schools programme remains the most significant aspect of capital programme. No automatic allowance has yet been made in relation to a tranche B programme that is currently being considered by Welsh Government, nor any other new capital priorities.
 - For the last 2 financial years the budget discussions has resulting in an extra £300k per annum being directed to Disabled Facilities Grants to address backlog issues. Consequently the 2019/20 starting capital position excludes that sum, but the potential exists for members to consider such again during their budget deliberations.
 - No inflation increases will be applied to any of the capital programme with property maintenance budget and Infrastructure maintenance budget set at the same level as last year, priorities to be decided by maintenance colleagues, however condition survey information tends to be historic in nature.
 - Similarly the County farms maintenance programme is based on a set allocation per annum, with priorities being informed by officer consideration rather than rolling programme condition surveys.
 - Budget for Area Management of £20k in the programme hasn't been utilised to degree originally intended when incorporated by full Council and could be further reduced or cut in the face of other pressures.
 - The provisional settlement maintains effectively a standstill funding position in respect of core capital grant and supported borrowing for

2019/20. This has presumed to continue at the same levels through the later 3 years of MTFP.

- Budget to enhance or prepare assets for sale will be maintained and funded through the capital receipt regeneration reserve in order to maximize receipt generation to assist Members strategic choice.

Key Capital MTFP issues

- 6.4 The four year capital programme is reviewed annually and updated to take account of any new information that is relevant.
- 6.5 The Council's Tranche A Future schools programme is coming to a successful conclusion. Colleagues are working through options in relation to a future Welsh Government tranche B programme. No presumption has been made to add such costs into this next 4 year window as yet as costs of proposals and their affordability are still to be established.
- 6.6 As part of 2017-18 budget deliberations, Members requested the effect of 5 additional priorities be modelled and annual financing headroom of £500k added to the revenue treasury budget to afford any related debt repayments. By the start of Members 2019-20 budget deliberations, these schemes have all crystallised and been added explicitly to the capital programme during current year, namely,
- Monmouth Pool – commitment to reprovide the pool in Monmouth as a consequence of the Future schools programme, £7.3 million project afforded by £1.9m Future schools programme, £985k sc106, core treasury funding of circa £835k, and £3.58million prudential borrowing afforded by the Leisure service through additional income predictions (MRP predicted to start in 2019/20)
 - Abergavenny Hub – commitment to reprovide the library with the One Stop Shop in Abergavenny to conclude the creation of a Hub in each of the towns. £2.3 million (MRP predicted to start in 2019/20)
 - Disabled Facilities Grants – the demand for grants has outstripped the annual budget. Members ultimately chose supplement the core DFG commitment by £300k pa, in each of last 2 years.
 - City Deal - 10 Authorities in the Cardiff City region are looking at a potential £1.2 billion City Deal. Agreement to commit to this programme occurred in January 2018. The potential impact on individual authority budgets has been modelled in advance of decisions on specific projects and profiles in order for authorities to start reflecting the commitment in their MTFPs. The potential is for the 10 authorities to provide collectively £120 million over time, with individual contributions being reflective of populations. Our indicative liability (based on 6.1% relative population) over the 10 years since inception is likely to be

2017-18	£1,487k
---------	---------

2018-19	£1,088
---------	--------

Contributions predicted, and subsumed within the forthcoming MTFP window

Year	Amount
------	--------

2019-20	£311k
---------	-------

2020-21	£311k
---------	-------

2021-22	£489k
---------	-------

2022-23	£489k
---------	-------

Contributions predicted following the MTFP window

2023-24	£800k
---------	-------

2024-25	£800k
---------	-------

2025-26	£799k
---------	-------

2026-27	£799k
---------	-------

Total	£7,372k
-------	---------

- J and E Block – E block was completed during 2017-18 and social care colleagues are in occupation. A J block report was considered by full Council recently and the budget supplemented by £1.3m to existing £1m budget, funded by prudential borrowing, and afforded by savings within the central accommodation budget financing the debt repayments.

MRP is presumed to start in the year after the contribution is made, and in all cases above, an asset life of 25 years has been presumed:.

- 6.7 As in previous years, service managers have supplied the pressures indicated in Appendix 1. There is a role for asset management working group to gatekeep more up to date pressures, recognising that many have not been updated since the 2017-18 budget setting process. These will increasingly need to form the Council's capital budget deliberations going forward, and during this review it has become apparent that the periodic condition survey of assets has been on decline, as resources have been used for physical repair work. In the environment of more robust capital strategy considerations, this is felt to be an oversight. Notwithstanding this, given the extent of pressures volunteered,

pragmatically there will always remain a considerable number of pressures that will sit outside of any potential to fund them within the forthcoming Capital programme and this has significant risk associated with it. Cabinet have previously accepted this risk and agreed to considering proposals in the form of business cases that are either demonstrably self-affording or displaces an existing commitment as a higher, more urgent, priority.

6.8 In summary the following other issues and pressures have been identified:

- Long list of back log pressures remain out of date and without indication of when work is required – infrastructure, property, DDA work, Public rights of way, as outlined in Appendix 1. None of these pressures are included in the current capital MTFP, but this carries with it a considerable risk.
- In addition to this there are various schemes/proposals (e.g. Alternative delivery model for Leisure, tourism and culture services, tranche B Future schools, any enhanced DFG spending, waste fleet vehicle replacement, community amenity site enhancement) that could also have a capital consequence, but in advance of quantifying those or having Member consideration of these items, they are also excluded from current capital MTFP.
- Capital investment required to deliver revenue savings – this is principally in the area of office accommodation, operational services, social care, property investment and possibly additional learning needs. The level of investment is currently being assessed however, in accordance with the principle already set above, if the schemes are not going to displace anything already in the programme then the cost of any additional borrowing will need to be netted off the saving to be made.
- The IT reserve is finite so funding for any major new IT investment is limited. Any additional IT schemes will need to either be able to pay for themselves or displace other schemes afforded by the IT reserve in the programme.
- Base interest rates are anticipated to increase by 0.05% before the end of the calendar year. An upward trend in such, places a higher emphasis on assessing the merits of switching a proportion of short term recurring borrowing with equivalent longer term (fixed rate) deals. Such pressures are more likely to be felt in the Revenue MTFP as it will increase the cost of borrowing over time, however it may also impact adversely upon the viability of capital business case developments and their ability to demonstrate self-affordability.

Available capital resources

6.9 Traditionally Members have been focussed on utilising any available receipts on affording its Future schools aspirations. The 2 secondary school tranche A schemes are operational with a minority of expenditure is still being incurred around groundworks, some demolition and payment of retentions. Members may remember on the basis of original £80m programme that the Council's share was anticipated to be afforded by £32m receipts and £8m prudential

borrowing. This was adjusted when programme identified an extra £11m costs, such that current prediction is to have utilised £34m capital receipts with remainder of Council share afforded by borrowing.

- 6.10 In light of the current pressures on the Authority’s medium-term revenue budget, and the principles on which any prudential borrowing must be taken of affordability, prudence and sustainability, the use of further prudential borrowing has to be carefully assessed. The table below illustrates the cumulative balance on the useable capital receipts reserve over the period 2018/19 to 2022/23 taking into account current capital receipts forecasts provided by Estates and revised balances drawn to finance the existing programme. The Council still needs to continue to make a concerted effort to maximize its capital receipts generation over the next few years. Further detail is provided in Appendix 4.

<u>GENERAL RECEIPTS</u>	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
Balance as at 31st March	3,630	8,144	14,001	14,766	14,531

- 6.11 The above table illustrates a surplus of receipts anticipated over the next MTFP window. There remains a significant risk in utilising receipts in the year they are anticipated, as experience suggests that there is often significant slippage in gaining receipts which may be due to factors outside the control of the Authority. The risk assessment on the receipts projected is contained in Appendix 5. It is crucial that once assets are identified and approved for sale that this decision is acted upon. Exploration of any alternative use of surplus assets needs to be undertaken before Council approves them for sale in order to assist in the capital planning process.

- 6.12 Opportunities to generate further receipts and funding streams in line with the Asset Management Plan are continuously being sought, these are outlined below:

- Review of accommodation/buildings in use by the council, with a view to further rationalization – some further rationalisation of office accommodation has been done, but there may be further potential leading to other buildings being released for sale and this is also key in identifying revenue savings

- Identification of services that can be combined as part of the whole Place agenda and establishment of community Hubs, and therefore release buildings for sale
- Implementation of County Farms strategy

6.13 The detailed core capital programme proposals are included in Appendix 2, and in summary form relate to

Capital Budget Summary 2019/20 to 2022/23				
	Total Budget	Indicative Budget	Indicative Budget	Indicative Budget
	2019/20	2020/21	2021/22	2022/23
Asset Management Schemes	18,595,944	18,595,943	1,929,277	1,929,277
School Development Schemes	800,000	50,000	50,000	50,000
Infrastructure & Transport Schemes	2,240,740	2,240,740	2,240,740	2,240,740
Regeneration Schemes	385,941	310,500	489,100	489,100
County Farms Schemes	300,773	300,773	300,773	300,773
Inclusion Schemes	850,000	850,000	850,000	850,000
ICT Schemes	0	0	0	0
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Other Schemes	85,892	70,000	70,000	70,000
TOTAL EXPENDITURE	24,759,290	23,917,956	7,429,890	7,429,890
Supported Borrowing	(2,403,000)	(2,403,000)	(2,403,000)	(2,403,000)
Unsupported (Prudential) Borrowing	(18,352,167)	(17,977,166)	(1,489,100)	(1,489,100)
Grants & Contributions	(1,913,441)	(1,463,000)	(1,463,000)	(1,463,000)
Reserve & Revenue Contributions	(15,999)	(15,999)	(15,999)	(15,999)
Capital Receipts	(574,683)	(558,791)	(558,791)	(558,791)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
TOTAL FUNDING	(24,759,290)	(23,917,956)	(7,429,890)	(7,429,890)
(SURPLUS) / DEFICIT	0	0	0	0

The following has not been added to the programme yet, pending Member consideration.

Additional Projects proposed for 2019-20

6.14 In light of the ranking of health and safety works and upon considerations of capital pressures submitted conversation with repair colleagues suggest health & safety and regulatory work in the form of disability adaptations to corporate premise, radon remedial work and school kitchen work can be treated as priorities within existing capital maintenance programmes. However given the age of condition survey work to inform work programmes and health & safety considerations, it is proposed, as a 1 year pilot, to create a £75k survey budget, afforded from capital receipt balance, to improve the quality of information available to Members in their prioritisation deliberations.

- 6.15 A recent report received by Adult Select Committee involved an initial assessment of the need for a replacement of Severn View residential home, which is coming to the end of its natural economic life and not easily renovated. The business case remained unbalanced, but colleagues intend to review cost quotes and the indicative capital receipt valuation of the surplus Severn View site. The final proposal is being prepared for full Council in the same timeframe as this report. Without second guessing the subsequent decision, for capital planning purposes, Members are asked to earmark a maximum of £300k capital receipts to assist with business plan affordability, at the discretion of Head of Resources who also occupies the interim sc151 responsibility.
- 6.16 Members have received a report concerning the waste service and the need to segregate waste streams. This had implications on the replacement of waste vehicle fleet. The existing fleet is coming to end of useful of life and is regarded as having no material residual value. The cost of this fleet procurement is £4.2m, the knock on financing over 8 year lifespan is £567k per annum (£525k minimum revenue provision per annum plus £42k interest). It is afforded through a budget virement from waste of £473k per annum, plus £95k addition to Treasury budget in 2019-20 as a revenue MTFP pressure.
- 6.17 Whilst not regarded as a new project per se, it also proposed to split the £1.9m capital repair works budget more explicitly between direct cost of works and the staff recharges. Traditionally the Property services team has not been core funded, requiring its work to be recharged to revenue and capital schemes. Initially that budget will be split 88:12 between works and fees, but the expenditure will reflect the actual situation in an attempt to give members a better understanding of the actual works being progressed annually. From a budget monitoring point of view, the activity will still need to be managed within £1.9m overall annual budget award.

7. REASONS:

- 7.1 To provide an opportunity for consultation on the capital budget proposals.

8. RESOURCE IMPLICATIONS:

- 8.1 Resource implications are noted throughout the report both in terms of how the core programme is financially sustainable, the key issues that require further quantification and also the risks associated with not addressing the pressures outlined in Appendix 1.

9. FUTURE GENERATIONS ASSESSMENT AND EQUALITY IMPLICATIONS:

- 9.1 Capital budgets which impact on individuals with protected characteristics, most notably renovation grants and access for all budgets are being maintained at their core levels.

- 9.2 The equality impact of the mechanism to allocate maintenance budgets to individual schemes should be in place and being used to aid allocation of funding
- 9.3 The actual impacts from this report's recommendations will be reviewed on an ongoing basis by the Capital Working Group.

10. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

None

11. CONSULTEES:

Senior Leadership Team

All Cabinet Members

Head of Legal Services

Head of Finance

12. APPENDICES:

Appendix 1 – Capital MTFP pressures

Appendix 2 – Capital budget summary programme 2019/20 to 2022/23

Appendix 3 – Forecast capital receipts 2018/19 to 2022/23

Appendix 4 – – Capital receipts risk factors

Appendix 5 (exempt) - – Capital receipts risk factors

Appendix 6 – Corporate Plan (22 for 22)

Appendix 7 – Future Generations Assessment

13. BACKGROUND PAPERS:

List of planned capital receipts: Exempt by virtue of s100 (D) of the Local Government Act 1972

Asset Management Strategy incl. County Farms Strategy

Commercial Investments Strategy

Treasury management Strategy

14. AUTHOR:

Mark Howcroft – Assistant Head of Finance (Deputy S151 Officer)

Contact Email: markhowcroft@monmouthshire.gov.uk

Appendix 1 – Capital MTFP pressures

Description of Pressure	Forecast Cost	Date last updated	Responsible Officer / Champion
<p>Current Rights of Way issues (Whitebrook byway) - Engineering assessments have been completed on landslip / collapse of byway at Whitebrook, estimated cost of repairs in the region of £70-£80k.</p>	75,000	Dec 16	Matthew Lewis
<p>Current Rights of Way issues (Wye and Usk Valley Walks) - Engineering assessments have been completed on river erosion / landslips on the Wye and Usk Valley Walks. [Monmouth] (Wye Valley Walk) £23,925, [Clytha] (Usk Valley Walk) £46,725, [Coed Y Prior] (Usk Valley Walk) £9,900, site investigations/design £5,500.</p>	86,000	Dec 16	Matthew Lewis
<p>A major review of the waste Mgt and recycling service is ongoing. Proposals are likely to include consideration of receptacles rather than bags (anticipated cost of between £0.3-1.3m) To accommodate the change at kerbside, developments will be needed at our transfer stations at an indicative cost of £800k depending on the scale of works required. Options may be limited if WG insist on certain scheme components. The quoted capital costs exclude new vehicle costs which are modelled as being leased currently.</p>	2,100,000	Dec 16	Roger Hoggins / Carl Touhig
<p>Monmouth Community Amenity site upgrade - indicative costs are £1.5-2m if built and run by the Council. The transfer station and CA capital costs could be avoided if the Council decided it was best value to procure a build, finance, operate contract for its sites in future. The work to evaluate these options will follow on after kerbside collection.</p>	2,000,000	Dec 16	Roger Hoggins / Carl Touhig

Description of Pressure	Forecast Cost	Date last updated	Responsible Officer / Champion
<p>Property Maintenance requirements for both schools & non-schools as valued by condition surveys carried out some years ago. The existing £2m annual budget mainly targets urgent maintenance e.g. health & safety, maintaining buildings wind & watertight, etc., and is insufficient to address the maintenance backlog. A lack of funding means maintenance costs will rise; that our ability to sell buildings at maximum market rates will be affected ; Our ability to deliver effective services will be affected and a Loss of revenue and poor public image.</p>	22,000,000	Dec 16	Deb Hill Howells
<p>Disabled adaptation works to public buildings required under disability discrimination legislation.</p>	7,200,000	Dec 16	Deb Hill Howells
<p>School Traffic Management Improvements - based on works carried out on similar buildings.</p>	250,000	Dec 16	Deb Hill Howells
<p>Refurbishment of all Public Toilets - Capital investment required to facilitate remaining transfers to Town and Community Councils</p>	95,000	Dec 16	Deb Hill Howells
<p>School fencing improvements</p>	68,000	Dec 16	Deb Hill Howells/Headteachers
<p>Modification works to school kitchens 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>	38,000	Dec 16	Deb Hill Howells
<p>Radon remedial works Following the commissioning of Radon Wales to carry Radon Surveys of public buildings, remedial works will be required at various premises to resolve issues</p>	75,000	Dec 16	Deb Hill Howells

Description of Pressure	Forecast Cost	Date last updated	Responsible Officer / Champion
<p>Countryside Rights of Way work needed to bring network up to statutorily required and safe standard. This should be taken as a provisional figure as surveys and assessments of bridges and structures are on-going and the rights of way prioritisation system which includes risk assessment will more accurately define and rank the backlog. Bridge management report on 787 bridges completed in October 2013 identifies 254 known bridge issues of which 77 need repair, 31 replacement & 80 are missing. 68 have 'other' issues including 51 bridges which require full inspection to further ascertain requirements/costs. 13 bridges are 10m+ and require replacement or repair. It is not possible to cost all of these currently but a ball park figure of £288k has been identified for the first tranche of issues. Additional ROW allocation (30K) helping, but scale of overall pressure means these figures are still relevant</p>	2,200,000	Dec 16	Ian Saunders
<p>Transportation/safety strategy –Air Quality Management, 20 m.p.h legislation and DDA (car parks)</p>	1,200,000	Dec 16	Richard Cope
<p>Disabled Facilities Grants (DFGs) – For the last 2 years the DFG's budget has been supplemented by £300k per annum.</p>	200,000	Sep 18	Ian Bakewell
<p>Bringing County highways to the level of a safe road network. This backlog calculation figure has been provided by Welsh Government. The Authorities Capital Programme is not addressing the backlog significantly as the annual level of funding available is not of sufficient magnitude to address this. The annual programme is set in relation to the approved budget and this programme is shared with all members. Routes are selected on the basis of their significance within the overall highway network and their condition. Programmes are reviewed annually around December and then distributed to members.</p>	80,000,000	Dec 16	Roger Hoggins

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

Description of Pressure	Forecast Cost	Date last updated	Responsible Officer / Champion
Severn View Care Facility renewal	?		Colin Richings
Future Schools Tranche B – Replacement of King Henry VIII Comprehensive school. Total cost indicated as £40m, funding split 50:50 WG:MCC. Pressure included for net	20,000,000	Jul 18	Will McLean
Total Pressures	161,287,000		
Description of Pressure	Forecast Cost	Date Updated	Responsible Officer / Champion
Capital investment for revenue savings			
Leisure and cultural services - Currently the service is exploring future delivery options including trust status. Part of the work will involve conditions surveys which may lead to capital works being required to expedite handover of assets. Included:- e.g. museums, Shire hall, Abergavenny castle, Old station Tintern, Caldicot castle; Have requested £30k from cabinet for work to review assets (15/10/14); Aim is also to reduce but not eliminate revenue; £400k per annum now. further down the line	1,000,000	Dec 16	Ian Saunders
ALN Strategy - Mandate 35 of the MTFP 14/15 outlines a review of current ALN service that includes Mounton House. Options could require Capital Spend but this is unknown at the present time	?		Will McLean/Nikki Wellington

Capital Budget Summary 2019/20 to 2022/23

	Total Budget 2019/20	Indicative Budget 2020/21	Indicative Budget 2021/22	Indicative Budget 2022/23
Property Maintenance	1,889,552	1,889,552	1,889,552	1,889,552
Upgrade School Kitchens	39,725	39,725	39,725	39,725
Asset Investment Fund	16,666,667	16,666,666		
Asset Management Schemes	18,595,944	18,595,943	1,929,277	1,929,277
Access for all	50,000	50,000	50,000	50,000
Monmouth High 21c school provision	750,000	0	0	0
School Development Schemes	800,000	50,000	50,000	50,000
Footway Reconstruction	190,453	190,453	190,453	190,453
Street Lighting Defect Column Programme	171,408	171,408	171,408	171,408
Reconstruction of bridges & retaining walls	449,041	449,041	449,041	449,041
Safety fence upgrades	76,181	76,181	76,181	76,181
Signing upgrades & disabled facilities	38,091	38,091	38,091	38,091
Flood Allievation Schemes	11,427	11,427	11,427	11,427
Structural Repairs - PROW	38,091	38,091	38,091	38,091
Carriageway resurfacing	1,136,540	1,136,540	1,136,540	1,136,540
Road safety & trafficman programme	129,508	129,508	129,508	129,508
Infrastructure & Transport Schemes	2,240,740	2,240,740	2,240,740	2,240,740
Capital Region City Deal	310,500	310,500	489,100	489,100
Section 106 schemes 90752-90858 & 97362 & 98881 & 97	75,441			
Regeneration Schemes	385,941	310,500	489,100	489,100
County Farms Maintenance	300,773	300,773	300,773	300,773
County Farms Schemes	300,773	300,773	300,773	300,773
Disabled Facilities Grant	600,000	600,000	600,000	600,000
Access For All	250,000	250,000	250,000	250,000
Inclusion Schemes	850,000	850,000	850,000	850,000
ICT Schemes	0	0	0	0
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
County Farms Fixed Asset Disposal Costs	65,892	50,000	50,000	50,000
Area Management	20,000	20,000	20,000	20,000
Other Schemes	85,892	70,000	70,000	70,000
TOTAL EXPENDITURE	24,759,290	23,917,956	7,429,890	7,429,890
Supported Borrowing	(2,353,000)	(2,353,000)	(2,353,000)	(2,353,000)
Supported Borrowing	(50,000)	(50,000)	(50,000)	(50,000)
Supported Borrowing	(2,403,000)	(2,403,000)	(2,403,000)	(2,403,000)
Unsupported (Prudential) Borrowing	(375,000)			
Unsupported (Prudential) Asset Investment Fund	(16,666,667)	(16,666,666)		
Unsupported (Prudential) Capital Region City Deal	(310,500)	(310,500)	(489,100)	(489,100)
Unsupported (Prudential) Borrowing	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Unsupported (Prudential) Borrowing	(18,352,167)	(17,977,166)	(1,489,100)	(1,489,100)
Grants & Contributions	(1,913,441)	(1,463,000)	(1,463,000)	(1,463,000)
IT Reserve	0	0	0	0
Capital Investment Reserve	(15,999)	(15,999)	(15,999)	(15,999)
Invest to Redesign Reserve	0	0	0	0
Reserve & Revenue Contributions	(15,999)	(15,999)	(15,999)	(15,999)
Capital Receipts	(574,683)	(558,791)	(558,791)	(558,791)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
TOTAL FUNDING	(24,759,290)	(23,917,956)	(7,429,890)	(7,429,890)
(SURPLUS) / DEFICIT	0	0	0	0

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					
GENERAL RECEIPTS	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£001
Balance as at 1st April	3,400	3,630	8,144	14,001	14,766
Less: capital receipts used for financing	(1,014)	(575)	(559)	(559)	(559)
Less: capital receipts used for financing Monmouth, Caldicot and Welsh medium 21c school provision	(10,181)	0	0	0	0
Capital Receipts Received	602	0	0	0	0
	(7,194)	3,055	7,586	13,442	14,207
Capital receipts Forecast	10,660	4,925	6,251	1,160	160
Deferred capital receipts - General	4	4	4	4	4
- Morrisons	160	160	160	160	160
Less: capital receipts set aside:	0	0	0	0	0
Balance as at 31st March	3,630	8,144	14,001	14,766	14,531
LOW COST HOME OWNERSHIP AND HOMEFINDER RECEIPTS	2018/19	2019/20	2019/20	2021/22	2022/23
	£000	£000	£000	£000	£000
Balance as at 1st April	143	109	109	109	109
Less: capital receipts used for financing	(34)	0	0	0	0
	109	109	109	109	109
Capital receipts Received / Forecast	-	-	-	-	-
Balance as at 31st March	109	109	109	109	109
Total Receipts b/f	3,543	3,739	8,253	14,110	14,875
Total Receipts c/f	3,739	8,253	14,110	14,875	14,640

Capital Receipts Summary and Risk Factors					
The analysis below provides a summary of the receipts and the respective risk factors:					
Capital Receipts Risk Factor	2019/20	2020/21	2021/22	2022/23	Certainty of Completion
	£	£	£	£	%
Education Receipts					
Low / completed	0	0	0	0	0.0%
Medium	100,000	0	0	0	100.0%
High	0	0	0	0	0.0%
Total Education Receipts	100,000	0	0	0	100,000
County Farm Receipts					
Low / completed	0	0	0	0	0%
Medium	1,400,000	0	0	0	100%
High	0	0	0	0	0%
Total County Farm Receipts	1,400,000	0	0	0	1,400,000
General Receipts					
Low / completed	160,000	160,000	160,000	160,000	76.2%
Medium	200,000	0	0	0	23.8%
High	0	0	0	0	0.0%
Total General Receipts	360,000	160,000	160,000	160,000	840,000
Strategic Accommodation Review					
Low / completed	0	0	0	0	0.0%
Medium	0	0	0	0	0.0%
High	0	0	0	0	0.0%
Total Strategic Accommodation Receipts	0	0	0	0	-
Dependent on Outcome of LDP					
Low / completed	0	0	0	0	0.0%
Medium	3,065,000	6,091,200	1,000,000	0	100.0%
High	0	0	0	0	0.0%
Total LDP Receipts	3,065,000	6,091,200	1,000,000	0	10,156,200
TOTALS					
Low / completed	160,000	160,000	160,000	160,000	5.1%
Medium	4,765,000	6,091,200	1,000,000	0	94.9%
High	0	0	0	0	0.0%
Total Capital Receipts Forecasted / Received	4,925,000	6,251,200	1,160,000	160,000	12,496,200
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				

SUPPLIED SEPARATELY AS EXEMPT FROM PUBLIC PUBLICATION

CORPORATE PLAN (22 for 22)

The Council invests in future schools

Conclude comprehensive redevelopment of new secondary school with community leisure facilities in Monmouth

Commence Abergavenny school redevelopment

Develop 'Band C' proposals for the re-provision of secondary learning in the Chepstow area

The Council has a plan for raising standards in schools

Continue to raise standards in education including STEM subjects (science, technology, engineering and maths)

Ongoing focus on vulnerable learners

Convening school industry partnerships

The Council carries out a strategic education review

Implement the findings and recommendations of the independent Additional Learning Needs Review

Review of Catchment and Nearest School Policy

Review of Home to School Transport

Review and develop leadership structures across schools

The Council implements a model of early intervention and prevention for children and families

Integrate preventative children and family services within each locality into one prevention focused function

Provide services that meet mental health and emotional well-being including the Face2Face counselling scheme

Promote active lifestyles through activities such as The Daily Mile

The Council ensures permanent accommodation and support for looked after children

Work with regional partners to increase the numbers of children who are adopted in a timely way

Increase the number of Monmouthshire foster carers

The Council delivers on social justice, better prosperity and reducing inequality

Promote equality and diversity and ensure opportunities are genuinely available to all

Reduce child poverty and social isolation and improve economic inclusion

Advance social justice and well-being through Asset Based Community Development

Work with business to create and deliver a new strategy focused on increasing competitiveness, productivity and innovation

Develop incentives and support to encourage indigenous business growth and inward investment

Develop more employment opportunities for young people to reduce the numbers leaving the county

Ensure planning policies and land allocations for employment uses enable appropriate growth sectors.

The Council enables connected and caring communities supporting people to live independently

<i>Maximise the opportunities for all people to live the lives they want to live and the positive outcomes they identify.</i>
<i>Co-produce our approaches to well-being, care and support</i>
<i>Develop opportunities for people to be involved in their local communities reducing isolation and loneliness</i>
<i>Improve opportunities for people with care and support to actively contribute through employment and volunteering</i>

The Council develops and delivers a new enterprise and economy strategy

<i>Work with business to create and deliver a new strategy focused on increasing competitiveness, productivity and innovation</i>
<i>Develop incentives and support to encourage indigenous business growth and inward investment</i>
<i>Develop more employment opportunities for young people to reduce the numbers leaving the county</i>
<i>Ensure planning policies and land allocations for employment uses enable appropriate growth sectors.</i>

The Council maximises economic potential through delivering the Cardiff capital region city deal

<i>Lead 'Innovation theme' and play a key governance role in the Cardiff Capital Region</i>
<i>Develop and deliver projects of regional significance including capitalizing on new Compound Semiconductor Foundry</i>

The Council delivers better infrastructure connectivity & opportunity

<i>Develop and deliver solutions to improve rural broadband</i>
<i>Develop a range of options to improve rural transport and better public transport linked to opportunities throughout the Cardiff Capital Region</i>
<i>Enhance the quality of local highways services</i>
<i>Identify to reduce the difference in pay between men and women in the county</i>

The Council provides more opportunities for local living, working and leisure

<i>Review the current Local Development Plan to ensure an appropriate supply of land for homes and businesses</i>
<i>Participate in and shape opportunities for regional strategic land-use development plans</i>
<i>Increase the volume, quality, variety and affordability of housing</i>
<i>Provide flexible support for business and tourism development</i>

The Council unlocks economic value of its spending power

<i>Review our procurement spend, improve analysis of expenditure and build local supply chains where possible</i>
<i>Reduce waste by committing to the principles of a 'circular economy'</i>
<i>Ensure we play an active part in national-led commissioning consortia</i>

The Council boost leisure, recreation and wellbeing

<i>Deliver a new pool and leisure facilities in Monmouth</i>
<i>Complete a business case on transfer of services to an Alternative Delivery Model</i>
<i>Improve well-being through Exercise Referral Scheme, Monmouthshire Games and Dragon Sports</i>
<i>Use section 106 funding strategically to develop local projects that maximise well-being</i>

The Council enhances local heritage through community ownership and development of arts and cultural services

<i>Implement Museums' Review</i>
<i>Submit Heritage Lottery Fund bids to enhance facilities in towns</i>
<i>Enable community-led arts and heritage presence in each of our five towns</i>
<i>Protection and enhance our built heritage</i>

The Council develops and delivers a sustainable plan for enhancing the local environment

<i>Improve how we deal with litter and fly-tipping</i>
<i>Minimise the amount of waste that is sent to landfill</i>
<i>Deliver Green Infrastructure Policy</i>
<i>Secure and deliver funds for projects including Living Levels, Agri-urban and Air Quality</i>
<i>Install real time air quality monitoring equipment in four schools</i>

The Council keeps rural roads and areas safe

<i>Work with speed safety professionals, schools and others to develop technical and 'nudge' policies aimed at speed reduction</i>
<i>Support for Community Speed Watch and community-led speed safety initiatives</i>

The Council produces green and clean energy

<i>Develop local renewable energy schemes including a 2nd solar farm</i>
<i>Reduce the carbon footprint of Council operations</i>
<i>Trial and test hydrogen vehicles through partnerships with organisations such as River Simple</i>
<i>Install battery charge points for electric vehicles in all towns</i>

The Council enables better local services through supporting volunteering and social action

<i>Ensure meaningful community engagement to understand the assets and priorities in each locality</i>
<i>Approve volunteering policy and support the Community Volunteering Academy</i>
<i>Extend the reach of Monmouthshire Made Open as a technology-enabled tool for promoting civic action</i>

The Council enables good sustainable local services whilst delivering an excellent customer experience across all channels

<i>Develop new business model for Community Hubs and Customer Care to increase access and provide a greater choice of channels for customers to engage with us (online, via the My Monmouthshire app, over the phone or face-to-face)</i>
<i>Increase the publication and use of open data to increase accountability and enable others to develop apps that have a civic benefit</i>
<i>Introduce Digital Service Standard</i>

Council opens up democratic engagement and collective decision making

<i>Re-shape our governance arrangements including more detailed options appraisals</i>
<i>Identify ways to get more people involved in local democracy and scrutiny to enhance local decision-making</i>
<i>Develop remote access and attendance at meetings to maximize participation</i>
<i>Revise all enabling strategies and plans – People, Digital and Customers, Assets and Economy and Enterprise</i>
<i>Review and consolidate working groups and arrangements</i>
<i>Revise performance and improvement plans and replace with 'real-time' data dashboards</i>

The Council puts people at the heart of all it does and inspires excellence in workforce and employees

<i>Deliver a sustainable and viable Medium Term Financial Plan</i>
<i>Strengthen decision making and accountability</i>
<i>Prioritise Health, Safety and workplace Well-being</i>
<i>Engage employees through personal development training and learning</i>
<i>Promote diversity and inclusion</i>

The Council delivers a sustainable and resilient organisation and relevant, viable and valued public services

<i>Deliver the Future Monmouthshire programme</i>
<i>Complete the move from task and time approach in social care to relationship-based care at home</i>
<i>Explore and embed new ways of working – Artificial Intelligence, automation and collaborative technology</i>
<i>Develop a commercial strategy and approach</i>

Future Generations Evaluation

(includes Equalities and Sustainability Impact Assessments)



Name of the Officer completing the evaluation Mark Howcroft Phone no: 01633 644740 E-mail: markhowcroft@monmouthshire.gov.uk	Please give a brief description of the aims of the proposal Present capital budget proposals for consultation and evaluate preparedness of operational practice being consistent with new capital Strategy requirements
Name of Service Whole authority	Date Future Generations Evaluation form completed 03/12/18




- 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	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales</p> <p>Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Local resources will be engaged to deliver the projects in the programme</p>	
<p>A resilient Wales</p> <p>Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>		
<p>A healthier Wales</p> <p>People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Proposals include maintaining core disabled facilities grant capacity</p>	
<p>A Wales of cohesive communities</p> <p>Communities are attractive, viable, safe and well connected</p>	<p>Investment in Future schools provides a key community facility to help promote this goal</p>	
<p>A globally responsible Wales</p> <p>Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>		
<p>A Wales of vibrant culture and thriving Welsh language</p>		

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances		

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

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Long-term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Building Future schools will benefit children and communities for future generations. Maintaining assets adequately will assist in their use longer term.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>		

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The aim of the report is to present proposals for consultation with key stakeholders</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>		
 <p>Integration</p> <p>Positively impacting on people, economy and environment and trying to benefit all three</p>	<p>Investment in Future Schools will positively impact on the teaching environment. SC106 projects are designed to positively impact particular community groups, localities and built environment.</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.

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			
Disability	DDA and DFG budgets have been maintained		
Gender reassignment			
Marriage or civil partnership			
Race			
Religion or Belief			
Sex			
Sexual Orientation			
Welsh Language			

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	Safeguarding is taken into account in the design of the new schools		
Corporate Parenting			

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

Consideration of relevant legislation. An understanding of capital repair priorities volunteered by service managers. Consideration of corporate plan, and other strategic planning documents. An analysis of common/traditional cap expenditure items to derive a proposed priority ranking for evaluating relative merits of differing projects.

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

Capital budgets which impact on individuals, such as DFGs and DDA works are being maintained at existing levels.
 The investment in future schools is expected to have a benefit for children and communities for future generations.
 The proposed investment in Severn View Residential home is anticipated to provide a more beneficial service for vulnerable sector of community

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

What are you going to do	When are you going to do it?	Who is responsible	Progress

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:	Annually when the capital MTFP is reviewed
--	--

Page 901

This page is intentionally left blank

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

Meeting and Date of Meeting: Cabinet 19th December 2018

Report: CAPITAL STRATEGY ASSESSMENT 2018-19 and DRAFT CAPITAL BUDGET PROPOSALS 2019-20 to 2022-23

Author: Mark Howcroft

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 5 – detailed indication of the value of individual future 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 5 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

Date: 11/12/18

Signed: *M.Howcroft*

Post: Assistant Head of Finance

I accept/I do not accept the recommendation made above

Signed:

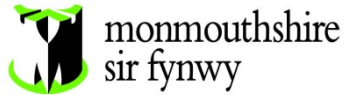
Date: 11/12/18

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



SUBJECT: BUDGET PROPOSALS 2019/20

MEETING: CABINET

DATE: 19th December 2018

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To set out a budget proposal for financial year 2019/20.
- 1.2 To commence a period of consultation on the budget proposal that will remain open until 31 January 2019.
- 1.3 To consider the 2019/20 budget proposal within the context of the 4 year Medium Term Financial Plan (MTFP) and the Corporate Plan.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves the release of the budget proposal for 2019/20 for consultation purposes.
- 2.2 That Cabinet approves that the consultation period and opportunity to present alternative proposals that have been assessed for Future Generations implications ends on 31st January 2019.
- 2.3 That Cabinet recognises a year on year cash reduction of £936k in funding that it will receive from Wales Government
- 2.4 That Cabinet recognises unavoidable pressures of some £5.7 million that need to be provided for within the 2019/20 budget.
- 2.5 That Cabinet confirms its intention to fully fund all pay related pressures insofar as they impact schools and demand pressures caused by increasing numbers of looked after children in Social Services.
- 2.6 That Cabinet proposes a Council Tax rise of 5.95% for financial year 2019/20.
- 2.7 That Cabinet recognises that the budget proposal remains un-balanced at this stage. There is a remaining savings gap of £594k to address.

3. KEY ISSUES:

OVERVIEW

- 3.1 It is well trailed nationally that local government funding has been challenged for a number of years. Monmouthshire, in keeping with all other Councils in Wales has had to make significant adjustments year on year to its cost base to ensure that the service offer has remained relevant and appropriate for the citizens of the county. Members of all parties and none are familiar with having to take decisions that they would prefer not too but with this as a context there has tended to be a reasonable and pragmatic approach taken. Financial year 2019/20 will continue this approach. The priorities of the Administration are set out in the Corporate Plan and these, in summary, are repeated later in the report.
- 3.2 This budget proposal looks to support the priorities of the Administration. Specifically it seeks to recognise in full all pay and pension related spending pressures in our schooling system and the increasing demand being placed on our children's social care services. The budget proposal sees a continuation of our preparedness to challenge all services to improve rather than to see the closure of services that matter to citizens. There is an acknowledgement that when things close they never return and it is better to scale back rather than absolutely withdraw. This is a feature of a number of proposals for change that make up these proposals. In overall terms there are some £5.7 million of new unavoidable pressures that need to be accommodated as part of the 2019/20 budget and these are detailed in appendices.
- 3.3 It is never popular to charge for services but the reality is that we need to do so. We are proposing increases in a number of areas. Likewise increasing Council Tax is never popular but with the retreat of national funding, local taxation is by default having to shoulder a greater proportion of our overall funding. This budget proposal assumes a council tax rise of 5.95% for 2019/20 (1% higher than was signalled in our report of 7th November 2019) and a Council Tax rise of 3.95% for the remaining years of this Council. For a current Band D property with Council only element of £1,242 (exclusive of community council or Police levy), this would illustratively be an additional £73.90 a year or £1.42 a week.

BUDGET PROGRESS TO DATE	£'000
Gross Expenditure	155,920
Unavoidable Pressures	5,688
Sub Total Expenditure	161,608
Gross Income	(153,069)
Welsh Government funding reduction (-1%)	936
Savings Proposals	(4,415)
Income generation increase	(1,437)
Council tax additionality (5.95%)	(3,029)
Sub Total Income	(161,014)
Net Expenditure	594
Savings still to be identified	(594)
Net Expenditure	0

3.4 As part of our budget, the Administration signals an intent to enter into a specific piece of work to look at service provision within Usk in the early part of 2019. This will follow similar lines to work done in Caldicot this year which culminated in a £multi-million regeneration proposal. We would like to work with Usk Town Council and others on this. It is premature to assume outcomes but we would hope to have some recommendations for change and improvement coming forward in the autumn of 2019.

Purpose and Priorities

3.5 Monmouthshire County Council's Corporate Business Plan sets out the things we will be working on in the medium term. The plan sets out our five Organisational Goals (also our well-being objectives) supported by the 22 commitments to action we will make and the ways in which they will be measured in the run-up to 2022. This plan has been developed and aligned to the direction set in the Public Service Board objectives. The Plan is underpinned by a clear policy framework that sets out in more detail our work to enable the delivery of the plan. The aspiration and objectives set for Monmouthshire by the PSB and Council are:

Purpose: Building Sustainable and Resilient Communities	
<i>Public Service Board Well-being Objectives</i>	<i>Monmouthshire County Council Goals & Well-being Objectives</i>
Provide children and young people with the best possible start in life	The best possible start in life
Respond to the challenges associated with demographic change	Lifelong well-being
Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change	Maximise the potential of the natural and built environment
Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county.	Thriving and well-connected county
	Future - focussed Council

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

3.7 In assessing the affordability considerations of the corporate plan, an exercise which is iterative and ongoing, confirmation **Page 109** has been received at this stage that

commitments to delivering the Corporate Plan for 2019-20 will either be met from existing budgets or are contained within the draft budget proposals. This work will continue as programmes of work develop and affordability considerations are more clearly understood and considered.

3.8 The following table demonstrates the links at a summary level that have been made with the 5 priorities, Corporate Plan and the strategic risks:

Proposal	Link to Goals and Well Being Objectives in the Corporate Plan	Link to Whole Authority Risk assessment
Schools budgets have been protected	Direct Spending in schools is maintained Best possible start in life Thriving and well connected County	Budget proposals are mindful of the risk in the register around children not achieving their full potential
Social care budgets will see additional resources going into the budget for Children's and adults social services to meet the pressures in these areas.	Lifelong well being	These proposals seeks to address the risks around more people becoming vulnerable and in need and the needs of children with additional learning needs not being met
The drive for service efficiencies savings has continued and a few focused service reviews have enabled saving to be identified e.g. Passenger Transport Unit review, Inclusion review and practice change in social care.	Further reviews has enabled frontline services to transform the way they do things whilst still delivering the goals of the Corporate plan and therefore contributing to the creation of 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 from implementing the Commercial Strategy and the business plans within Tourism, Leisure and Culture.	Being able to generate further income streams responds to the consultation responses in previous years regarding a preference for this compared to services cuts and contributes to the aims of creating a sustainable and resilient communities.	

3.9 Cabinet received a report on the MTFP and budget process at their meeting of 7th November 2018. The report outlined the assumptions that were being used in the construction of the budget for 2019/20 and the MTFP and highlighted the outcome of the provisional settlement announcement for Monmouthshire.

3.10 As a reminder the following assumptions have been used initially for the 2019/20 budget:

- Council Tax – 4.95% for 2019/20, 3.95% for rest of MTFP
- Other external income – 0%, individual services to determine price increases
- Pay inflation – 2% for 2019/20, 1% for rest of MTFP
- Non pay inflation – 0%
- Vacancy factor – 2% (except schools)
- Superannuation – 23.1%, rising 1% each year of the MTFP
- Teachers superannuation – 16.48% rising to 23.6% at 1st Sept 2019
- Aggregate External Finance – 1% reduction based on the provisional settlement

3.11 The above assumptions led to a gap of £4.6 million in 2019/20 rising to a gap of £13.8 million over the medium term. At that time further work was being undertaken to assess service based pressures both in the current year budget and any new pressures arising. Savings and income generation proposals were also being worked up and reviewed in order to close the gap between available resources and demand for resources.

3.12 The Final Settlement is expected to be announced on 19th December 2018, however the Cabinet Secretary for Finance issued a written statement on the 20th November 2018 which identified further funding for Local Government for both 2018/19 and 2019/20. In terms of the effect on the budgets, and without Authority specific allocations having been confirmed by Welsh Government, it has been estimated that Monmouthshire will benefit from the following:

18/19

- One-off grant to meet social care pressures (£406k)
- Teachers pay award (£208k) - £70k of which will go to schools to honour pay award commitment
- General capital grant (£1.354m)

19/20

- Increase in floor from -1% to -0.5% (£468k)
- Teachers pay award (£208k)
- Children's social services (£41k)
- General capital grant (£812k)

At this stage there is no clarification on any monies being available from WG to fund the teachers' pension increase (£784k pressure), despite the Chancellor inferring it will be funded in his autumn budget announcement. Provision has been made at this stage for a proportion (60%/£475k) of the pressure to be funded. Any update that may be available on the Final Settlement will be given verbally at the Cabinet meeting.

Pressures

3.13 The work on pressures has highlighted that a number of significant pressures need to be taken into account in next year's budget. A summary table of pressures is provided below and further information on the individual pressures is provided in Appendix 1 and 3. The main pressures often relate to areas outside of the control of the Authority, such as the

increase in Teachers pension £784k pressure, and changes to capital thresholds in social care creating a £501k pressure. There are also changes to the national pay structure causing £1,027k pressure and increase in the National living wage causing social care costs to rise - £434k pressure. Other pressures are more to do with the increasing demands for services such as children's social services £250k pressure.

- 3.14 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. As part of the ongoing work to further develop the latter years of the MTFP consideration will be given to the level of pressures needing to be accommodated in recent years and to determine whether prudently a greater provision needs to be made.

Pressures by Directorate	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Children & Young People	1,189	560	0	0
Social Care & Health	1,192	809	184	0
Enterprise	1,235	175	112	(50)
Resources	342	64	76	62
Chief Executives Unit	281	0	0	0
Corporate Costs & Levies	1,118	675	2,166	2,307
Appropriations	332	169	(36)	111
Financing	0	0	0	0
Totals	5,688	2,452	2,502	2,430

- 3.15 Previously agreed savings that have been identified as not achievable have also been recognised as pressures in the model together with any current year budget overspends that look set to continue into 2019/20 and to the extent that they can't be mitigated. In previous budgets Directorates have been asked to manage these pressures within services, however given the level of savings already being delivered by some service areas a decision has been taken to recognise these pressures in the budget for 2019/20 to mitigate this risk.

Saving Proposals for 2019/20

- 3.16 After several years of taking significant resource out of the budget the means of achieving further savings becomes increasingly more challenging. Work is continuing to develop ideas and proposals such that they can be brought into the budget once they are sufficiently progressed. The pressure of 2019/20 is immediate, however the need to establish a more medium to longer term financial strategy to tie into the Corporate Plan is recognised and a draft was presented to Cabinet on 7th November 2018. This will be revisited in the New Year, in the meantime all service areas were asked to bring forward budget proposals to help manage the gap, whilst simultaneously, looking ahead and ensuring wherever possible, proposals support the medium term direction of travel. The proposals are contained in Appendix 2 and 4.
- 3.17 The proposals also contain a change in approach to the annual review of fees and charges. The automatic inflationary increase in the MTFP has been taken out, increasing the net gap to be managed, but more transparently reflecting Director and service manager choice in their budget management consideration and their decision making in sustaining their business offerings. Members may recall the WAO study into fees and charges which provided some interesting provocations, identifying that the higher income levels in

Authorities such as Monmouthshire could allow more scope to raise income through fees and charges. The new approach to fees and charges in this budget round enables Directorates to consider this, whilst understanding that they are best able to predict the price elasticity of supply and demand for services and avoid perverse situations where an anticipated increase in unit fees and charges results in a decline in footfall and overall income. Individual Directorate mandates for fees and charges in their areas are therefore contained in the appendices as part of the budget proposals. This enables the fees and charges proposals to be linked with the other budget saving information provided to the four Select Committees as part of the budget consultation process.

- 3.18 All proposals have been considered and tested through an initial process of independent challenge by officers and Cabinet Members. A summary of all the proposals are shown in the table below, and are shown in more detail in the attached appendices 2 and 3.

Disinvestment by Directorate	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Children & Young People	(1,191)	0	0	0
Social Care & Health	(1,246)	(116)	0	0
Enterprise	(1,068)	(156)	0	0
Resources	(1,342)	(50)	(62)	(75)
Chief Executives Units	(106)	(3)	(3)	0
Corporate Costs & Levies	0	0	0	0
Appropriations	(282)	(1)	0	(2)
Financing	(618)	0	0	0
Totals	(5,853)	(326)	(65)	(77)

Treasury Impact

- 3.19 The Capital MTFP is being considered as a separate report on this agenda and for the purposes of establishing the revenue impact of the capital MTFP, the current summary position in the Capital report has been taken.
- 3.20 The Treasury budgets continue to be closely monitored throughout the year, and any changes in the following will be considered at final budget stage: a review of the current year underspend, the profile of capital expenditure and potential slippage, a review of maturing debt over the medium term and the balance between the level of fixed and variable rate debt in the Council's portfolio. The balance of risk is an important consideration in this review as are the principles of security, liquidity and yield when considering any investment strategies.

Council Tax

- 3.21 The Council Tax increase in the budget has been modelled as 4.95% + 1% for 2019/20 and 3.95% per annum across the MTFP as a planning assumption. The Council tax base report approved by Cabinet on 5th December 2018 has concluded an assessment of collection rates and growth in properties. Overall, the Council Tax base calculated for

2019/20 has risen by 0.45% compared to 2018/19. This increase takes into account the anticipated changes in dwellings. The estimated additional income of £150k derived from this and changes to CTRS (Council Tax Reduction Scheme) projections has been incorporated within the MTFP as part of the budget process.

Summary position

- 3.22 In summary, the 2019/20 budget gap is now **£594k**, if all the savings proposals contained in the Appendix 2 are approved. Clearly there is a gap still to meet and further work is progressing to bring forward measures to balance to budget if further funding is not made available through the final settlement.

Services	Adjusted Base 2018/19 £000	Indicative Base 2019/20 £000	Indicative Base 2020/21 £000	Indicative Base 2021/22 £000	Indicative Base 2022/23 £000
Children & Young People	50,174	51,177	52,171	52,610	53,053
Social Care & Health	45,604	46,099	47,194	47,745	48,117
Enterprise	18,328	23,070	23,335	23,778	24,094
Resources	7,382	6,588	6,716	6,855	6,970
Chief Executive's Unit	4,342	4,619	4,681	4,743	4,810
ADM	3,264	0	0	0	0
Corporate Costs & Levies	21,143	22,270	23,221	25,537	28,052
Sub Total	150,238	153,823	157,317	161,269	165,095
Transfers to reserves	93	444	63	63	63
Transfers from reserves	(389)	(535)	(96)	(218)	(88)
Treasury	7,871	7,875	7,935	7,899	8,008
Appropriations Total	7,574	7,785	7,903	7,744	7,983
Total Expenditure Budget	157,812	161,608	165,220	169,013	173,079
Aggregate External Financing (AEF)	(93,268)	(92,623)	(90,956)	(89,319)	(87,711)
Council Tax (MCC)	(50,908)	(53,937)	(56,067)	(58,282)	(60,584)
Council Tax (Gwent Police)	(10,960)	(11,160)	(11,360)	(11,565)	(11,773)
Council Tax (Community Councils)	(2,676)	(2,676)	(2,676)	(2,676)	(2,676)
Contribution to/(from) Council Fund	0	0	0	0	0
Disinvestment		(618)	(618)	(618)	(618)
Sub Total Financing	(157,812)	(161,014)	(161,678)	(162,460)	(163,362)
(Headroom)/Shortfall	(0)	594	3,542	6,553	9,716

Reserves strategy

- 3.23 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £5.8 million in 2019/20 to £5.5 million at the end of 2021/22. 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 £4.4 million. The general fund reserve is sustained at its current level of £7 million.
- 3.24 The previously approved Reserves strategy sought to ensure that earmarked reserves are not used to balance the budget for ongoing expenditure and that they are instead used to the best effect and impact on one off areas of spend to help the authority transform itself to the new resource levels available to it. The final budget report will contain an

assessment of the adequacy of reserves, however, at this stage limited use is being made of reserves.

- 3.25 The Authority continues to receive advice from VAT consultants around the potential to successfully recover up to £1.7m of VAT from HM Revenues and Customs as a consequence of VAT principally paid on leisure activities in previous years. A European Court of Justice Ruling (referred to as the 'Ealing' case) determined that local authorities could treat such income generated from such activities as exempt income. The Authority is assessing its partial exemption position to ensure that with careful VAT management it won't breach its 5% de minimis threshold going forward and which would result in the Authority having to pay significantly more VAT. If the conclusion is drawn that the Authority can safely manage its VAT position going forward then recovery of VAT would be used to bolster earmarked reserves.

Next Steps

- 3.26 The information contained in this report constitutes the budget proposals that are now made available for formal consultation. Cabinet are interested in consultation views on the proposals and how the remaining gap may be closed. This is the opportunity for Members, the public and community groups to consider the budget proposals and make comments on them. Cabinet will not however, be prepared to recommend anything to Council that has not been subject to a Future Generations Assessment and Equality Impact Assessment and therefore a deadline to receive alternative proposals has been set as 31st January 2019.
- 3.27 Public consultation (to include the formal requirement to consult businesses) and Select Committee Scrutiny of Budget proposals, will take place between the 19th December 2018 and the 31st January 2019. In the past extensive community engagement has been undertaken around the budget and the impact of any potential changes under the banner of #MonmouthshireEngages. The budget proposals contained within this report are extensions of previously agreed changes and in addition there has not been any substantive or material service developments that has not undergone its own consultation process; on this basis we will not be conducting another large scale public engagement. There will be opportunity for the community to provide consultation responses via meetings with various consultative fora (such as the Schools budget forum, JAG, Access for All group) and via the website and social media where details of the proposals and consultation events will be published.
- 3.28 The scrutiny of the budget proposals are key areas of this part of the budget process. The following dates have been set for Select committees:
- Economy and Development – 10th January 2019
 - Children and Young People – 24th January 2019
 - Adults - 29th January 2019
 - Strong Communities – 31st January 2019
- 3.29 Final budget proposals following consultation and receipt of the final settlement will go to a special Cabinet on 20th Feb 2019 and Council Tax and budget setting will then take place at Full council on 7th March 2019.

4 OPTIONS APPRAISAL

- 4.1 Directorates are required to consider and outline the options that have been considered for each of the budget proposals and pressures identified in this report. The detail is contained in the Appendices.

5 EVALUATION CRITERIA

- 5.1 The means of assessing whether the final budget put in place for 2019/20 has been successfully implemented is undertaken throughout the year via the regular budget monitoring and periodic reports to Cabinet and then to Select committees for scrutiny. In addition regular monitoring of the performance of the Council against service business plans and the Corporate Plan 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 agree budget proposals for 2019/20 for consultation purposes

7. RESOURCE IMPLICATIONS:

- 7.1 As identified in the report and appendices

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

- 8.1 The future generation and equality impacts of the saving proposal have been initially identified per budget saving mandate in Appendix 5. As the impact on services has been kept to a minimum, no significant negative impact has been identified. Further consultation requirements have been identified and are on going. Further assessment of the total impact of the all the proposals will be undertaken for the final budget report.

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

9. CONSULTEES:

SLT
Cabinet
Head of Legal Services

10. BACKGROUND PAPERS:

Appendix 1: Summary of budget pressures
Appendix 2: Summary of budget savings
Appendix 3: Directorate pressure proposals
Appendix 4: Directorate savings proposals
Appendix 5: Future Generations Evaluations
Appendix 6: Future Generations Evaluation for the overall budget (to follow)

11. AUTHOR:

Joy Robson
Head of Finance

12. CONTACT DETAILS:

Tel: 01633 644270

E-mail: joyrobson@monmouthshire.gov.uk

This page is intentionally left blank

Appendix 1 Summary of Budget Pressures

Ref	Children & Young People	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
PCYP001	CYP New Bill Responsibilities Additional Learning Needs (ALN)	66			
PCYP002	Rates Increases from new school Caldicot	87			
PCYP002	Rates Increases from new school Monmouth	85			
PCYP004	Teachers Unfunded Pension Scheme - increased rates (central govt budget 2016)	784	560		
PCYP005	Additional Learning Needs Pressure (based on Month 7 Monitoring report)	167			
	CYP Totals	1,189	560	0	0

Ref	Social Care & Health	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
PSCH001	SCH National living wage	434			
PSCH002	SCH Capital threshold	501	668		
PSCH003	Harmonisation of fostering allowance. Gwent authorities aligning together - Children's serv		141		
PSCH004	Staffing implications of Project 5 team after Independent Care Fund (ICF) funding ceases			184	
PSCH005	Children's net pressures (informed by M5 forecast outturn)	257			
	SCH Totals	1,192	809	184	0

Ref	Enterprise	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
18-19	FUTUREMON One off investment to deliver 2018-19 budget	(100)			
18-19	TLC Leisure Income - Extended Monmouth rebuild consequences	(49)			
18-19	TLC Monlife facilitation	(143)			
18-19	OPS PTU	72	75	62	
PENT001	OPS Street Lighting - Energy Increases	74	50	50	
PENT002	OPS Grounds - Potential loss of Monmouthshire Housing Assoc (MHA) contract	100			
PENT003	OPS Waste - Loss of Tidy Towns grant into Rural Development Plan (RDP)	30			
PENT003	OPS Waste - Loss of Sustainable waste management grant	52			

PENT004	OPS Waste - Additional Management costs - viridor	375			
PENT005	OPS Car Park Income Pressure - Shortfall in pay & Display income. Impact of free parking at Morrison's.	120			
PENT006	OPS Fuel Pressure for Operations - 5% increase based on £800,000 net departmental spend.	40			
PENT007	MonLife/CYP - Rates Pressure for Monmouth Leisure Centre	30			
PENT008	TLCY-All Service Pay award assumption	147			
PENT009	TLCY-All services Inflation Increases (rates and other non pay)	13			
PENT010	TLCY-All Services Fuel costs anticipated inflation (2.5%)	14			
PENT011	TLCY-Attractions Shirehall - efficiency target never achieved	18			
PENT012	TLCY-Attractions Caldicot Castle - income targets never achieved	50			
PENT013	TLCY-Attractions Tintern - income targets never achieved	21			
PENT014	TLCY-Attractions TIC - Staff costs to support opening hours & double manning when necessary	15			
PENT015	TLCY-Attractions Withdrawal of Town Council Funding for Chepstow TIC	10			
PENT016	TLCY-GI & ROW Contribution to Brecon Beacon National Park (BBNP) (increase to 18k from 10k)	8			
PENT017	TLCY-Leisure Cleaning costs contractual inflation / energy pressures and income targets	50			
PENT018	TLCY-Marketing Appointment of Marketing Manager (Grade I) - net increase assumes they will recover 50% of cost	27			
PENT019	TLCY-Museums Restructure Proposals did not achieve required savings	23			
PENT020	TLCY-Outdoor Education Removal of Torfaen Subsidy, further reduction of BG subsidy	63			
PENT021	TLCY-Outdoor Education Loss of remaining subsidy from Blaenau Gwent County Borough Council (BGCBC)	31			
PENT022	TLCY-Play Loss of Grant Income for open access play	10			
PENT023	TLCY-Youth All posts regraded through Job evaluation last year - no provision for increase	21			
new	PLANHOUS - Cardiff Capital Region Strategic Dev Plan - Support costs	0	50		(50)
PENT024	OPS Waste. Blaenau Gwent Income not materialising	100			

PENT025	OPS Waste. Household waste recycling centre reduced hours, 2018-19 saving not enacted	13			
ENT Totals		1,235	175	112	(50)

Ref	Chief Executive's Unit	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
PCEO001	GOVDEMSUP - Contact Centre VOIP communications contract increases	35			
PCEO002	GOVDEMSUP - Communications Unachievable external income targets.	20			
PCEO003	LEGAL & MONITORING - Legal Review	196			
PCEO004	LEGAL & MONITORING - Land charges income decline	30			
CEO Totals		281	0	0	0

Ref	Resources	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
PRES001	CORPLORD Estates Climate change levy increases (Elec,Gas,etc)	57	59	60	62
PRES002	FINANCE SRS - Revenues & systems admin transferring to Torfaen	24			
PRES003	RES (Procurement - Gateway Review) - unachievable saving 1819	150			
PRES004	TLC Monlife central support consequence	111	5	16	
RES Totals		342	64	76	62

Ref	Corporate Costs & Levies	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
PCORP001	CORP Living Wage Foundation increase	9			
PCORP004	Spinal point harmonisation	1,027			
PCORP002	Insurance - uplift in rates based on activity and claims during 2018-19	50			
PCORP005	Council Insurance Consequences of Monlife	15			
PCORP003	Coroners Joint Committee - increased levy	17			
	Unidentified Pressures	0	675	2,166	2,307
Corporate Costs & Levies Totals		1,118	675	2,166	2,307

Ref	Appropriations	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
-----	----------------	-----------------	-----------------	-----------------	-----------------

Appendix 2 Summary of Budget Savings and Income Proposals

Ref	Children & Young People	2019/20	2020/21	2021/22	2022/23
		0	£000	£000	£000
CYP001	Federated school model	(23)			
CYP003	Investigate options to revise running and budgeting of Gwent Music - Schools	(40)			
CYP004	Fees and charges - Before School Club - Schools. Residual effect of 2018-19 budget proposal, reflecting 5 months activity at £1 pd	(72)			
CYP006	Continuation of inclusion review (incl Mounton Hse)	(275)			
CYP007	Nursery Provision, double counting topped up schools Jan 19 - March, already provided every Sept	(40)			
CYP009	Removal of 1 North 1 South Specific Learning Difficulties (SpLD) teacher in favour of school staff being trained	(58)			
CYP010	Teachers Pay award	(208)			
CYP011	Teachers Pension Scheme - increased rates - prudent assumption of funding from WG at 60%	(475)			
CYP012	Discretionary fees & charges uplift				
	CYP Totals	(1,191)	0	0	0

Ref	Social Care & Health	2019/20	2020/21	2021/22	2022/23
		£000	£000	£000	£000
SCH001	Practice change- continue the transformation of practice. Early help, reablement, better life planning and realigning provision to meet personal outcomes .	(536)			
SCH002	Fairer charging weekly threshold increases from £70 to £80 generating income following means test	(129)	(116)		
SCH003	Respite Care - income generation from Fairer charging threshold.	(9)			
SCH004	Increase income budget for Mardy Park to reflect additional income from new sc33 agreement	(36)			
SCH005	Adults transport budget realignment as people use own transport solutions	(15)			
SCH006	Realign Drybridge Gardens budget , based on M5 underspend position	(11)			
SCH007	Reduce Individual support service (ISS) staffing costs following end of current two year detriment	(6)			
SCH008	Efficient rota management @Budden Crescent following recent review	(20)			
SCH009	Continuing Health Care (CHC) Adult - Health recoupment	(100)			
SCH010	Budget to represent care home fee income from property sales	(160)			
SCH011	Additional charges recovered from property	(90)			
SCH012	Children, Welsh government (WG) additional grant funding for Looked after children (LAC)	(41)			
SCH013	Discretionary fees & charges uplift	(93)			
	SCH Totals	(1,246)	(116)	0	0

Ref	Enterprise	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
18-19	OPS Grounds/waste - 1 year freeze of Head of waste post	40			
18-19	OPS Highways - displace core costs with grant	200			
ENT001	PLANHOUS – Development Mgt – Increased income from discretionary services	(13)			
ENT002	PLANHOUS - Development Mgt Press notice savings	(4.5)			
ENT003	OPS - Waste - Move to Re-usable bags for recycling. Works on 3 year replacement cycle.	(90)			
ENT004	OPS - Waste - Move to plastic bags instead of starch for food waste £30k per annum. Bags are going for EfW regardless and contractor wants us to use plastic as easier to reprocess	(30)			
ENT005	Household waste recycling centre Day closures – Usk 2 days, Troy 2 days, Llanfoist 1 day, Five Lanes 1 day	(72)			
ENT008	OPS - Waste - Issue “Tax Disc” style permits to all residents with council tax to reduce cross border traffic of waste, WG estimate 5% of waste is cross border giving saving of £80k MCC likely to be higher as our sites are closer for neighbouring authority	(30)	(50)		
ENT009	OPS Grounds/waste - 1 year freeze of Head of waste post - This can be a permanent removal from base.	(40)			
ENT010	OPS - Car Parks - Increase in charges - 10%	(90)			
ENT011	OPS - Car Parks - Charging for Blue Badge Holders	(45)			
ENT012	OPS - Car Parks - Remove Xmas free parking	(20)			
ENT014	OPS - Car Parks - Identifying additional car parking sites. Severn Tunnel Junction (requires investment)	(15)			
ENT015	OPS - Car Parks - changing charging times 08.00-18:00	(3)			
ENT016	OPS - Car Parks - Charging On a Sunday	(40)			
ENT017	OPS - Charging for Heavy goods vehicles in Abergavenny Bus Station	(2)			
ENT010-017	First year implementation costs of car parking proposals	106	(106)		
ENT018	OPS - Releasing spare budget funding from 18-19 Pay Award pressure.	(30)			
ENT019	OPS - Highways - Generate additional turnover through expansion of workforce to undertake more private/grant work. Would require additional investment.	(50)			
ENT020	OPS – Highways – Review of disposal of Highways arisings	(25)			
ENT021	OPS - Streetlighting - rearranging of the funding of previous LED SALIX Loans	(38)			
ENT022	OPS - PTU Dynamic purchasing system (DPS) Retendering Savings.	(330)			
ENT023	ECO - Community & Pships - Staff and Supplies & services savings	(30)			
ENT024	ADM/MONLIFE savings	(331)			
ENT025	ADM/MONLIFE fees & charges uplift	(59)			
ENT025	Discretionary fees & charges uplift	(27)			
		(1,068)	(156)	0	0

Ref	Chief Executive's Unit	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
-----	------------------------	-----------------	-----------------	-----------------	-----------------

CEO001	GOVDEMSUP - Releasing budget saving on Wales local government association (WLGA) Subscription	(3)			
CEO002	GOVDEMSUP - Reduction in annual grant provided to Monmouth CAB (1k), releasing budget saving (3k)	(1)	(1)	(1)	
CEO003	GOVDEMSUP - Additional Income from Caldicot Hub - Desk Leasing Scheme	(2)	(2)	(2)	
CEO004	GOVDEMSUP - Policy - Net Staff Savings from not filling admin post	(3)			
CEO005	GOVDEMSUP - Community Hubs - Cross-subsidy with new income from Com Ed external	(25)			
CEO006	GOVDEMSUP – Contact Centre – Integrated Customer Communications	(60)			
CEO007	GOVDEMSUP - Members - Chairman's charity - Reduce/remove MCC Subsidy	(8)			
CEO008	GOVDEMSUP – Make wider use of Chairmans car to enable a release of a pool car within MCC	(3)			
CEO009	Discretionary fees & charges uplift	(1)			
	CEO Totals	(106)	(3)	(3)	0

Ref	Resources	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
18-19	RES (Procurement - supplementary duplicate payment review) - one off saving in 18-19 - needs to come back out	25			
RES001	CORPLORD Estates RE-FIT Energy Savings (net after funding repayments)	(25)	(50)	(62)	(75)
RES002	Central Services Recharge to Monlife (gross, £143k pressure accommodated in 2018-19 budget)	(704)			
RES003	Commercial property income - additional acquisitions - rental income above borrowing and other costs	(400)			
RES004	Commercial property income - Castlegate - create sinking fund through wider reserve replenishment from one-off VAT savings to afford release of annual net income to revenue account	(170)			
RES005	Further Travel cost reduction (10%) to be allocated via Future Mon	(50)			
RES006	Discretionary fees & charges uplift	(18)			
	Resources Totals	(1,342)	(50)	(62)	(75)

Ref	Appropriations	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
APP001	Interest Receivable	(162)	(1)		(2)
APP002	Minimum revenue provision (MRP) savings from capital receipts set aside - to be confirmed	(120)			
	Appropriations Totals	(282)	(1)	0	(2)

Ref	Financing	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
-----	-----------	-----------------	-----------------	-----------------	-----------------

FIN001	Council tax base increase - further increase resulting from revised and updated CT1 taxbase estimate	(40)			
FIN001	Council Tax Reduction Scheme activity saving	(110)			
FIN002	Anticipated "floor" change to Aggregate external funding (AEF) (0.5% improvement)	(468)			
	Financing Totals	(618)	0	0	0

TOTALS (5,853) (326) (65) (77)

SUBJECT: Monmouthshire Replacement Local Development Plan Draft Issues, Vision and Objectives Paper
MEETING: Severnside Area Committee
DATE: 23 January 2019

1. PURPOSE:

- 1.1 To seek the views of Severnside Area Committee on the Draft Issues, Vision and Objectives Paper in relation to the Monmouthshire Replacement Local Development Plan.

2. RECOMMENDATION:

- 2.1 To note the contents of the Draft Paper. This is not a formal consultation stage, however, views are sought on the draft issues, vision and objectives. Comments received will help inform the final issues, vision and objectives which will be set out in the Replacement LDP Preferred Strategy.

KEY ISSUES:

Background

- 3.1 A full review of the Monmouthshire Local Development Plan (LDP) commenced in 2017, with the final Review Report published in March 2018. Based on the evidence contained in the Review Report, it was concluded that the LDP should be revised and that this should take the form of a full revision procedure. The publication of the LDP Review Report triggered the process through which a replacement LDP will be prepared and adopted for the County.
- 3.2 The Council has commenced preparation of a Replacement LDP for the County (excluding the area within the Brecon Beacons National Park) which will cover the period 2018-2033. The Replacement LDP will set out land use development proposals for the County and will identify where and how much new development will take place over the replacement plan period. It will also identify areas to be protected from development.
- 3.3 The Replacement LDP is being prepared in accordance with the Delivery Agreement (DA) which was agreed by WG in May 2018. The DA sets out the proposed approach, timescales and consultation arrangements for the Replacement LDP. The agreed timetable will see the Replacement LDP being adopted at the end of 2021/early 2022. Work has commenced on the replacement LDP with the initial call for Candidate Sites and a targeted consultation on the draft Sustainability Appraisal (SA) Scoping Report having recently closed.

Purpose of the Draft Issues, Vision and Objectives Paper

- 3.4 The preparation of the issues, vision and objectives is one of the first key stages in Replacement Plan preparation process. The Draft Issues, Vision and Objectives Paper (attached as **Appendix 1**) sets out the identified issues and proposed vision and objectives for the Replacement LDP. It sets out the key issues, challenges and drivers facing the County informed by a range of evidence, including the Monmouthshire Public Service Board (PSB) Well-being Plan, Corporate Business Plan, LDP Review Report, LDP Annual Monitoring Reports and Replacement LDP Sustainability Appraisal Scoping Report, along with wider contextual factors such as national guidance/legislation and the Cardiff Capital Region City Deal. It also sets out the revised LDP vision and objectives to address the issues/challenges identified. The

issues, vision and objectives paper will subsequently inform the Replacement LDP Draft Preferred Strategy which will be subject to statutory consultation towards the end of 2019.

What are the LDP Issues, Vision and Objectives?

- 3.5 The issues relate to the key issues, challenges and drivers for the area that the Replacement LDP is seeking to address (economic, environmental, social and cultural aspects) and form the basis of the LDP objectives. The key issues set out in the adopted Monmouthshire LDP have been reviewed to determine whether they remain relevant. New issues, challenges and drivers that have arisen since the adoption of the current LDP have also been identified. The issues have been informed by a wide range of evidence as noted in paragraph 3.4. The draft Replacement LDP issues are set out in **Section 2** of the Paper and are grouped in accordance with the Seven Well-being Goals as set out in the Well Being of Future Generations (Wales) Act 2015.
- 3.6 The role of the LDP vision is to clarify the core purpose of the Plan and provide a framework for developing the Preferred Strategy and future detailed policies. The Vision will set the overarching context for Monmouthshire for the period up to 2033. The vision set out in the adopted LDP has been reviewed and updated to take account of the issues, challenges and drivers facing the County and reflects key elements of the PSB Well-being Plan and Corporate Business Plan. The draft Replacement LDP vision is set out in **Section 3** of the Paper.
- 3.7 The LDP Objectives reflect and elaborate on the Plan's Vision and set out how the issues/challenges identified as facing the area will be addressed through the LDP. The objectives identified should be capable of being addressed through the land use planning system. As with the issues and vision, the objectives set out in the adopted LDP have been reviewed/updated and reflect key elements of the PSB Well-being Plan and Corporate Business Plan. The draft Replacement LDP objectives are set out in **Section 4** of the Paper.

Next Steps

- 3.8 The draft issues, vision and objectives are heavily drawn from/reflect the PSB Well-being Plan which was extensively consulted on in 2017 and resulted in contributions from more than 1,400 people. This approach reflects Welsh Government guidance which recognises the significance of local well-being plans as a key evidence source for LDPs (paragraphs 1.6 and 1.27, Planning Policy Wales 10 December 2018). In view of this, and given that it is not a statutory requirement to consult on the LDP issues, vision and objectives, it is not considered necessary to undertake a full public consultation exercise on this initial stage of the plan preparation process. Discussions on the draft issues, vision and objectives will, however, take place through the Area Committee and Area Cluster meetings in January 2019, where views will be sought on the Draft Paper. A LDP Member Workshop will also take place in January 2019 to seek views on the draft issues, vision and objectives. Feedback from these meetings will be noted and considered, and where appropriate, will inform the final issues, vision and objectives. The Replacement LDP issues, vision and objectives will be reported to the Economy and Development Select Committee on 14th February 2019, and subsequently finalised prior to inclusion in the Preferred Strategy (autumn 2019). Any comments received at the Area Committee /Area Cluster meetings/by 14th February will be reported to the Economy and Development Select Committee.

4. REASONS:

- 4.1 Under the Planning and Compulsory Purchase Act (2004) and associated Regulations, all local planning authorities are required to produce a LDP. Subsequent to the publication of the LDP Review Report (March 2018), the Council has

commenced the process of preparing a Replacement LDP for the County (excluding the area within the Brecon Beacons National Park) which will cover the period 2018-2033. The Replacement LDP will set out land use development proposals for the County and will identify where and how much new development will take place over the replacement plan period. The preparation of the issues, vision and objectives is one of the first key stages in the Replacement LDP process - the Draft Issues, Vision and Objectives paper is attached as Appendix 1. As part of the LDP Pre-Deposit Proposals a Preferred Strategy must be prepared¹ which should include the strategic issues, a vision and objectives. The Issues, Vision and Objectives Paper will therefore be key in informing the Preferred Strategy which will be subject to statutory consultation at the end of 2019.

4.2 Views are sought on the draft issues, vision and objectives. Comments received will help inform the final issues, vision and objectives which will be set out in the Replacement LDP Preferred Strategy

5. **CONSULTEES.**

- SLT
- Cabinet
- A Member Workshop is scheduled for January 22nd 2019 to discuss/ seek views on the Draft Issues, Vision and Objectives Paper.
- Area Committees (Sevenside, Central Monmouthshire, Lower Wye and Bryn y Cwm).

Going forward:

- Officers will attend forthcoming and Area Committees and Area Cluster meetings (January).

6. **BACKGROUND PAPERS:**

- PSB Well-Being Plan (February 2018)
- Monmouthshire Corporate Business Plan 2017-2022 (February 2018)
- Monmouthshire Local Development Plan Review Report (March 2018)
- Monmouthshire Local Development Plan Annual Monitoring Reports, 2014-15, 2015-16, 2016-17, 2017-18
- Monmouthshire Replacement LDP Sustainability Appraisal Scoping Report (December 2018)

7. **AUTHORS & CONTACT DETAILS:**

Mark Hand (Head of Planning, Housing and Place-Shaping)

Tel: 01633 644803.

E Mail: markhand@monmouthshire.gov.uk

Rachel Lewis (Planning Policy Manager)

Tel: 01633 644827

E Mail: rachelLewis@monmouthshire.gov.uk

¹ In accordance with Regulation 2 of The Town and Country Planning (Local Development Plan) (Wales) Regulations 2015

This page is intentionally left blank

Monmouthshire Replacement Local Development Plan

DRAFT ISSUES, VISION AND OBJECTIVES PAPER

January 2019



monmouthshire
sir fynydd

CONTENTS

	Page
1. Introduction	1
2. Replacement LDP Draft Issues	5
3. Replacement LDP Draft Vision	15
4. Replacement LDP Draft Objectives	16
 Appendices:	
1. Seven Well-being Goals of the Well-being of Future Generations (Wales) Act 2015	20
2. Monmouthshire's Key Issues, Challenges and Drivers	21

1. Introduction

Purpose of this paper

- 1.1 This Paper will play a key role in informing the Replacement LDP Preferred Strategy which will be made available for consultation towards the end of 2019. It sets out the key issues, challenges and drivers facing the County informed by a range of evidence, including the Monmouthshire Public Service Board (PSB) Well-being Plan (February 2018), Monmouthshire Corporate Business Plan 2017-2022 (February 2018), LDP Review Report (March 2018), LDP Annual Monitoring Reports (2015-2018) and Replacement LDP Sustainability Appraisal Scoping Report (December 2018), along with wider contextual factors. It also sets out the Replacement LDP draft vision and objectives to address the issues, challenges and drivers identified.

Background

- 1.2 A full review of the Monmouthshire Local Development Plan (LDP) commenced in 2017, with the final Review Report published in March 2018. Based on the evidence contained in the Review Report, it was concluded that the LDP should be revised and that this should take the form of a full revision procedure. The publication of the LDP Review Report triggered the process through which a replacement LDP will be prepared and adopted for the County.
- 1.3 The Council is currently in the process of preparing a Replacement LDP for the County (excluding the area within the Brecon Beacons National Park) which will cover the period 2018-2033. The Replacement LDP will set out land use development proposals for the County and will identify where and how much new development will take place over the replacement plan period. It will also identify areas to be protected from development.
- 1.4 The Replacement LDP will be prepared in accordance with the Delivery Agreement (DA) which was agreed by WG in May 2018. The DA sets out the proposed approach, timescales and consultation arrangements for the Replacement LDP. The agreed timetable will see the Replacement LDP being adopted at the end of 2021/early 2022. Work has commenced on the Replacement LDP with consultations on the initial call for Candidate Sites and a targeted consultation on the draft Sustainability Appraisal Scoping Report both having recently closed.
- 1.5 The preparation of the Issues, Vision and Objectives is one of the first key stages in Replacement Plan preparation process. This Paper identifies the key issues, challenges and drivers facing the County and sets out the draft vision and objectives for the Replacement LDP. It should be noted that there are some elements of the current adopted LDP that are still considered relevant and as such this is a review process as opposed to writing a completely new Plan.
- 1.6 As part of the LDP pre-deposit proposals, a Preferred Strategy must be prepared¹. The LDP Manual (Edition 2, August 2015) notes that strategic issues, a vision and objectives

¹ In accordance with Regulation 2 of The Town and Country Planning (Local Development Plan) (Wales) Regulations 2015

should be included within the Preferred Strategy. This Paper will play a key role in informing the Replacement LDP Preferred Strategy. The Preferred Strategy will be made available for consultation at the end of 2019. This paper sets out the key issues, challenges and drivers for the County informed by a range of evidence including the PSB Well-being Plan, Corporate Business Plan 2017-2022, LDP Review Report, LDP Annual Monitoring Reports and Replacement LDP Sustainability Appraisal Scoping Report, along with wider contextual factors such as national guidance/legislation and the Cardiff Capital Region City Deal. It also sets out the Replacement LDP draft vision and objectives to address the key issues, challenges and drivers identified. In accordance with Welsh Government guidance this stage of the plan preparation process draws heavily on and reflects the PSB Well-being Plan (paragraphs 1.6 and 1.27 Planning Policy Wales (PPW) Edition 10, December 2018).

What are the Issues, Vision and Objectives?

- 1.7 The **issues** relate to the key issues, challenges and drivers that the Replacement Plan is seeking to address (economic, environmental, social and cultural aspects) and form the basis of the LDP objectives. As noted above, the issues are informed by a wide range of evidence, including the Monmouthshire PSB Well-being Plan, Corporate Business Plan 2017-2022, LDP Annual Monitoring Reports (2015 – 2018) and LDP Review Report, along with wider contextual factors such as national guidance/legislation and the Cardiff Capital Region City Deal. The issues, challenges and drivers are also informed by key sustainability matters which must be developed as part of the Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA) of the Replacement LDP. The sustainability issues must be addressed in order for the Plan as a whole to be considered sustainable. The sustainability issues are developed utilising baseline information, which describes the position of a number of different economic, social, cultural and environmental characteristics relating to the County at a set point in time (the baseline). This information is set out in the Replacement LDP SA Scoping Report (December 2018).
- 1.8 The role of the LDP **vision** is to clarify the core purpose of the Replacement Plan and provide a framework for developing the Preferred Strategy and future detailed policies. It should set out how Monmouthshire will develop, change or be conserved and provide the land use expression of this (Paras 6.1.1 and 5.2.3.1 respectively, LDP Manual Edition 2, 2015). However, the spatial element of the vision cannot be determined at the current stage as the Preferred Strategy is not yet established.
- 1.9 The LDP **objectives** reflect/elaborate on the Plan's Vision and set out how the issues, challenges and drivers identified as facing the area will be addressed through the LDP. The objectives identified should be capable of being addressed through the land use planning system. The objectives have regard to those set out in the Monmouthshire PSB Well-being Plan² and other corporate plans and are formed having undertaken a review of the wider national, regional and local policy context, baseline evidence and SA Scoping Report. This has enabled us to understand the wider context and identify the main issues facing the County and set out objectives to address the issues. This

² Paras 1.6 and 1.27 of Planning Policy Wales edition 10

should identify how economic, social, cultural and environmental considerations are balanced to deliver sustainable development in Monmouthshire over the replacement plan period.

Replacement LDP Proposed Issues, Vision and Objectives

- 1.10 The Issues, Vision and Objectives have been updated since the Adopted LDP (2011 – 2021) to reflect the current position within Monmouthshire. Of note, a review of the adopted LDP Issues, Vision and Objectives was undertaken to support the LDP Review Report. The Monmouthshire PSB Well-being Plan and Monmouthshire Corporate Business Plan 2017-2022 (Incorporating Well-being Objectives) were both published in February 2018. Both of these documents provide well-being objectives and are key contributors to the update of the issues, vision and objectives for the Replacement LDP. Planning Policy Wales Edition 10 (December 2018) supports this approach, recognising the significance of local well-being plans as a key evidence source for LDPs (paragraphs 1.6 and 1.27).
- 1.11 The Monmouthshire Well-being Plan was prepared by the Public Service Board (PSB) which is made up of four statutory members namely; Monmouthshire County Council, Aneurin Bevan University Health Board, South Wales Fire and Rescue Service and Natural Resources Wales. Other organisations are also invited, in Monmouthshire this includes; Public Health Wales, Gwent Police, Police and Crime Commissioner for Gwent, Monmouthshire Housing Association, Melin Homes and voluntary organisations represented through the Gwent Association of Voluntary Organisations. While this work has been carried out on behalf of the Public Service Board rather than Monmouthshire County Council specifically, it surfaces important issues for the County as a whole that must be considered.
- 1.12 The Corporate Business Plan is produced by Monmouthshire County Council. This utilises the contributions made to the Well-being Plan along with issues raised most frequently to County Councillors and issues reported to Community Hubs, the contact centre and on the My Monmouthshire App. The Corporate Business plan 2017-2022 sets out the Council's four Well-being Objectives:
- Provide children and young people with the best possible start in life.
 - Develop opportunities for communities and businesses to be part of a thriving and well-connected County.
 - Maximise the potential of the natural and built environment for the well-being of current and future generations.
 - Maximise the potential in our communities to develop the well-being of people throughout their lives.
- 1.13 The Adopted LDP Sustainability Issues have also been updated and are published in the Replacement LDP Sustainability Appraisal (SA) Scoping Report. The SA Scoping Report includes a wide range of social, cultural, environmental and economic baseline data. The Sustainability Issues have also been considered and incorporated as appropriate in this document, but are not repeated in their entirety.

- 1.14 The Issues and Objectives have been grouped in accordance with the Seven Well-being Goals as set out in the Well-being of Future Generations (Wales) Act 2015. The Well-being Goals are set out in Appendix 1. It should be noted that many of the issues and objectives cross a number of well-being goals, and have, therefore, been grouped as a best fit with the goals. However, the cross-cutting themes should not be overlooked.

Consultation on Replacement LDP Proposed Issues, Vision and Objectives

- 1.15 As stated above, the proposed issues, vision and objectives are heavily drawn from and reflect the PSB Well-being Plan which was extensively consulted upon by the Public Service Board in 2017 and resulted in contributions from more than 1,400 people. This approach reflects Welsh Government guidance which recognises the significance of local well-being plans as a key evidence source for LDP preparation (paragraphs 1.6 and 1.27, PPW10, Edition 10, December 2018). In view of this, and given that it is not a statutory requirement to consult on the LDP issues, vision and objectives, it is not considered necessary to undertake a full public consultation exercise on this initial stage of the plan preparation process. Discussions on the draft issues, vision and objectives will, however, take place through the Area Committee and Area Cluster meetings in January 2019, where views will be sought on the Draft Paper. A LDP Member Workshop will also take place in January 2019 to seek views on the draft issues, vision and objectives. Feedback from these meetings will be noted and considered, and where appropriate, will inform the final issues, vision and objectives. The Replacement LDP issues, vision and objectives will be reported Economy and Development Select Committee on 14th February 2019, and subsequently finalised prior to inclusion in the Preferred Strategy (autumn 2019). Any comments received at the Area Committee and Area Cluster meetings/by 14th February will be reported to the Economy and Development Select Committee.

2. Replacement LDP Draft Issues

2.1 In order to assist in the development of the LDP vision and objectives, a number of key issues have been identified that will need to be addressed in the Replacement LDP. The existing LDP issues have been reviewed to determine whether they remain relevant. New issues, challenges and drivers that have arisen since the adoption of the LDP have also been identified, including those contained in the PSB Well-being Plan, as well as wider contextual factors. Accordingly, the issues have been updated, where appropriate, to reflect the current position within Monmouthshire. The Issues have been grouped in accordance with the Seven Well-being Goals as set out in the Well-being of Future Generations (Wales) Act 2015 to ensure that they are framed within this context (Appendix 1 refers). This allows for the appreciation of social, economic and environmental matters to be embedded into the Plan. Further detail/background information on the identified issues, challenges and drivers is set out in Appendix 2.

Table 2.1: Draft Issues and Opportunities

Draft Issue	How can the Replacement LDP Influence these Issues?
A Prosperous Wales (Well-being Goal 1)	
Employment & Economy	
<ul style="list-style-type: none"> • There has been a slow uptake of employment land in the past. There is subsequently a need to consider whether existing available land is suitably located and fit for purpose for appropriate growth sectors. There is also a need to consider potential future demand for employment land along with Council aspirations for innovation across Monmouthshire in light of the imminent removal of the Severn Bridge tolls and the ambitions and opportunities associated with the Cardiff Capital Region City Deal (CCRC). (Issue 1) • While unemployment is low there is a net-outflow of commuters, both levels of out commuting and distances travelled to work are relatively high. There is a need to provide 	<ul style="list-style-type: none"> • The Replacement LDP can encourage a vibrant economy within the County, specifically by ensuring that sufficient employment sites are suitably located in attractive, accessible and sustainable locations and are of an appropriate size and type to meet the needs of the market/key employment/growth sectors, including, through support of start-up and growing businesses to help diversify the economy. • The Replacement LDP can aim to ensure that there is a portfolio of sites available which is appropriate to market conditions and the needs of the Monmouthshire economy along with the wider Cardiff Capital Region. Consideration can be given to using CPO powers to ensure sites come forward.

Draft Issue	How can the Replacement LDP Influence these Issues?
<p>support for inward investment and local employment growth/opportunities. (Issue 2)</p> <ul style="list-style-type: none"> • Wage levels available for local jobs are lower than the average for Wales and the UK. Evidence continues to suggest that the income for economically active women who both live and work within the County is significantly lower than that of men within the same category. This coupled with high property prices makes it difficult for young people and future generations to live and work locally. Additional employment opportunities for young people are required to help reduce the numbers of this age group leaving the County. (Issue 3) • Monmouthshire has a dual economy. The qualifications, skills and earnings of the residents are above the regional and national average, however, for those working in the area earnings are lower and employment is relatively less skilled. (Issue 4) • The increasing ageing population and shrinking working age population (the relative absence of 20-40 year olds and our median age of 48 years, compared to a median age of 34 years in Cardiff) is limiting employment growth within Monmouthshire and social sustainability of communities. This is exacerbated by limited Job opportunities and housing affordability availability (Issue 5). • There is a need to sustain and regenerate the County's rural economy. There is current uncertainty regarding the impact of Brexit on agricultural subsidies. (Issue 6) • Higher levels of those in employment work at home compared to the Welsh average. Efficient digital infrastructure is 	<ul style="list-style-type: none"> • The Replacement LDP can ensure that, wherever possible, jobs and homes are located in close proximity to each other to provide greater opportunity for people to work and live locally. The Replacement LDP can also ensure a range and choice of homes are available, in new developments, particularly where there is a need for affordable housing, to assist in regaining a balanced population • The Replacement LDP needs to take a role in strengthening the local economy, ensuring an appropriate economic base to enable people to live and work in the County. • The Replacement LDP can contain policies that support the diversification of the rural economy. • The Replacement LDP can help to address digital exclusion by seeking to support the improvement of rural broadband and delivery of high speed connections. • The Replacement LDP must contain policies that protect the vitality and viability of existing town centres, providing additional retail opportunities where appropriate and ensure that the distribution of development supports these main centres in order to retain retail expenditure, including the regeneration of Caldicot and Usk. • The Replacement LDP will enable a review of the towns' primary shopping frontages (PSF) and related policies to have regard to the changing role of the high street. • The Replacement LDP can contain policies that encourage tourism development while at the same time ensuring that the natural and built heritage that attracts visitors to the area is preserved and enhanced.

Draft Issue	How can the Replacement LDP Influence these Issues?
<p>essential to support home working and the general connectivity of the County's rural areas and to support economic growth³. (Issue 7)</p> <ul style="list-style-type: none"> • The role of high streets is changing due to out of town retail centres, the increase in internet shopping, changing shopping habitats (e.g. top-up grocery shopping) and austerity and as a result vacancy rates in some of the County's retail centres has increased. There is a leakage of expenditure out of the County and a need to protect the County's retail centres from out of town developments. (Issue 8) • Tourism plays a significant part in the Monmouthshire economy particularly in assisting in the diversification of the rural economy and in sustaining the County's historic town centres. Visitor numbers to both serviced and non-serviced accommodation are significantly higher in Monmouthshire compared to the South East Wales average and have increased by 14.5% since 2012 (Monmouthshire STEAM Report 2017). Staying visitors generate a higher economic impact than day visitors (£146 million compared to £58 million in 2017: Monmouthshire STEAM Report 2017) highlighting the continued need for visitor accommodation. (Issue 9) 	

³ The current situational analysis of Superfast Broadband Next Generation Access (NGA) coverage in the Cardiff Capital Region, based on the OMR/SAPC undertaken prior to the Superfast Cymru Phase 2 (SFC2) Procurement, paints a stark picture in terms of the current lack of coverage in Monmouthshire in comparison to our other nine Local Authority partners - currently 12.56% of premises in Monmouthshire are NOT covered in comparison to 3-4% in the other nine Local Authorities within the region.

Draft Issue	How can the Replacement LDP Influence these Issues?
A Resilient Wales (Well-being Goal 2)	
Air	
<ul style="list-style-type: none"> • While air pollution is not a major problem in Monmouthshire it can cause significant problems for people’s health. The greatest problems associated with air quality in the County are caused by vehicle emissions, this is particularly apparent in the two Air Quality Management Areas in the County at Usk and Chepstow. (Issue 10) 	<ul style="list-style-type: none"> • The Replacement LDP can seek to minimise any polluting effects that might arise from new development in the County by encouraging appropriate patterns of development that seek to reduce the usage of private vehicles and to allow for increased walking, cycling and use of public transport (active travel). It can also take measures to ensure that the location of new development does not worsen conditions in existing Air Quality Management Areas or result in new ones.
Green Infrastructure, Biodiversity & Landscape	
<ul style="list-style-type: none"> • Monmouthshire is renowned for its beautiful landscapes and major biodiversity resources. The best of these assets should be protected, managed and enhanced for future generations. (Issue 11) • There is a need to improve connectivity within the landscape through protecting and improving existing wildlife networks and corridors, including both green and blue infrastructure, and, creating new linkages to allow species to move and adapt to climate change impacts. GI is also beneficial to human well-being. (Issue 12) 	<ul style="list-style-type: none"> • The Replacement LDP should ensure that new development is sustainable, does not cause harm to international, national and locally protected sites and species and, that where appropriate, necessary mitigation measures are taken to avoid any such adverse effects • The Replacement LDP must ensure biodiversity is considered in any development in order to protect any interest on the site and encourage biodiversity enhancements where necessary. • It will be necessary to undertake a Habitats Regulations Assessment of the Replacement LDP to ensure that any cumulative effects of development in Monmouthshire and adjoining areas does not result in harm to internationally designated nature conservation sites. • The Replacement LDP can contain policies that protect and enhance the green and blue infrastructure networks across the County.

Draft Issue	How can the Replacement LDP Influence these Issues?
Flooding	
<ul style="list-style-type: none"> Parts of the County are vulnerable to flooding. Climate change is likely to increase the risk of flooding, as well as many other risks, so mitigating climate change and building resilience is crucial. (Issue 13) 	<ul style="list-style-type: none"> The Replacement LDP must ensure new development is located away from flood risk areas and has a role to play in terms of reducing the risk from present day flood risk, as well as in relation to climate change adaptation and resilience.
Minerals & Waste	
<ul style="list-style-type: none"> Monmouthshire has made good progress in the promotion of the recycling and composting of waste, and the elimination of waste to landfill. Monmouthshire also has to make an appropriate contribution to the regional requirement for waste management. (Issue 14) Mineral extraction plays a limited role in Monmouthshire's economy but there is a need to safeguard the County's resources in order to make an appropriate contribution to the sustainable supply of aggregates to the South Wales economy as a whole. (Issue 15) 	<ul style="list-style-type: none"> The Replacement LDP can identify sites that are appropriate for waste management or disposal facilities to meet local or regional requirements. The Replacement LDP can ensure that mineral resources are safeguarded and exploited in a sustainable fashion that also enables Monmouthshire to meet its obligation to make a contribution to the requirements of the South Wales region.
Land	
<ul style="list-style-type: none"> There are limited opportunities for brownfield development within the County's existing urban areas. (Issue 16) Monmouthshire has a significantly high percentage of best and most versatile agricultural land (i.e. Grade 1, 2 or 3a). While there is a need to conserve these resources, there are limited opportunities within the County for brownfield development and development on lower grades of agricultural land (i.e. Grade 3b, 4 and 5). (Issue 17) 	<ul style="list-style-type: none"> The Replacement LDP will seek to prioritise the use of previously developed land where opportunities arise. The Replacement LDP should seek to protect best and most versatile agricultural land whilst at the same time recognising that this will not always be possible where there is an overriding need for development.

Draft Issue	How can the Replacement LDP Influence these Issues?
A Healthier Wales (Well-being Goal 3)	
Human Health	
<ul style="list-style-type: none"> • While Monmouthshire performs relatively well on indicators relating to health, there is a need to promote opportunities for healthy living particularly in the context of an ageing population. (Issue 18) • While an ageing population brings many opportunities, it also brings challenges and increases in the number of people living with long term conditions can create pressures on existing health care provision. (Issue 19) • On the whole Monmouthshire’s residents have good access to public open space however there are deficiencies in many of the County’s communities in relation to community and recreational facilities. This can contribute to rural isolation in certain areas. (Issue 20) • Obesity is a growing problem throughout Wales. Although obesity rates in Monmouthshire are below the Welsh average consideration should be given to promoting healthy lifestyles. (Issue 21) 	<ul style="list-style-type: none"> • The Replacement LDP can assist in creating a healthier Monmouthshire by ensuring sufficient policies are in place to support the provision of blue and green infrastructure and retention of the existing resource. • The Replacement LDP can provide policies to ensure health care provision is supported. • The Replacement LDP can affect the provision of public open space and recreation by protecting, where necessary, existing open space and facilities as well as requiring new development to make a contribution to the provision of additional facilities.
A More Equal Wales (Well-being Goal 4)	
Population	
<ul style="list-style-type: none"> • Monmouthshire is a predominantly rural county with almost half (47%) of the total population living in wards defined as being in rural areas (i.e. with a population of less than 10,000). (Issue 22) 	<ul style="list-style-type: none"> • The Replacement LDP must decide on the level of growth appropriate for Monmouthshire and the spatial distribution of this growth between different urban and rural communities to address the challenges we face (including demography and affordability), balancing the greater sustainability of urban

Draft Issue	How can the Replacement LDP Influence these Issues?
<ul style="list-style-type: none"> • The population of Monmouthshire has shown a steady increase over a ten year period to 2011, although more recently the rate of growth has slowed. This growth is being fuelled by in-migration. (Issue 23) • Monmouthshire has a significantly higher proportion of older age groups (65+) and lower proportion of young adults (16 – 44) compared to the Welsh average, the sharpest decline of which is in the working age population. The relative absence of young adults is often linked to the affordability of housing across the County and has an impact on the existing economy and future prospects of economic growth. (Issue 24) 	<p>settlements with the difficulties of maintaining services in rural areas.</p> <ul style="list-style-type: none"> • There is a need to regain balance of the population structure to ensure there is a sufficient population of working aged people to support the Monmouthshire economy and to provide more opportunities for young people to both to stay within and move to the area. The Replacement LDP needs to take a role in strengthening the local economy, ensuring an appropriate economic base to enable people to live and work in the County and ensuring that demand for homes is satisfied by providing good quality affordable homes for those who need them. • The Replacement LDP can help to address issues surrounding the ageing population through facilitating the provision of accessible services supported by connective infrastructure to meet local population growth needs.
A Wales of Cohesive Communities (Well-being Goal 5)	
Housing	
<ul style="list-style-type: none"> • Average house prices in the County are high at £302,229 when compared to the Welsh average of £186,256 (Hometrack October 2018). The most significant increases have been experienced in recent years. There is a need to consider the potential impact on house prices arising from the recent removal of the Severn Bridge Tolls, the ambitions and opportunities associated with the Cardiff Capital Region City Deal and the South East Wales Metro, together with the economic growth of the Bristol/SW region and the opportunities for Monmouthshire as a border county and its 	<ul style="list-style-type: none"> • The Replacement LDP will affect the amount of housing to be provided by both deciding on overall levels of growth/spatial options and by setting thresholds and proportions to determine the amount of this residential development that is affordable. It can also ensure a range and choice of homes are available in new developments and influence the type, tenure and nature of housing built within the County. • The Replacement LDP will have to resolve the amount of housing to be built in rural areas, balancing the need to sustain rural settlements by supporting services and enabling people to

Draft Issue	How can the Replacement LDP Influence these Issues?
<p>location between Bristol and Newport and Cardiff, the ‘Great Western Cities’. (Issue 25)</p> <ul style="list-style-type: none"> • House prices are also high in relation to earnings and there is a pressing need for additional affordable housing in the County in both urban and rural areas to assist in ensuring a balanced population. (Issue 26) • A range and choice of housing is needed to both meet the needs of an ageing population and to attract and retain the younger age groups. (Issue 27) • There is limited scope for significant or long term expansion of the existing urban areas within the County due to a mix of physical, environmental and policy constraints. (Issue 28) 	<p>remain in their communities with the need to protect the countryside and ensure sustainable patterns of development.</p> <ul style="list-style-type: none"> • The Replacement LDP process must balance the extent to which the Main Towns and Severnside area can continue to accommodate further growth in the medium to long term against the potential for a new settlement in order to facilitate the creation of sustainable resilient communities.
Infrastructure	
<ul style="list-style-type: none"> • Poor access to community facilities and declining local service provision is a particular issue for rural communities. (Issue 29) • Limited public transport, particularly in rural areas makes it harder to access jobs, services and facilities, which could be exacerbated by rising fuel prices. There are nevertheless future opportunities for investment in public transport through the Cardiff Capital Region City Deal and advances in technology. (Issue 30) • There is a need to ensure that adequate physical and digital infrastructure is provided to support new development. This includes: broadband infrastructure, the provision of sufficient water and sewerage infrastructure, transport infrastructure 	<ul style="list-style-type: none"> • The Replacement LDP can consider allocating land for housing and employment in rural areas in an attempt to sustain existing rural community facilities and services, weighing this against the need to avoid unsustainable travel patterns. • The Replacement LDP can help ensure adequate provision of infrastructure to serve new development and can contain support policies to enable improvements or enhancements for existing development, e.g. provision of electric vehicle charging (EVC), broadband connectivity and renewable energy. • The Replacement LDP will contain allocations and policies to support the priorities of the emerging local transport plan and cycling strategy

Draft Issue	How can the Replacement LDP Influence these Issues?
<p>and active travel to support non-car modes of travel. (Issue 31)</p>	
<p>A Wales of Vibrant Culture & Thriving Welsh Language (Well-being Goal 6)</p>	
<p>Cultural Heritage</p>	
<ul style="list-style-type: none"> • Monmouthshire has a significant built heritage resource in terms of scheduled ancient monuments, listed buildings, conservation areas, historic parks and gardens and archaeologically sensitive sites that, together with their settings require protection and enhancement. (Issue 32) • There is a need to protect, promote and enhance the best of our landscape and heritage which are an important part of our culture and play a key role in tourism and economic growth, along with providing support for the Welsh Language to ensure it is safeguarded and supported. (Issue 33) • The distinctive settlement pattern of Monmouthshire relates to historic towns and villages and their relationship with the surrounding rural areas. There has nevertheless been substantial suburban expansion in the South of the County, particularly, adjacent the M4 corridor. This area is likely to receive further pressure for growth due to the recent removal of the Severn Bridge Tolls and the ambitions and opportunities associated with the Cardiff Capital Region City Deal and the South East Wales Metro, together with the economic growth of the Bristol/SW region and the opportunities for Monmouthshire as a border county and its location between 	<ul style="list-style-type: none"> • The Replacement LDP can contain measures to preserve and enhance the built heritage and best of the historic environment of Monmouthshire. • The Replacement LDP can help protect, promote and enhance the best of our landscape and heritage which are an important part of our culture and play a key role in tourism and economic growth, along with providing support for the Welsh Language to ensure it is safeguarded and supported. • Community involvement provides an opportunity to seek views on how Welsh language and culture interact with LDP policies and proposals. The future of the Welsh language depends on a range of factors beyond the planning system, particularly education, demographic change, community activities and a sound economic base to maintain thriving sustainable communities. The planning system can contribute to the future well-being of the Welsh language by creating conditions for well-paid employment opportunities and a range of quality housing options resulting in sustainable communities. Planning policies must not seek to control housing occupancy on linguistic grounds⁴.

⁴ Technical Advice Note 20 paragraphs 1.7.3, 2.2 and 2.6.4

Draft Issue	How can the Replacement LDP Influence these Issues?
<p>Bristol and Newport and Cardiff, the ‘Great Western Cities’. (Issue 34)</p>	<ul style="list-style-type: none"> • The Replacement LDP can play a key role in promoting good quality sustainable design that will enable new development and future growth to respect and enhance the existing distinctive character of Monmouthshire.
<p>Landscape</p>	
<ul style="list-style-type: none"> • Monmouthshire has a rich and diverse landscape that brings wider benefits to the local economy particularly through tourism and health and well-being. Monmouthshire as a whole incorporates parts of the Wye Valley Area of Outstanding Natural Beauty, the Brecon Beacons National Park and the Blaenavon Industrial Landscape World Heritage Site. (Issue 35) 	<ul style="list-style-type: none"> • The Replacement LDP must seek to protect high quality landscapes throughout the County, paying particular attention to those contained in the Wye Valley Area of Outstanding Natural Beauty, the Blaenavon World Heritage Site and in the setting of the Brecon Beacons National Park.
<p>A Globally Responsible Wales (Well-being Goal 7)</p>	
<p>Climatic Factors</p>	
<ul style="list-style-type: none"> • The volume of traffic in the County has continued to increase, up nearly 10% in the seven years to 2017 (<i>StatsWales, August 2018</i>). There is a pattern of relatively long travel to work distances, high levels of car ownership and reliance on the private car. (Issue 36) • Small Scale and Local Authority wide Renewable Energy schemes are generally supported across Monmouthshire, however, a more proactive approach should be undertaken for schemes of a local authority scale (i.e. 5MW - 25MW). (Issue 37) 	<ul style="list-style-type: none"> • Concerns about climate change require that efforts are made to reduce the reliance on the private car and the consequent impact of carbon dioxide emissions. The Replacement LDP needs to consider appropriate patterns of development that promote a safe, efficient, accessible and sustainable transport system that provides opportunities for walking and cycling and encourages active travel. • A renewable energy assessment will be undertaken to support the Replacement LDP with areas of potential identified in the plan for local authority and strategic renewable energy development, as appropriate.

3. Replacement LDP Draft Vision

- 3.1 The role of the LDP vision is to clarify the core purpose of the Plan and provide a framework for developing the Preferred Strategy and future detailed policies. The vision will set the overarching context for Monmouthshire for the period up to 2033. The vision set out in the adopted LDP has been reviewed and updated to take account of the issues, challenges and drivers facing the County and reflects key elements of the PSB Well-being Plan and Corporate Business Plan.
- 3.2 It is not considered appropriate, at this stage, to provide any detail in relation to the spatial implications of achieving the vision as the spatial distribution of future growth/development is not yet known. This will be determined following consultation on the LDP growth options and will be published as part of the Preferred Strategy.

3.3 The Proposed Monmouthshire Replacement LDP Vision

By 2033 Monmouthshire will be a place where:

- (1) People are living in sustainable, resilient communities that support the well-being of current and future generations and are more inclusive, cohesive, prosperous, vibrant and balanced demographically. Both urban and rural communities are well-connected with better access to local services and facilities, open space and employment opportunities.**
- (2) Communities and businesses are part of an economically thriving and well-connected County.**
- (3) The best of the County's built heritage, countryside, landscape and environmental assets has been protected and enhanced to retain its distinctive character.**
- (4) People enjoy healthier, more sustainable lifestyles with improved access to public transport and active travel opportunities and have a minimised impact on the global environment.**

The spatial implications of achieving this Vision will be that by 2033: *As noted above this will be completed following consultation on the LDP options and published as part of the Preferred Strategy.*

4. Replacement LDP Draft Objectives

4.1 In order to achieve the vision and address the key issues a number of draft objectives have been produced for the Replacement LDP (as set out in Table 4.1), building upon the Adopted LDP objectives and the well-being objectives set out in the Monmouthshire Local Well-being Plan. As with the issues, the draft objectives have been grouped in accordance with the Seven Well-being Goals as set out in the Well-being of Future Generations (Wales) Act 2015. The table also sets out the links between the draft objectives and the LDP issues and the main policy themes identified in Planning Policy Wales (PPW) Edition 10. Table 4.2 further demonstrates the alignment of the draft objectives with the Seven Well-being Goals.

Table 4.1 – Replacement LDP Draft Objectives

Headline	LDP Objective	LDP Issues addressed	Main PPW10 theme
A Prosperous Wales (Well-being Goal 1)			
Economic Growth/ Employment	To support a thriving, well-connected, diverse economy, which provides a range of good quality employment opportunities to enable and encourage indigenous business growth and attract inward investment and competitive innovative businesses in appropriate growth sectors, including through provision of start-ups and grow on spaces.	1, 2, 3, 4, 5, 6, 7, 24	Productive and enterprising places
Retail centres	To sustain and enhance the main County towns of Abergavenny, Chepstow, Monmouth and Caldicot as vibrant and attractive retail centres serving their own populations and those of their surrounding hinterlands, along with increasing the potential customer base through future growth whilst recognising that the role of these centres is evolving.	8	Active and social places
A Resilient Wales (Well-being Goal 2)			
Green Infrastructure, Biodiversity and Landscape	To protect, enhance and manage Monmouthshire's natural environment and ecosystems. This includes, the Wye Valley Area of Outstanding Natural Beauty, the County's other high quality and distinctive landscapes, protected sites, protected species and other biodiversity interests, along with, the connectivity between them by creating new linkages for them to adapt while at the same time maximising benefits for the economy, tourism, health and well-being.	11, 12, 35	Distinctive and natural places

Headline	LDP Objective	LDP Issues addressed	Main PPW10 theme
Flood risk	To ensure that new development takes account of the risk of flooding, both existing and in the future, including the need to avoid inappropriate development in areas that are at risk from flooding or that may increase the risk of flooding elsewhere and the need to design development to appropriately manage surface water run-off.	12, 13	Distinctive and natural places
Minerals and Waste	To meet the County's regional and local obligations to manage and dispose of its waste and to safeguard and exploit its mineral resource in a sustainable fashion.	14, 15	Productive and enterprising places
Land	To promote the efficient use of land, including the need to maximise opportunities for development on previously developed land, whilst recognising brownfield opportunities are limited in Monmouthshire.	16, 17	Strategic and spatial choices
Natural resources	To promote the efficient use of natural resources including providing increased opportunities for water efficiency, energy efficiency, renewable energy, recycling and waste reduction.	14, 15, 31, 37	Productive and enterprising places
A Healthier Wales (Well-being Goal 3)			
Health and Well-being	To improve access for all ages to recreation, sport, leisure activities, open space and the countryside and to enable healthier lifestyles.	18, 20, 21, 33, 35	Active and social places
A More Equal Wales (Well-being Goal 4)			
Demography	To increase opportunities for the younger population to both live and work within Monmouthshire to assist in ensuring a balanced demography.	2, 3, 4, 5, 24	Active and social places
A Wales of Cohesive Communities (Well-being Goal 5)			
Housing	To provide a level of housing that is sufficient to provide a wide ranging choice of homes both for existing and future residents, while ensuring that local needs for appropriate, affordable and accessible housing are met as far as possible, particularly in towns but also in rural areas, so long as such housing can assist in building sustainable balanced communities.	23, 25, 26, 27, 28	Active and social places
Place-making	To promote good quality sustainable design and layouts that enhance the character and identity of Monmouthshire's settlements and countryside; creates attractive, safe and	1, 11, 12, 18, 20, 27, 28, 29, 30,	Strategic and spatial choices

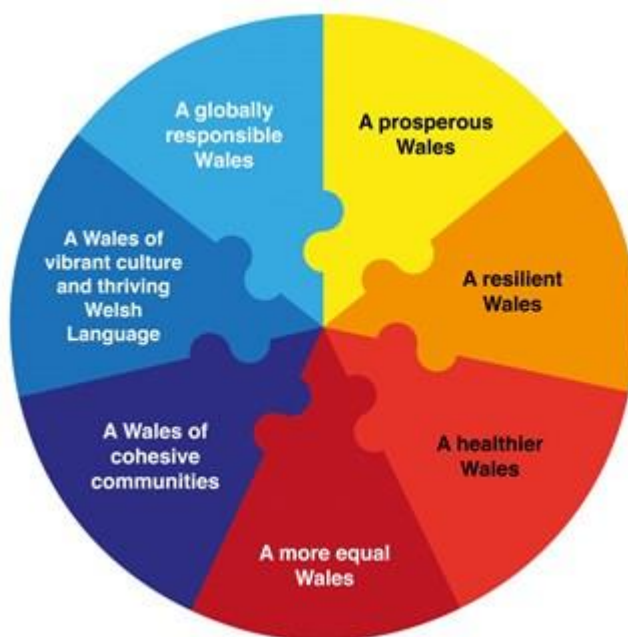
Headline	LDP Objective	LDP Issues addressed	Main PPW10 theme
	accessible places to live, work and visit; and promotes people's prosperity, health, happiness and well-being.	31, 32, 34, 35	
Communities	To build sustainable resilient communities where people have good access to employment, shops, housing, public transport, active travel, healthcare, community and cultural facilities.	1, 5, 7, 8, 9, 18, 20, 25, 26, 27, 29, 30, 31, 33, 35	Strategic and spatial choices
Rural Communities	To sustain existing rural communities as far as possible by providing development opportunities of an appropriate scale and location in rural areas in order to assist in building sustainable rural communities and strengthening the rural economy.	6, 7, 20, 22, 26, 29, 30, 34	Productive and enterprising places
Infrastructure	To ensure that appropriate physical and digital infrastructure (including community and recreational facilities, sewerage, water, transport, schools, health care and broadband etc.) is in place or can be provided to accommodate new development.	12, 19, 20, 31	Productive and enterprising places
Accessibility	To seek to reduce the need to travel by promoting a mix of land use allocations and improved internet connectivity, and where travel is required, to provide opportunities for active travel and integrated sustainable transport.	10, 30, 36	Active and social places
A Wales of Vibrant Culture & Thriving Welsh Language (Well-being Goal 6)			
Culture, Heritage and Welsh Language	To protect and enhance the built environment, culture and heritage of Monmouthshire for the future while maximising benefits for the economy, tourism and social well-being, including supporting and safeguarding the Welsh Language.	9, 32, 33, 34, 35	Distinctive and natural places
A Globally Responsible Wales (Well-being Goal 7)			
Climate Change	To ensure that new development can adapt to the impacts of a changing climate, promote opportunities for carbon reduction and decrease impact on air quality in order to reduce the contribution made by residents, businesses and industry in Monmouthshire to climate change.	10, 12, 36, 37	Distinctive and natural places

Table 4.2 – Matrix of Replacement LDP Draft Objectives against the Well-being Goals

	Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	Wales of vibrant culture and thriving Welsh Language	Globally responsible Wales
Housing							
Economic Growth/Employment							
Demography							
Place-making							
Retail centres							
Communities							
Rural Communities							
Accessibility							
Health and Well-being							
Culture, Heritage and Welsh Language							
Infrastructure							
Green Infrastructure, Biodiversity and Landscape							
Flood risk							
Climate Change							
Natural resources							
Minerals and Waste							
Land							

APPENDIX 1

Seven well-being goals of the Well-being of Future Generations (Wales) Act 2015



Goal	Description of the goal
A prosperous Wales	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work
A resilient Wales	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
A healthier Wales	A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).
A Wales of cohesive communities	Attractive, viable, safe and well-connected communities.
A Wales of vibrant culture and thriving Welsh language	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.
A globally responsible Wales	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

Source: Well-being of Future Generations (Wales) Act 2015

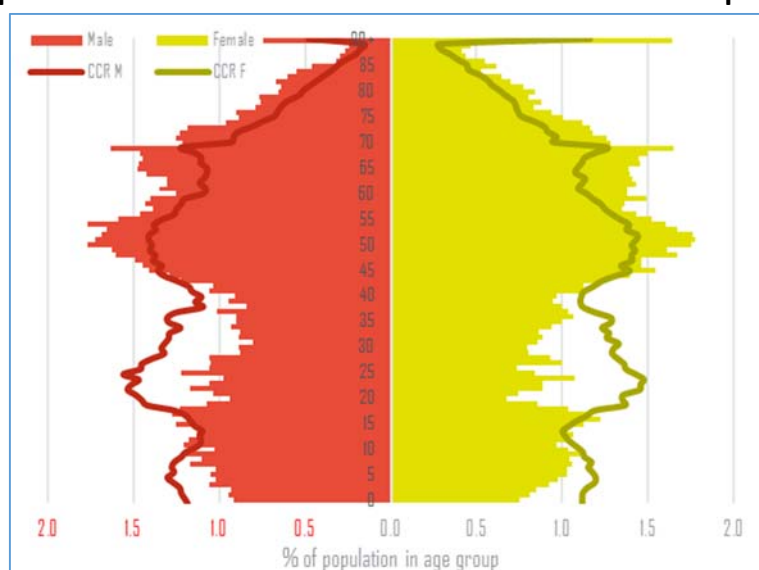
APPENDIX 2

Monmouthshire's Key Issues, Challenges and Drivers

Demography

- The population of Monmouthshire has shown a steady increase over the ten year period to 2011, increasing from 84,885 to 91,323 (7.58%) over the period 2001 - 2011 (Census 2011). The population has continued to grow since 2011, albeit at a slower rate. This growth is being fuelled by in-migration.
- Whilst the rate of population growth has slowed compared to the relatively high levels experienced in the 10 years to 2011, population levels continue to exceed those anticipated from the 2008-based projections which were used as the starting point for assessing the adopted LDP housing requirement. The latest Mid-Year Estimates (2017) give Monmouthshire a population of 93,590 in 2017. This latest population estimate for 2017 is higher than the earlier 2021 population estimates from both the 2008-based projections (91,923) and the most recent 2014-based projections (93,341).
- Monmouthshire has a significantly higher proportion of older age groups (65+) and lower proportion of young adults (16 – 44) compared to the Welsh and Cardiff Capital Region (CCR) average. The age structure of Monmouthshire's population and its relation to the rest of CCR is illustrated in the chart below. This clearly indicates the low presence of people aged 20-40 in the County, which are usually correlated to dynamic economies. On the other hand, there is a significant proportion of population in older age groups, particularly between the age of 50 and 70, indicating that the County is largely home to a population in retirement age and are not economically active.

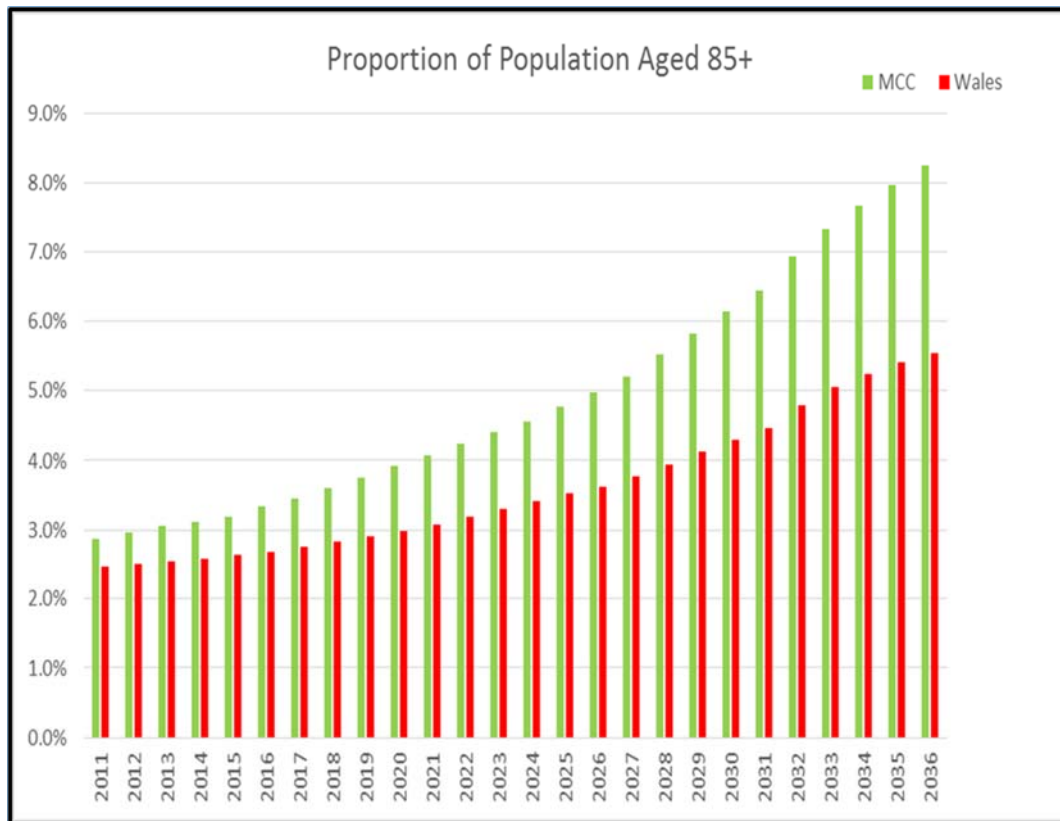
Figure 1: Population Structure 2016 - Monmouthshire vs Cardiff Capital Region



Source: ONS Population Estimates

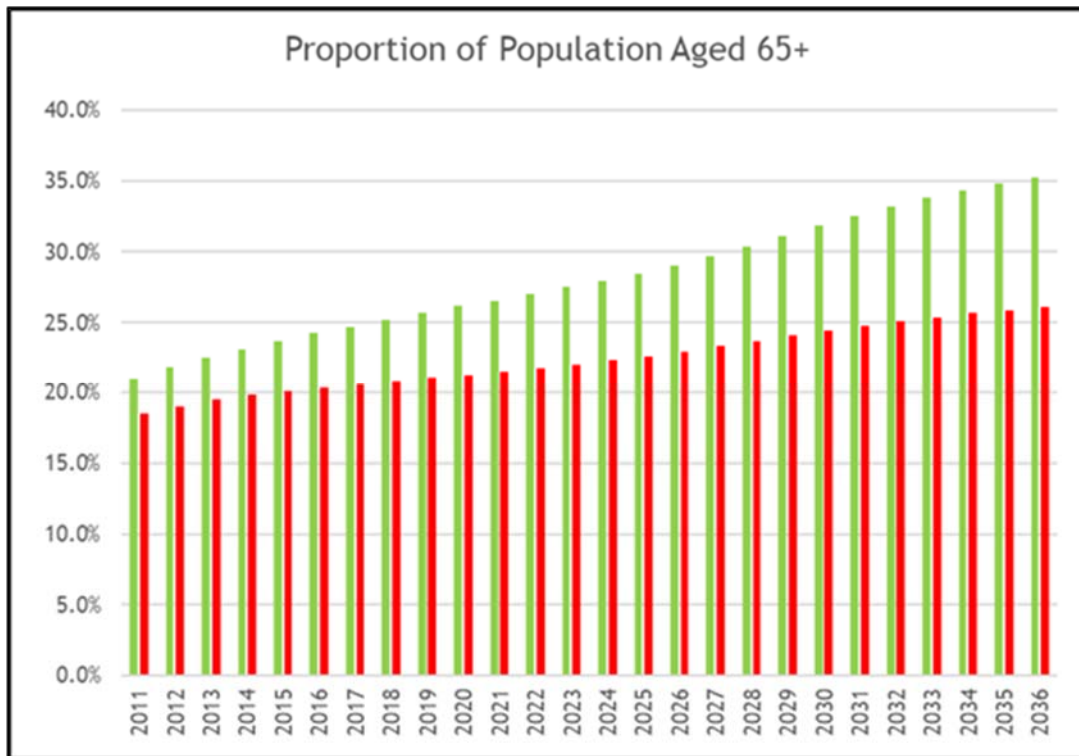
- Monmouthshire has a median age of 48, compared to a median age of 34 in Cardiff (ONS population estimates). The increasing ageing population and shrinking working age population is limiting employment growth within Monmouthshire and the social sustainability of communities. The relative absence of young adults is often linked to the affordability of housing across the County and has an impact on future prospects of economic growth.
- This trend is projected to continue as shown in the graphs below.

Figure 2: Population Estimates Ages 85+ in Wales and Monmouthshire



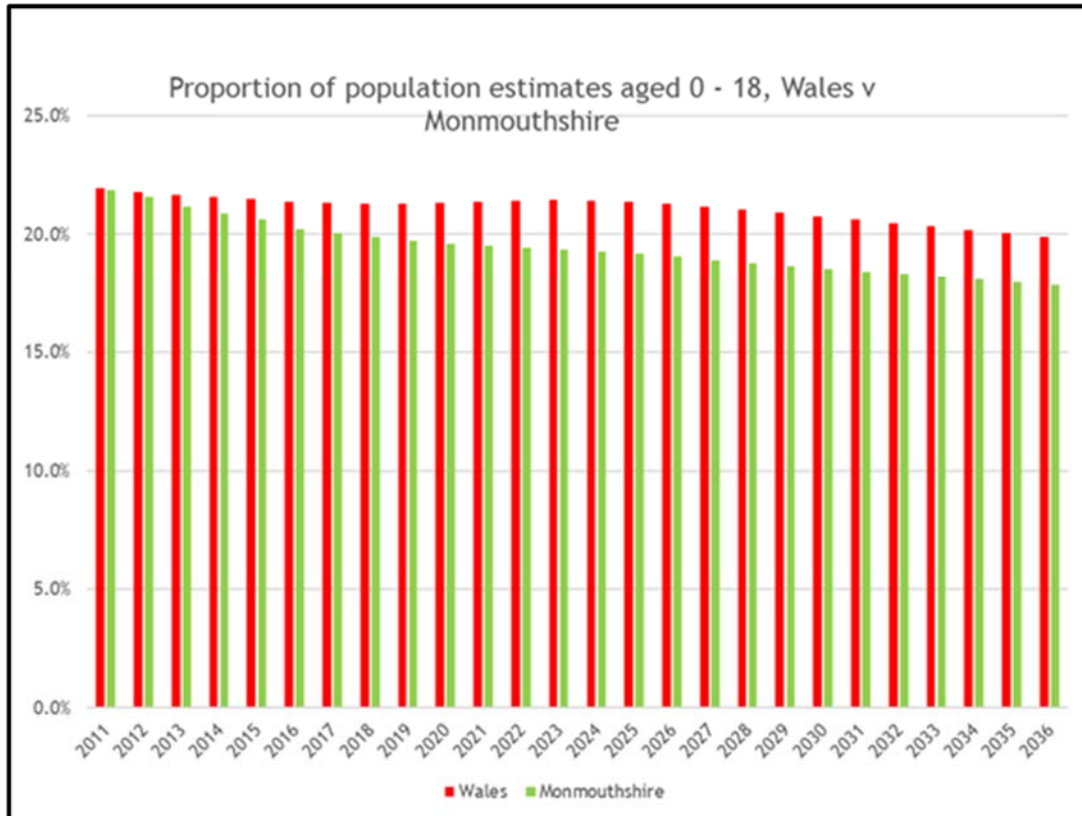
Source: ONS

Figure 3: Population Estimates Ages 65+ in Wales and Monmouthshire



Source: ONS

Figure 4: Population Estimates Aged 0-18 in Wales and Monmouthshire



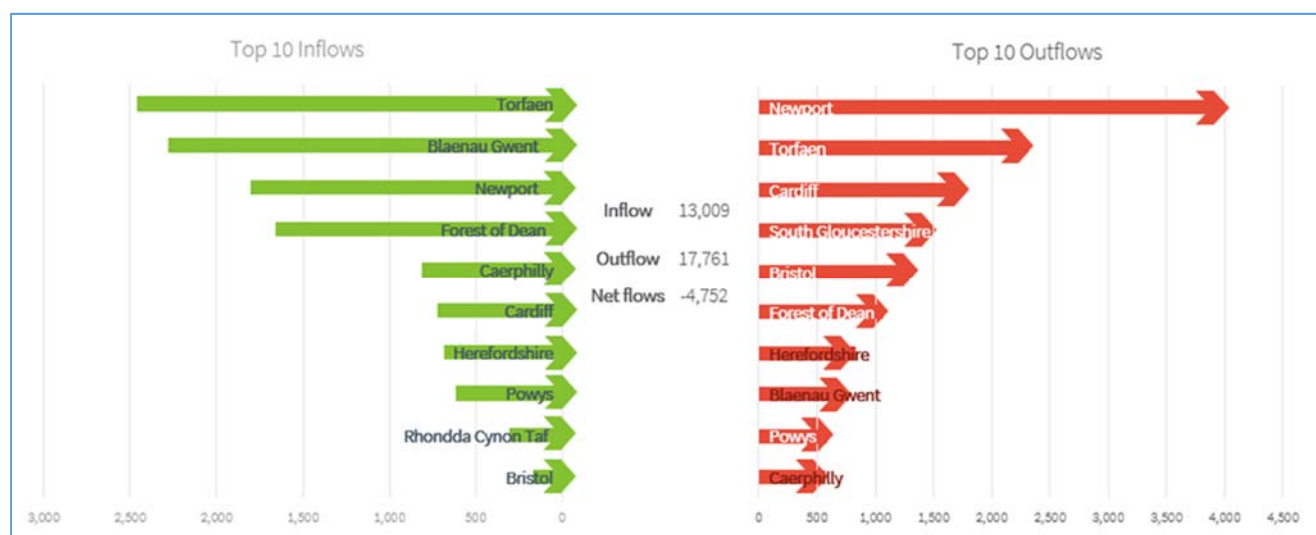
Source: ONS

Economy

Employment and Commuting

- The labour market profile of Monmouthshire’s residents is healthy despite its high economic inactivity levels. Unemployment rate stood at 2.2% 2016/17 which is 3 percentage points below the Cardiff Capital Region (CCR) average, and is also lower than the national average (ONS, Annual Population Survey - July 2016 to June 2017). The economic inactivity rate in Monmouthshire stood at 39% in 2016/17, which is a reflection of its population structure where many are of retirement age (ONS, Annual Population Survey - July 2016 to June 2017).
- Levels of out commuting and distances travelled to work are relatively high. Around 40% of Monmouthshire’s residents who are in employment work outside the County (Census, 2011). The charts below show the top 10 inflow and outflow commuting destinations for Monmouthshire.

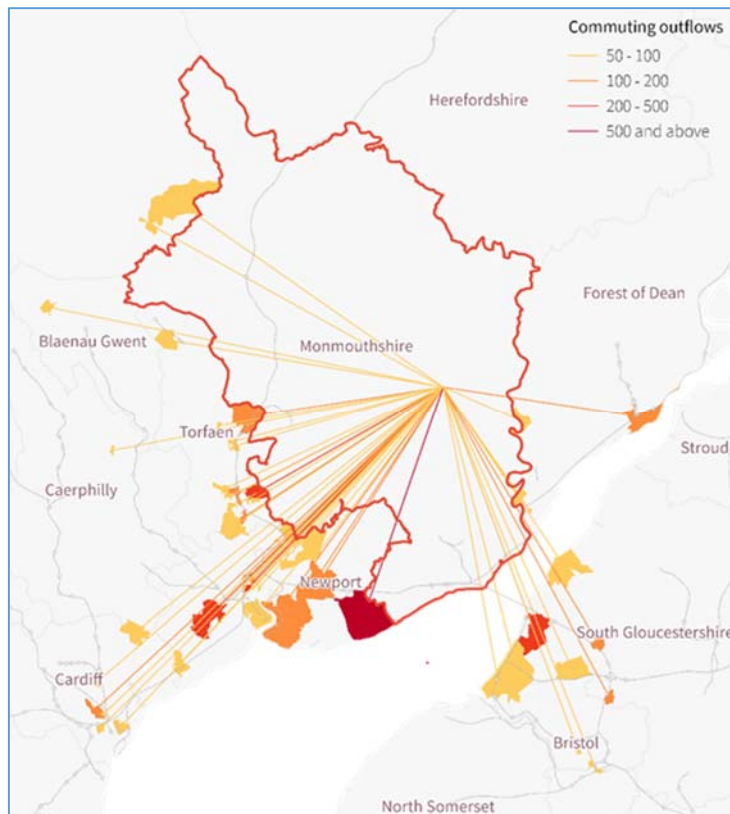
Figure 5: Commuting Flows



Source: ONS, Census 2011

- Figure 3 below maps the direction of the most significant commuting outflows from Monmouthshire (50 moves and above) which shows some key employment centres in Cardiff, Newport, Bristol and South Gloucestershire.

Figure 6: Commuting Outflows from Monmouthshire – flows of 50 and above



Source: ONS, Census 2011

Map contains OS data © Crown copyright and database right 2017

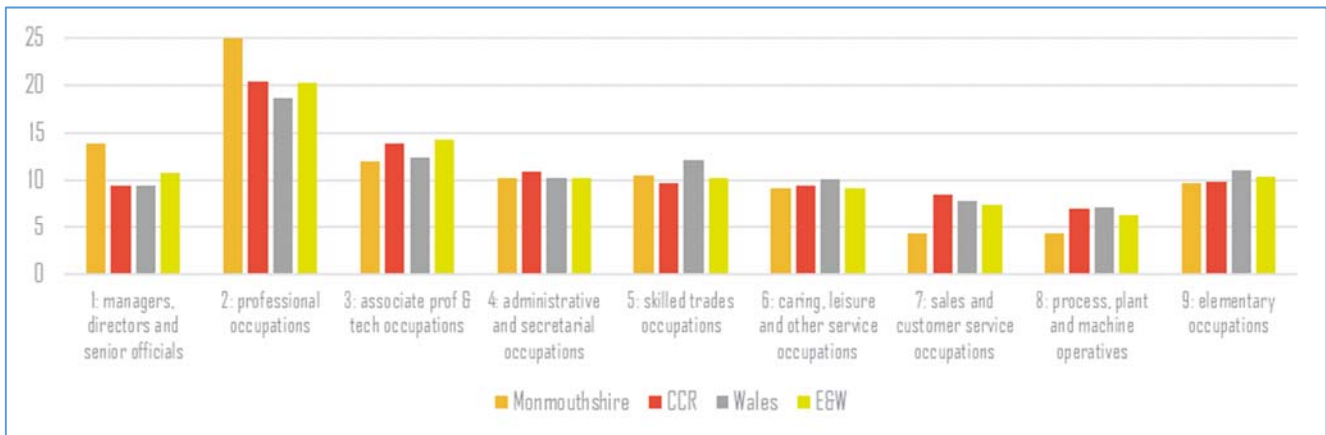
- There is a need to provide support for inward investment and local employment growth/opportunities to reduce out commuting, retain young people, and increase prosperity.

Occupation and Earnings

- There is a dual labour market in Monmouthshire, meaning that the people who live in Monmouthshire have a different profile from those who work in Monmouthshire. The qualifications, skills and earnings of the residents are above the regional and national average, however, for those working in the area earnings are lower and employment is relatively less skilled:
 - The resident profile is markedly skewed towards high-skills/high-earning occupations, while the workplace profile presents a relatively higher proportion of people employed in low-skill and routine occupations, as shown in figures 4 and 5 below.
 - Residents' earnings are higher than workplace earnings. Residents (and those who can afford to buy a house in Monmouthshire) are likely to be earning their relatively higher wages in higher skills jobs outside Monmouthshire. Wage levels available for local jobs are lower than the average for the UK and

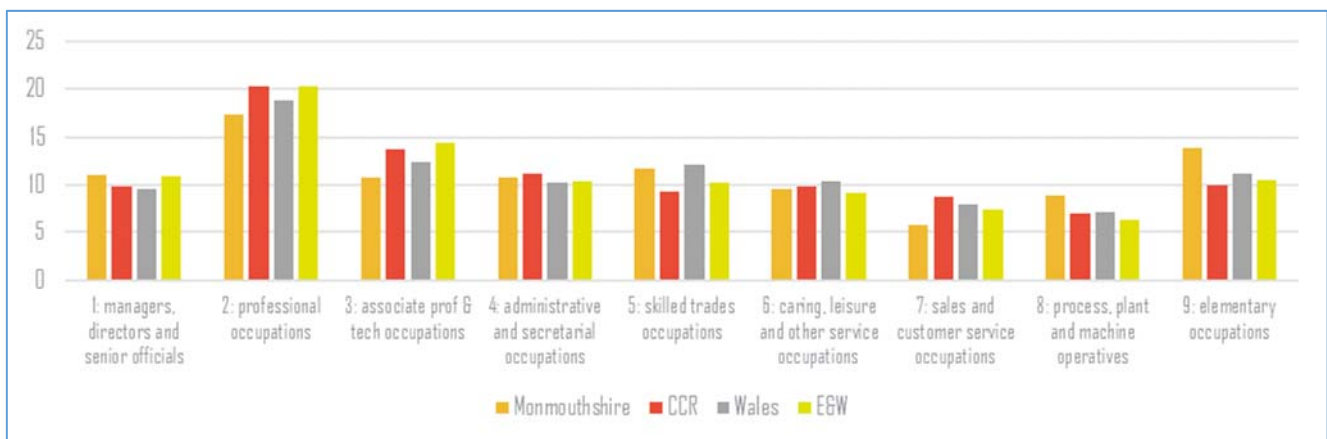
Wales. The gross annual mean pay for people working in Monmouthshire stood at £30,001 in 2018, compared with £36,611 in the UK and £30,357 in Wales (ONS, ASHE, 2018). This coupled with high property prices makes it difficult for young people and future generations to live and work locally. Additional employment opportunities for young people are required to help reduce the numbers of this age group leaving the County.

Figure 7: Occupational Profile – Resident Analysis (%) 2016/17



Data Source: ONS, Annual Population Survey - July 2016 to June 2017

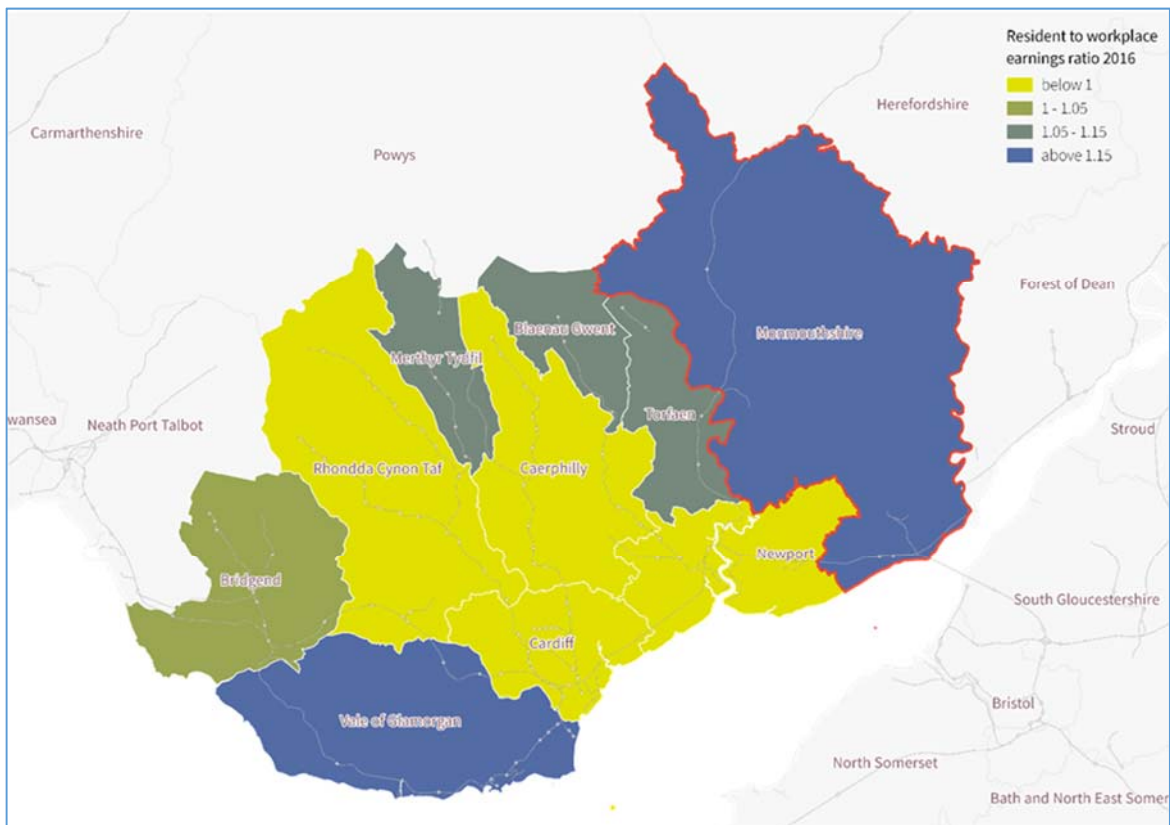
Figure 8: Occupational Profile – Workplace Analysis (%) 2016/17



Data Source: ONS, Annual Population Survey - July 2016 to June 2017

- Figure 6 below presents the ratio between median earnings of residents, who are not necessarily working in the local authority they reside in, against earnings of people working in the given local authority. A ratio above one indicates that resident earnings are higher than workplace earnings. This, coupled with the occupational analysis, suggests that Monmouthshire residents must be earning their relatively higher wages in higher skilled jobs outside Monmouthshire.

Figure 9: Resident to workplace median earnings ratio 2016



Data Source: ONS, ASHE

Map contains OS data © Crown copyright and database right 2017

- Evidence continues to suggest that the income for economically active women who both live and work within the County is significantly lower than that of men within the same category, as indicated in Figure 7 below.

Figure 10: Median Gross Weekly Earnings (2018)

Indicator	Earnings
Monmouthshire - Resident (Male)	£690.90
Great Britain (Male)	£612.00
Monmouthshire - Workplace (Male)	£578.90
Monmouthshire - Resident (Female)	£567.50
Great Britain (Female)	£510.00
Monmouthshire - Workplace (Female)	£469.30

Source: ONS, ASHE

Employment land

- There has been a slow uptake of employment land in the past (2014-15: 0.38ha; 2015-16: 1.13ha; 2016-17: 3.21ha; 2017-18: 5ha, LDP Annual Monitoring Reports 2015-18). There is subsequently a need to consider whether existing available land is suitably located, fit for purpose and readily available for appropriate growth sectors.
- There is also a need to consider potential future demand for employment land along with Council aspirations for innovation across Monmouthshire in light of the recent removal of the Severn Bridge tolls and the ambitions and opportunities associated with the Cardiff Capital Region City Deal (CCRCDC).

Home Working and Digital Connectivity

- Higher levels of those in employment in Monmouthshire work at home compared to the Welsh average i.e. 35% in Monmouthshire compared to the Welsh average of 12% (Census, 2011). Efficient digital infrastructure is essential to support home working and the general connectivity of the County's rural areas and to support economic growth. This could also improve quality of life and reduce commuting.
- The current situational analysis of Superfast Broadband Next Generation Access (NGA) coverage in the Cardiff Capital Region, based on the OMR/SAPC undertaken prior to the Superfast Cymru Phase 2 (SFC2) Procurement, paints a stark picture in terms of the current lack of coverage in Monmouthshire in comparison to our other nine Local Authority partners - currently 12.56% of premises in Monmouthshire are NOT covered in comparison to 3-4% in the other nine Local Authorities within the region.

Retail and Town Centres

- The role of high streets is changing due to out of town retail centres, the increase in internet shopping, changing shopping habitats (e.g. top-up grocery shopping) and austerity and as a result vacancy rates in some of the County's retail centres has increased. There is a leakage of expenditure out of the County and a need to protect the County's retail centres from out of town developments. (Monmouthshire Retail Background Paper, 2018).

Tourism

- Tourism plays a significant part in the Monmouthshire economy particularly in assisting in the diversification of the rural economy and in sustaining the County's historic town centres.
- Visitor numbers in Monmouthshire over the 2016-17 period are set out in Figure 7 below. Visitor numbers to both serviced and non-serviced accommodation are significantly higher in Monmouthshire compared to the South East Wales average and have increased by 14.5% since 2012. Staying visitors generate a higher economic impact than day visitors i.e. £146 million compared to £58 million in 2017

(Monmouthshire STEAM Report 2017) highlighting the continued need for visitor accommodation.

- Visitor numbers to serviced accommodation increased by 8.1% and those to non-serviced accommodation by 7.0% - both of these are significantly higher than the South East Wales averages of 3.4% for serviced and 5.1% for non-serviced accommodation. Since 2012, the annual number of staying visitors to Monmouthshire has increased by 14.5% - over 64,000 extra visitors in 2017 compared with 2012 (Monmouthshire STEAM Report 2017).
- Day visitors continue to be important to Monmouthshire, with the 1.8 million day visits accounting for 78% of all visits to the County in 2017. Day visits decreased by 0.1% from 2016 levels, but 2016 was a particularly strong year for day visitors and the 2017 figure is still 6.0% higher than that for 2015 (Monmouthshire STEAM Report 2017).

Figure 11: Monmouthshire Visitor Numbers 2016-17

Visitor Numbers		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2017 (Millions)	M	0.287	0.077	0.143	0.507	1.798	2.304
2016 (Millions)	M	0.265	0.072	0.143	0.480	0.800	2.280
Change 16/17 (%)	%	+8.1	+7.0	+0.4	+5.7	-0.1	+1.1
Share of Total (%)	%	12.5	3.3	6.2	22.0	78.0	100.0

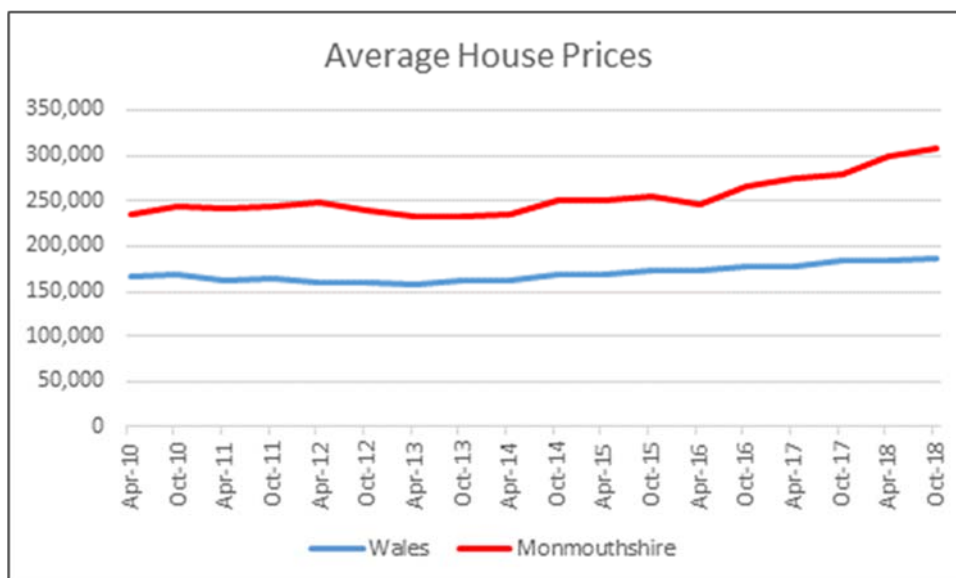
Data Source: Monmouthshire STEAM Tourism Economic Impacts 2017 Year in Review Summary

HOUSING

Housing Market and House Prices

- Average house prices in the County are high at £302,229 when compared to the Welsh average of £186,256 (Hometrack October 2018). The most significant increases have been experienced in recent years as indicated in figure 7.

Figure 12: Average House Prices in Monmouthshire and Wales March 2010 – October 2018



Source: Hometrack

- House prices are also high in relation to earnings. The lower quartile house price to income ratio in the County is 9:1 (Hometrack, September 2018). This ratio varies across Monmouthshire and is significantly higher in some rural areas, as indicated in Figure 8.

Figure 13: Lower Quartile House Price to Income Ratios for a Sample of Rural Wards

Ward	Lower Quartile House Price to Income Ratio
Crucorney	10:1
Llanbadoc	6:1
Raglan	7:1
Mitchel Troy	16:1
Trellech	11:1
St Arvans	9:1
Portskewett	6:1
Goytre	7:1
Llanfoist	7:1
Llanelly Hill	7:1

Source: Hometrack September 2018

- The number of households in affordable housing need (Bands 1-4) currently stands at 2,021 (Monmouthshire Common Housing Register, January 2019). There is a pressing need for additional affordable housing in the County in both urban and rural areas to assist in ensuring a more balanced population.
- There is a need to consider the potential impact on house prices arising from the recent removal of the Severn Bridge Tolls, the ambitions and opportunities associated with the Cardiff Capital Region City Deal and the South East Wales Metro.
- To address the demographic imbalance in the County and support economic prosperity a range and choice of housing is needed to both meet the needs of an ageing population and to attract and retain the younger age groups.
- There is limited scope for significant or long term expansion of the existing urban areas within the County due to a mix of physical, environmental and policy constraints.

ENVIRONMENT

Green Infrastructure, Biodiversity & Landscape

- Monmouthshire is renowned for its beautiful landscapes and major biodiversity resource that bring wider benefits to the local economy particularly through tourism. Monmouthshire as a whole incorporates parts of the Wye Valley Area of Outstanding Natural Beauty, the Brecon Beacons National Park and the Blaenavon Industrial Landscape World Heritage Site. The best of these assets must be protected, managed and enhanced for future generations.
- There is a need to improve connectivity within the landscape through protecting and improving existing wildlife networks and corridors, including both green and blue infrastructure, and, creating new linkages to allow species to move and adapt to climate change impacts. Green Infrastructure is also beneficial to human well-being.

Flooding

- Parts of the County are vulnerable to flooding. Climate change is likely to increase the risk of flooding, as well as many other risks, so mitigating climate change and building resilience is crucial.

Minerals & Waste

- Monmouthshire has made good progress in the promotion of the recycling and composting of waste, and the elimination of waste to landfill. Monmouthshire also has to make an appropriate contribution to the regional requirement for waste management.

- Mineral extraction plays a limited role in Monmouthshire's economy but there is a need to safeguard the County's resources in order to make an appropriate contribution to the sustainable supply of aggregates to the South Wales economy as a whole.

Air

- While air pollution is not generally a significant problem in Monmouthshire, there are two Air Quality Management Areas in the County at Usk and Chepstow where there is a link between this issue and traffic congestion.

Land

- There are limited opportunities for brownfield development within the County's existing urban areas. The proportion of land area defined as 'built on' stands at 3% in Monmouthshire (Corine Landcover Inventory, 2018).
- Monmouthshire has a significantly high percentage of best and most versatile agricultural land (Grade 1, 2 and 3) at 69% (Welsh Government – Agricultural Land Classification Maps, November 2017). While there is a need to conserve these resources, there are limited opportunities within the County for brownfield development and development on lower grades of agricultural land (i.e. Grade 3b, 4 and 5).

Climatic Factors

- The volume of traffic in the County has continued to increase, up nearly 10% in the seven years to 2017 (StatsWales, August 2018). There is a pattern of relatively long travel to work distances (as detailed above), high levels of car ownership (45% of households have 2 or more cars (Census 2011)) and reliance on the private car.
- Small Scale and Local Authority wide Renewable Energy schemes are generally supported across Monmouthshire, however, a more proactive approach should be undertaken for schemes of a local authority scale (i.e. 5MW - 25MW).

HEALTH AND WELL-BEING

Human Health

- While Monmouthshire performs relatively well on indicators relating to health, there is a need to promote opportunities for healthy living particularly in the context of an ageing population.
- While an ageing population brings many opportunities, it also brings challenges and increases in the number of people living with long term conditions can create pressures on existing health care provision.

- On the whole Monmouthshire’s residents have good access to public open space however there are deficiencies in many of the County’s communities in relation to community and recreational facilities. This can lead to rural isolation in certain areas.
- Obesity is a growing problem throughout Wales. Although obesity rates in Monmouthshire are below the Welsh average consideration should be given to promoting healthy lifestyles. Figure 9 below sets out key indicators of health related lifestyle which indicates that obesity rates in Monmouthshire are below the Welsh and Aneurin Bevan Health Board figures. However, it should be noted that this is based on a very small sample size and is therefore not entirely representative.

Figure 14: Health Related Lifestyle 2017/18

Health Related Lifestyle Indicator	Monmouthshire %	Aneurin Bevan Health Board %	Wales %
Smoker	13	19	19
E-Cigarette User	5	8	7
Weekly Alcohol Consumption >14 Units	24	18	19
Ate 5 Portions of Fruit & Vegetables	29	21	24
Active <30 Minutes a Week	24	33	33
Overweight or Obese	55	65	60
Obese	17	26	22

Source: National Survey for Wales 2017/18

Infrastructure

- Poor access to community facilities and declining local service provision is a particular issue for rural communities.
- The Welsh Index of Multiple Deprivation (WIMD) 2014 geographical access to services domain captures the accessibility of a range of services for households, looking specifically at inaccessibility of services that are considered key to day to day living. Both tangible (inaccessibility to a supermarket) and social deprivation (isolation from community activities) are considered. The WIMD shows that of the 56 lower super

output areas (LSOAs) in Monmouthshire, 38 fall within the 50% most deprived, with 26 in the 30% most deprived and 12 in the 10% most deprived. Of the 1909 LSOAs in Wales, the lowest ranks recorded in Monmouthshire for access to services were in Llantillio Croseny (12), Crucorney (43), Llanover 1 (70), and Trellech United 1 and 2 which ranks 82 and 95 respectively (StatsWales).

- Limited public transport, particularly in rural areas makes it harder to access jobs, services and facilities, which could be exacerbated by rising fuel prices. There are nevertheless future opportunities for investment in public transport through the Cardiff Capital Region City Deal and advances in technology.
- There is a need to ensure that adequate physical and digital infrastructure is provided to support new development. This includes:
 - Broadband infrastructure
 - The provision of sufficient water and sewerage infrastructure
 - Transport infrastructure and active travel to support non-car modes of travel.

CULTURAL HERITAGE

- As detailed in table 1, Monmouthshire has a significant built heritage resource in terms of scheduled ancient monuments, listed buildings, conservation areas, historic parks and gardens and archaeologically sensitive sites that, together with their settings require protection and enhancement.

Figure 15: Monmouthshire’s Heritage Assets (number)

	2017
Listed Buildings	2152
Scheduled Ancient Monuments	164
Historic Parks and Gardens	45
Archaeologically Sensitive Areas	10
Landscapes of Outstanding Historic Interest	3

Source: MCC Heritage Team/ Cadw

- There is a need to increase accessibility of arts, culture and heritage and to facilitate adequate provision of Welsh medium education.
- The distinctive settlement pattern of Monmouthshire relates to historic towns and villages and their relationship with the surrounding rural areas. There has nevertheless been substantial suburban expansion in the South of the County, particularly, adjacent the M4 corridor. This area is likely to receive further pressure for growth due to the recent removal of the Severn Bridge Tolls and the ambitions and opportunities associated with the Cardiff Capital Region City Deal and the South East Wales Metro, together with the economic growth of the Bristol/SW region and the opportunities for

Monmouthshire as a border county and its location between Bristol and Newport and Cardiff, the 'Great Western Cities'.

This page is intentionally left blank



REPORT

SUBJECT: SPEED MANAGEMENT POLICY
MEETING: Monmouthshire Area Committees
DATE: January 2019
DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

To consider the Monmouthshire Speed Management Strategy, this policy will set out the Councils approach to speed management within the County and will form part of the overall Monmouthshire Road Safety Strategy.

2. RECOMMENDATIONS:

That the Area Committee(s) endorse and approve the Monmouthshire Speed Management Policy.

3. KEY ISSUES:

The speed management strategy will assist the Council in reducing the levels of inappropriate speeding within the county

4. REASONS:

The speed management strategy adopts a holistic approach to speed management measures available to the Council and provides a framework that identifies and includes policies, practices and procedures that address and respond to road traffic speed related concerns.

5. RESOURCE IMPLICATIONS:

n/a.

6. SUSTAINABLE DEVELOPMENT IMPLICATIONS:

n/a

7. CONSULTEES:

North Monmouthshire Area Committee
Central Monmouthshire Area Committee
Sevenside Area Committee
Lower Wye Area Committee

8. BACKGROUND PAPERS:

Speed Management Strategy, Speed complaint assessment form, Speed Management Strategy Presentation

9. AUTHOR: Paul Keeble – Traffic & Network Manager

10. CONTACT DETAILS:

Tel: 01633 644733
Email: paulkeeble@monmouthshire.gov.uk

This page is intentionally left blank

MONMOUTHSHIRE COUNTY COUNCIL

OUR AIM - CASUALTY REDUCTION



SPEED MANAGEMENT STRATEGY

AWARENESS



WORKING IN PARTNERSHIP WITH GWENT POLICE



TRAFFIC ENGINEERING



SLOWER SPEEDS



ROAD SAFETY EDUCATION, TRAINING & PUBLICITY



December 2018

Contents

Ref	Heading	Page No
1	Introduction	2
2	Purpose	2
3	Statutory Duties	3
4	Enforcement	5
5	Speed Management Measures	5
6	Evaluation Process	7
7	Evaluation Criteria	10
8	Monitoring and Review	11
Appendix 1	Process and Flow Chart	12
Appendix 2	Speed Limit Considerations	13
Appendix 3	20 mph Speed Limit Zones / Limit	15

SPEED MANAGEMENT STRATEGY

1.0 INTRODUCTION

- 1.1 The Speed Management Strategy adopts a holistic approach to speed management measures available to the Council and provides a framework that identifies and includes policies, practices and procedures that address and respond to road traffic speed related concerns.

2.0 PURPOSE

- 2.1 The purpose of the Speed Management Strategy is to set out the Council's approach to speed management in the County in order to:
- i. Make a significant contribution to reducing inappropriate vehicle speeds within the County.
 - ii. Ensure the Council operates within the statutory requirements of Highway Authorities.
 - iii. Advise Local Members, residents and highway users in a transparent way on how concerns about speeding traffic will be considered and dealt with.
 - iv. Make best use of limited resources via evidence led decisions that are proportionate to the problem and level of risk
 - v. Increase awareness of speeding and speed related issues through Education, Training and Publicity resources.
- 2.2 The Council will make decisions that will reflect the most recent best practice guidelines relevant to speed management in Wales; and
- i. Review and adapt the Council's Speed Management Strategy as new technology, regulations or initiatives become available.
 - ii. Manage efficiently and review sites identified for action on a regular basis, particularly before an activity is withdrawn.
 - iii. Assess representations regarding speed issues by collecting speed and collision data.
 - iv. Refer to the Welsh Road Casualty Reduction Partnership sites displaying a serious traffic speeding problem that require enforcement.
 - v. Carry out all appraisals in a fair and transparent manner.
 - vi. Implement speed management measures that are appropriate to the severity of the problem.
- 2.3 This strategy has been developed to provide a transparent approach to speed management measures and responses to speed related concerns and requests for speed reduction measures. It also compliments the Councils integrated approach to road safety policies, practices and awareness and education campaigns.

- 2.4 The strategy will manage and respond to perceived speed risks by assessing conditions and following through a set of procedures and appraisals that will identify an appropriate response or action.
- 2.5 The outcome will be a safer highway network utilising more targeted resources and the means of clarifying the extent of the issue with a reasoned response. The actions in response to identified issues will include dissemination of results and will operate in parallel and in partnership with enforcement action provided by Gwent Police's Roads Policing Unit and the Wales Road Casualty Reduction Partnership.
- 2.6 Requests for reduced speed limits, traffic calming, safety cameras or variable message signs all relate to speed management. Whilst traffic calming devices are used to improve road safety and the local environment, by attempting to modify behaviour and controlling drivers' speeds to match local conditions, depending on the location, topography and classification of the road this may not be the most appropriate response to a speeding problem.
- 2.7 Traffic calming needs to be considered where there is evidence of motorists exceeding the speed limit and a history of personal injury collisions. On rare occasions traffic calming may be used where there is evidence of traffic using an inappropriate route (rat running) or to mitigate traffic impact on local roads mostly associated with new development.

3.0 STATUTORY DUTIES

- 3.1 The Council receives many complaints about speeding traffic, which arise from concerns about personal safety along streets and roads in our towns, villages and surrounding highway network. Monmouthshire County Council has a duty of care to its residents and highway users to consider and develop policies that respond to matters of concern to the public.
- 3.2 The Council in its capacity as Highway Authority has a legal obligation to carry out duties under section 39 of the 1988 Road Traffic Act, which places a requirement to prepare and implement a programme of measures designed to promote road safety.
- 3.3 The Speed Management Strategy will also contribute to achieving casualty reduction and therefore contribute to the national targets outlined in the Road Safety Framework for Wales. The current casualty reduction target to be achieved by 2020 is based on a reduction when compared with the average casualty figures for the period 2004-2008. This target seeks to achieve:-
- a 40% reduction in the total number of people killed or seriously injured in road accidents;
 - a 25% reduction in the number of motorcyclists killed or seriously injured, and
 - a 40% reduction in the number of children killed or seriously injured; and
- 3.4 The primary legislation for traffic calming is the Highways Act 1980, sections 90A to 90F. Within this legislation it is made clear that road humps can only be constructed on roads

with a speed limit of 30mph or less. This does not preclude the use of other traffic calming techniques on roads with a speed limit above 30mph, but use of any measure should be appropriate to the signed speed limit and the function of the road.

3.5 The relevant Highway Authority is responsible for setting local speed limits under the Road Traffic Regulation Act 1984. National speed limits apply to roads if a local limit has not been made. National limits are:-

- Built up areas with street lighting – 30mph
- Single carriageway roads without street lighting – 60mph
- Dual carriageway roads without street lighting – 70mph
- Motorways – 70mph

3.6 These limits apply to cars. On higher speed roads lower limits sometimes apply to goods vehicles, buses and coaches.

3.7 For motorways and trunk roads, such as the A40, A449, A465 and A4042, Welsh Government is the relevant highway authority. For other roads in Monmouthshire the Council is the highway authority.

3.8 The act specifies a statutory process to be followed, including a period of consultation, before making a Traffic Regulation Order (sometimes referred to as a Speed Limit Order), to introduce a local limit. As well as the aforementioned speeds, limits can be set at 20, 40 or 50mph. Speed limits cannot be introduced by means of an Experimental Traffic Regulation Order.

3.9 In Wales local speed limits are set in accordance with Welsh Government guidance 'Setting Local Speed Limits'. The advice seeks to ensure that limits are set in a consistent way throughout the nation which drivers understand and which promote road safety.

3.10 Appendices 2 and 3 provide more detailed information on the use of different speed limits and signing requirements.

4.0 ENFORCEMENT

4.1 Enforcement of speed limits is an important aspect of the Speed Management Strategy. Enforcement can only be undertaken by the Police, the Council liaises closely with Gwent Police which is supported by the Welsh Road Casualty Reduction Partnership (Go Safe).

- 4.2 Enforcement of traffic law, with its objective of casualty reduction, has to take its place with other calls upon police resources and court time and the amount of police resources dedicated to traffic policing is limited. The Council's Traffic Management Section liaises with Gwent Police regarding specific local problems.
- 4.3 The Welsh Road Casualty Reduction Partnership is a partnership between Police Forces, Welsh local authorities and Welsh Government.

5.0 SPEED MANAGEMENT MEASURES

- 5.1 A variety of measures can be considered to address excessive speed concerns. These are described briefly below:-

Safety Cameras

- 5.2 The Welsh Road Casualty Reduction Partnership carries out an appraisal of all speed complaints it receives, this information is shared with the local authorities. The response will be determined by what is considered to be appropriate and the capacity of the unit to deliver it. The ultimate action is enforcement using safety camera equipment
- 5.3 Safety cameras capable of recording and facilitating prosecutions comprise fixed (static) cameras and mobile cameras. Fixed cameras tend to be located along roads with a poor casualty record and must meet set criteria as directed by central Government.
- 5.4 Mobile cameras must also satisfy certain conditions. There is however some capacity to deploy safety cameras in response to complaints received from the community. These are usually rotated between three or four sites per annum. Those sites that qualify for attention will be reviewed regularly; if there has been a significant improvement or engineering measures implemented at the site then monitoring may cease. This will release capacity for the camera to be deployed elsewhere.

Gwent Police "Your Voice" Initiative

- 5.5 A police initiative to involve local communities in matters of local concern is known as Your Voice. This is a police engagement initiative labelled which embraces the ethos of Neighbourhood Policing. It is the police service's commitment to improving quality of life, by working more visibly and closely with local communities, together with partner agencies, and targeting the issues that local communities identify as those that matter most. Your Voice is intended to empower and involve communities in the decision making process with a view to reducing the fear of crime.

Signing

- 5.8 One option available to the Council is to increase driver awareness by installing signing. This can take the form of conventional warning signs and carriageway markings, or electronic signs such as vehicle activated signs (VAS), variable message signs (VMS) or speed indicator devices (SID). These measures are most appropriate where the problem of excessive speed is less severe.

- 5.9 Vehicle activated, variable message signs and speed indicator devices are mainly used in urban areas or their immediate approaches. Studies indicate that the use of electronic signs can achieve an average reduction in mean speed of 4mph without any change in the speed limit.

Engineering Measures

- 5.10 Engineering measures designed to reduce traffic speed are generally referred to as traffic calming. These can take the form of vertical deflections (speed control humps or cushions), chicanes, carriageway narrowing's, traffic islands etc. These measures are more appropriate to urban areas - vertical deflections are not permitted on roads with a speed limit above 30mph.

Speed Limit Changes

- 5.11 Occasionally analysis of prevailing conditions may suggest that vehicles are travelling at excessive speeds but within the prevailing speed limit. In such instances the limit will be reviewed in accordance with 'Setting Local Speed Limits'. Depending on the outcome the council may propose to reduce the speed limit and undertake consultations in accordance with statutory procedures.

SPEED MANAGEMENT STRATEGY – ACTIVITY MATRIX

- 5.12 The following activity matrix shows the interrelationship in speed management between the Highway Authority, Gwent Roads Policing Unit and Welsh Road Casualty Reduction Partnership (Go Safe).

SPEED MANAGEMENT ACTIVITIES AND RESPONSIBILITIES	Monmouthshire County Council	Gwent Roads Policing Unit	Go Safe
Statutory responsibility for road safety	√		
Speed Complaints	√	√	√
Speed Data Collection	√		√
Traffic Management	√	√	
Setting Local Speed Limits	√		
Traffic Regulation Orders	√		
Enforcement		√	√
Accident remedial and traffic calming engineering measures	√		

6.0 EVALUATION PROCESS

- 6.1 The process for evaluating and responding to concerns about speed is shown in the flow chart (see Appendix 1) and described below.
- 6.2 The initial step is to obtain and analyse speed and collision data. The council has access to the personal injury collision data collated by Welsh Government. In most cases recent speed data will not be available. This will be obtained by placing electronic equipment along the relevant road(s).
- 6.3 Speed records will be collected for at least 24 hours a day over a 7 day period. If relevant, the data will be collected during school terms times.
- 6.4 The results will be analysed to indicate whether or not there is evidence of excessive or inappropriate speed. Speed is considered excessive if the mean speed exceeds the speed limit. Where the mean speed is within the limit it may be considered inappropriate if speeds seem excessive when taking local conditions into account.
- 6.5 The requestor will be informed of the assessment findings and the results will be published on the Monmouthshire website.
- 6.6 If there is no evidence of excessive or inappropriate speeds, no further action will be taken.
- 6.7 Where there is evidence of excessive or inappropriate speeds the following courses of action will be considered.
- i. Refer to Wales Road Casualty Reduction Partnership and local neighbourhood sergeant/inspector in Heddlu Gwent Police.
 - ii. Signing and Educational Measures
 - iii. Engineering Measures
 - iv. Speed Limit Review

The implementation of any measures will be subject to the availability of funding.

Welsh Road Casualty Reduction Partnership (Go Safe)

- 6.8 The Welsh Road Casualty Reduction Partnership, which is branded 'Go Safe', will be informed and requested to consider enforcement action when an excessive speed issue has been identified. The unit will consider the matter in terms of its own independent appraisal process. The action they may take will be determined according to the extent of the problem. The following is an indication of the assessment process and actions considered by the unit:
- Stage 1 – Carry out site assessment
 - Stage 2 – Appraisal of data collected
 - Action 1 – No further action
 - Action 2 – Consideration as an Enforcement site.

- 6.9 Depending on the actions taken by the unit and their effectiveness consideration may subsequently be given to other measures.

Signing (and Educational Measures)

- 6.10 Improved signing can take several forms. In its simplest form it can involve laying 'ARAF/SLOW' carriageway markings, often adjacent to warning signs if these are appropriate. Warning signs would typically inform unfamiliar motorists of a junction, bend, steep hill, pedestrian crossing or traffic signals ahead.
- 6.11 Another option available is to supplement existing speed limit signs with the provision of speed limit roundels on the carriageway where they do not currently exist.
- 6.12 On the approach to communities enhanced town/village nameplate signs combined with contrasting coloured surfacing and/or rumble strips, providing an enhanced gateway feature might be appropriate.
- 6.13 Particularly in 30mph areas vehicle activated signs (VAS) may be appropriate. These can detect the speed of approaching vehicles and be programmed to display a variety of messages, e.g. the speed limit, sometimes accompanied by 'ARAF, SLOW', or the actual vehicle speed, usually shown in red if the speed limit is being exceeded and in green if not. Parameters are generally set so that the unit stops displaying speeds over a specified value i.e. for speed limits of 30mph, the VMS may stop displaying speeds over 45mph. Such devices are considered to be good educational tools for motorists.
- 6.14 A large scale evaluation of VASs carried out in 2002 by TRL (Report TRL 548) found that there is a positive effect on speed and collision reduction. The study found that, 'the average reduction in mean speed where there had been no change in the speed limit was 4 mph'.
- 6.15 Locations will be considered for the introduction of VAS or VMS if the speed data recorded indicates a mean speed exceeding the posted speed limit and there is a history of community concern. It will also be necessary to consider the layout and topography of the road, as such devices are limited in their use as their deployment is typically dependent on their being available street furniture to attach the unit too and also good sight lines in order to allow the unit to detect vehicles.
- 6.16 VAS or VMS display units are not necessarily restricted to one site. To gain maximum benefit one unit may be deployed in rotation at two or more sites.

Engineering Measures

- 6.17 Where the speed data record in an urban area indicates an issue with excessive speed and there is a history of personal injury collisions attributable to speed and/or driver behaviour it may be necessary to consider the location for traffic calming or collision remedial treatment.
- 6.18 Traffic calming schemes can give rise to conflicting views in local communities. Proposals for traffic calming will generally be subject to public and statutory consultation procedures and the views expressed will be reported to members in accordance with the Council's procedures before reaching a final decision whether or not to proceed. The implementation of traffic calming schemes is subject to funding being available.

Speed Limit Review

- 6.19 At locations where the mean traffic speed is within the existing speed limit yet speeds appear excessive given the highway characteristics and surrounding built environment it may be appropriate to review the speed limit. The review will be undertaken in accordance with 'Setting Local Speed Limits'.
- 6.20 One of the objectives of the document is to ensure a consistent approach to setting speed limits throughout the country. The document also reinforces advice in the Highway Code that drivers should not consider speed limits as target speeds and advises against frequent changes of limits. It is not anticipated that speed limit changes would be a frequent response to excessive speed concerns.
- 6.21 If the review suggests, changes to the existing speed limit might be warranted, proposals will be advertised and consultation undertaken with local communities and interested organisations in accordance with statutory requirements. Views expressed during the consultation process will be reported to members in accordance with the Council's procedures before reaching a final decision whether or not to implement changes.

7.0 EVALUATION CRITERIA

- 7.1 The intervention criteria described in the following paragraphs applies to 30 mph speed limits unless stated otherwise.
- 7.2 It is important to note that speed limits are the legally enforceable maximum speed for the road and do not negate the driver's responsibility to travel at a speed appropriate for the prevailing conditions.
- 7.3 Locations will be considered for the introduction of VAS or VMS if the speed data recorded indicates a mean speed exceeding the posted speed limit and there is a history of community concern. It will also be necessary to consider the layout and topography of the road, as such devices are limited in their use as their deployment is typically dependent on their being available street furniture to attach the unit too and also good sight lines in order to allow the units to detect vehicles.
- 7.4 Where speeds are recorded at significantly exceeding the 30mph speed limit, the road or street will be assessed for engineering measures and enforcement.
- 7.5 In a 40 mph limit where speeds are recorded at being significantly excessive an assessment of the appropriateness of the existing limit and will be reviewed in accordance with 'Setting Local Speed Limits'. Traffic calming humps and cushions cannot be provided on a road with a speed limit above 30mph. However horizontal deflections can be considered in certain circumstances.

8.0 MONITORING AND REVIEW

- 8.1 After implementation and allowing for a suitable bedding in period, all measures will be monitored to assess their effectiveness. Where appropriate speed measurements will be repeated at the original site(s), preferably at the same time of year as the original

measurements. If the measures seem to have been ineffective consideration will be given to introducing other measures.

- 8.2 At the end of a programme of VAS or VMS implementation speed data will be collected and the site reviewed. If conditions have improved then the treatment may be withdrawn or undertaken on a rotational basis in conjunction with other sites. The relevant Local Member(s) will be informed. This creates additional capacity to treat other locations which might not otherwise benefit from any initiative.

Process for a Speed-related Concern – Monmouthshire County Council, Gwent Police & GoSafe

1. **Receiving of the Initial Complaint** ~ Monmouthshire CC Highways to be nominated as the Single Point of Contact (SPOC). If a letter or e mail is received by Gwent Police, or the Safety Camera Partnership, the author should be informed that it will be referred to Monmouthshire CC Highways, for a review to be conducted.

Validation of complaint – the complaint will need to be logged via the “My Monmouthshire” system, whereby it will be forwarded from the Traffic Section to the relevant Local Ward Member for their support. Without the support of the Member the complaint will not be processed further.

2. **Undertaking the Initial Assessment** ~ Monmouthshire CC Highways to be responsible for “collating the information, correspondence and evidence” which will involve:

- ✓ Notifying the Police and Go Safe that a concern has been received
- ✓ Advising all correspondents that an assessment will be undertaken and the issue will be judged against the criteria
- ✓ Undertaking the initial assessment
- ✓ Gathering all existing evidence
- ✓ Feeding all available information through the Speed Complaint Assessment Form

Undertaking the initial assessment will begin by reviewing the speeding complaint and any previous complaints made and any resulting outcomes. It will involve dialogue with the Safety Camera Partnership to establish if they have received any complaints, if they have conducted any previous activity or analysis or reviewed the collision data, plus any other factors that should contribute to the review. The Local Neighbourhood Policing teams should also be contacted to identify if the issue was identified as a “Your Voice priority” and to ascertain whether they have received any concerns from residents. The initial assessment is to be undertaken by Monmouthshire CC Highways and will lead to either of the following outcomes:

- a) Gather further evidence to corroborate
- b) Support the request and progress to design and prioritisation

3. **Corroboration of evidence** ~ requires multi-agency input from Safety Camera Partnership and the Local Neighbourhood Policing team.

Corroboration of evidence will entail gathering the following information:

- Accident statistics
- 'Near Miss' and minor collision statistics (members and local councils to provide this)
- Speed analysis monitoring (Go Safe to deploy equipment and undertake the analysis)
- Speed camera readings
- Outcome of Speed Complaint Assessment Form

GoSafe (AWCRP) has had an effective speed analysis method in place for several years supported by Welsh Government software, which provides detailed information to assist the decision as to whether further activity should be undertaken. This approach is applied consistently across Wales and provides a statistical underpinning to the response to justify/or otherwise whether further action is required. The proposal is that Go Safe will undertake the speed analysis and that the outcome will enable the concern being "scored" as follows:

- **Green** – Insufficient grounds/evidence to conduct further activity
- **Amber** – The "complaint" has merit and requires further work
- **Red** – A review/multi agency problem solving meeting should be held as soon as practicable to agree a response

Once a speed concern has been scored, Traffic Engineers will undertake a risk assessment, applying the evidence received.

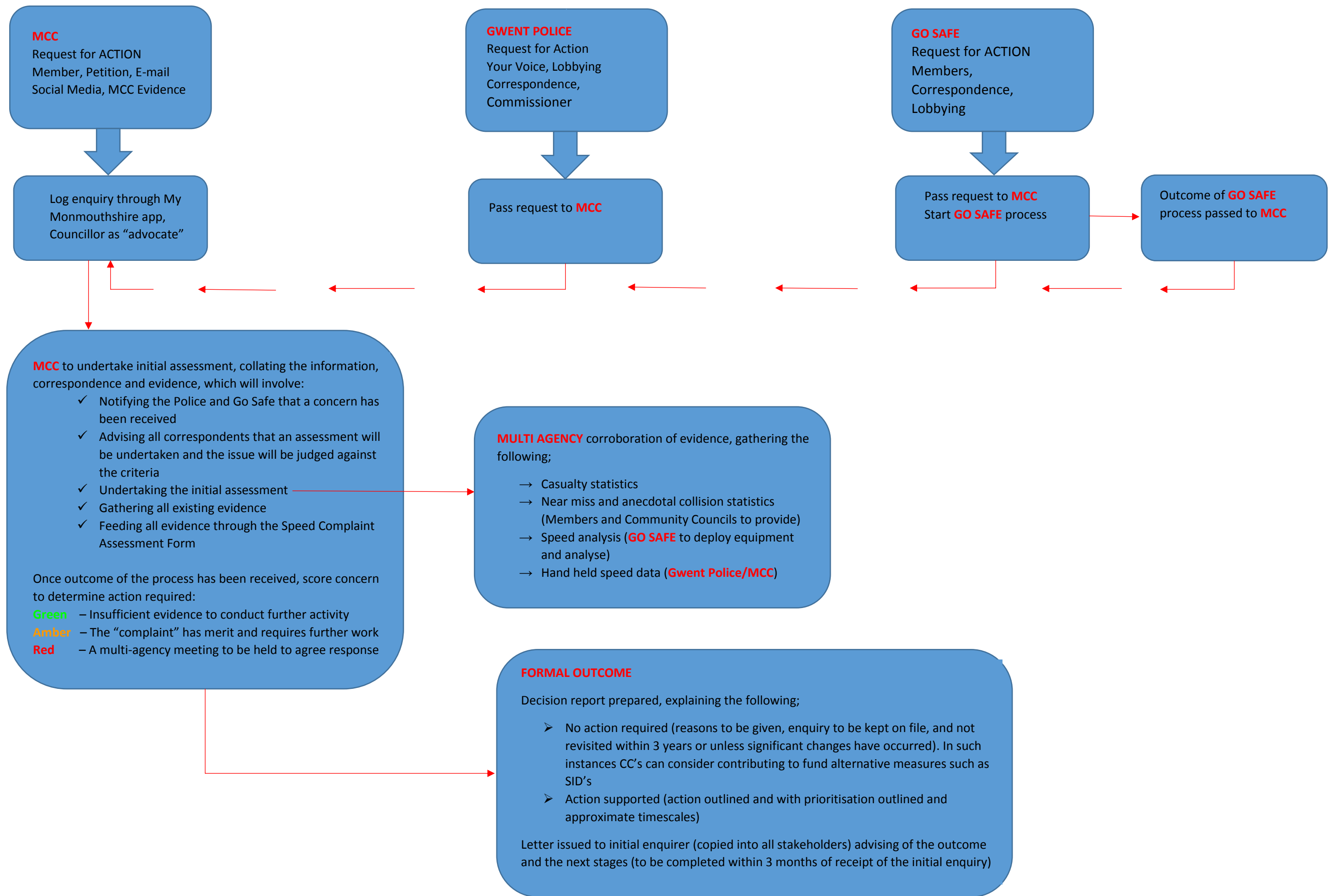
4. The Response ~ the formal response to be given by Monmouthshire CC Highways, following agreement by Go Safe and the Police. Once the information/data has been coordinated:

- If there is insufficient evidence to support that speeding is an issue and reason to conclude that it relates to the perception of residents, then this needs to be explained to the person raising the concern.
- If the analysis has supported the speeding concern, then a multi-agency meeting will be required to determine what activity will be carried out and by which organisation.
- If action is supported, an action plan should be developed and prioritisation given.

- A formal letter should be sent by Monmouthshire CC Highways to all correspondents advising them of the outcome of the review and the next stages and this should be completed within 3 months of receipt of the first correspondence.

The response process will consider 'education' (any covert speed analysis or Community Speed Watch should form part of 'education'), 'engineering', with 'enforcement' as the last resort. If 'education' and 'engineering' have been implemented and analysis still evidences that speed is a problem, then 'enforcement' will be required (the capacity for Community Safety Officers and Police, both neighbourhood and ASU, to conduct enforcement would need to be determined). Communities may feel that the only response to an issue of speeding is 'enforcement', however, unless the Safety Camera Partnership or a Police Officer is available to conduct the enforcement activity, this approach is usually only successful at the time that the activity is carried out. The response should ideally have a long-term effect on any motorist who receives penalty points, which is why 'enforcement' should be deemed the last resort in terms of response to a concern.

It may not be possible to devote the resources, or funds to reach a satisfactory conclusion and the community will need to be informed of the work undertaken and the response.



SPEED LIMIT CONSIDERATIONS

Drivers have a an overall responsibility to drive carefully and safely, in accordance with the prevailing highway features and traffic conditions, which can frequently mean travelling at speeds considerably lower than the signed limit. The Highway Code reaffirms that speed limits indicate the maximum speed – they are not target speeds.

Speed limits should be self-explaining and seek to reinforce people's assessment of what is generally a safe speed to travel and hence encourage self-compliance.

Several factors are taken into account in the assessment of a road or area for a speed limit. These include:-

- The general character of the road and locality
- Type and extent of roadside development
- Traffic composition
- Collision history
- Current traffic speeds
- Suitability for speed enforcement
- Frequency of junctions
- Presence of amenities that attract pedestrians and cyclists
- Levels of vulnerable road users

Environmental impacts such as increased journey times, vehicles emissions, and the visual impact of the signing. To be effective and influential a speed limit depends on drivers responding to these factors, particularly those with a visual impact. The speed limit should provide a key indication of the nature of the road or area and the activity of motorised and non-motorised road users. In this sense, the speed limit should fit the location and be self-enforcing so that the majority of drivers keep to the limit with minimal police intervention.

Speed limits are most likely to be adhered to where the existing average traffic speeds are close to the proposed speed limit. Where a lower limit is proposed for safety reasons then additional measures may need to be considered to physically control speeds and improve compliance.

In some instances the vast majority of traffic may already be travelling at speeds some way below the existing limit. Such situations usually arise where road geometry or general character of the road naturally constrain vehicle speeds. In these instances there is likely to be little merit or benefit in reducing the speed limit unless other safety concerns are apparent.

Speed Limit Signing

The principles of signing speed limits are well established. At locations where the limit changes 'terminal' signs are installed on both sides of the road to indicate the limit on the section of road the driver is about to enter.

Where one of the national limits applies no other signing is provided. In an urban area with street lighting the presence of street lighting columns indicate the existence of a 30mph limit.

In such situations authorities are specifically prohibited from installing 'repeater' signs. Likewise repeater signs are not provided on rural roads without street lighting if the national speed limit applies.

However if a local limit is introduced then repeater signs are provided alternately on either side of the road. For example, if a local limit of 30mph is introduced on a road without street lighting then '30' repeater signs are installed. Repeater signs have to be provided where the limit is 40 or 50mph. If repeater signs are not provided in accordance with current guidance the speed limit may not be enforceable.

Urban Speed Management

Urban roads support a complicated mix of commercial and residential areas and spaces. They must accommodate a range of traffic and travel methods, including non-motorised road users. Most urban roads have a 30 mph speed limit. Higher speed limits may be appropriate on higher quality suburban roads or those on the outskirts of urban areas where there is minimal residential development.

Lower speeds are important for encouraging cyclists and other non-motorised users. Introducing a lower speed limit on its own will not necessarily result in changes to driver behaviour, and other measures may need to be considered to encourage drivers to adjust their travelling speeds.

Rural Speed Management

Rural road characteristics often naturally restrict or prevent the use of elevated vehicle speeds. In rural areas, roads accommodate many community, recreational and local access functions. The characteristics are unique and speed limits, including the national speed limit, take account of the rural geometry, environmental impact and community objectives in and around villages and other rural centres.

Many rural roads are subject to the national speed limit of 60 mph, some of which are narrow single track lanes. The majority of drivers will not drive at this speed because the geometric characteristics naturally prevent higher speeds. In such cases a lower limit is unlikely to have any benefit. In general, lower limits on rural lanes will only be considered where there have been injury collisions, or where the road has an 'A' or 'B' classification and there are properties fronting the road.

The impact of signing can be an important consideration in rural areas when assessing new speed limits, particularly in hamlets and villages with historic buildings and settings. The environmental intrusion of signs has become an increasing concern with various bodies campaigning against sign 'clutter'.

1.0 20 MPH LIMITS AND ZONES

- 1.1 Whilst 20mph speed limits can be introduced ‘Setting Local Speed Limits’ recommends these are only appropriate when the mean speed of traffic is recorded at or below 20mph in such instances a 20mph limit can be implemented with supporting 20mph repeater signing. An alternative to a 20mph speed limit is a 20mph zone, where engineering works are undertaken to physically restrict speeds to 20mph. In this situation 20mph repeater signs are not required.
- 1.2 The Councils aim is to introduce 20mph speed limits or zones in proximity to all primary school entrances throughout the County, this aligns with Welsh Government aspirations. To date 20 mph zones have been implemented around some schools as a consequence of specific concerns or in conjunction with new school developments.
- 1.3 Collisions predominately resulting in child/pedestrian/cyclist casualties have not been noted to cluster around schools. Nevertheless, reducing the generic speed of traffic will improve the safety of the school journey and reduce concerns regarding children’s safety. It may also help to encourage modal shift to sustainable forms of transport.
- 1.4 It is proposed to prioritise the implementation of 20mph Zones/Limits around all schools to:-
- Locations with a record of pedestrian injury collisions that are school related
 - Schools that have developed a School Travel Plan (See below)
- A school travel plan will achieve a number of objectives:-
- It will allow identification of problems experienced during the journey to school.
 - It will help to encourage active participation in the development and ownership of a sustainable transport strategy within communities.
 - Raise awareness of road safety education and travel choices, and encourage more walking and cycling and reduce car journeys.
- 1.5 The prioritisation of 20 mph zones to areas supported by a School Travel Plan will allow the safety improvements to be supported by Education, Training and Publicity (ETP) initiatives that provide road safety learning opportunities. Holistic management of road safety problems within communities will provide opportunities to promote ETP, healthy lifestyles and encourage sustainable travel.
- 1.6 It is also important to encourage ownership by the school, thereby maximising the benefits of 20 mph zones in the context of a safer routes in the community approach.

- 1.7 20mph limits or zones remote from schools will only be considered for locations where there is a primary attractor for concentrated numbers of vulnerable road users, such as a leisure complex or local shopping centre/facilities. Generally these will have a lower priority than school locations.

- 1.8 The Highway Authority is consulted on new development proposals, and promotes local road design which encourages appropriate traffic speeds in accordance with current design guidance. New Developments are usually designed to keep vehicle speeds at or below 20 mph on residential streets, unless there are overriding reasons for accepting higher speeds. However it is not usual practice to introduce formal 20mph limits in such situations, which would result in a plethora of traffic signs in the urban landscape.

This page is intentionally left blank

MCC Speed Management Policy

Agenda

- Purpose of the Speed Management Policy
- Results of feedback from previous Road Safety workshop
- Sum Up; Questions & Close

MCC Speed Management Policy

Purpose of the Speed Management Policy

To set out the Council's approach to speed management in the County in order to:

- Make a significant contribution to reducing inappropriate vehicle speeds within the County.
- Ensure the Council operates within the statutory requirements of Highway Authorities.
- Advise Local Members, residents and highway users in a transparent way on how concerns about speeding traffic will be considered and dealt with.
- Make best use of limited resources via evidence led decisions that are proportionate to the problem and level of risk
- Increase awareness of speeding and speed related issues through Education, Training and Publicity resources.

MCC Speed Management Policy

- Who has responsibility for “speed” issues within the County?
- The Council can make traffic regulation orders to dictate/control what speed motorists travel at.
- The Police have overall responsibility for enforcing the speed limits.
- Go Safe (formerly the Safety Camera Partnership) undertake the physical enforcement via static and mobile speed cameras

MCC Speed Management Policy

- Why are we promoting this?
- It has been determined that when raising speed related concerns, members of the public have 3 distinct options in terms of where they direct their issue. MCC, Gwent Police & Go Safe. It was found that if they did not receive a favourable response from 1 partner they would try a different avenue, ultimately, searching for support.
- The speed management policy attempts to rationalise the speed concern process by creating a single point of contact for all 3 organisations, namely the Traffic section of MCC.

MCC Speed Management Policy

- Once an enquiry is received by the Traffic Section, an initial review will be conducted.
- Forwarding to the relevant Local Elected Member to gain their support - without member support the enquiry will not be progressed further
- Notifying partners that an enquiry has been received
- Advising all correspondents that an assessment will be undertaken

MCC Speed Management Policy

- Gathering all existing evidence - speed/volume/classification data, casualty data, near miss/minor collisions, any previous complaints.
- All evidence will be entered into an assessment form
- Upon completion of the assessment the enquiry will be ranked in line with the following;
 - Green - Insufficient grounds/evidence to conduct any further activity
 - Amber - The “complaint” has merit and requires further work
 - Red - A review/multi agency problem solving meeting to be held to agree a response

MCC Speed Management Policy

This process will be followed for all speed complaints/enquires, such as specific “location” excessive speed complaints and requests for a lower overall speed limit.

MCC Speed Management Policy

Results of RS Workshop

- Agreement that MCC be nominated as the SPOC for all speeding enquiries.
- A log number to be issued for any enquiry made - My Monmouthshire will be developed to accommodate this
- All enquiries for speed related issues will need to go through My Monmouthshire
- A robust scoring mechanism needs to be developed in order to be clear to the public how cases have been scored - An assessment form has been developed which includes local issues along with casualty and speed data

MCC Speed Management Policy

- A risk assessment based approach needs to underpin the scoring system - all local needs have been included within the assessment form
- Average speed limits, who sets these? What if detailed analysis shows high speeds with a low average speed? - there are no such things as average speed limits, however, average speed cameras can enforce vehicles exceeding a set speed limit over a longer length of road. Unfortunately, we are unable to address motorists who disregard posted speed limits, the average speed recording gives the Authority a good indication of the speeds being used by the majority of motorists.

MCC Speed Management Policy

- **How can we effectively capture local knowledge and data** - Local member support is essential, the local member will seek to validate any enquiry within their own communities

Town & Community Councils can contribute to providing road safety measures - The Traffic Section are more than happy to listen and work with community groups, this information should be collated via the Local Member who validates the request.

MCC Speed Management Policy

- The risk assessment should be published to provide transparency about the decision making process. - A detailed response will be provided to all enquiries and published on the website.
- Hand held speed data not considered effective, tubes give a more accurate reflection of speeds. - Tubes are normally used to determine travelling speeds.
- Should the multi agency group should include lay people - this is not considered appropriate, professional Engineers, Police Officers have significant experience in determining speeding issues and suggesting potential solutions

MCC Speed Management Policy

- Any petition submitted should include a minimum number of signatures, to date petitions that have been referred to Area Committees have resulted in no action - All enquiries regarding speeding will be logged via My Monmouthshire, resulting in the process being commenced, this should include any petitions received. All petitions will be reported to Members.
- The outcome and reasoning behind any decision needs to be both transparent and readily available to the complainant and the public - All enquiries will be determined in accordance with the agreed process and results fed back to the complainant via My Monmouthshire and the Local Member

MCC Speed Management Policy

- The outcome report should (where possible) contain some positive approaches that communities could consider if no actions are planned. E.g. community speed watch or improving signage to village entrances CC's may be able to contribute towards funding - All potential solutions to an issue will be considered as part of the process, the Authority is more than happy to work with Communities to achieve lower travelling speeds where necessary.
- Not all about speeding but the setting of speed limits which appear inconsistent across the County - The Authority will consider local speed limits in line with current guidance, this will form part of the overall process

MCC Speed Management Policy

- Flashing signs which show speeds being used are considered more effective than actual speed limit reminders - the Authority are currently looking at replacing old, faulty or ineffective VAS units with SID units.
- Some villages could be remedied through Engineering solutions, reducing visibility at roundabouts to reduce travelling speeds - all available solutions will be considered as part of the process
- CC's are often given lack of funding as a reason for lack of signage. CC's could pay if it didn't meet criteria or local businesses could sponsor - the Authority will be happy to consider outside funding providing any solutions are appropriate

MCC Speed Management Policy

- Need for temporary signs to say “ we are collecting data for this area” to remind motorists and to reassure communities that action is taking place -
The collecting of data should be covert as possible thereby, gaining an accurate picture of speeds being used
- Requirement for an appeals process when the decision not to proceed has been determined.
The speed management working group which consisted of elected members, Police Officers and Council Officers determined that an appeals process is not required due to the robust process that will be followed.

MCC Speed Management Policy

Questions?

**MONMOUTHSHIRE COUNTY COUNCIL
SPEED COMPLAINT ASSESSMENT**

Origin of Request

Contact Name:		Contact Email:	
Contact Address:		Contact Ph No:	
Date Info received:			
Nature of Problem:			

Road Information & Speed Survey

Road Name/Number:		Speed Survey Method:	
Road Owner:		Date of Survey (From):	
Location type:		Date of Survey (To:)	
Speed Limit:		Location of Survey(s)	
Traffic Calming Present?		Eastings:	
Details of Traffic Calming:		Northings:	
		Eastings:	
		Northings:	
		Location Description:	
		Ref Speed Survey:	
		Speed Data	
		85th%:	Av Speed:
		%> Speed limit +15mph:	Daily traffic vol:
		95th%:	% Over speed limit:
TRO?		Peak Speeding Time(s)	
Details of any Seasonal issues?			
		Link to Speed Stats	

Collision History

Collision reporting Period From:		No of KSI's:		Total no of Casualties:	
To:		No of Slight's:		No of Pedestrian Casualties:	
Total No. of Months		Total Collisions:		Other Rd user Casualties:	
Collision Reporting Location:		Increasing trend of collisions?			
Eastings:		How many of the above RTC's have Speed as a Causation Factor?			
Northings:		Any anecdotal/near miss evidence?			
No. of Fatal Casualties		No. of Collisions involving a Pedestrian (KSI & Slight)			
No. of Serious Casualties		No. of KSI Collisions involving a Child			
No. of Slight Casualties		No. of Slight Collisions involving a child			
No. of Pedestrian KSI Casualties					
No. of Child KSI Casualties					

Other Offences

Potential "Other Offences Location?		Type of Other Offences?	
Complaints of Anti-Social Driving?		Popular Young Drivers location?	
Source of Intel on ASB/ Other Offences?		Details of Location frequented by Young Drivers:	
Other Relevant Information:			

Scoring of Risk Factors

Please consider how many risk factors are in this location:

	Does this present a	
	Casualty Risk	Score
Pre Schools/School(s)/Colleges		
Hospital (s)/ Recreation / Public bldgs not listed elsewhere		
Public Houses		
Farms,Building Sites/Quarries,Slow Moving/Heavy Vehicles		0
Shops/Cafes/Restaurants/Banks/Post Offices/Building Societies etc		0
Filling stations on a high speed road?		0
Filling Stations on an isolated road		0
Tourist Attractions/Facilities/Caravan/Campsites		0
Presence of Cycle Paths/Public Footpaths		0
Cycle paths/Public Footpaths Intermittent or absent or path crosses road without any crossing facilities		0
Bus Stops		0
Residential Housing/Care Homes/Sheltered Accomodation		0
Known Young Driver Route		0
Know Motorcycle route		0
Other risk factors (Not Scored , For Info only)		
Total Risk Factor Score		0

Score Outcomes

Collision Score	0	Notes:
Speed Score	-15	
Risk Score	0	
Total Score	-15	
Outcome:	#N/A	
Long Term RAG Status	#N/A	

Sights		Total Score	RAG Status
No Of Slight	Score		
0	0	0 Green - No further Action	30
1	1	1 Green - No further Action	31
2	2	2 Green - No further Action	32
3	3	3 Green - No further Action	33
4	4	4 Green - No further Action	34
5	5	5 Green - No further Action	35
6	6	6 Green - No further Action	36
7	7	7 Green - No further Action	37
8	8	8 Green - No further Action	38
9	9	9 Green - No further Action	39
10	10	10 Green - No further Action	40
11	11	11 Green - No further Action	41
12	12	12 Green - No further Action	42
13	13	13 Green - No further Action	43
14	14	14 Green - No further Action	44
15	15	15 Green - No further Action	45
16	16	16 Green - No further Action	46
17	17	17 Green - No further Action	47
18	18	18 Green - No further Action	48
19	19	19 Green - No further Action	49
20	20	20 Amber - Further work required	50
21	21	21 Amber - Further work required	51
22	22	22 Amber - Further work required	52
23	23	23 Amber - Further work required	53
24	24	24 Amber - Further work required	54
		25 Amber - Further work required	55
		26 Amber - Further work required	56
		27 Amber - Further work required	57
		28 Amber - Further work required	58
		29 Amber - Further work required	59
		30 Amber - Further work required	60
		31 Amber - Further work required	61
		32 Amber - Further work required	62
		33 Amber - Further work required	63
		34 Amber - Further work required	64
		35 Amber - Further work required	65
		36 Amber - Further work required	66
		37 Amber - Further work required	67
		38 Amber - Further work required	68
		39 Amber - Further work required	69
		40 Amber - Further work required	70
		41 Amber - Further work required	71
		42 Amber - Further work required	72
		43 Amber - Further work required	73
		44 Amber - Further work required	74

45 Amber - Further work required	75
46 Amber - Further work required	76
47 Amber - Further work required	77
48 Amber - Further work required	78
49 Amber - Further work required	79
50 Red - Multi agency meeting	80
51 Red - Multi agency meeting	81
52 Red - Multi agency meeting	82
53 Red - Multi agency meeting	83
54 Red - Multi agency meeting	84
55 Red - Multi agency meeting	85
56 Red - Multi agency meeting	86
57 Red - Multi agency meeting	87
58 Red - Multi agency meeting	88
59 Red - Multi agency meeting	89
60 Red - Multi agency meeting	90
61 Red - Multi agency meeting	91
62 Red - Multi agency meeting	92
63 Red - Multi agency meeting	93
64 Red - Multi agency meeting	94
65 Red - Multi agency meeting	95
66 Red - Multi agency meeting	96
67 Red - Multi agency meeting	97
68 Red - Multi agency meeting	98
69 Red - Multi agency meeting	99
70 Red - Multi agency meeting	100
71 Red - Multi agency meeting	101
72 Red - Multi agency meeting	102
73 Red - Multi agency meeting	103
74 Red - Multi agency meeting	104
75 Red - Multi agency meeting	105
76 Red - Multi agency meeting	106
77 Red - Multi agency meeting	107
78 Red - Multi agency meeting	108
79 Red - Multi agency meeting	109
80 Red - Multi agency meeting	110
81 Red - Multi agency meeting	111
82 Red - Multi agency meeting	112
83 Red - Multi agency meeting	113
84 Red - Multi agency meeting	114
85 Red - Multi agency meeting	115
86 Red - Multi agency meeting	116
87 Red - Multi agency meeting	117
88 Red - Multi agency meeting	118
89 Red - Multi agency meeting	119
90 Red - Multi agency meeting	120
91 Red - Multi agency meeting	121
92 Red - Multi agency meeting	122
93 Red - Multi agency meeting	123
94 Red - Multi agency meeting	124

95 Red - Multi agency meeting	125
96 Red - Multi agency meeting	126
97 Red - Multi agency meeting	127
98 Red - Multi agency meeting	128
99 Red - Multi agency meeting	129
100 Red - Multi agency meeting	130
101 Red - Multi agency meeting	131
102 Red - Multi agency meeting	132
103 Red - Multi agency meeting	133
104 Red - Multi agency meeting	134
105 Red - Multi agency meeting	135
106 Red - Multi agency meeting	136
107 Red - Multi agency meeting	137
108 Red - Multi agency meeting	138
109 Red - Multi agency meeting	139
110 Red - Multi agency meeting	140
111 Red - Multi agency meeting	141
112 Red - Multi agency meeting	142
113 Red - Multi agency meeting	143
114 Red - Multi agency meeting	144
115 Red - Multi agency meeting	145
116 Red - Multi agency meeting	146
117 Red - Multi agency meeting	147
118 Red - Multi agency meeting	148
119 Red - Multi agency meeting	149
120 Red - Multi agency meeting	150
121 Red - Multi agency meeting	151
122 Red - Multi agency meeting	152
123 Red - Multi agency meeting	153
124 Red - Multi agency meeting	154
125 Red - Multi agency meeting	155
126 Red - Multi agency meeting	156
127 Red - Multi agency meeting	157
128 Red - Multi agency meeting	158
129 Red - Multi agency meeting	159
130 Red - Multi agency meeting	160
131 Red - Multi agency meeting	161
132 Red - Multi agency meeting	162
133 Red - Multi agency meeting	163
134 Red - Multi agency meeting	164
135 Red - Multi agency meeting	165
136 Red - Multi agency meeting	166
137 Red - Multi agency meeting	167
138 Red - Multi agency meeting	168
139 Red - Multi agency meeting	169
140 Red - Multi agency meeting	170
141 Red - Multi agency meeting	171
142 Red - Multi agency meeting	172
143 Red - Multi agency meeting	173
144 Red - Multi agency meeting	174

145 Red - Multi agency meeting
146 Red - Multi agency meeting
147 Red - Multi agency meeting
148 Red - Multi agency meeting
149 Red - Multi agency meeting
150 Red - Multi agency meeting

Public Document Pack Agenda Item 10

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Severnside Area Committee held
at Undy Church and Community Hall, Church Road, Undy, Caldicot. NP26 3EN on
Wednesday, 24th October, 2018 at 10.00 am**

PRESENT: County Councillors: J. Higginson, L. Guppy, A.Davies and L.Dymock

OFFICERS IN ATTENDANCE:

Nicola Perry	Senior Democracy Officer
Roger Hoggins	Head of Operations
Christian Schmidt	Transport Planning and Policy Officer
Andy Smith	Strategic Investment and Funding Manager

1. Declarations of Interest

There were no declarations made by Members.

2. Confirm and sign the minutes of the previous meeting

The minutes of the meeting held on 9th July 2018 were confirmed and signed by the chair.

In doing so it was noted that Counillor Alan Davies had been appointed as Vice Chair. Counillor Guppy had given apologies.

3. Public Open Forum

Counillor Frank Rowberry raised concerns regarding the Cross at Caldicot specifically relating to the upcoming Remembrance Service. The Head of Operations will take the concerns back to officers and seek assurance that the work will be finished.

4. Town Team Update

Town Centre Seating

Two of the new seating areas are in place, one between Asda and Waitrose, and one on the flagstone area outside Waitrose, Another two areas are to be looked at on a future date.

Street Food

There had been over 1500 people attending over the course of two events. Local businesses had benefitted from a boost in profits. Town Team are looking to expand these events next year.

Family Fun Day / 999 Day

Again, these events had been successful with a good turn-out. Town Team are looking to run these events again next year.

Hoggin the Bridge

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Severnside Area Committee held at Undy Church and Community Hall, Church Road, Undy, Caldicot. NP26 3EN on Wednesday, 24th October, 2018 at 10.00 am

The event had been a success, with no congestion. The new venue shows lots of potential. Figures were being finalised but it was confirmed that Section 106 Funds had not been used.

There had been significantly less bikers than previous years, mainly due to clashing with the Distinguished Gentlemen Ride event. Town Team are looking at dates for next year to avoid the same happening.

The new route had proved successful, and they would look to put on a shuttle bus for next year's event.

There had been some negative comments on social media, but there had been a great deal of positivity, and the majority were happy with the event. The main focus was the valid concerns of those who had attended.

Upcoming Events

Winter Market – maybe indoors weather permitting, in the Store 21. It was confirmed that Aldi or Lidl would not be moving into this space.

Christmas Market and Light Switch On.

Quiz night for local businesses and public – opportunity for a Council team?

A full report on expenditure would be ready in the next few weeks.

Car Care are moving premises to the large Concord unit imminently.

5. Area Grants

The Committee welcomed Andy Smith, Strategic Investment and Funding Manager who advised that since the last meeting there had been just one application, which had unfortunately been ineligible. Alternative suggestions had been offered but the officer was unsure if the alternative sources had been utilised.

Statistics are being collated, and a report will be presented to Cabinet in due course.

It was confirmed that the £5000 area grant allowance is still in place, and applications are welcomed. The officer agreed to provide further information to Members to aid the application process.

Members were reminded that PTAs can apply for the grant on behalf of schools.

6. Road Safety/Traffic Update

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Severnside Area Committee held at Undy Church and Community Hall, Church Road, Undy, Caldicot. NP26 3EN on Wednesday, 24th October, 2018 at 10.00 am

The Head of Operation attended to address traffic issues, and referred to the Capita B4245 Traffic and Transportation Review Road Safety Report. He advised that the Paul Keeble, Group Engineer, would be best placed to respond, but was unable to attend the meeting.

We were advised there is a second report due to be issued and it was advisable to consider both reports together.

MAGCP expressed frustrations regarding speed watch equipment, and thoughts that police were being obstructive. Councillor Dymock agreed to write to the PCC on behalf of MAGCP.

7. Magor Station Update

We welcomed Paul Turner and Christian Schmidt who provided an update on Magor Station.

We were informed that a small number of residents were concerned with car parking but the group were aiming to change culture and mindset. A study will be undertaken to mitigate problems.

GRIP 3 was progressing, and a recent publicity event had seen a good turn out with speakers, Sophie Howe, Paul Matthews and Kellie Beirne. People had seemed impressed. It was hoped that Network Rail will complete their GRIP 3 work by March 2019. GRIP 4 is detail and design stage, 6,7 and 8 will be construction and delivery.

Transport for Wales is working on a South Wales main line study, and are aware of Magor Station and assume it will happen.

The station will be DDA compliant.

In terms of prevention of funding, it is a competitive bidding system, but there is a lot of political support.

The Committee will remain updated.

8. Confirm date and time of next meeting as 10am on 23rd January 2019

Noted.

The meeting ended at 11.10 am

This page is intentionally left blank