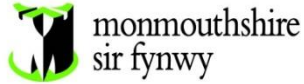


Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 11 October 2022

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **County Hall, Usk** on **Wednesday, 19th October, 2022, at 5.00 pm.**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. COMMUNITY AND CORPORATE PLAN 1 - 26
Division/Wards Affected: All
Purpose: To seek endorsement of a new Corporate and Community Plan that sets the direction for the council and county of Monmouthshire, articulating the authority's purpose, principles and priorities alongside some of the steps we will take to deliver these.
Author: Matthew Gatehouse, Head of Policy Performance and Scrutiny
Contact Details: matthewgatehouse@monmouthshire.gov.uk
4. REVENUE & CAPITAL BUDGET MONITORING 2022/23 MONTH 4 FORECAST 27 - 72
Division/Wards Affected: All
Purpose: The purpose of this report is to provide Members with information on the Authority's financial forecasts for the 2022/23 financial year in respect of the revenue budget, capital programme, and associated reserves position.
Author: Jonathan Davies, Assistant Head of Finance (Deputy S151 officer)
Contact Details: jonathandavies2@monmouthshire.gov.uk
5. REGIONAL PARTNERSHIP BOARD - GWENT MARKET POSITION STATEMENT 73 - 136

Division/Wards Affected: All

Purpose: To provide Cabinet with a 'Market Stability Report' (MSR) produced by the Regional Partnership Board setting out a high-level overview and assessment of the overall sufficiency of care and support, and of the stability of the market for regulated services within Gwent to comply with Section 9 of the Social Services and Wellbeing (Wales) Act 2014.

Author: Phil Diamond Head of Regional Partnership Team; Mark Saunders, Regional Service Manager – Regional Partnership Team

Contact Details: phil.diamond@torfaen.gov.uk
Mark.saunders@torfaen.gov.uk

6. PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2021/22 137 - 150

Division/Wards Affected: All

Purpose: The purpose is to fulfil the expectation of the Public Services Ombudsman for Wales that their report is brought to the attention of Cabinet

Author: Annette Evans, Customer Relations Manager

Contact Details: annetteevans@monmouthshire.gov.uk

7. LAND ADJACENT TO CALDICOT COMPREHENSIVE SCHOOL - HOUSING DEVELOPMENT OPPORTUNITY 151 - 168

Division/Wards Affected: All

Purpose: To seek approval to proceed with the disposal of land at Caldicot Comprehensive School, for the development of 100% affordable housing.

Author: Nicholas Keyse – Estates Development Manager

Contact Details: nicholaskeyse@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Ward
Mary Ann Brocklesby	<p>Leader Lead Officer – Paul Matthews, Matthew Gatehouse</p> <p>Whole Authority Strategy and Direction Whole authority performance review and evaluation Cardiff City Region Joint Cabinet Regional working Government relations WLGA, LGA and Public Service Board</p>	Llanelly
Paul Griffiths	<p>Cabinet Member for a Sustainable Economy and Deputy Leader Lead Officer – Frances O’Brien</p> <p>Economic resilience and Sustainability focus towards foundational economy Local Development Plan and Strategic Development Plan Town Centre and neighbourhood investment and Stewardship Development Management and Building Control Skills and Employment including green jobs and apprenticeships Broadband connectivity Trading Standards, Environmental Health, Public Health, Licensing Registrars Service</p>	Chepstow Castle & Larkfield
Rachel Garrick	<p>Cabinet Member for Resources Lead Officers – Peter Davies, Frances O’Brien, Matthew Phillips, Jane Rodgers</p> <p>Finance Developing and proposing the budget to Council Digital and Information technology Benefits Human Resources, Payroll, Health and Safety Strategic Procurement – promoting localism Land and Buildings Property Maintenance and management Fleet Management Emergency Planning</p>	Caldicot Castle

Martyn Groucutt	<p>Cabinet Member for Education Lead Officers – Will McLean, Ian Saunders</p> <p>Early Years Education All age statutory education Additional learning needs / Inclusion Post 16 and adult education School Standards & Improvement Community learning 21st Century Schools Programme Youth service</p>	Lansdown
Sara Burch	<p>Cabinet Member for Inclusive and Active Communities Lead Officers – Frances O'Brien, Ian Saunders, Jane Rodgers, Matthew Gatehouse</p> <p>Affordable Housing Strategy Homelessness Community Safety Active Travel Leisure Centres Play and Sport Tourist Information, Museums, Theatres, Attractions Public Rights of Way</p>	Cantref
Tudor Thomas	<p>Cabinet Member for Social Care, Safeguarding and Accessible Health Services Lead Officer – Jane Rodgers</p> <p>Children's services Fostering & adoption Youth Offending Service Adult Services Whole authority safeguarding (children and adults) Disabilities Mental Health and wellbeing Relationships with health providers and access to health provision Welsh language</p>	Park
Catrin Maby	<p>Cabinet Member for Climate Change and the Environment Lead Officer – Frances O'Brien, Matthew Gatehouse</p> <p>Decarbonisation Transport Planning Local Food production, consumption and procurement including agroforestry and local horticulture Traffic network planning Public Transport Highways Pavements and back lanes</p>	Drybridge

	<p>Flood alleviation, management and recovery, river quality Waste management Street care, litter and public spaces Countryside and Biodiversity Public conveniences</p>	
<p>Catherine Fookes Angela Sandles</p>	<p>Cabinet Member for Equalities and Engagement (Job Share)</p> <p>Lead Officers – Frances O’Brien, Matt Phillips, Matthew Gatehouse</p> <p>Community inequality (health, income, nutrition, disadvantage, discrimination, isolation) Democracy promotion and citizen engagement Community Hubs and Contact Centre Customer service and citizen experience Communications, public relations, marketing Working with voluntary organisations Electoral Services Constitution Review Ethics and Standards</p>	<p>Town Magor East with Undy</p>

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.

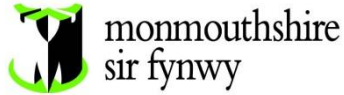
Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what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

Kindness: We will show kindness to all those we work with putting the importance of relationships and the connections we have with one another at the heart of all interactions.

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SUBJECT: Community and Corporate Plan

MEETING: CABINET

DATE: 19th October 2022

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To seek endorsement of a new Community and Corporate Plan that sets the direction for the council and county of Monmouthshire, articulating the authority's purpose, principles and priorities alongside some of the steps we will take to deliver these.

2. RECOMMENDATIONS:

- 2.1 That Cabinet endorse the Community and Corporate Plan prior to its approval by Council.
- 2.2 That Cabinet endorse the adoption of the six goals in the plan as the Council's Well-being Objectives in accordance with the requirements of the Well-being of Future Generations Act.

3. KEY ISSUES:

- 3.1 Following the elections in May 2022, the new Cabinet began to articulate the biggest challenges and opportunities facing the county. Starting with a series of collaborative workshops, high-level political ambition has been converted into a whole authority strategic plan that sets the direction for the organisation for the coming years.
- 3.2 The plan has been produced against the backdrop of economic uncertainty with the council facing rising energy prices, inflation and escalating borrowing costs alongside increased demands in areas such as children's services, adult social care, homelessness, additional learning needs and home to school transport. These challenges are on a scale we have not seen before.
- 3.3 The ambition outlined in the document looks to the long-term and is focused on the well-being of current and future generations. The actions cover the first steps of the journey and will be reviewed alongside the development of the council's new medium-term financial plan to make sure that our spending follows clear priorities. A full community and corporate plan, containing

measures and targets, will be published in early 2023 alongside the first budget to be set by the new Council.

- 3.4 The document establishes a clear purpose to become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life and sets the goals for Monmouthshire to be a:
- **Fair place** to live where the effects of inequality and poverty have been reduced;
 - **Green place** to live and work with reduced carbon emissions, making a positive contribution to addressing the climate and nature emergency;
 - **Thriving and ambitious place**, full of hope and enterprise;
 - **Safe place** to live where people have a home where they feel secure in;
 - **Connected place** where people feel part of a community, are valued and connected to others;
 - **Learning place** where everybody has the opportunity to reach their potential.

- 3.5 These are underpinned by a series of actions that will ensure that the organisation is able to deliver on its ambition. The Performance and Overview Scrutiny Committee will receive reports to ensure decision-makers are accountability for delivery.

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

- 4.1 The plan contains commitments to action relating to equalities, social justice, corporate parenting and safeguarding.
- 4.2 An integrated impact assessment has been completed and accompanies this report. The Community and Corporate Plan applies the ways of working outlined in the Well-being of Future Generations Act. This includes taking a long-term view and developing preventative approaches. The Plan details some activities that require further work which will be subject to individual decisions in accordance with the council's constitution including completing equality and future generations evaluations where appropriate.

5. OPTIONS APPRAISAL

- 5.1 Every choice we make carries an opportunity cost. Some of these commitments – such as the building of new schools – have already been approved by council as part of an agreed policy position while others are in the early stages of development. Each new proposal brought forward to deliver against these goals will be subject to an individual decision in accordance with the council constitution.

6. EVALUATION CRITERIA

- 6.1 The Community and Corporate Plan sets out clearly the council's purpose. It contains specific objectives which can be measured over time. A full measurement framework will be developed in the coming months and will feature in the next iteration of the plan in early March 2023
- 6.2 The actions to deliver the plan will be embedded in the service business plans of individual teams. Headline quantitative measures and progress updates will be made available to the Performance and Overview Scrutiny Committee. A full evaluation of progress will be produced annually.

7. REASONS:

- 7.1 To ensure that high-level political ambition is converted into a clearly articulated strategic plan that sets the direction for the organisation and gives clarity to council staff and partners.
- 7.2 To ensure that resources can be aligned with the organisations priorities and provide a basis for the organisation's work to be evaluated as required by the Local Government and Elections (Wales) Act 2021.

8. RESOURCE IMPLICATIONS:

- 8.1 Rising costs will mean that we will not be able to keep doing everything that we have done in the past in exactly the same way. Each of the activities in the community and corporate plan carries some resource implications. This initial plan will be delivered within the budget set by the previous council for the 2022-23 financial year.

9. CONSULTEES:

Cabinet
Strategic Leadership Team

This document was developed through a series of workshops involving councillors from all political parties alongside experts and people from different organisations.

10. BACKGROUND PAPERS:

None

11. AUTHOR:

Matthew Gatehouse, Head of Policy Performance and Scrutiny

12. CONTACT DETAILS:

Tel: (01633) 644397
e-mail: matthewgatehouse@monmouthshire.gov.uk

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Introduction

This Community and Corporate Plan sets out our ambition for the council and county of Monmouthshire. It has been written against a backdrop of national and global uncertainty, but we remain hopeful for the future of our place. We are confident in the compassion, creativity and commitment of the people who make this county so special.

This is the first plan produced by the council following the elections in May 2022. It has been developed with councillors from all political parties alongside experts and people from different organisations who came together in the months preceding its publication. Together we identified the challenges and opportunities facing the county and sought to reach consensus on the things we will do to address these.

Our ambition will look to the long-term and be focused on the well-being of current and future generations. The actions in this plan cover the first steps of the journey. We will continue to review our thinking as we develop a new medium-term financial plan to make sure that our spending follows our priorities. We will publish a full community and corporate plan, containing measures and targets, in early 2023 alongside our first budget.

Our Purpose, Principles and Priorities

Purpose: We want to be a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life.

Principles: Our ambition is backed by the principles which will always drive us. Tackling inequality, protecting our environment and adapting to a world being reshaped by climate change will be specific programmes of work and also principles that anchor everything we do.

Priorities: With these principles as our starting point the goals we set ourselves are for Monmouthshire to be a:

- **Fair place to live** where the effects of inequality and poverty have been reduced;
- **Green place to live** and work with reduced carbon emissions, making a positive contribution to addressing the climate and nature emergency;
- **Thriving and ambitious place**, full of hope and enterprise;
- **Safe place to live** where people have a home where they feel secure in;
- **Connected place** where people feel part of a community, are valued and connected to others;
- **Learning place** where everybody has the opportunity to reach their potential.

Values

Values matter to us. They set out our expectations of ourselves, each other, as well as the people and the organisations that we work with on your behalf.

- **Teamwork – Collaboration** is at the heart of everything we do. We will work with you and our partners to support and inspire everyone to get involved. We will make the best of the ideas,

and resources available to make sure we do the things that most positively impact our people and places.

- Openness - We are open and honest. People have the chance to be involved and tell us what matters.
- Flexibility - We are flexible, enabling delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.
- Fairness - We provide opportunities for all people and communities to thrive. We will always try to treat everyone fairly and consistently recognising that we will sometimes need to take positive action to overcome some of the innate challenges faced by people with different protected characteristics.
- Kindness – We will show kindness to all those we work with, putting the importance of relationships and the connections we have with one another at the heart of all interactions.

A Fair Place to live

Nobody should be left behind in Monmouthshire or feel their voice does not count. We will work with our partners and you to improve the ways we tackle poverty and inequality, always seeking to include people with lived experience.

What we want to achieve	Some of the actions we will take
Improved life chances for people regardless of income	<ul style="list-style-type: none"> • Implement universal free school meals to all primary school children with support in the school holidays for those who need it • Increase the outreach work we do to ensure people are getting the maximum benefit support they are entitled to
All residents have access to the services and support they need to live a healthy life	<ul style="list-style-type: none"> • Provide mental health support and well-being services • Improved access to advice and benefits for people on low incomes
A diverse and inclusive workforce	<ul style="list-style-type: none"> • Become an accredited Disability Confident Employer • Work with local employers across the county to encourage take up of the Disability Confident pledge • Ensure that we play our part of delivering the Race Equality Action Plan for Wales
Citizens should be able to participate in all aspects of life including culture, sport and democracy and have the ability to determine their own futures	<ul style="list-style-type: none"> • Implement a participatory budgeting programme to enable all citizens to have greater influence on how we spend money • Launch and establish a citizens panel • Be a county of sanctuary for those fleeing war and persecution • Provide more opportunities for people to speak and learn Welsh

A green place to live and work

We will work with others in Monmouthshire and beyond to protect nature and the environment, reduce our carbon emissions, promote recycling and waste reduction and maximise the opportunities of a more circular economy.

What we want to achieve	Some of the actions we will take
Improved environmental and river health	<ul style="list-style-type: none"> • Ensure that biodiversity and ecosystem resilience is embedded within decision making at all levels • Work with other local councils, partners and landowners to achieve catchment wide improvements to river quality • Work with partners to promote natural flood alleviation
Sustainable local agriculture and farming practices with public services and residents consuming more local and seasonal produce	<ul style="list-style-type: none"> • Promote community access to land • Work with farmers to increase carbon sequestration, • Increase the percentage of local produce that is used in council services such as school meals and social care
Council operations are net zero by 2030 and local communities are supported to reduce their own carbon footprint	<ul style="list-style-type: none"> • Reduce the carbon emissions generated from the Council's activities • Increase renewable energy generation. • Improve walking and cycle routes and car charging so that people choose to walk, cycle or use public transport, and switch to low emissions vehicles • Support residents and businesses to reduce waste and maximise use of low carbon energy sources

A thriving and ambitious place

We will work with national, regional and local partners to bring investment, improve connectivity and enable an economy which is thriving, ambitious, enterprising.

What we want to achieve	Some of the actions we will take
Attractive town centres that people are proud of where businesses want to invest	<ul style="list-style-type: none"> • Reshape and redevelop town centres so that they balance appropriate retail use with opportunities for business start-up and diversification • Facilitate investment in the amenities, events and experiences that attract people to our towns • Work proactively with property owners and landlords to minimise town centre vacancies
People of all ages and backgrounds have the skills to do well in work or start their own business	<ul style="list-style-type: none"> • Develop better links with further and higher education. • Provide more support for people who wish to start their own businesses in the county • Have a specific focus on innovation in sectors which include food, care and construction
A modern sustainable infrastructure	<ul style="list-style-type: none"> • Work with partners to ensure that all homes have good connectivity digitally, and to the surrounding services and amenities • Continue our investment in active travel • Use digital applications to match those who need transport with those who can provide it to reduce the number of car journeys • Promote the circular economy by growing our network of re-use shops, repair cafes and libraries of things

A safe place to live

We will work with partners to prevent homelessness, increase the availability of good quality affordable housing and promote approaches to help homeowners to improve energy efficiency and reduce carbon emissions

What we want to achieve	Some of the actions we will take
Increased supply of good quality affordable housing	<ul style="list-style-type: none"> • Produce a new Local Development Plan with affordable housing at its heart • Work with partners to develop homes for social rent on public sector land and bring empty properties back into use • Produce an approach to property acquisition enabling the council to buy accommodation to rent out • Explore new ways of constructing homes, such as modular builds
Reduce the number of people who become homeless	<ul style="list-style-type: none"> • Introduce a rapid rehousing approach to prevent homelessness recurrence and the need for temporary accommodation • Reduce the use of B&B accommodation by acquiring more properties through private leasing, purchase or other methods
A more energy efficient housing stock with a lower carbon footprint	<ul style="list-style-type: none"> • Ensure access to sources of advice and support for homeowners and landlords to retrofit homes to alleviate fuel poverty, increase energy efficiency and reduce carbon emissions

A connected place where people care

We want Monmouthshire to be a place where people feel safe, their contributions are valued, they feel part of a community and are connected to others.

What we want to achieve	Some of the actions we will take
High quality social care which enables people to live their lives on their terms	<ul style="list-style-type: none"> • Work with partners to enable people to stay in their own homes and communities wherever possible • Ensure that social care services are able to prevent crisis • Reduce avoidable hospital admissions • Continue to support effective discharge from hospital • Review all existing placements of children looked after to assess effectiveness and value for money working with partners to ensure that care will be provided without profit • Continue to ensure that information, advice and assistance is available to provide timely access to social care
A healthy and active Monmouthshire where loneliness and isolation are reduced, well-being is promoted, and people are safeguarded	<ul style="list-style-type: none"> • Work with public sector partners across Gwent to improve the social determinants of health inequality such as; income; health and access to green space • Provide direct care which is flexible and supports people to achieve their personal outcomes • Maintain and develop early help and preventative services for children and families • Promote whole school approaches to support the mental well-being of children and young people
A professional and passionate social care workforce	<ul style="list-style-type: none"> • Promote social care as a career of choice and find innovative ways of growing recruitment of the best people • Encourage diversity and inclusion within the workforce
Communities in which everyone feels safe and respects each other	<ul style="list-style-type: none"> • Work with police, partners and communities to tackle anti-social behaviour • Continue to develop our CCTV network and maintain street lighting • Ensure that schools, police, youth and social services work together and focus on prevention
A council that is responsive to your needs	<ul style="list-style-type: none"> • Review our customer service channels (online, phone and in person) to ensure that all enquiries get a prompt response and are dealt with by the most appropriate person

A learning place

Monmouthshire will be a place where everybody experiences the best possible start in life and has the opportunity to learn; developing the skills and knowledge they will need throughout life to reach their potential.

What we want to achieve	Some of the actions we will take
Improved school attendance and reduced levels of exclusion which remove barriers to learning for vulnerable pupils	<ul style="list-style-type: none"> • Develop an approach to inclusion that recognises the challenges brought about by the pandemic • Develop holistic approaches to attendance management focusing on early identification of need to address all barriers to school attendance'
The benefits of the new curriculum in Wales are maximised through excellent teaching and learning	<ul style="list-style-type: none"> • Develop a consistent and uniform approach to ensure that excellent teaching and learning is the bedrock of all classroom interactions • Develop a broader 14-19 offer including more collaboration between comprehensive schools and tertiary partners • Maximise opportunities to hear the voice of the learner
A truly inclusive educational system that recognises learners starting points, strengths and education needs	<ul style="list-style-type: none"> • Ensure that our provision meets the needs of a wide range of learners including vulnerable groups and those with additional learning needs. • Universal and mainstream provision effectively supports all learners to achieve their potential • Develop a broader educational offer to include both academic and vocational pathways and engage partners from public and private sectors • Develop more support, such as coaching and mentoring • Ensure those at financial disadvantage have access to IT equipment
A county where people can develop their well-being; be it emotional, mental or physical	<ul style="list-style-type: none"> • Improve the affordability and accessibility of adult education courses • Continue to provide a wide range of outdoor experiences and cultural attractions for residents and visitors • Promote healthier lives and increased physical activity through the provision of sports and leisure facilities and open spaces under the MonLife brand
Continue our programme of school modernisation	<ul style="list-style-type: none"> • Build a new, carbon neutral, 3 – 19 school in Abergavenny • Increase Welsh medium primary school provision including a newly refurbished school on the site of Deri View and the opening of a seedling provision in Monmouth. • Develop a strategic review of all schools and their catchments.

A council that works effectively for you and gives the best value for money

Monmouthshire County Council receives the lowest level of central government grant funding of any local authority in Wales. We have always delivered services within budget while maintaining a

prudent level of financial reserves. We've done this by being as efficient as possible, pursuing innovative approaches and acting with a commercial mindset.

This plan has been produced against the backdrop of economic uncertainty. We face rising energy costs, inflation and escalating borrowing costs alongside increased demand pressures in areas such as children's services, adult social care, homelessness, additional learning needs and home to school transport.

Demands on us have grown which means we will need to adjust our practice and do things differently. We will enact our plan with a financially responsible approach so that we deliver the best services within our means as a county.

We have a good track record of innovation but these challenges are on a scale we have not seen before. We are fortunate to have a passionate and dedicated workforce who deliver a wide range of services and are always open to new ways of working. The things we want to do also require collaboration. Alongside partners, such as the Welsh Government, Cardiff Capital Region, Gwent Public Services Board and community and town councils we will continue to lean into the expertise and enthusiasm of the many volunteers and community groups that make this county so special.

We will strive to maintain quality and promote equality across our services and will begin to use gender responsive budgeting to ensure an equitable use of our resources. Our new procurement strategy will be vital in making sure our budgets are used effectively to deliver our priorities, reduce our carbon while delivering community benefits and social value.


Our approach will continue to be people focused and in line with our purpose, principles and priorities to ensure that Monmouthshire continues to be a place that you are proud to call home.

Feedback

If you want to comment on the council's objectives give your thoughts on issues that you feel should be considered as part of the council's approach to well-being, please get in touch. We welcome all views however you wish to supply them.

 improvement@monmouthshire.gov.uk

 www.monmouthshire.gov.uk/improvement

 Matthew Gatehouse, Head of Policy Performance and Scrutiny, Monmouthshire County Council, County Hall, Usk, NP15 1GA

 @MonmouthshireCC

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Integrated Impact Assessment document

(incorporating Equalities, Future Generations, Welsh Language and Socio Economic Duty)

<p>Name of the Officer completing the evaluation Hannah Carter</p> <p>Phone no: E-mail: HannahCarter@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To seek endorsement of a new Community and Corporate Plan that sets the direction for the council and county of Monmouthshire, articulating the authority's purpose, principles and priorities alongside some of the steps we will take to deliver these.</p>
<p>Name of Service area</p> <p>All Services</p>	<p>Date: 7/10/22</p>

4 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	<p>Many of our services are focused around improving the well-being of both the younger and older generation. The strategic goal 'Learning place where everybody has the opportunity to reach their potential' ensures that children and young people have access to an excellent standard of education; 'Connected place where people feel part of a community, are valued and connected to others' focuses on the well-being of older residents, ensuring a high quality of care and that the issues that they face, such as loneliness, are reduced.</p>	<p>No negative impact identified at this stage. It will be important to ensure that the impacts of any future changes are disaggregated to consider their effects on different groups</p>	<p>This plan is the first-step in setting the long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.</p>
Disability	<p>The goal 'a fair place to live' ensures that the Council is taking steps to become a Disability Confident employer, whilst 'a learning place' will strive to create an inclusive educational system, ensuring that the additional needs of learners with disabilities are being met.</p>	<p>As above.</p>	<p>As above.</p>
Gender reassignment	<p>Monmouthshire County Council strives to ensure equality and fairness across the service. Our goals and associated activity will promote diversity and inclusion and aim to bring benefit to everyone.</p>	<p>As above.</p>	<p>As above.</p>

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Marriage or civil partnership	Monmouthshire County Council strives to ensure equality and fairness across the service, and our goals and associated activity will promote diversity and inclusion and aim to bring benefit to everyone.	As above.	As above.
Pregnancy or maternity	Monmouthshire County Council strives to ensure equality and fairness across the service. Our goals and associated activity will promote diversity and inclusion and aim to bring benefit to everyone.	As above.	As above.
Race	Monmouthshire County Council strives to ensure equality and fairness across the service and is committed to delivering the Race Equality Action Plan for Wales.	As above.	As above.
Religion or Belief	Monmouthshire County Council strives to ensure equality and fairness across the service. Our goals and associated activity will promote diversity and inclusion and aim to bring benefit to everyone.	As above.	As above.
Sex	Monmouthshire County Council strive to ensure equality and fairness across the service. We will begin to use gender-responsive budget to ensure an equitable use of resources.	As above.	As above.
Sexual Orientation	Monmouthshire County Council strives to ensure equality and fairness across the service. Our goals and associated activity will promote diversity and inclusion and aim to bring benefit to everyone.	As above.	As above.

2. The Socio-economic Duty and Social Justice

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

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
<p>Socio-economic Duty and Social Justice</p>	<p>Addressing and tackling rising economic and social inequality is incredibly important to Monmouthshire County Council. This determination is embedded within many of the goals in the community and corporate plan, namely, ‘a fair place to live’, which ensures improved life changes regardless of income and an inclusive and diverse workforce; ‘safe place to live’ which sets out to reduce homelessness and increase affordable housing; and ‘a connected place where people care’ which ensures everyone feels safe and respected.</p>	<p>No negative impact identified at this stage. However we need to be mindful that the current economic climate is likely to see more people struggling financially. All new policies, when assessing potential impacts will need to take the volatility of the current climate into account.</p>	<p>Moving forward, the council will remain vigilant of the wider economic context and should be prepared and able to make changes quickly and effectively in the current fast-paced and ever-changing economy.</p>

3. Policy making and the Welsh language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>The use and promotion of the Welsh language within Monmouthshire and the council itself is crucial. The Council continues to abide by the legal framework set out by the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards, part of which requires the Council to set out a 5-year Welsh Language Strategy, the most recent of which was published in 2022. This strategy sets out how the Council aim to promote, facilitate and grow the Welsh language over the following five years. An objective from this strategy has been incorporated here within 'everybody has the opportunity to learn and grow' which aims to increase the number of students who receive their education in the medium of Welsh.</p>	<p>No negative impact identified at this stage.</p>	<p>This plan is the first-step in setting the long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.</p>
<p>Operational</p> <p>Recruitment & Training of workforce</p>	<p>Monmouthshire County Council is dedicated to recruiting and retaining a strong, resilient and adaptable workforce. Training is offered consistently to ensure that all staff are able to expand and grow their learning.</p>	<p>There are no specific negative impacts as a result of the plan. However, recruiting fluent Welsh speaking staff has proved challenging</p>	<p>Ensure that more customer facing roles are designated as 'Welsh essential' and target recruitment campaigns accordingly</p>
<p>Service delivery</p>	<p>The Welsh Language standards are applied as allocated to Monmouthshire</p>	<p>As above.</p>	<p>As above.</p>

Use of Welsh language in service delivery	County Council. The language is promoted through the application of the Welsh Language Standards, the website, correspondence and celebration of Welsh language events throughout the year. The plan contains a specific commitment to increase the number of people speaking and learning Welsh in line with our 5 year Welsh language strategy.		
Promoting use of the language			


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




Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The goal which will have the biggest impact here is 'a thriving and ambitious place' that aims to redevelop town centres and facilitate investment to attract more people to the towns. This goal also aims to support people who are looking to start their own business and additionally to create better links with higher education.	This plan is the first-step in setting long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The greatest impact on this well-being goal will be from 'a green place to live and work', which has a particular focus on river health which has been a prominent issue in Monmouthshire. The goal also focuses on sustainable agriculture and reducing the carbon footprint of the county. The 'thriving and ambitious place' goals commits to promote the	As above.


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?
	circular economy by growing our network of re-use shops, repair cafes and libraries of things.	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The learning place goal aims to promote healthy lifestyles and increased physical activity through MonLife. 'A fair place to live' also ensures that residents have access to the services and support needed to live a healthy lifestyle, including mental health support.	As above.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The goal, 'connected place' ensures that loneliness and isolation is reduced, which is especially important in an ageing and rural county like Monmouthshire. 'Safe place to live' looks to increase the sustainability of communities through energy efficient housing. The 'thriving and ambitious place' goal aims to reshape and redevelop town centres to attract more people to Monmouthshire's towns.	As above.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	'A thriving and ambitious place' looks to increase the local generation of renewable energy, promoting both active travel and the circular economy, all of which reduce the negative impact on the environment. The goal, 'a safe place to live' also ensures that new houses that are build will be more energy efficient, thus reducing carbon emissions.	As above.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People	Monmouthsire aims to increase Welsh medium primary school provision including a newly refurbished school on the site of Deri View and also the opening of a seedling provision in Monmouth. 'A fair place to live' aims to provide more opportunities	As above.

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?
are encouraged to do sport, art and recreation	for people to both learn and speak Welsh. Healthy lifestyles and increased physical activity is promoted through MonLife.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Addressing rising inequality is one of the two biggest priorities facing the council and the emphasis placed on addressing this issue is seen throughout the plan. 'A fair place to live' aims to improve the life chances of people, regardless of income. 'Safe place to live' aims to increase the number of affordable homes and to also improve the efficiency of homes, thus alleviating fuel poverty for some.	Moving forward, the council should remain vigilant of the wider economic context and should be prepared and able to make changes quickly and effectively in the current fast-paced and ever-changing economy.

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Balancing short term need with long term and planning for the future</p>	<p>Though this plan will soon be updated, the priorities and actions are forward looking and aim to have a positive long-term impact. The focus on reducing carbon emissions and the health of biodiversity and the environment is vital to combatting the effects of climate change which will be around for many years to come. Increasing the energy efficiency of homes is also important to alleviating fuel poverty in the short-term, while also having a positive long-term contribution in the form of reduced carbon emissions.</p>	<p>This plan is the first-step in setting the long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>Collaboration is embedded in the values of Monmouthshire County Council and across every goal. The council looks to work with public service partners across the region to address inequalities and decarbonization. It is recognised that we can not deliver on our well-being goals without working in partnership with public services, the third sector and citizens within Monmouthshire.</p>	<p>This plan is subject to further scrutiny. Collaboration with committees to improve the plan is essential and will help inform any future changes.</p>
 <p>Involving those with an interest and seeking their views</p> <p>Involvement</p>	<p>Monmouthshire aims to involve community members, including those whose voice is often not heard. The well being goal: a fairer place to live sets out how will work to progress this aim. 'A thriving, connected and fair local economy' goal sets out an aim to work with landlords and property owners to minimise town centre vacancies. 'a learning place and grow' sets out plans to maximise opportunities to hear the voices of learners in schools to ensure that the new curriculum is working for them.</p>	<p>This plan is subject to further scrutiny. Involvement is key to improving this plan; any future changes will be informed by involvement with committee and cabinet members.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</p>	<p>The goal, 'connected place where people feel part of a community is focused on ensuring that social care services are able to prevent crisis and that avoidable hospital admissions are reduced. This goal also sets out to maintain and develop early and preventative services for children and families.</p>	<p>This plan is the first-step in setting the long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The Council works closely with business, communities and other partners to deliver its goals and to ensure that the potential negative impact on other bodies is mitigated. The Council's goals will impact on multiple national well-being goals. A fuller analysis for this will be conducted alongside the full Community and Corporate Plan published in 2023.</p>	<p>This plan is the first-step in setting the long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.</p>

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

	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?
Safeguarding	Early intervention and prevention approaches will reduce the number of young people at risk of harm. Safeguarding is central to the authority's work and this is highlighted within the corporate plan.	No negative impact identified at this stage.	This plan is the first-step in setting the long-term goals and actions of the Council. A full Community and Corporate Plan will be published in early 2023. Any changes around positive or negative impacts will be updated accordingly.
Corporate Parenting	Reviewing all existing placements of children looked after will ensure that those children are receiving high quality and effective care. This is also important in assessing value for money.	As above.	As above.

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

The Council has undertaken a range of assessments and research including the well-being assessment, population needs assessment, research for the Replacement Local Development Plan and self-assessment of its performance. These utilised a range of evidence and data on a variety of areas including, but not limited to, the environment, inequality, well-being, economy, culture, education and social care.

The commitments in the Community and Corporate Plan have used the latest evidence and thinking on issues of importance to our communities to make sure that the aspirations and commitments are relevant to the significant issues for well-being in Monmouthshire.

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

The plan contributes positively to all seven wellbeing goals, whilst also considering the five ways of working in all aspects of the actions set out. The plan also takes into account the wider economic and social context, recognising the inequalities across Monmouthshire, the need to be inclusive especially in terms of supporting people who embody protected characteristics and, striving to help those in need as a result.. The Council strives to ensure equality and fairness across the council, and the goals and associated activity will promote diversity and inclusion and aim to bring benefit to everyone. The plan is forward looking, and the actions set out aim to have a positive impact in the longer-term.

The plan takes into account the wider economic and social context,. It is clear that there will be a need for the plan to adjust and evolve given the turbulence and volatility of the current economic climate. Though this plan sets out short-term goals, it is forward looking and the actions set out here will have a positive impact in the longer term.

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

What are you going to do	When are you going to do it?	Who is responsible
A full Community and Corporate Plan, including measures and targets, will be published in early 2023, setting out longer-term goals and actions.	Feb 2023	Head of Policy Performance and Scrutiny.

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

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
0.1	Plan Development	11/10/22	The impact assessment went through a number of iterations during the drafting of the plan

1.0	Cabinet	19/10/22	

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SUBJECT:	REVENUE & CAPITAL BUDGET MONITORING 2022/23 – MONTH 4 FORECAST
MEETING:	CABINET
DATE:	19th October 2022
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1. The purpose of this report is to provide Members with information on the Authority's financial forecasts for the 2022/23 financial year in respect of the revenue budget, capital programme, and associated reserves position.

2. RECOMMENDATIONS:

- 2.1. That Cabinet recognises the significant over spend forecast at Month 4 against the Authority's revenue budget of £8.8m, which is primarily as a result of:
- **£3.5m forecast over spend in Children's services** due to the increasing numbers of high cost placements and continued use of agency staff;
 - **£1.6m forecast over spend in Adults care services** following a dramatic influx of clients requiring services post-pandemic, with some clients requiring more intense services due to delayed health care during the pandemic;
 - **£0.5m forecast over spend in Additional learning needs** budgets due to the increasing cost and number of out of County placements;
 - **£1.3m forecast over spend in meeting the needs of the Homeless** following national policy change initiatives and where inadequate funding has been provided;
 - **£0.5m forecast over spend in MonLife services** as income levels are failing to meet targets in the areas of Leisure and Outdoor education;
 - **£2m forecast over spend in relation to the expected outcome of workforce pay negotiations** which is expected to be significantly above the 3.5% budgeted.

Together with a number of other over and under spends summarised in paragraph 3.7 and detailed in **appendix 1** to this report.

- 2.2. That Cabinet request that the Strategic leadership team immediately look to arrest the forecast over spend through a range of appropriate budget recovery measures as outlined in this report.
- 2.3. That Cabinet recognises the importance of a balanced outturn position being achieved for 2022/23, in that it safeguards the need to draw further upon any planned use of reserves and capital receipts and which will be required to assist in meeting the unprecedented

financial challenges presenting over the medium term and where funding levels are expected to fall significantly short in meeting these challenges.

- 2.4. That Cabinet recognise the ongoing financial risks to the revenue budget of the outcome of ongoing pay negotiations, and the potential impact of the cost of living crisis on communities, and the associated financial impact this will have on the Council.
- 2.5. That Members note that the overall revenue budget continues to be subsidised by £2.65m of capital receipts which are being used to fund identified eligible expenditure under the flexible use of capital receipts directive.
- 2.6. That Members note the forecast 100% delivery of the budgeted mandated savings as detailed in **appendix 2** and as approved by full Council previously.
- 2.7. Cabinet notes the extent of forecast movements in Schools reserve usage contained in **table 4**, and **appendices 1 & 3** which highlight the possibility of a further six schools entering into a deficit reserve position by the end of the financial year.
- 2.8. Cabinet considers the forecast capital outturn spend of £85.6m as outlined in **appendix 1** that currently indicates a forecast over spend of £209k, noting the continuing difficulty in delivering capital projects to their allocated budget in the current challenging economic environment.

3. KEY ISSUES:

- 3.1. In setting the 2022/23 budget there was an expectation that the Council would see a gradual return to a more stable operating environment relative to the last two years, with the direct impacts of the pandemic potentially set to ease.
- 3.2. There was a known and accepted risk that the Welsh Government Hardship fund would end and consequently any direct or indirect costs resulting from the pandemic would fall upon the Council to fund. It was also highlighted that the challenges experienced in achieving historic income levels would continue, and that the permanent change in national policy initiative around the needs of the homeless would not be adequately funded by Welsh Government.
- 3.3. The timing and degree to which these risks would manifest was the key uncertainty within the budget setting process, and on that basis, Cabinet agreed a package of measures to combat the known and unknown pressures presenting in terms of a mix of base budget provision of a further £10.1m and the creation of specific earmarked reserves of £4m.
- 3.4. In respect of the £10.1m of budget pressures that were accommodated, these were notably:
 - All pay and pension related spending pressures in our schooling system, up to a threshold of a 3% pay award
 - The increasing demand on schools and the Local Education Authority of pupils with additional learning needs

- The increasing complexity of cases being placed on our children's social services in respect of looked after children and for whom the Council acts as corporate parent
- The growing impact of an ageing population on adult social services and the challenges that result from a fragile and unsustainable social care market in Wales
- Significant service pressures within the passenger transport unit and within recycling and waste and that look to ensure that the Council supports and sustains key service delivery
- Responding to the needs of homelessness with housing related support
- Further investment in our Highways and transport infrastructure alongside our IT and network estate

3.5. It is therefore disappointing that despite accommodating the above pressures into the 2022/23 budget, that at Month 4 significant further in year service pressures are forecast, with many of these pressures developing in the same key areas that have been provided additional support in the budget.

3.6. **Table 1** below summarises the forecast £8.8m net over spend against the Council's revenue budget for the year.

Table 1: 2022/23 Revenue budget forecast as at Month 4

Month 4 Revenue budget forecast	Total budget for the year	Total forecast expenditure / (income)	Total forecast variance to budget	Variance as a % of budget
Directorate	£000's	£000's	£000's	%
Social Care, Health & Safeguarding	58,189	63,245	5,056	8.7%
Children & Young People	59,513	60,254	741	1.2%
Communities & Place	23,687	24,303	616	2.6%
MonLife	4,567	5,046	479	10.5%
Chief Executives Unit	3,244	3,244	0	0.0%
People & Governance	4,733	4,733	0	0.0%
Resources	7,664	8,421	757	9.9%
Corporate Costs & Levies**	25,654	27,571	1,917	7.5%
Treasury & Reserves	5,448	5,223	(225)	-4.1%
Financing	(192,699)	(193,240)	(541)	-0.3%
Total	0	8,800	8,800	

**** Includes the estimated impact (£2.1m) of the non-teaching pay award over and above the 3.5% already budgeted for. Once this value is finalised, it will become a cost to individual directorates rather than being held corporately.**

3.7. A full breakdown of the variances forecast by services at Month 4 is contain within **appendix 1**, however at a summary level the principal pressures and mitigating savings forecast are within the areas of:

Pressure/Saving	£000's	Description
Children's services	3,519	Despite stabilisation in Children looked after numbers, there are increasing numbers of high cost placements, including extremely costly emergency arrangements for children where there is no regulated placement. Alongside this there is continued use of agency staff to fill vacancies.
Adults Services	1,598	Older Adults budgets have seen a dramatic influx of clients requiring services as we move out of the pandemic, with continued pressures from hospitals to discharge patients into the social care sector, and some clients requiring more intense services due to delayed health care during the pandemic.
Additional Learning Needs	533	Due to placement costs outside of our own schools (£401k), a reduction in income from other Councils for out of County pupils attending our schools (£68k), and additional support for pupils attending our own schools (£51k).
Housing	1,327	Primarily due to national policy change impacting upon the service and where our housing costs in relation to the needs of the Homeless are not attracting full funding. £315k in net additional costs, and £989k where by emergency accommodation placements do not allow the Council to claim full housing benefit subsidy.
MonLife	479	Due to the sections inability to generate the expected income targets in relation to Leisure and Outdoor education services.
Passenger Transport Unit (PTU)	424	Increased pay, fuel and repair costs have meant that operators have handed back contracts resulting in re-negotiated external prices or increased in-house provision required.
Non-teaching pay award	2,017	An allowance has been made within the forecast for the estimated result of pay award negotiations over and above the 3.5% already budgeted for. Negotiations continue between local government employer's representatives and trade unions.
Car Parks & Civil Parking Enforcement	255	Parking enforcement fines will not hit budgeted targets and in addition there are over spends in expenditure primarily in transport, premises and software costs.
Markets	129	The number of traders has dropped off considerably since Covid-19 and this has meant the service is struggling to meet income targets alongside increases in waste disposal costs.
Council tax	(542)	Out-performance of budgeted Council tax collection.
Borrowing costs	(225)	A reduction in net budgeted borrowing costs reflective of a lower than budgeted interest rate environment and significant capital slippage at the end of 2021/22.
Staff vacancies	(496)	Significant staff vacancies being carried in the establishment over the first half of the financial year.
Solar Farm & Sustainability	(113)	Improved income from our Solar Farm and PV installations caused by the increased market rates for energy.
Neighbourhood services	(227)	Primarily due to the improvement gained from the installation of LEDs in our street-lighting over and above budgeted levels (£125k), and Waste contract savings resulting from a strong recycling market (£92k).

4. Ongoing budgetary risks

- 4.1. Whilst immediate mitigating action is underway to arrest the significant forecast in-year deficit we need to be acutely aware of the further financial risks presenting during 2022/23 and in light of the turbulent socio-economic environment currently facing households, businesses and the public sector.

- 4.2. The Cost of living crisis is having a significant impact on our communities, with a growing need for additional Council services, the impact upon demand for the Council's income generating services, and risks around future debt recovery. Alongside this, the wider economic and inflationary environment continues to impact service delivery, both in respect of cost and supply chain disruption, and in presenting continued recruitment challenges.
- 4.3. The wider and longer lasting indirect impact of the pandemic on Council services also needs to be considered, particularly in the areas of Homelessness, Children's services, Adult social care and Children's additional learning needs. There remains significant latent and complex demands in these areas as a result and some of these impacts will take a significant period of time to unwind.
- 4.4. Significant savings from existing staff vacancies have already been factored into forecasts and alongside this there is very little scope for further savings in financing and treasury budgets in light of the current economic environment.
- 4.5. Importantly the overall outturn position continues to be supported by £2.65m of identified eligible expenditure to be funded from capital receipts under the flexible use of capital receipts directive. Reliance on these mitigations was a short-term measure only and is not sustainable at this level beyond 2022/23 as capital receipts forecast to be generated start to fall away.
- 4.6. In considering all of the above, this presents a unique and unprecedented operating environment for the Council, and one which severely curtails the immediate ability of the Council to influence its primary expenditure and income drivers, and therefore its ability to be able to bear down on cost, or increase income to any significant degree without resorting to more extreme measures.
- 4.7. When looking beyond this financial year, it is important to note that the majority of the savings already identified during the year to assist the in-year budget recovery are one-off or temporary in nature and will not bring any further benefit to future year's budgets. Conversely, the majority of those pressures highlighted above are demand driven and recurrent in nature and will need to be considered as part of the wider budget process for 2023/24 and beyond.
- 4.8. As we look to the remainder of the financial year the key financial focus continues to be in arresting the forecast over spend position. To that end, mobilising a range of budget mitigation measures will be vital to ensuring that the Council ends the year in a financially sustainable position and in limiting the need to substantially deplete reserve balances. This will be particularly important in light of what will be an incredibly challenging budgetary process leading into 2023/24.

5. Potential budget mitigation measures

Mitigation measure	Application	Risks
Reserves	Reserves have been replenished by approximately £10m over past two years, with particular focus at the end of 2021/22	Need to be acutely aware of the emerging challenging 2023/24 budget situation where unprecedented

Mitigation measure	Application	Risks
	in providing protection against some the budget risks now manifesting (In particular Social care, Homelessness, Leisure income, and Pay).	pressures are materialising around demand, inflation, energy, pay, and levels of funding. A degree of reserve cover will be vital in mitigating some of the more temporary pressures presenting.
Capitalisation directive	Identification of further revenue costs, over and above the £2.65m already budgeted, that can be categorised as enabling service transformation, and that can be legitimately funded from capital receipts under the regulations.	<p>The application of capital receipts under this directive is limited to the amount of receipts generated in the same financial year as the expenditure is incurred. Whilst £9.8m in receipts are forecast this year, a minimal amount has actually been banked to date.</p> <p>Capital receipts are a one-off source of funding and further use under this measure will restrict the amount available for future capital investment.</p>
Funding	<p>Further unbudgeted grant funding becoming available during the remainder of the year.</p> <p>Of particular note, there is currently no allowance within the financial forecasts for any further grant funding or cost displacement in respect of Social care. Recent years have seen significant winter pressure grant, or a form of compensatory Health funding.</p>	All parts of the public sector are facing significant budget challenges in the current global economic environment and notably Welsh Government have made significant funding commitments in 2022/23 in relation to Free School meal provision, the Ukrainian crisis, and the Cost of Living crisis. Further funding commitments to Local Government therefore come with a significant level of uncertainty.
Cost moderation	<p>Non-pay cost reduction in supplies and services, third party, premises, and transport budgets.</p> <p>Pay budget cost reduction - significant vacancies are currently being held across services with many being forecast to be filled during the Autumn. Given the current recruitment market challenges it is expected that further savings could materialise.</p>	<p>A significant proportion of expenditure is driven by demand and, alongside this, in the current economic environment the Council has limited ability to influence and negotiate cost levels.</p> <p>With only six months remaining of the financial year immediate action would need to be taken to have a material impact.</p>
Reduced services	The Council could look to reduce the level of service it provides, either through reduced capacity or by the switching off of discretionary services.	Both the legacy impact of the pandemic and the current cost of living crisis is placing huge pressure upon communities, which consequently places additional and more complex demands upon Council services. The Council plays a vital role in mitigating these impacts through both the discretionary and non-discretionary services it provides.

6. Progress against 2022/23 budgeted mandated service savings

6.1. The 2022/23 budget included mandated savings totalling £2.129m and the progress against these is summarised in **table 3** below and in more detail in **appendix 2**.

Table 3: Progress against mandated savings

Directorate	2022/23 Budgeted Savings £000	Savings forecast £000	Delayed Savings £000	Savings Unachievable £000	% Achieved
Social Care & Health	(120)	(120)	0	0	100%
Communities & Place	(959)	(959)	0	0	100%
Resources	(300)	(300)	0	0	100%
Chief Executives Unit	(33)	(33)	0	0	100%
Corporate Costs & Levies	(717)	(717)	0	0	100%
Total	(2,129)	(2,129)	0	0	100%

6.2. It is pleasing to note the forecast 100% delivery of mandated savings, especially in light of the ongoing challenges faced by services in current operating conditions. Finance officers will continue to work with services to ensure that these mandated savings are fully delivered as well as identifying any further areas of service efficiency which may deliver additional savings.

7. School balances

7.1. From a financial perspective, 2021/22 was another unprecedented year for schools who continued to receive several significant Welsh Government grants to support them and their pupils during, and following a period of significant disruption to learning. This resulted in all but one of our schools bringing forward a surplus balance into the 2022/23 financial year, with the vast majority carrying significant surplus balances above those guided by Welsh Government school funding regulations (£50k for a Primary, £100k for a Secondary or Special school).

7.2. The Authority requires schools carrying balances above those levels guided by Welsh Government to provide investment plans setting out how they intended to spend the excess balances being held. These plans informed the budget process for 2022/23.

7.3. At month 4, the forecast is for an overall contribution from school balances of £5.1m, resulting in a forecast surplus at year-end of £1.8m.

Table 4: Forecast movement in school balances for 2022/23

Draft Council Fund Outturn 2022/23 – School Balances Summary outturn position at Month 4	(A) Opening Reserves (Surplus) / Deficit Position 2022/23	(B) Draw / (Contribution) from / (to) School Balances @ Month 4	(C) Draw / (Contribution) from / (to) School Balances @ Month 6	(D) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+B) Forecast Reserve Balances at 2022/23 Outturn
Cluster	£000's	£'000	£'000	£'000	£'000
Abergavenny	(2,145)	1,181			(963)
Caldicot	(2,165)	1,570			(596)
Chepstow	(695)	863			168
Monmouth	(1,869)	1,425			(443)
Special	(82)	106			24
Total	(6,956)	5,145			(1,810)

- 7.4. The budget for 2022/23 made allowance for a pay award for schools staff up to a threshold of 3%, with any award agreed above this level to be funded from schools balances. The above forecast is predicated upon a further pressure of 2% over and above the 3% budgeted based upon the most likely outcome of the initial pay discussions. This accounts for £1.2m of the overall £5.1m forecast draw upon school balances this year.
- 7.5. The investment plans enacted by schools look to deliver the best learning outcomes for pupils in line with the purpose of the grant funding provided over the past two financial years. **Appendices 1 & 3** outline the forecast movement in individual school balances for the year, and whilst it is clear that the investment plans enacted will bring many school balances more in line with those levels guided by Welsh Government, it is disappointing to note that a further six schools are now forecast to move into deficit by year-end.
- 7.6. There remains significant concern from a financial perspective that the inherent structural budget deficits that led to a significant number of schools being in deficit pre-pandemic in some cases still remain. Whilst the current economic climate is severely challenging, schools balances are designed to provide a level of financial resilience to mitigate and smooth such risks and are not expected to fund ongoing day-to-day expenditure. Officers will continue to work closely with those schools of concern and look to aid the return to a more sustainable budget plan over the medium term.

8. Capital outturn forecast

- 8.1. The capital expenditure forecast detailed in **appendix 1** indicates a forecast over spend of £209k, with £114k being attributed to additional refurbishment costs on properties acquired for Children's Services, and £95k on the Crick Road Care Home scheme relating to additional equipment required to ensure resident's privacy.

- 8.2. Finance officers will continue to work with the project managers concerned to seek budget mitigation measures, either through cost reduction measures or through alternative funding mechanisms.
- 8.3. The current economic environment continues to have a significant impact on the overall capital programme with cost inflation and supply chain issues continuing to present a challenge to project delivery. Whilst every effort is being made by project managers to work within the budgetary plans set, it is inevitable as the year progresses that further cost pressures will materialise. This will in turn limit the scope of project delivery, especially in the areas of property maintenance and Infrastructure works where less schemes can be delivered within the overall budget allocated.
- 8.4. Four schemes are indicating delays at this early stage in the year, with £2.3m forecast slippage following revision of project timescales:
- £2m for Housing provision for the homeless due to the complex lead time of acquiring properties;
 - £153k delay in the SRS Data Hall migration due to issues encountered with commercial providers;
 - £100k for the Penyrhiw Sewage Treatment Works where the scheme has encountered delays in progressing survey and design works due to external factors;
 - £25k for the Abergavenny Skate Park S106 Scheme as additional funding is being sought from external partners to deliver on the preferred project within budget.
- 8.5. Whilst the month 4 forecast highlights only £2.3m of capital slippage, previous year's trends would indicate that this will increase substantially as the year progresses, and as more certainty becomes available both in terms cost and contract delivery timescales.
- 8.6. The forecast movement in capital receipts balances for the year is shown below. Whilst overall balances on the face of it are healthy, there remains the risk that forecast receipts receivable for 2023/24 onwards are at comparatively low levels, and combined with the fact that receipts are continuing to be used to subsidise the revenue budget through capitalisation direction means that the scope for further capital investment funded via receipts will be limited.

Table 5: Forecast movement in capital receipt balances

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Balance as at 1st April	10,414	13,289	13,204	12,259	10,763
Capital receipts used for financing	(4,263)	(1,294)	(1,194)	(1,094)	(1,094)
Capital receipts used to support capitalisation direction	(2,650)	(507)	(507)	(507)	(507)
Capital receipts Received or Forecast	9,788	1,715	756	104	104

Forecast Balance as at 31st March	13,289	13,204	12,259	10,763	9,266
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9. RESOURCE IMPLICATIONS:

9.1. The report itself covers the resource implications of the entirety of the revenue and capital budget activity during the year. There are no further resource implications as a result of the recommendation in this report.

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

10.1. This report provides Members with information on the forecast revenue and capital outturn position of the Authority and carries no decisions. There are therefore no equality of future generations' implications directly arising from this report.

11. CONSULTEES:

Strategic Leadership Team
Performance & Overview Scrutiny Committee
Cabinet

Feedback from Performance & Overview Scrutiny Committee 11th October 2022:

12. BACKGROUND PAPERS:

Appendix 1 – Detailed outturn statements and directorate commentaries
Appendix 2 – Progress against mandated budget savings
Appendix 3 – Forecast movement in individual school balances

13. AUTHORS:

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Overall Revenue Position

Table 1: 2022/23 budget summary forecast at Month 4

Service Area	Original Budget 2022/23	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Month 4
	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	57,877	312	58,189	63,245	5,056
Children & Young People	58,990	523	59,513	60,254	741
Communities & Place	23,588	99	23,687	24,303	616
MonLife	4,430	137	4,567	5,046	479
Chief Executives Unit	3,155	89	3,244	3,244	0
People & Governance	4,663	70	4,733	4,733	0
Resources	6,660	1,004	7,664	8,421	756
Corporate Costs & Levies	26,207	(554)	25,653	27,571	1,918
Net Cost of Services	185,570	1,680	187,250	196,818	9,568
Appropriations	6,652	(1,204)	5,448	5,223	(226)
Expenditure to be Financed	192,223	476	192,699	202,040	9,342
Financing	(192,223)	(476)	(192,699)	(193,240)	(542)
Net General Fund (Surplus) / Deficit	0	0	0	8,800	8,800

Table 2: 2022/23 budget detailed forecast at Month 4

Service Area	Original Budget 2022/23	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Month 4
	'000's	'000's	'000's	'000's	'000's
Adult Services	9,548	(45)	9,503	9,148	(355)
Children Services	17,795	44	17,840	21,359	3,519
Community Care	26,111	277	26,387	28,468	2,081
Commissioning	1,418	2	1,420	1,346	(74)
Partnerships	436	8	445	445	0
Public Protection	1,910	21	1,931	1,870	(61)
Resources & Performance	659	4	663	609	(54)
Social Care, Health & Safeguarding	57,877	312	58,189	63,245	5,056
Individual Schools Budget	47,775	500	48,276	48,451	176
Resources	1,162	5	1,167	1,199	32
Standards	10,053	17	10,070	10,604	533
Children & Young People	58,990	523	59,513	60,254	741
Enterprise, Housing & Community Animation	2,921	(84)	2,837	3,174	337
Facilities & Fleet Management	6,958	(82)	6,876	7,387	511
Neighbourhood Services	11,944	34	11,978	11,751	(227)
Placemaking, Highways & Flood	1,765	231	1,996	1,991	(5)
Communities & Place	23,588	99	23,687	24,303	616
Countryside & Culture	1,101	44	1,144	1,141	(3)
Finance & Business Development	2,263	21	2,283	2,297	14
Leisure, Youth & Outdoor Adventure	1,067	73	1,139	1,608	469
MonLife	4,430	137	4,567	5,046	479
Policy, Scrutiny & Customer Service	3,155	89	3,244	3,244	0
Chief Executives	3,155	89	3,244	3,244	0
Democratic Services	2,560	15	2,576	2,589	13
Emergency Planning	158	2	160	160	0
People	1,945	53	1,998	1,985	(13)
People & Governance	4,663	70	4,733	4,733	0

Service Area	Original Budget 2022/23	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Month 4
Commercial, Corporate & landlord Services	1,115	559	1,674	1,744	71
Finance	2,659	430	3,089	3,837	749
Future Monmouthshire	4	1	5	0	(5)
Information Communication Technology	2,883	14	2,897	2,839	(58)
Resources	6,660	1,004	7,664	8,421	756
Precepts & Levies	22,319	312	22,630	22,629	(1)
Coroner's	171	0	171	171	0
Archives	196	0	196	196	0
Corporate Management	385	0	385	382	(2)
Non Distributed Costs (NDC)	651	0	651	651	0
Strategic Initiatives	867	(867)	0	2,017	2,017
Insurance	1,619	1	1,620	1,524	(96)
Corporate Costs & Levies	26,207	(554)	25,653	27,571	1,918
Net Cost of Services	185,570	1,680	187,250	196,818	9,568
Fixed Asset Disposal Costs	0	0	0	0	0
Interest & Investment Income	(100)	0	(100)	(341)	(241)
Interest Payable & Similar Charges	3,956	0	3,956	4,148	192
Charges Required under Regulation	6,714	0	6,714	6,663	(51)
Borrowing Cost Recoupment	(3,520)	0	(3,520)	(3,845)	(325)
Contributions to Reserves	188	0	188	188	0
Contributions from reserves	(586)	(1,204)	(1,790)	(1,590)	200
Appropriations	6,652	(1,204)	5,448	5,223	(226)
Expenditure to be Financed	192,223	476	192,699	202,040	9,342
General Government Grants	(77,524)	0	(77,524)	(77,524)	0
Non Domestic Rates	(34,753)	0	(34,753)	(34,753)	0
Council tax	(87,309)	(476)	(87,785)	(88,105)	(320)
Council Tax Benefit Support	7,363	0	7,363	7,142	(222)
Financing	(192,223)	(476)	(192,699)	(193,240)	(542)
Net General Fund (Surplus) / Deficit	0	0	0	8,800	8,800

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	5,056	0	0	0

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

Four months into the 2022/23 financial year we are predicting an over spend of £5.056m based on known commitments and expectations against the directorate budget.

Within the Children's Service budget there is a predicted over spend of £3.519m, due to the increasing numbers of high cost placements, where we are presently supporting 23 placements at the end of July that account for over £6m of annual spend, including extremely costly emergency arrangements for children where there is no regulated placement. There is continued use of agency staff to fill vacancies. This financial year sees the full effect of costs resulting from the removal by Welsh Government of the COVID hardship fund, Social Care Recovery Fund and Social Care Pressures grants. On a more positive note, Children Looked After numbers continue to stabilise at 204 for the end of July.

The combined Adults budget is forecast to over spend by £1.598m and similar to Children's has seen the full year effect in costs to be borne by the budget from the loss of three vital Welsh Government funding streams. Older Adults budgets have seen a dramatic influx of clients requiring services as we move out of the pandemic, with continued pressures from hospitals to discharge patients into the social care sector, and some clients requiring more intense services due to delayed health care during the pandemic. A few in house services are currently undergoing reviews, with in year savings being used to partially offset over spends.

Public Protection had a cash injection this year and as a result is operating at £61k within its budget, due to savings from vacant posts.

Adult Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(355)	0	0	0

The under spend is largely in the My Day My Life service and a review will be commissioned to determine the delivery model moving forward as we exit the pandemic and what is required to meet the future needs of our disability clients.

Children Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	3,519	0	0	0

Due to the increasing numbers of high cost placements, where we are presently supporting 23 placements at the end of July that account for over £6m of annual spend, including extremely costly emergency arrangements for children where there is no regulated placement. There is continued use of agency staff to fill vacancies. This financial year sees the full effect of costs resulting from the removal by Welsh Government of the COVID hardship fund, Social Care Recovery Fund and Social Care Pressures grants.

Community Care

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,081	0	0	0

This financial year we have made 34 additional care home placements which has added to the over spend, along with the increase demand, especially for 24 hour care provision for domiciliary care to aid hospital discharge, to meet the challenges of an ageing population, but as a result of the pandemic clients are of a higher dependency as a result of delayed health care.

Commissioning

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(74)	0	0	0

Saving from staff vacancy which is currently planned to go out to recruitment.

Partnerships

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

No variance forecast.

Public Protection

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(61)	0	0	0

Savings from staff vacancies.

Resources & Performance

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(54)	0	0	0

Savings from vacancies which are currently out to recruitment.

CHILDREN & YOUNG PEOPLE DIRECTORATE

	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	741	0	0	0

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 4 position is an over spend of £741k, which is largely due to additional ALN expenditure reported in the Standards section.

Individual Schools Budget

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	175	0	0	0

The ISB over spend is due to the following, which was not included in the budget:-

- funding of two protected salaries and a Teaching & Learning Responsibility payment (TLR) which falls to the Authority to fund (£45k);
- back pay for staff, which was not included in the MTFP. This was due to the late agreement for the pay award and the budget had already been set (£100k);
- payment for a bespoke home to school transport arrangement to Caldicot School pending a final catchment area review (£20k);
- School Staff Wellbeing Project (£9k)

Resources				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	32	0	0	0
The over spend is due to several cost centres not being able to currently fully meet the 2% staff efficiency saving.				
Standards				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	533	0	0	0
<p>The overspend of £533k, is largely due to ALN, which has seen costs increase due to the following:-</p> <ul style="list-style-type: none"> • Several pupils have either moved into Monmouthshire or have left a Monmouthshire school to attend a school in their home County, so we are no longer able to recoup the income from other LA's (£68k) • 2 new pupils attending an independent school (£105k) • Full year costs for 2 pupils currently at an Independent school, who decided to stay on for Year 14 (were previously leaving at the end of Year 13 / the Summer Term (£60k)) • 1 pupil accessing SALT and Seirrah Therapies (£24k) • 1 pupil attending MonLife (£30k) • 3 new pupils attending schools in Blaenau Gwent & increase in costs for an existing pupil (£105k) • 2 new pupils attending schools in Newport (£17k) • 1 new pupil moving to a Bristol school (£9k) • 1 new pupil potentially to attend a school in Torfaen, currently going through Tribunal (£50k) • Staff costs due to the expansion of Pembroke SNRB (£32k) • Blaenau Gwent contacted us to advise they had been paying transport costs, that we were liable for, as the pupil is a Looked After Child (£19k) <p>The remainder of the overspend is due to additional staff costs in the Education Welfare Support Team (EWS) and the EWS and Psychology Service being unable to currently meet the 2% staff efficiency savings.</p>				
COMMUNITIES & PLACE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	616	0	0	0
<p>COMMUNITIES & PLACE DIRECTOR'S COMMENTARY:</p> <p>The Directorate is forecasting an outturn position of £616k adverse at Month 4. The inflationary rises and a post-covid environment are seeing an impact upon the cost of the provision of key services. In addition, national policy changes are impacting upon the services particularly within school catering and housing which are not attracting full funding.</p> <p>Each service area sets out the detail behind these projects in the next sections of this report. Across all services, we will continue to ensure that all eligible costs are claimed from any funding available.</p>				
Enterprise, Housing & Community Animation				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	337	0	0	0

Enterprise & Community Animation is forecasting a £337k over spend at month 4, this is mainly due to:

- **Borough Theatre** – £20k over spend – The refurbishment works are now expected to last a month longer than originally intended and this will affect the number of shows that can be scheduled between now and year end, impacting turnover and causing a projected £20k shortfall against budget.
- **Enterprise Mgt** - £29k over spend – Due to an increase in staff costs over and above available budget and an increase in contribution to City Deal.
- **Housing** - £338k over spend, this can be broken down into these main areas: -
 - **Homelessness** – £315k over spend – Current projections for the year indicate the authority will spend circa £2.285m on B&B accommodation for our homeless and an additional £665k on ancillary spend including security and damage repairs, which in part relates to accommodating those with higher support needs. The majority of this cost will be offset by pre-paid Covid-19 grant (£760k), Housing Prevention grant (£509k) and Housing Benefit (£1.393m) but the service will still be left with a £315k over spend against budget to manage. This is a volatile area where accommodation demands can fluctuate month by month so this figure could vary between now and outturn.
 - **Shared Housing & Private Leasing** - £3k under spend – Increased rental income figures have been offset by an increase in property repair and maintenance leaving a net £3k under spend. The repairs expenditure relates to an increase in handing properties back to landlords withdrawing from private renting and higher turnover of properties relating to properties not being used to prevent homelessness, but as temporary accommodation. The receipt of rental payments can be volatile so this figure could change between now and year end and we will provide an update at month 6.
 - **Strategic Services & Renovation Grants** – net £23k over spend – Mainly due to additional software and subscription costs in strategic services and increased administration costs for renovation grants.
- **Business Growth & Enterprise** – £35k under spend – Due in the main to the Strategic Operations Team forecasting a £34k under spend, recruitment into the team is ongoing but delays in filling posts have resulted in a staffing saving.
- **Community & P/Ships development** - £14k under spend - due to the ability to passport staff costs to UKG Ukraine funding.

All other service areas are reporting a balanced budget.

Facilities & Fleet Management

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	511	0	0	0

Facilities & Fleet management are forecasting a £511k over spend, due to-

- **Schools Catering** – £129k over spend – The unit is continuing to prepare the service in readiness for the roll-out of universal free school meals. Reception and infant classes will start from September but in order to ensure the service is ready for the Junior roll-out in April the decision has been made to accelerate recruitment of the required number of staff to ensure they have all received the appropriate amount of training. This has meant our total costs have exceeded available funding resulting in a budget pressure. WG have indicated the possibility of further funding later in the year to cover off any shortfalls so there is a potential that this will be covered.

- **Passenger Transport** – £424k over spend – Cost of living inflation increases have had a material impact on the PTU service, the additional burden of increased pay, fuel and repair costs have meant that operators have handed back contracts and our in-house budgets are being stretched due to :-
 - **External Commissioning** – Currently reporting a £218k over spend due to increased contract prices from re-negotiation and variations (£118k), an agreed 9% increase was implemented in April but we are still seeing regular ‘hand backs’ from our operators, this invariably leads to the contract going back out at a higher price or it having to be taken on in-house. In addition, the contracts are set to be re-tendered in September, the potential price impact is unknown, but officers have built in an additional £100k as a contingency.
 - **Internal Operations** – £206k over spend – If operator’s hand back contracts and they cannot be re-issued externally the route has to be provided in-house, this means the service has to purchase new vehicles and recruit extra staff. The issue we are currently facing is that even though the internal option might be the most cost effective versus external contract price it is still costing the authority more to run than we had available in the budget for the original contract. The more numerous the ‘hand backs’ the more cost burden is taken on in-house and when you add in additional inflationary increases on fuel and spares it is creating an unmanageable budget pressure within the service.
- **Fleet Maintenance** - £13k over spend – This is due to a reduction in the number of members of the car salary sacrifice scheme resulting in actual savings falling below budgeted levels. Fleet maintenance itself is currently forecasting a balanced budget, but we will review at Month 6 as there is potential for the outturn to be impacted by a spike in repairs or the effect of inflationary increases.
- **Building Cleaning & Public Conveniences (PCs)** - £55k under spend – this is due to a saving on business rates as we no longer pay them on PC’s (£25k) and improved turnover in Cleaning (£30k).

Neighbourhood Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(227)	0	0	0

Neighbourhood Services are forecasting to under spend by £227k, this is due to-

- **Highways, Swtra & Streetlighting** – £135k under spend - This is due to Streetlighting as a result of 1) Energy has underspent by £125k - the budget was set at 19/20 consumption levels, this has been found to be too high due to the improvement gained since then from the installation of LEDs, this has meant our actual cost of energy has fallen well below budget. 2) Staff saving of £10k due to the delay in filling a vacant post. Highways Operations and SWTRA & External Clients are both forecasting a break-even budget.

Waste & Street Scene - £92k under spend – The under spend is due to contract savings resulting from a strong recycling market, but these savings have been part offset by challenging income targets in commercial trade waste and garden waste services and by an increase in costs from the delays in the roll out of polypropylene bags due to vehicle manufacturing delays.

Placemaking, Highways & Flood

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(5)	0	0	0

Placemaking, Highways & Flood is forecasting to under spend by £5k, this is as a result of -

- **Planning & Building Control** – £79k over spend – Over spend in Planning due to the inability to make staff vacancy savings (£21k), hardware and software costs to update microfiche system (£38k) and a shortfall in S106 fee income (£20k).
 - **Planning Policy & LDP** – £200k under spend - Further delays in the progression of the LDP have meant that it is unlikely the full reserve budgeted funds will be spent this year. A corresponding adverse variance in reserves is reported in the Appropriations section meaning that there is no overall financial benefit to this delay.
 - **Car Parks & Civil Parking Enforcement** - £255k over spend – Early indications are that parking enforcement fines will not hit budgeted targets and there will be a £176k shortfall this year, in addition there are over spends in expenditure primarily in transport, premises and software costs of £72k resulting in a total £255k budget pressure within the service area.
- Highways management & flooding** - £137k under spend – Staffing under spend due to delays in filling vacant posts and improved road closure and SAB income.

MONLIFE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	479	0	0	0

MonLife DIRECTOR'S COMMENTARY:

The Monlife directorate is forecasting to over spend by £479k, the two main areas of focus continue to be leisure and outdoor services, with these areas providing the most significant financial challenges in the current economy. Monlife are completing deep dives of each business unit assessing the best options for future sustainability and the tactics needed to improve performance in these areas. Future development work includes working closely with CYP and Social Services on other programs to reduce our over spend and ensure the future sustainability of our services.

(Monlife) Countryside & Culture

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(3)	0	0	0

Countryside & Culture is forecasting to under spend by £3k due to a small under spend on third party contracts.

(Monlife) Finance & Business Development

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	14	0	0	0

Finance & Business Development is forecasting to over spend by £14k due to lower than anticipated income.

(Monlife) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	469	0	0	0

Leisure, Youth & Outdoor Adventure is forecasting to over spend by £469k, this is mainly due to: -

Leisure Services - £299K over spend mainly due to the sections inability to generate the expected income targets. Memberships have grown significantly over the past 12 months and recovered to pre-pandemic levels; however, this still falls short of the income target set for the section built on a model pre-pandemic which looked at commercial growth over a 3-year period. Due to the impact of the cost-of-living crisis and Covid-19 this model is unachievable at present, we continue to work hard with

teams to mitigate the financial loss and we hope that the significant investment in our site and targeted campaigns will assist in delivering more income.

Youth & Education - £189k over spend mainly due to: -

Youth Services - £13k over spend due to increased transportation costs where changes in licence legislation has meant the section has needed to buy in transportation rather than use existing staffing.

Outdoor Adventure Service - £176k over spend. The sections current income target was derived from a pre-pandemic business model that focused on a 3-year delivery plan first focusing on MCC internal schools and then moving on to commercial focused model. The impact of the pandemic has meant that the delivery of this model has been delayed this has led to a shortfall in income due to schools being reluctant to return to residential model (this is slowly changing). A project working group is set up looking at way to mitigate the financial loss part of this work will involve working closely with schools who show massive interest in the outdoor learning as the new curriculum in Wales is adopted which looks to support creative lessons with real life meaning.

CHIEF EXECUTIVES UNIT DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

HEAD OF POLICY, PERFORMANCE AND SCRUTINY COMMENTARY:

At present all services are forecasting a balanced position. However, based on demand patterns in previous years it is likely that the Welsh Language budget will move into over spend. Budget pressures previously experienced in community hubs were recognised with funding in the 22/23 budget enabling these areas to be placed on a more stable financial footing and reducing the risk of over spends associated with a drop-off in room bookings post-pandemic and the operation of the Post Office in Usk.

Policy, Scrutiny & Customer Experience				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

All services within Policy, Scrutiny & Customer Experience are forecasting a balanced budget at Month 4.

PEOPLE & GOVERNANCE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

PEOPLE & GOVERNANCE DIRECTOR'S COMMENTARY:

People & Governance is reporting a break-even position at Month 4, more detail can be found in the sections below.

Democratic Services				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	13	0	0	0

Democratic Services is forecasting to over spend by £13k, this is due to -

- **Organisational Development** – £5k over spend – mainly due to inability to achieve staff vacancy saving.

- **Members Costs** - £15k over spend – due to cost pressures caused by transition to new cabinet membership structure and software maintenance costs.
- **Legal Services** - £21k over spend – due to increases in legal costs and systems & software contracts (£27k), potential under recovery of fee income (£17k) offset by under spends in staffing due to delays in recruiting posts (£23k).
- **Land Charges** - £29k under spend – this is as a result of improved search income and savings from a vacant post.

Emergency Planning

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	0	0	0	0

Emergency Planning is reporting a break-even budget.

People

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(13)	0	0	0

People Services is forecasting to under spend by £13k at Month 4

- **People Services** – net £39k under spend – mainly due to net under spends in staffing across the department due to senior post vacancies and savings in Occupational Health due to a reduction in demand. This has been part offset by the cost of the implementation of a new system within payroll.
- **Corporate Training** – Reporting a break-even budget.
- **Communications** - £26k over spend – due to staff over spends caused by maternity cover and pay band increases plus increases in software licence costs. This has been partially offset by secondment income.

RESOURCES DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	756	0	0	0

RESOURCES DIRECTOR'S COMMENTARY:

The Resources Directorate is showing signs of early budget pressure. Departments will continue in their efforts to reduce or contain pressures and to identify cost savings that can be achieved where this is practicable and does not have an unacceptable impact on core service delivery.

The most significant factor driving the forecast over spend is in relation to Housing benefits where national policy change has brought about increased expenditure required in relation to the housing needs of the Homeless. Whilst the housing placement cost element of this falls to the Communities & Place directorate, the shortfall in housing benefit subsidy claimable on B&B placements is a significant additional cost to the resources directorate. There are limited options available to the Council to arrest this situation in the very near term, however the Council is currently exploring options for a more permanent and lower cost solution.

There are significant offsetting under spends within the directorate as a result of staff vacancies being held. It is recognised that some of these vacancies have been unfilled for a significant period and that this is not a sustainable or resilient position for many of the service areas in the directorate to be in, and work is actively ongoing to rectify this.

Finance

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	748	0	0	0

Finance is forecasting to over spend by £748k, this is mainly due to -

- **Revenues** - £1.002m over spend, this is due in the main to –
 - **Housing Benefits** - £989k over spend - The majority of this over spend relates to emergency homeless B&B placements for which we are unable to claim full housing benefit subsidy. The forecast is based on a pro rata of cost incurred to date and will therefore fluctuate as placements change. This situation will be carefully monitored, and variations reported in future forecasts. These costs were previously claimed from Covid-19 hardship funding but that has now ceased.
 - **Council Tax** - £106k over spend – due to an £87k over spend against salary costs as staff budget was moved to Finance as part of structure adjustments and which forms part of the under spend in that service area. The remaining shortfall relates to summons income projecting to be £19k lower than budgeted.
 - **Debtors and Charity relief** - £92k under spend – The forecast under spend is mainly due to expected administration grant funding (net of known expenditure) for the various grant support schemes that we are currently administering for Welsh Government (£87k) and a small under spend in Debtors due to reduced printing & postage costs (£5k).
- **Finance** - £178k under spend – This is a result of vacancies at senior management and where we are anticipating that these positions will be filled by December.
- **Audit** - £67k under spend – This is due to staff vacancy savings.
- **Systems & Cashiers** – £9k under spend – due to –
 - Cashiers - £12k over spend - the delay in fully implementing the decision to remove cheques has meant we will be unable to achieve the £20,000 staff saving that was carried over in the budget from 2020/21. This pressure has been partially offset by in year staff vacancies bringing the over spend down to £12k.
 - Systems - £21k under spend - The team have been carrying some vacancies, which have now largely been filled. Also, £7,000 income has been received for the purchase card rebate.

Future Monmouthshire

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(5)			

Staff costs have been recovered from external partners.

Information, Communication & Technology

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(58)	0	0	0

ICT is forecasting to under spend by £58k at month 4, this is due to-

- **Digital Programme Office** - £2k under spend – due to small savings in allowances and subsistence.

- **Shared Resource Service** - £33k under spend – our contribution to the SRS service is currently projecting to be less than budgeted.
- **Digital Design & Innovation** - £8k under spend - mainly due to savings in staffing where a post has been replaced at a lower grade.
- **Cyber Security** - £14k under spend - due to staff savings as a post was only filled in May and savings on supplies & services.

Commercial & Corporate Landlord

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	71	0	0	0

Commercial & Corporate Landlord is forecasting to over spend by £71k -

- **Investment Properties** - £85k over spend, due to –
 - **Newport Leisure Park** - £52k under spend – currently projecting to generate £52k surplus above budget, where incremental rent increases on the site have ensured our rental receipts remain at the appropriate levels although we will be continually monitoring this position due to the potential effect the cost of living crisis could have on the leisure industry.
 - **Castlegate Business Park** - £137k over spend – Castlegate has significantly improved its position with the rental of 3 vacant units this year, which has considerably reduced our landlord liabilities. However the rent free period means we will fall short of our income target by £137k in this financial year but this will be rectified in 23/24 once full year rental is payable.
- **Landlord Services** - £37k under spend – staffing savings caused by delays in filling vacant posts.
- **County Farms** - £31k over spend – income projections are down due to a number of empty farms, these are due to be re-let but we've had to source consultants to facilitate in the lettings and also make improvements to the properties before the tenant can move in. Further updates will be provided at M6.
- **Solar Farm & Sustainability** - £113k under spend – due to improved income from our Solar Farm and PV installations caused by the increased market rates for energy.
- **Industrial Units** - £23k under spend – Rental income has increased above budget due to a number of new lettings.
- **Markets** - £129k over spend. The number of traders has dropped off considerably since Covid-19 and this has meant the service is struggling to meet income targets by £100k. There is also a potential net increase in spend of £30k mainly due to an increase on waste disposal costs. Officers are considering options to encourage traders back into the markets so it is hopeful that the position will improve by year end.
- **Property Services** – Currently forecasting a break-even budget.

CORPORATE COSTS & LEVIES DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,918	0	0	0

Precepts & Levies

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	0	0	0
Minor variance to original budget forecast following clarification of final precepts due.				
Coroners Services				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast.				
Corporate Management				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	0	0	0
Minor variance currently forecast following some small unbudgeted income streams.				
Non-Distributed Costs				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast.				
Strategic Initiatives				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,017	0	0	0
Current pay modelling is based on a pay award offer of £1,925 for non-teaching staff which would result in a forecast pressure of around £2.017m within services. For month 4 forecasting purposes an allowance for this pressure has been made within the Corporate directorate until such time that the Council has certainty on the final offer agreed.				
Insurance				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(95)	0	0	0
The Council recently went out to tender on its insurance cover which has resulted in premiums payable for 2022/23 being £95k less than anticipated reflective of a very competitive insurance market.				
APPROPRIATIONS DIRECTORATE				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(225)	0	0	0
Fixed Asset Disposal Costs				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast.				
Interest & Investment Income				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn

Deficit / (Surplus) £'000s	(241)	0	0	0
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A significant upward movement in the interest rates available on investment balances has been seen since the budget was set for 2022/23. Whilst this is welcomed, the Council overall is a net borrower from the market and consequently will also see borrowing costs increase significantly as fixed rate periods end.

Interest Payable & Similar Charges

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	191	0	0	0

As above, the rising interest rate environment is placing upward pressure on borrowing costs as fixed rate periods come to an end. This has been mitigated somewhat by entering into longer term loans at comparably lower rates, however short term borrowing costs have risen more quickly than originally budgeted.

Charges Required Under Regulation

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(51)	0	0	0

This budget covers the statutory amount the Council is obliged to set aside to fund future loan repayments and the forecast is slightly lower than the £6.7m budget due to significant slippage in the capital programme which has reduced the need to borrow as quickly as anticipated.

Borrowing Cost Recoupment

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(325)	0	0	0

This budget represents a technical accounting adjustment where by borrowing costs relating to the purchase of capital assets is repatriated from service budgets to ensure that the full life cost of assets is borne by the end user. The variance to budget relates to vehicles purchased at the end of 2021/22 which were originally anticipated to be financed through a sale and leaseback arrangement, however following an options appraisal were found to be more cost effective to be purchased outright and financed from borrowing.

Contributions to / from Reserves

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	200	0	0	0

Due to delay on Local development plan costs, the £200k reserve contribution will not be required this financial year.

FINANCING DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(542)	0	0	0

Council Tax Benefit Support

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(222)	0	0	0

Caseload currently continues to fall and is now closer to pre-pandemic levels. We may however see numbers increase over coming months as the cost of living crisis deepens.

Council Tax				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(320)	0	0	0
Overall, we currently anticipate a surplus in income collected. Generally, the tax base remains strong, although there are signs of an increase in exemptions and discounts being awarded. The surplus reflects a continued strong collection rate over time, over and above the 99% rate used for budget setting.				
General Government Grants				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
Income received to budget.				

2. **SCHOOLS**

- 2.1. A Board of Governors who are responsible for managing the school's finances directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 4 projections for each Educational Cluster.

Draft Council Fund Outturn 2022/23 – School Balances Summary outturn position at Month 4	(A) Opening Reserves (Surplus) / Deficit Position 2022/23	(B) Draw / (Contribution) from / (to) School Balances @ Month 4	(C) Draw / (Contribution) from / (to) School Balances @ Month 6	(D) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+B) Forecast Reserve Balances at 2022/23 Outturn
	£000's	£'000	£'000	£'000	£'000
Cluster					
Abergavenny	(2,145)	1,181			(963)
Caldicot	(2,165)	1,570			(596)
Chepstow	(695)	863			168
Monmouth	(1,869)	1,425			(443)
Special	(82)	106			24
Total	(6,956)	5,145			(1,810)

- 2.2. Collective School Balances at the beginning of the financial year amounted to £6,956,114 surplus. At Month 4 the Schools forecast anticipated draw on reserves is £5,145,631, resulting in a forecast surplus balance of £1,810,483 at year-end. (The majority of the surplus balance brought forward is due to several grants being awarded to schools at 2021-22 year end; Revenue Maintenance, Winter

of Wellbeing, ALN New System, Recruit Recover & Raise Standards, Attendance Support & Community Schools, RISG and LA Education Grant).

2.3. The Local Authority budget for 2022/23 made allowance for a pay award for schools staff up to a threshold of a 3%, with any award agreed above this level to be funded from schools balances. The above forecast is predicated upon a further pressure of 2% over and above the 3% budgeted based upon the most likely outcome of the initial pay discussions. This accounts for £1.2m of the overall £5.145m forecast draw upon school balances this year.

2.4. The movement of individual schools forecast to be in deficit at the end of the year is shown below:

Start of year	Month 4	Month 6	Month 9
Total: 1	Total: 7	Total:	Total:
Chepstow Comprehensive	Chepstow Comprehensive		
	Ysgol Y Fenni		
	Archbishop Rowan Williams (CIW)		
	Cross Ash		
	Kymin View		
	Llandogo		
	Pupil Referral Service		

2.5. There isn't a consistent picture of schools' balances. There has been a fluctuating trend for some time with some schools showing a continuing reduction in schools balances, which is of concern, and others a more stable trend. However, as previously advised, grants awarded to schools at 2020/21 and 2021/22 year-ends have resulted in a large increase in overall school balances. Schools have developed grant investment plans in line with the terms and conditions of these grants and the balances are expected to reduce considerably during 2022/23.

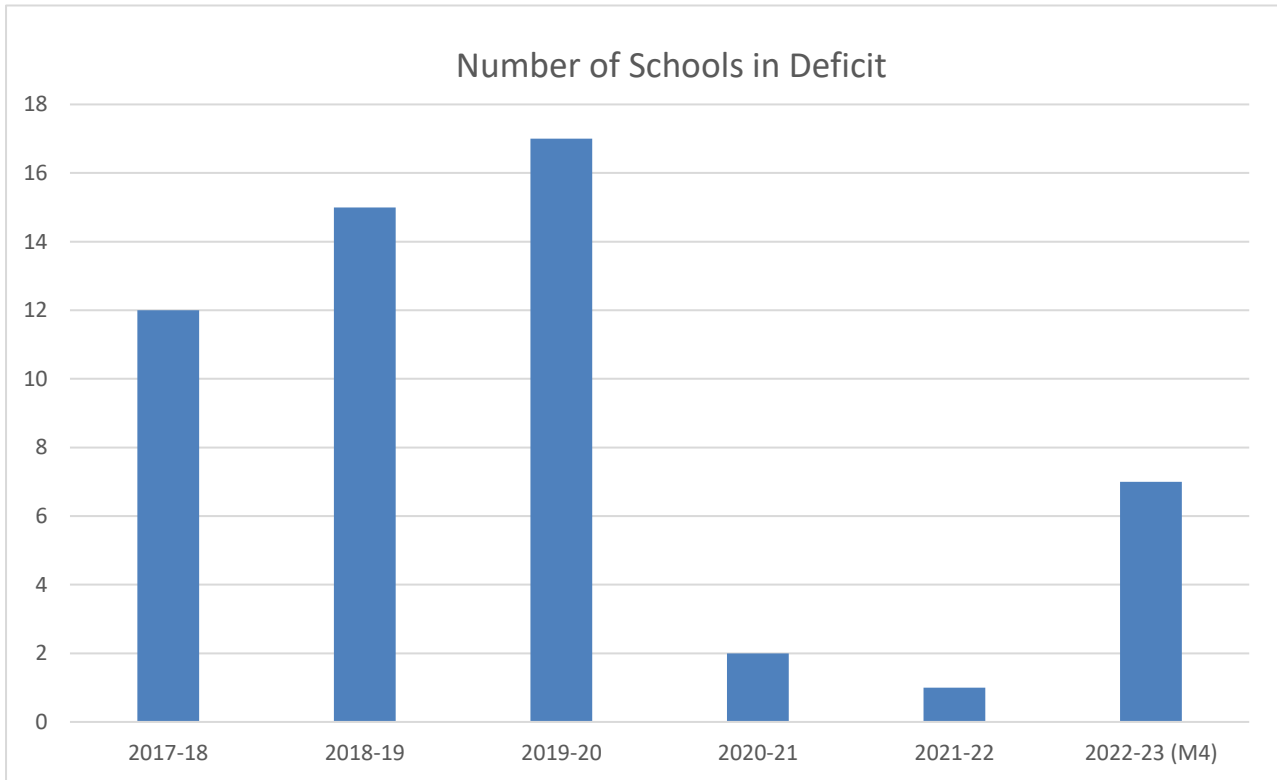
2.6. The projected return of six schools into deficit balance by the end of the year is disappointing and points to inherent structural budget deficits remaining in some cases, or a lack of planning for budgetary risks in the current economic environment. Finance officers will continue to work closely with those schools of concern and look to aid the return to a more sustainable budget plan over the medium term.

2.7. All schools that do register a deficit balance at the end of a financial year are required to bring forward budget recovery plans. These recovery plans will be confirmed with both the Local Education Authority and each School's Governing Body. Once finalised the schools with significant deficits will be monitored by the Cabinet member for both Children and Young People and Resources on a termly basis.

Financial Year-end	Net level of School Balances
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232

2019-20	435
2020-21	(3,418)
2021-22	(6,956)
2022-23 (Forecast)	(1,810)

2.8. The increase in school balances during 2020/21 and 2021/22 resulted in a reduction in the number of schools in deficit, as illustrated in the following table: -



3 CAPITAL OUTTURN

3.1 The summary forecast Capital budget position at Month 4 is as follows:

Forecast Capital Outturn Position 2022/23 at Month 4

	Slippage B/F	Original Budget	Budget Adjust ments	Provisional Slippage	Revised Budget 2022/23	Forecast Expenditure / (Financing)	Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Capitalisation Directive	0	2,650	0	0	2,650	2,650	0
Development Schemes Over £250k	13,893	330	0	0	14,224	14,433	209
Development Schemes Under £250k	844	2,698	0	(2,000)	1,541	1,541	0
Schools & Education	27,865	13,681	0	0	41,546	41,546	0
Infrastructure	1,062	3,428	0	(100)	4,390	4,390	0
ICT Schemes	552	882	0	(153)	1,281	1,281	0
Property Maintenance	2,686	4,017	0	0	6,704	6,704	0
Renovation Grants	912	900	0	0	1,812	1,812	0
Section 106	1,147	0	0	(25)	1,122	1,122	0
Specific Grant Funded	3,715	1,000	3,922	0	8,637	8,637	0
Vehicle Leasing	0	1,500	0	0	1,500	1,500	0
Total Expenditure	52,676	31,086	3,922	(2,278)	85,406	85,615	209
Financing							
Supported Borrowing	0	(2,431)	0	0	(2,431)	(2,431)	0
General Capital Grant	0	(3,593)	0	0	(3,593)	(3,593)	0
Grants and Contributions	(32,382)	0	(3,922)	0	(36,304)	(36,304)	0
S106 Contributions	(1,854)	0	0	25	(1,829)	(1,829)	0
Unsupported Borrowing	(14,930)	(19,967)	0	2,253	(32,644)	(32,853)	(209)
Earmarked Reserve & Revenue Funding	(192)	0	0	0	(192)	(192)	0
Capital Receipts	(3,318)	(3,595)	0	0	(6,913)	(6,913)	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
Total Financing	(52,676)	(31,086)	(3,922)	2,278	(85,406)	(85,615)	(209)

- 3.2 The capital budget forecast outturn at month 4 is an over spend £209k, with £114k being attributed to extra refurbishment costs on properties acquired for Children’s Services and £95k at Crick Road Care Home for additional equipment required for resident’s privacy.
- 3.3 It should be noted that there is a risk surrounding the refurbishment of the Tintern Wireworks Bridge at Tintern in conjunction with Gloucestershire County Council which is facing cost pressure due to the complexity of restoring this listed structure and the increased cost of materials.
- 3.4 There is £2.278m forecast Capital Slippage at month 4 as four schemes have advised of delays within their project timescales:
- £2m for Housing provision for the homeless due to the complex lead time of acquiring properties;
 - £153k delay in the SRS Data Hall migration due to issues encountered with commercial providers;
 - £100k for the Penyrhiw Sewage Treatment Works where the scheme has encountered delays in progressing survey and design works due to external factors;
 - £25k for the Abergavenny Skate Park S106 Scheme as additional funding is being sought from external partners to deliver on the preferred project within budget.

3.5 Useable Capital Receipts Available

- 3.6 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 are illustrated.

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Balance as at 1st April	10,414	13,289	13,204	12,259	10,763
Capital receipts used for financing	(4,263)	(1,294)	(1,194)	(1,094)	(1,094)
Capital receipts used to support capitalisation direction	(2,650)	(507)	(507)	(507)	(507)
Capital receipts Received or Forecast	9,788	1,715	756	104	104
Forecast Balance as at 31st March	13,289	13,204	12,259	10,763	9,266

Disinvestment Matrix 2022-23

REF.	Disinvestment 2022-23	2022/23 Budgeted Savings £000	Value of Saving forecast at Month 4 £000	Value of Saving forecast at Month 6 £000	Value of Saving forecast at Month 9 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable YTD £000
	Social Care & Health	(120)	(120)	0	0	0	0	0
	Communities & Place	(959)	(959)	0	0	0	0	0
	Resources	(300)	(300)	0	0	0	0	0
	Chief Executives Unit	(33)	(33)	0	0	0	0	0
	Corporate Costs & Levies	(717)	(717)	0	0	0	0	0
	Totals Disinvestments by Directorate	(2,129)	(2,129)	0	0	0	0	0

REF.	Disinvestment 2022-23	2022/23 Budgeted Savings £000	Value of Saving forecast at Month 4 £000	Value of Saving forecast at Month 6 £000	Value of Saving forecast at Month 9 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment	Assessment of Progress	Risk of current forecast saving NOT being achieved (High / Medium / Low)
	Social Care & Health										
SC6	Fees & Charges 2022/23	(120)	(120)	0	0	0	0	0		On Target	Low
	Total Social Care & Health	(120)	(120)	0	0	0	0	0			
	Communities & Place										
C&P10	Increase in discretionary Fees & Charges	(13)	(13)	0	0	0	0	0		On Target	Low
C&P4	Waste management savings - Contract & dry recyclates rates	(856)	(856)	0	0	0	0	0		On Target	Low
C&P4	Street Lighting - Energy Savings	(90)	(90)	0	0	0	0	0		On Target	Low
	Total Communities & Place	(959)	(959)	0	0	0	0	0			
	Chief Executive's Unit										
PCEO0003	Reversal of previous pressure - Contact Centre - Additional staff to cope with booking system at HWRC	(33)	(33)	0	0	0	0	0		On Target	Low
	Total Chief Executive's Unit	(33)	(33)	0	0	0	0	0			
	Resources										
RES 11	Solar farm income increase	(300)	(300)	0	0	0	0	0		On Target	Low
	Total Resources	(300)	(300)	0	0	0	0	0			
	Corporate Costs & Levies										
CORP 5	Increase in Capitalisation directive	(442)	(442)	0	0	0	0	0		On Target	Low
CORP 10	Council tax base increase	(275)	(275)	0	0	0	0	0		On Target	Low
	Total Corporate Costs & Levies	(717)	(717)	0	0	0	0	0			

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	A	B	C	(A+C)
	Opening Reserves 2022-23 (Surplus)/Deficit	Budgeted (Surplus)/Deficit for year	Forecast (Surplus)/Deficit for year	Forecast closing Reserves 2022-23 (Surplus)/Deficit
Abergavenny cluster				
E003 King Henry VIII Comprehensive	(755,570)	313,402	389,048	(366,522)
E073 Cantref Primary School	(254,092)	113,601	134,790	(119,302)
E072 Deri View Primary School	(189,790)	88,335	133,741	(56,050)
E035 Gilwern Primary School	(230,955)	43,725	116,685	(114,270)
E037 Goytre Fawr Primary School	(117,735)	64,455	81,985	(35,750)
E093 Llanfoist Fawr Primary School	(219,419)	60,278	86,308	(133,112)
E044 Llantillio Pertholey CiW Primary School (VC)	(109,698)	67,247	91,517	(18,181)
E045 Llanvihangel Crucorney Primary School	(136,822)	24,922	23,616	(113,206)
E090 Our Lady and St Michael's RC Primary School (VA)	(58,649)	(11,198)	24,920	(33,728)
E067 Ysgol Gymraeg Y Fenni	(72,015)	59,455	98,709	26,694
Caldicot cluster				
E001 Caldicot School	(807,785)	210,761	734,528	(73,257)
E068 Archbishop Rowan Williams CiW Primary School (VA)	(171,322)	153,954	187,566	16,244
E094 Castle Park Primary School	(159,298)	86,732	133,874	(25,424)
E075 Dewstow Primary School	(358,616)	30,955	100,426	(258,191)
E034 Durand Primary School	(104,979)	51,596	84,811	(20,168)
E048 Magor CiW Primary School (VA)	(196,816)	44,046	105,942	(90,874)
E056 Rogiet Primary School	(89,223)	60,846	79,041	(10,182)
E063 Undy Primary School	(210,643)	93,244	101,561	(109,081)
E069 Ysgol Gymraeg Y Ffin	(66,783)	18,971	42,083	(24,700)
Chepstow cluster				
E002 Chepstow School	124,934	310,153	369,873	494,807
E091 Pembroke Primary School	(218,667)	72,640	126,891	(91,776)
E057 Shirenewton Primary School	(239,292)	102,983	107,939	(131,353)
E058 St Mary's Chepstow RC Primary School (VA)	(104,932)	62,636	33,934	(70,998)
E060 The Dell Primary School	(146,839)	21,856	119,246	(27,593)
E061 Thornwell Primary School	(110,622)	98,488	105,398	(5,224)
Monmouth cluster				
E004 Monmouth Comprehensive	(814,258)	408,886	591,414	(222,844)
E032 Cross Ash Primary School	(79,755)	69,722	86,620	6,865
E092 Kymin View Primary School	(133,714)	80,552	152,013	18,299
E039 Llandogo Primary School	(214)	(10,121)	9,060	8,846
E074 Osbaston CiW Primary School (VC)	(93,147)	8,316	43,288	(49,859)
E051 Overmonnow Primary School	(162,470)	28,200	155,228	(7,242)
E055 Raglan CiW Primary School (VC)	(160,593)	57,805	31,876	(128,717)
E062 Trellech Primary School	(153,939)	64,096	93,103	(60,836)
E064 Usk CiW Primary School (VC)	(270,840)	227,960	262,834	(8,006)
Cluster Total	<u>(6,874,560)</u>	<u>3,179,498</u>	<u>5,039,867</u>	<u>(1,834,693)</u>
Special School				
E095 PRU	(81,554)	31,090	105,764	24,210
Special Total	<u>(81,554)</u>	<u>31,090</u>	<u>105,764</u>	<u>24,210</u>
Total	<u><u>(6,956,114)</u></u>	<u><u>3,210,588</u></u>	<u><u>5,145,631</u></u>	<u><u>(1,810,483)</u></u>

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**SUBJECT: REVENUE & CAPITAL BUDGET MONITORING 2022/23
– MONTH 4 FORECAST**

MEETING: CABINET

DATE: 19th October 2022

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1. The purpose of this report is to provide Members with information on the Authority's financial forecasts for the 2022/23 financial year in respect of the revenue budget, capital programme, and associated reserves position.

2. RECOMMENDATIONS:

- 2.1. That Cabinet recognises the significant over spend forecast at Month 4 against the Authority's revenue budget of £8.8m, which is primarily as a result of:
- **£3.5m forecast over spend in Children's services** due to the increasing numbers of high cost placements and continued use of agency staff;
 - **£1.6m forecast over spend in Adults care services** following a dramatic influx of clients requiring services post-pandemic, with some clients requiring more intense services due to delayed health care during the pandemic;
 - **£0.5m forecast over spend in Additional learning needs** budgets due to the increasing cost and number of out of County placements;
 - **£1.3m forecast over spend in meeting the needs of the Homeless** following national policy change initiatives and where inadequate funding has been provided;
 - **£0.5m forecast over spend in MonLife services** as income levels are failing to meet targets in the areas of Leisure and Outdoor education;
 - **£2m forecast over spend in relation to the expected outcome of workforce pay negotiations** which is expected to be significantly above the 3.5% budgeted.

Together with a number of other over and under spends summarised in paragraph 3.7 and detailed in **appendix 1** to this report.

- 2.2. That Cabinet request that the Strategic leadership team immediately look to arrest the forecast over spend through a range of appropriate budget recovery measures as outlined in this report.
- 2.3. That Cabinet recognises the importance of a balanced outturn position being achieved for 2022/23, in that it safeguards the need to draw further upon any planned use of reserves and capital receipts and which will be required to assist in meeting the unprecedented

financial challenges presenting over the medium term and where funding levels are expected to fall significantly short in meeting these challenges.

- 2.4. That Cabinet recognise the ongoing financial risks to the revenue budget of the outcome of ongoing pay negotiations, and the potential impact of the cost of living crisis on communities, and the associated financial impact this will have on the Council.
- 2.5. That Members note that the overall revenue budget continues to be subsidised by £2.65m of capital receipts which are being used to fund identified eligible expenditure under the flexible use of capital receipts directive.
- 2.6. That Members note the forecast 100% delivery of the budgeted mandated savings as detailed in **appendix 2** and as approved by full Council previously.
- 2.7. Cabinet notes the extent of forecast movements in Schools reserve usage contained in **table 4**, and **appendices 1 & 3** which highlight the possibility of a further six schools entering into a deficit reserve position by the end of the financial year.
- 2.8. Cabinet considers the forecast capital outturn spend of £85.6m as outlined in **appendix 1** that currently indicates a forecast over spend of £209k, noting the continuing difficulty in delivering capital projects to their allocated budget in the current challenging economic environment.

3. KEY ISSUES:

- 3.1. In setting the 2022/23 budget there was an expectation that the Council would see a gradual return to a more stable operating environment relative to the last two years, with the direct impacts of the pandemic potentially set to ease.
- 3.2. There was a known and accepted risk that the Welsh Government Hardship fund would end and consequently any direct or indirect costs resulting from the pandemic would fall upon the Council to fund. It was also highlighted that the challenges experienced in achieving historic income levels would continue, and that the permanent change in national policy initiative around the needs of the homeless would not be adequately funded by Welsh Government.
- 3.3. The timing and degree to which these risks would manifest was the key uncertainty within the budget setting process, and on that basis, Cabinet agreed a package of measures to combat the known and unknown pressures presenting in terms of a mix of base budget provision of a further £10.1m and the creation of specific earmarked reserves of £4m.
- 3.4. In respect of the £10.1m of budget pressures that were accommodated, these were notably:
 - All pay and pension related spending pressures in our schooling system, up to a threshold of a 3% pay award
 - The increasing demand on schools and the Local Education Authority of pupils with additional learning needs

- The increasing complexity of cases being placed on our children's social services in respect of looked after children and for whom the Council acts as corporate parent
- The growing impact of an ageing population on adult social services and the challenges that result from a fragile and unsustainable social care market in Wales
- Significant service pressures within the passenger transport unit and within recycling and waste and that look to ensure that the Council supports and sustains key service delivery
- Responding to the needs of homelessness with housing related support
- Further investment in our Highways and transport infrastructure alongside our IT and network estate

3.5. It is therefore disappointing that despite accommodating the above pressures into the 2022/23 budget, that at Month 4 significant further in year service pressures are forecast, with many of these pressures developing in the same key areas that have been provided additional support in the budget.

3.6. **Table 1** below summarises the forecast £8.8m net over spend against the Council's revenue budget for the year.

Table 1: 2022/23 Revenue budget forecast as at Month 4

Month 4 Revenue budget forecast	Total budget for the year	Total forecast expenditure / (income)	Total forecast variance to budget	Variance as a % of budget
Directorate	£000's	£000's	£000's	%
Social Care, Health & Safeguarding	58,189	63,245	5,056	8.7%
Children & Young People	59,513	60,254	741	1.2%
Communities & Place	23,687	24,303	616	2.6%
MonLife	4,567	5,046	479	10.5%
Chief Executives Unit	3,244	3,244	0	0.0%
People & Governance	4,733	4,733	0	0.0%
Resources	7,664	8,421	757	9.9%
Corporate Costs & Levies**	25,654	27,571	1,917	7.5%
Treasury & Reserves	5,448	5,223	(225)	-4.1%
Financing	(192,699)	(193,240)	(541)	-0.3%
Total	0	8,800	8,800	

**** Includes the estimated impact (£2.1m) of the non-teaching pay award over and above the 3.5% already budgeted for. Once this value is finalised, it will become a cost to individual directorates rather than being held corporately.**

3.7. A full breakdown of the variances forecast by services at Month 4 is contain within **appendix 1**, however at a summary level the principal pressures and mitigating savings forecast are within the areas of:

Pressure/Saving	£000's	Description
Children's services	3,519	Despite stabilisation in Children looked after numbers, there are increasing numbers of high cost placements, including extremely costly emergency arrangements for children where there is no regulated placement. Alongside this there is continued use of agency staff to fill vacancies.
Adults Services	1,598	Older Adults budgets have seen a dramatic influx of clients requiring services as we move out of the pandemic, with continued pressures from hospitals to discharge patients into the social care sector, and some clients requiring more intense services due to delayed health care during the pandemic.
Additional Learning Needs	533	Due to placement costs outside of our own schools (£401k), a reduction in income from other Councils for out of County pupils attending our schools (£68k), and additional support for pupils attending our own schools (£51k).
Housing	1,327	Primarily due to national policy change impacting upon the service and where our housing costs in relation to the needs of the Homeless are not attracting full funding. £315k in net additional costs, and £989k where by emergency accommodation placements do not allow the Council to claim full housing benefit subsidy.
MonLife	479	Due to the sections inability to generate the expected income targets in relation to Leisure and Outdoor education services.
Passenger Transport Unit (PTU)	424	Increased pay, fuel and repair costs have meant that operators have handed back contracts resulting in re-negotiated external prices or increased in-house provision required.
Non-teaching pay award	2,017	An allowance has been made within the forecast for the estimated result of pay award negotiations over and above the 3.5% already budgeted for. Negotiations continue between local government employer's representatives and trade unions.
Car Parks & Civil Parking Enforcement	255	Parking enforcement fines will not hit budgeted targets and in addition there are over spends in expenditure primarily in transport, premises and software costs.
Markets	129	The number of traders has dropped off considerably since Covid-19 and this has meant the service is struggling to meet income targets alongside increases in waste disposal costs.
Council tax	(542)	Out-performance of budgeted Council tax collection.
Borrowing costs	(225)	A reduction in net budgeted borrowing costs reflective of a lower than budgeted interest rate environment and significant capital slippage at the end of 2021/22.
Staff vacancies	(496)	Significant staff vacancies being carried in the establishment over the first half of the financial year.
Solar Farm & Sustainability	(113)	Improved income from our Solar Farm and PV installations caused by the increased market rates for energy.
Neighbourhood services	(227)	Primarily due to the improvement gained from the installation of LEDs in our street-lighting over and above budgeted levels (£125k), and Waste contract savings resulting from a strong recycling market (£92k).

4. Ongoing budgetary risks

- 4.1. Whilst immediate mitigating action is underway to arrest the significant forecast in-year deficit we need to be acutely aware of the further financial risks presenting during 2022/23 and in light of the turbulent socio-economic environment currently facing households, businesses and the public sector.

- 4.2. The Cost of living crisis is having a significant impact on our communities, with a growing need for additional Council services, the impact upon demand for the Council's income generating services, and risks around future debt recovery. Alongside this, the wider economic and inflationary environment continues to impact service delivery, both in respect of cost and supply chain disruption, and in presenting continued recruitment challenges.
- 4.3. The wider and longer lasting indirect impact of the pandemic on Council services also needs to be considered, particularly in the areas of Homelessness, Children's services, Adult social care and Children's additional learning needs. There remains significant latent and complex demands in these areas as a result and some of these impacts will take a significant period of time to unwind.
- 4.4. Significant savings from existing staff vacancies have already been factored into forecasts and alongside this there is very little scope for further savings in financing and treasury budgets in light of the current economic environment.
- 4.5. Importantly the overall outturn position continues to be supported by £2.65m of identified eligible expenditure to be funded from capital receipts under the flexible use of capital receipts directive. Reliance on these mitigations was a short-term measure only and is not sustainable at this level beyond 2022/23 as capital receipts forecast to be generated start to fall away.
- 4.6. In considering all of the above, this presents a unique and unprecedented operating environment for the Council, and one which severely curtails the immediate ability of the Council to influence its primary expenditure and income drivers, and therefore its ability to be able to bear down on cost, or increase income to any significant degree without resorting to more extreme measures.
- 4.7. When looking beyond this financial year, it is important to note that the majority of the savings already identified during the year to assist the in-year budget recovery are one-off or temporary in nature and will not bring any further benefit to future year's budgets. Conversely, the majority of those pressures highlighted above are demand driven and recurrent in nature and will need to be considered as part of the wider budget process for 2023/24 and beyond.
- 4.8. As we look to the remainder of the financial year the key financial focus continues to be in arresting the forecast over spend position. To that end, mobilising a range of budget mitigation measures will be vital to ensuring that the Council ends the year in a financially sustainable position and in limiting the need to substantially deplete reserve balances. This will be particularly important in light of what will be an incredibly challenging budgetary process leading into 2023/24.

5. Potential budget mitigation measures

Mitigation measure	Application	Risks
Reserves	Reserves have been replenished by approximately £10m over past two years, with particular focus at the end of 2021/22	Need to be acutely aware of the emerging challenging 2023/24 budget situation where unprecedented

Mitigation measure	Application	Risks
	in providing protection against some the budget risks now manifesting (In particular Social care, Homelessness, Leisure income, and Pay).	pressures are materialising around demand, inflation, energy, pay, and levels of funding. A degree of reserve cover will be vital in mitigating some of the more temporary pressures presenting.
Capitalisation directive	Identification of further revenue costs, over and above the £2.65m already budgeted, that can be categorised as enabling service transformation, and that can be legitimately funded from capital receipts under the regulations.	<p>The application of capital receipts under this directive is limited to the amount of receipts generated in the same financial year as the expenditure is incurred. Whilst £9.8m in receipts are forecast this year, a minimal amount has actually been banked to date.</p> <p>Capital receipts are a one-off source of funding and further use under this measure will restrict the amount available for future capital investment.</p>
Funding	<p>Further unbudgeted grant funding becoming available during the remainder of the year.</p> <p>Of particular note, there is currently no allowance within the financial forecasts for any further grant funding or cost displacement in respect of Social care. Recent years have seen significant winter pressure grant, or a form of compensatory Health funding.</p>	All parts of the public sector are facing significant budget challenges in the current global economic environment and notably Welsh Government have made significant funding commitments in 2022/23 in relation to Free School meal provision, the Ukrainian crisis, and the Cost of Living crisis. Further funding commitments to Local Government therefore come with a significant level of uncertainty.
Cost moderation	<p>Non-pay cost reduction in supplies and services, third party, premises, and transport budgets.</p> <p>Pay budget cost reduction - significant vacancies are currently being held across services with many being forecast to be filled during the Autumn. Given the current recruitment market challenges it is expected that further savings could materialise.</p>	<p>A significant proportion of expenditure is driven by demand and, alongside this, in the current economic environment the Council has limited ability to influence and negotiate cost levels.</p> <p>With only six months remaining of the financial year immediate action would need to be taken to have a material impact.</p>
Reduced services	The Council could look to reduce the level of service it provides, either through reduced capacity or by the switching off of discretionary services.	Both the legacy impact of the pandemic and the current cost of living crisis is placing huge pressure upon communities, which consequently places additional and more complex demands upon Council services. The Council plays a vital role in mitigating these impacts through both the discretionary and non-discretionary services it provides.

6. Progress against 2022/23 budgeted mandated service savings

6.1. The 2022/23 budget included mandated savings totalling £2.129m and the progress against these is summarised in **table 3** below and in more detail in **appendix 2**.

Table 3: Progress against mandated savings

Directorate	2022/23 Budgeted Savings £000	Savings forecast £000	Delayed Savings £000	Savings Unachievable £000	% Achieved
Social Care & Health	(120)	(120)	0	0	100%
Communities & Place	(959)	(959)	0	0	100%
Resources	(300)	(300)	0	0	100%
Chief Executives Unit	(33)	(33)	0	0	100%
Corporate Costs & Levies	(717)	(717)	0	0	100%
Total	(2,129)	(2,129)	0	0	100%

6.2. It is pleasing to note the forecast 100% delivery of mandated savings, especially in light of the ongoing challenges faced by services in current operating conditions. Finance officers will continue to work with services to ensure that these mandated savings are fully delivered as well as identifying any further areas of service efficiency which may deliver additional savings.

7. School balances

7.1. From a financial perspective, 2021/22 was another unprecedented year for schools who continued to receive several significant Welsh Government grants to support them and their pupils during, and following a period of significant disruption to learning. This resulted in all but one of our schools bringing forward a surplus balance into the 2022/23 financial year, with the vast majority carrying significant surplus balances above those guided by Welsh Government school funding regulations (£50k for a Primary, £100k for a Secondary or Special school).

7.2. The Authority requires schools carrying balances above those levels guided by Welsh Government to provide investment plans setting out how they intended to spend the excess balances being held. These plans informed the budget process for 2022/23.

7.3. At month 4, the forecast is for an overall contribution from school balances of £5.1m, resulting in a forecast surplus at year-end of £1.8m.

Table 4: Forecast movement in school balances for 2022/23

Draft Council Fund Outturn 2022/23 – School Balances Summary outturn position at Month 4	(A) Opening Reserves (Surplus) / Deficit Position 2022/23	(B) Draw / (Contribution) from / (to) School Balances @ Month 4	(C) Draw / (Contribution) from / (to) School Balances @ Month 6	(D) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+B) Forecast Reserve Balances at 2022/23 Outturn
Cluster	£000's	£'000	£'000	£'000	£'000
Abergavenny	(2,145)	1,181			(963)
Caldicot	(2,165)	1,570			(596)
Chepstow	(695)	863			168
Monmouth	(1,869)	1,425			(443)
Special	(82)	106			24
Total	(6,956)	5,145			(1,810)

- 7.4. The budget for 2022/23 made allowance for a pay award for schools staff up to a threshold of 3%, with any award agreed above this level to be funded from schools balances. The above forecast is predicated upon a further pressure of 2% over and above the 3% budgeted based upon the most likely outcome of the initial pay discussions. This accounts for £1.2m of the overall £5.1m forecast draw upon school balances this year.
- 7.5. The investment plans enacted by schools look to deliver the best learning outcomes for pupils in line with the purpose of the grant funding provided over the past two financial years. **Appendices 1 & 3** outline the forecast movement in individual school balances for the year, and whilst it is clear that the investment plans enacted will bring many school balances more in line with those levels guided by Welsh Government, it is disappointing to note that a further six schools are now forecast to move into deficit by year-end.
- 7.6. There remains significant concern from a financial perspective that the inherent structural budget deficits that led to a significant number of schools being in deficit pre-pandemic in some cases still remain. Whilst the current economic climate is severely challenging, schools balances are designed to provide a level of financial resilience to mitigate and smooth such risks and are not expected to fund ongoing day-to-day expenditure. Officers will continue to work closely with those schools of concern and look to aid the return to a more sustainable budget plan over the medium term.

8. Capital outturn forecast

- 8.1. The capital expenditure forecast detailed in **appendix 1** indicates a forecast over spend of £209k, with £114k being attributed to additional refurbishment costs on properties acquired for Children's Services, and £95k on the Crick Road Care Home scheme relating to additional equipment required to ensure resident's privacy.

- 8.2. Finance officers will continue to work with the project managers concerned to seek budget mitigation measures, either through cost reduction measures or through alternative funding mechanisms.
- 8.3. The current economic environment continues to have a significant impact on the overall capital programme with cost inflation and supply chain issues continuing to present a challenge to project delivery. Whilst every effort is being made by project managers to work within the budgetary plans set, it is inevitable as the year progresses that further cost pressures will materialise. This will in turn limit the scope of project delivery, especially in the areas of property maintenance and Infrastructure works where less schemes can be delivered within the overall budget allocated.
- 8.4. Four schemes are indicating delays at this early stage in the year, with £2.3m forecast slippage following revision of project timescales:
- £2m for Housing provision for the homeless due to the complex lead time of acquiring properties;
 - £153k delay in the SRS Data Hall migration due to issues encountered with commercial providers;
 - £100k for the Penyrhiw Sewage Treatment Works where the scheme has encountered delays in progressing survey and design works due to external factors;
 - £25k for the Abergavenny Skate Park S106 Scheme as additional funding is being sought from external partners to deliver on the preferred project within budget.
- 8.5. Whilst the month 4 forecast highlights only £2.3m of capital slippage, previous year's trends would indicate that this will increase substantially as the year progresses, and as more certainty becomes available both in terms cost and contract delivery timescales.
- 8.6. The forecast movement in capital receipts balances for the year is shown below. Whilst overall balances on the face of it are healthy, there remains the risk that forecast receipts receivable for 2023/24 onwards are at comparatively low levels, and combined with the fact that receipts are continuing to be used to subsidise the revenue budget through capitalisation direction means that the scope for further capital investment funded via receipts will be limited.

Table 5: Forecast movement in capital receipt balances

	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Balance as at 1st April	10,414	13,289	13,204	12,259	10,763
Capital receipts used for financing	(4,263)	(1,294)	(1,194)	(1,094)	(1,094)
Capital receipts used to support capitalisation direction	(2,650)	(507)	(507)	(507)	(507)
Capital receipts Received or Forecast	9,788	1,715	756	104	104

Forecast Balance as at 31st March	13,289	13,204	12,259	10,763	9,266
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9. RESOURCE IMPLICATIONS:

- 9.1. The report itself covers the resource implications of the entirety of the revenue and capital budget activity during the year. There are no further resource implications as a result of the recommendation in this report.

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

- 10.1. This report provides Members with information on the forecast revenue and capital outturn position of the Authority and carries no decisions. There are therefore no equality of future generations' implications directly arising from this report.

11. CONSULTEES:

Strategic Leadership Team
Performance & Overview Scrutiny Committee
Cabinet

Feedback from Performance & Overview Scrutiny Committee 11th October 2022:

The Performance and Overview Scrutiny Committee scrutinised the Month 4 forecast budget position and expressed significant concern at the level of over spend forecast at month 4.

The Committee acknowledged the reasons for the deficit position and recognised that other councils will be facing similar challenges, however, the scale of the challenge was felt to be unprecedented and significantly concerning at month 4. Members expressed concern about the use of reserves and highlighted that this approach would be an unsustainable approach to fund service delivery in subsequent years.

Given the severity of the financial forecast, a discussion was held around the timeliness of financial information coming forward and the Chair requested that if possible, the Month 6 report be brought to the next meeting on 21st November 2022, however if that isn't possible, that an interim report be brought before members to detail the headline position.

12. BACKGROUND PAPERS:

Appendix 1 – Detailed outturn statements and directorate commentaries

Appendix 2 – Progress against mandated budget savings

Appendix 3 – Forecast movement in individual school balances

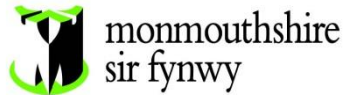
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SUBJECT: REGIONAL PARTNERSHIP BOARD – GWENT MARKET POSITION STATEMENT

MEETING: CABINET

DATE: 19th OCTOBER 2022

DIVISION/WARDS AFFECTED: ALL

1 PURPOSE OF REPORT

1.1 To provide Cabinet with a 'Market Stability Report' (MSR) produced by the Regional Partnership Board setting out a high-level overview and assessment of the overall sufficiency of care and support, and of the stability of the market for regulated services within Gwent to comply with Section 9 of the Social Services and Wellbeing (Wales) Act 2014.

2 RECOMMENDATIONS

2.1 That Cabinet approves the Market Stability Report on behalf of Monmouthshire County Council as required under the Social Services and Wellbeing (Wales) Act 2014 (SSWBA).

2.2 That Cabinet tasks officers with using the market stability report, alongside the population needs assessment, to support the development of the regional are plan.

KEY ISSUES

3 CARE HOMES

3.1 The 6 commissioning organisations in Gwent currently commission 106 care homes and 109 domiciliary care providers for older adults across the region. Prior to the COVID-19 pandemic, there were few concerns with regards to care home vacancies and the financial viability of providers. Most providers require at least 90% occupancy to remain financially viable. Care home bed vacancies are monitored on a weekly basis at local and regional levels. However, the COVID-19 pandemic had a significant impact on the provision of care and support in Gwent.

3.2 The residential care home market is, however, generally stable, although Gwent currently has elevated vacancies. However, there are growing signs of vacancies beginning to return to levels previously common prior to the pandemic. A significant increase in vacancies occurred because of COVID-19, prolonged periods of fewer admissions, suspension of admissions due to infection prevention and control measures and others resulting from the advent of escalating concerns/provider performance issues. There was also some anecdotal evidence of a possible change in attitude towards choosing to live in a care home and this may also have been an additional

factor. Staff isolation requirements meant that homes also experienced significant staff shortages thus further impacting on providers' ability to accept admissions.

DOMICILIARY CARE

3.3 Due to COVID-19 pandemic and staffing shortages, domiciliary care services are currently at critical levels and are at times unable to fully meet demand. Staff continue to leave the sector due to poor pay, terms and conditions and costs of employment (such as driving and registration). In recent months the situation has been further exacerbated by the cost-of-living crisis and particular the rising cost of fuel. Staff shortages have increased delayed transfers of care from local hospitals, creating bottlenecks across the wider system. There is currently an increase in individuals requiring care at home and it is unsure as to whether this will continue following the COVID-19 pandemic. Also, of concern is the number of packages of care that are returned to commissioners, - over 70 providers returning more than 950 weekly hours per week. This causes commissioners to prioritise the most vulnerable citizens with complex needs.

PARTNERSHIP APPROACH WITH CARE HOMES AND DOMICILIARY CARE AGENCIES

3.4 Throughout the pandemic regular, often weekly, webinars were held separately with care homes and domiciliary care agencies. This helped to build a positive working relationship with these key organisations to understand and to support them to continue to deliver good quality, responsive services during the pandemic. It also provided a useful platform to engage providers in critical messages about infection prevention and control measures and to consider business continuity issues. The seminars continue to be held monthly and are much valued by LA's, ABUHB and service providers alike.

3.5 This regional approach adopted in Gwent has resulted in developmental work primarily in relation to market stability, and specifically to support workforce recruitment and retention across the social care sector. Commissioners in Gwent currently pay some of the highest rates to providers in Wales. The removal of subsidies from Welsh Government has been a challenge, alongside the rising costs of service provision.

EMOTIONAL WELL-BEING OF THE HEALTH AND SOCIAL CARE WORKFORCE

3.6 Gwent MSR has identified that there is a need to further support the emotional wellbeing of its vulnerable population. The emphasis is now placed on 'what matters' to an individual and commissioning practices will need to change to reflect this. The further development of preventative services is also key to maintaining the independence of individuals.

MENTAL HEALTH AND LEARNING DISABILITY SERVICES

3.7 The COVID-19 pandemic has had a significant impact on mental health support for adults and children, with waiting times for CAMHs increasing. Early intervention has been identified as an area for improvement, as had supporting people with learning disabilities to live independently in their community alongside earlier diagnosis of ASD. In addition, ABUHB are finding it difficult to place complex people with learning disabilities closer to home and therefore this is a growing commissioning issue. Gwent's

Shared Lives services is set to expand further with a focus on mental health and learning disability services. Gwent Mental Health and Learning Disabilities Partnership aims to establish what actions are needed to improve the lives of people in Gwent. Finally, a robust action plan has been agreed between all commissioners and the Regional Partnership Team that will pick up commissioning related issues across the piece.

CHILDREN'S SERVICES

3.8 The regional strategic priorities for children and families in Gwent are: To improve outcomes for children and young people with complex needs through earlier intervention, community-based support, and placement closer to home.

3.9 There is a need to strengthen services and partnerships around a single front door approach to reduce onward referrals between organisations and establish the right intervention at the right time.

3.10 The Regional Partnership Board (RPB) will continue to implement the principles of NEST/NYTH across all services. Co-production, integration and seamless transitions to adult services remain a key objective.

3.11 Children's services are currently insufficient to meet the needs of the region in terms of residential services and foster placements. Demand for foster services currently outstrips supply and it is often difficult to source the right type of placement. The lack of appropriate residential services results in children being placed out of county and Gwent LA's are now focussing on increasing capacity through in-house and external developments and investing in preventative services.

3.12 All 5 LA's work in partnership with providers to develop individualised packages of care for local children, supporting independence and resilience. Excessive profits for some independent providers are considerably higher than expected due to a lack of competition and viable alternatives. However, the Welsh Government's policy commitment to 'eliminating profit' in children's residential and foster care could inadvertently act as a deterrent to future investment. The successful transition to a 'not for profit' model will need to be managed appropriately to avoid further pressure on local authority children's services. A robust bid for Integrated Care Funding has been developed and submitted. This focuses on building capacity to develop alternatives to independently provided and commissioned services in line with Welsh Government policy.

CONCLUSION/SUMMARY

3.13 In Gwent, individuals have a choice of the services available to meet their needs. However, the stability of the market in adult services is likely to be put to the test during financial year 2022/23 as increasing cost pressures mount, allied to long running and entrenched recruitment and retention difficulties; and this will further expose the sector to increased levels of risk, this is especially so in the adult domiciliary and residential care markets.

3.14 In mental health and learning disability services there is a renewed opportunity for the regional team and commissioning organisations to work closely to develop a

framework for action and to take forward several key commissioning related activities to further support people at local and regional levels.

3.15 In children's services a careful balance will need to be struck between ensuring that the right level of services for looked after children are commissioned close to home and to reduce reliance on high profit organisations often far away from people's homes.

3.16 Each of the areas summarised above will be picked up and considered as part of the area planning process and where at all possible mitigating measures will be taken to minimise any associate risks.

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

5 OPTIONS APPRAISAL

5.1 The legislation must be complied with and therefore further options were not explored.

5.2 If the MSR is not approved, regional joint working and collaboration will be undermined, and the authority will be in breach of Welsh Government policy and legislation.

6 EVALUATION CRITERIA

The impact of the MSR will be reviewed regularly by the Regional Partnership Board.

7 REASONS

To comply with legislation.

8 RESOURCE IMPLICATIONS

There are no resource implications of this report.

9 CONSULTEES

The seven partners that make up the RPB are:

Monmouthshire County Council

Blaenau Gwent County Borough Council

Caerphilly County Borough Council

Newport City Council

Torfaen County Borough Council

Aneurin Bevan University Health Board

Gwent Provider Fora

10 BACKGROUND PAPERS

10.1 Gwent Population Needs Assessment

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Bwrdd Partneriaeth
Rhanbarthol Gwent
Gwent Regional
Partnership Board

Gwent Regional Partnership Board

Market Stability Report

March 2022



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FOREWORD

I am delighted to introduce the Gwent Regional Market Position Statement for the period June 2022 to April 2025. This is the first time that commissioning bodies and Regional Partnership Boards in Wales have been required to produce and publish such a wide-ranging market oversight report.

Firstly, I must commend Gwent for their partnership approach with commissioned services which I know is much appreciated by care homes, domiciliary care agencies and 3rd sector bodies alike. Prior to the COVID pandemic partnership working was well developed in the region and this provided a head start when it came to working through the many and varied issues brought about during the 2020 to 2022 period. The weekly webinars were particularly valued.

This report paints a mixed picture of the opportunities and threats to a healthy and vibrant mixed economy of services in the region. Following COVID the twin threat faced by providers is the cost-of-living crisis and the chronic lack of staff wishing to work in social care and health. Both issues are hitting the domiciliary and adult care home care markets particularly hard. Again, the sector is grateful for the partnership approach adopted in Gwent, as well as the willingness of commissioners to find solutions to difficult issues and to make arrangements quickly and effectively to pass on any additional funding that is made available either via through annual uplifts or by special grants provided by Welsh Government.

There is no doubt that this is a difficult period for social care and health services in the UK and Gwent is no different in experiencing renewed and continuing challenge. However, the strength and quality of the partnerships in this region can do nothing but help the situation. I am sure that the coming months will be testing times, but solutions will be found and the sector will return to being the responsive, sustainable and viable sector that we all need.

I hope that anyone reading this report will find it of interest and value and that this will deepen understanding across the population of the social care and healthcare systems.

MELANIE MINTY, PROVIDER FORUM CHAIR AND RPB REPRESENTATIVE

GWENT REGIONAL PARTNERSHIP BOARD

1. INTRODUCTION

The Social Services and Wellbeing (Wales) Act 2014 provides the legal framework for improving the wellbeing of people, including unpaid carers who need care and support, and for transformation of social services in Wales. Section 144B of the Social Services and Well-being (Wales) Act 2014 requires local authorities to prepare and publish market stability reports and makes provision for regulations setting out the form these must take, matters to be included, and the prescribed period for carrying out market stability assessments. These matters are set out in the Partnership Arrangements (Amendment) and Regulated Services (Market Stability Reports) (Wales) Regulations 2021.

The Act also requires Regional Partnership Boards to complete a market stability report (MSR) on a regional footprint to help local authorities and ABUHB understand the dynamics of the market for regulated services in our area. This MSR is structured in accordance with Welsh Government's '*Code of Practice and guidance on the exercise of social services functions and partnership arrangements in relation to market stability reports*'. The Code of Practice states that: "*Market stability reports are designed to give a high-level overview and assessment of the overall sufficiency of care and support, and of the stability of the market for regulated services.*" The Code of Practice recognises that there will continue to be a need for more detailed Market Position Statements and commissioning strategies for specific services and segments of the market.

This MSR highlights the current provision and will help assess issues such as the sufficiency, quality, and sustainability of regulated services within Gwent. A regulated service is those listed in the Schedule to the Social Services and Well-being (Wales) Act 2014. Currently these are:

- Care home services (adult and children's)
- Secure accommodation service (for children)
- Residential family centre services
- Adoption services
- Fostering services
- Adult placement ('Shared Lives') service
- Advocacy services
- Domiciliary support services

1.1 Population Needs Assessment

This Market Stability Report (MSR) links with the findings of the Population Needs Assessment (PNA) which sets out current and projected need and demand for care in local communities and the range and type of services that will be required to meet that demand. This MSR has been produced in partnership with each of the 6 commissioning organisations that make up the Gwent Regional Partnership Board: Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Monmouthshire County Council, Newport City Council, Torfaen County Borough

Council, and Aneurin Bevan University Health Board; and covers regulated services as well as independent, private and third sector provision. The MSR and PNA documents complement each other and provide a comprehensive picture of current and projected demand and supply, but will not duplicate information, and the MSR should be read alongside the PNA. The MSR will also be a useful tool for providers and potential providers of regulated services to enable a better understanding of the region and help to inform their own strategic thinking about future investment. It will also be of interest to local communities, as it provides transparency about the use of resources and how decisions about service provision are made.

The Gwent Population Needs Assessment can be found on the Gwent RPB website www.gwentrpb.wales

1.2 Context

It is important to recognise that this report was developed and written in the immediate aftermath of the global COVID 19 pandemic. The pandemic has had a significant impact on people who need care and support, unpaid carers, and the wider workforce. The Covid-19 pandemic has also had a significant impact on the stability of providers and increasing the long standing, historical pressures faced by the sector. Reduced funding for local authorities, health board budget pressures, increased demand for services, payments for providers that have not kept pace with rising costs and workforce recruitment and retention have all been magnified by the pandemic.

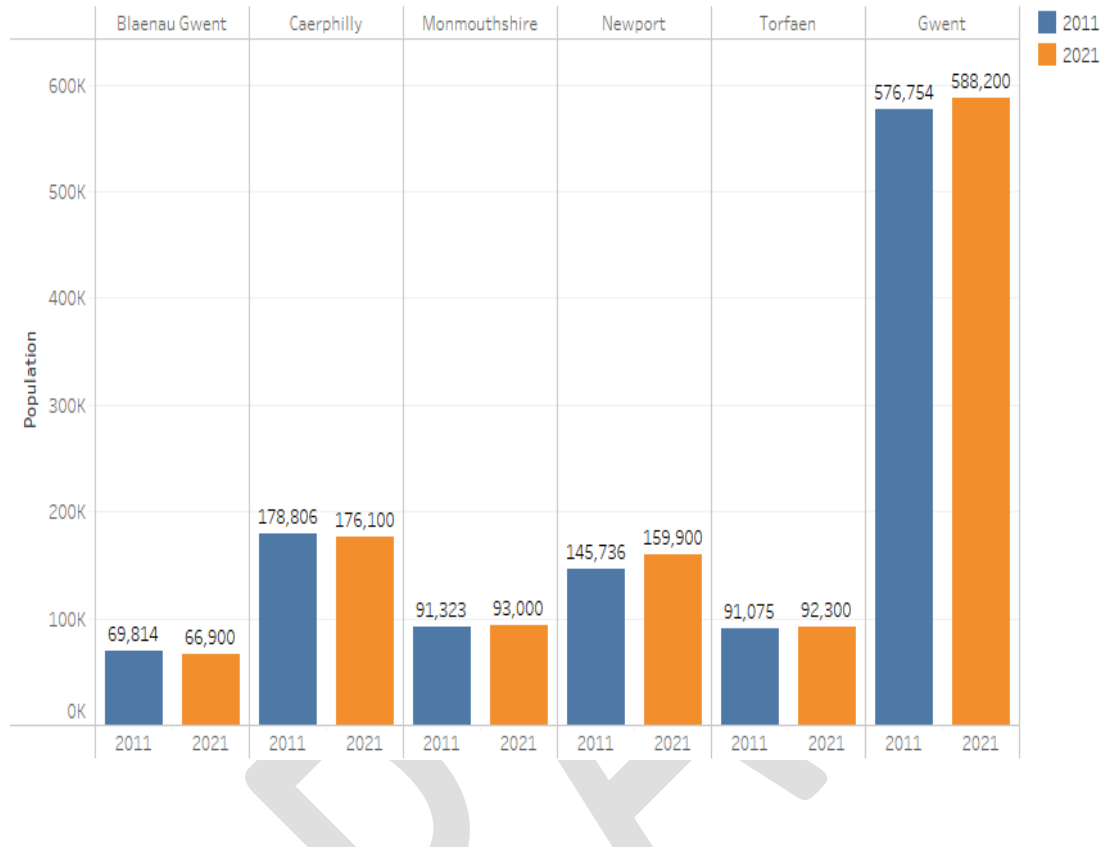
It should also be noted that the market has changed as a result of the COVID-19 pandemic. Whether these changes are long or short-term remains to be seen, but time is required to allow the market to settle and to determine what will become the 'normal profile of services in future.

The wider national policy context identifies a long-term drive to help people to live independently in the community and to reduce reliance on residential care. This is described in the Welsh Government's policy paper "*A Healthier Wales*". We have an ageing population across Wales, and this is changing the structure of our population and will bring both opportunities and challenges for the economy, services, and society at both a local and national level. Social care services will not be sustainable without better prevention and community support. Prevention and early intervention are key factors for improving wellbeing, as set out in the Social Services and Well-being (Wales) Act 2014 and more recently in the Welsh Government's '*A Healthier Wales plan*' which was updated in 2021.

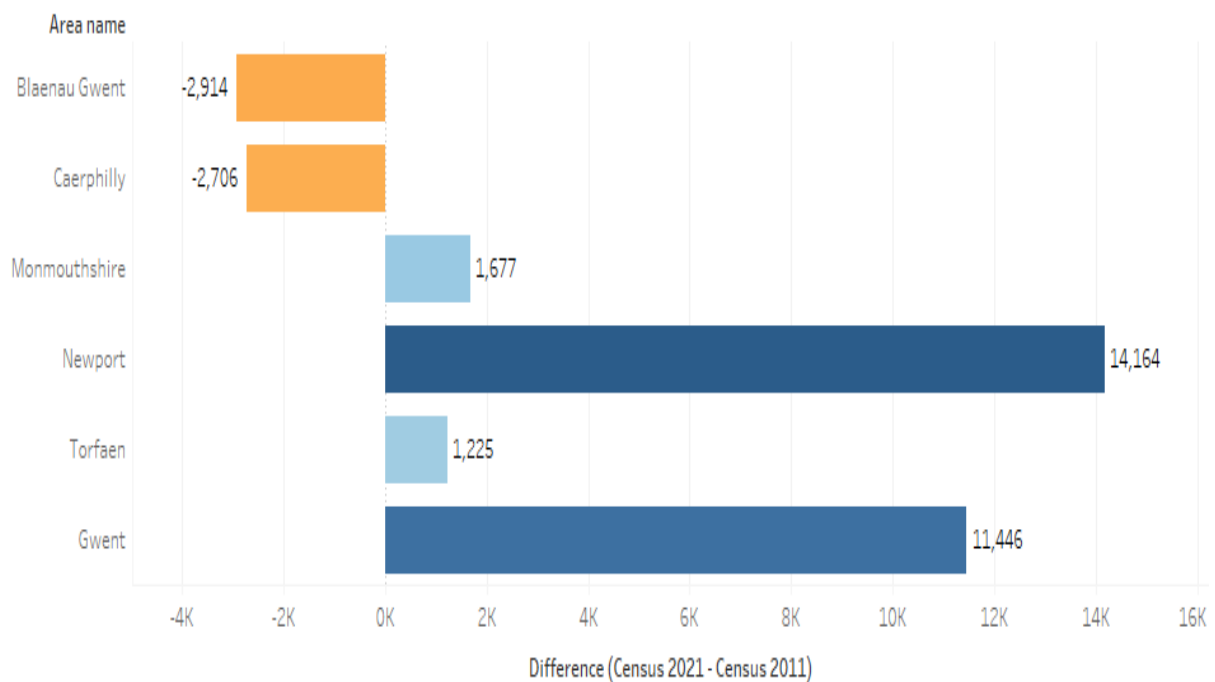
The effect of the pandemic, subsequent 'lock-downs' with infection, prevention and control measures put in place for the public's protection, has impacted upon the opportunity to involve citizens in a systematic way in the development of this MSR. However, the MSR draws upon the considerable engagement undertaken by the regional Public Service Board and Regional Partnership Board in developing the Wellbeing Assessment and PNA; and the Gwent Citizens' Panel has also been consulted and kept up to date with the current issues facing the sector, including the stability, of social care markets across Gwent.

This report has been developed in consultation with the active participation of the 6 commissioning organisations and service providers via regular regional weekly webinars and local engagement initiatives.

Census 2021 vs 2011 population estimates



Difference between Census 2021 and 2011 population estimates



2. ADULT SERVICES

2.1 Sufficiency Assessment: Population Needs Assessment (PNA)

This section highlights the gaps and emerging themes in terms of sufficiency of care from the Population Needs Assessment (PNA)

Population Group	Older Adults
Gaps and Emerging Themes	<p>Recruitment and retention of staff is a key challenge across social care and health and is severely impacting both domiciliary and residential care and in relation to persons changing needs and complexities within the community.</p> <p>There is an increasing need to further support the emotional wellbeing for older people, through reducing loneliness and isolation issues and providing multi-agency early intervention and community support to boost wellbeing.</p> <p>An ageing population means that there will be an increasing demand for care and support services including a diverse range of housing options.</p> <p>It is important to continue to strengthen partnerships, services, and co-production models, to improve the outcomes for people with care and support needs.</p> <p>A multi-agency partnership approach is needed to ensure appropriate housing and accommodation for older people.</p> <p>The RPB will need to strengthen partnerships and practices across health, social care, and independent/third sector to ensure we are supporting people to remain well at home for as long as possible, and people are able to return home from hospital, through an enhanced reablement approach.</p> <p>The complexity of people' s needs will continue to grow as the number of people living with dementia and multiple co-morbidities increases. The Gwent PNA suggests predictions indicating that localities can expect increases in people over 65 diagnosed with dementia, ranging from 62.1% increase in Blaenau Gwent to 97.1% increase predicted in Monmouthshire, over the period 2013 to 2035.</p>

2.2 Regional Commissioning Group

The Gwent Regional Commissioning Group comprise the commissioning leads from each of the 6 commissioning organisations in Gwent. It is co-chaired by a Director of Social Services and an Executive Director of ABUHB. The Group is responsible to the Gwent RPB and reports to the Board regularly.

The RCG has met since 2016 and has been responsible for the delivery of several aspects of the Part 9 requirements under the SSWBA:

- Section 33 Framework Agreement Care Home Accommodation for Older People in Gwent
- Regional Framework Agreement for the provision of Care Home Accommodation for Older People in Gwent
- Regional Framework methodology for care home fees in Gwent
- Review of Day Services in Gwent
- Review of Direct Payments in Gwent
- Development and implementation of Gwent-wide medication policy
- Market Stability Report 2022-25

The RCG has recently reset its focus following the pandemic and is due to report back into RPB in the early autumn. The areas of focus will include:

- 1000 beds initiative
- Implementation of findings of the MSR and PNA
- Review of fees methodology
- Review of contract management methodologies
- Third Sector strategic engagement and increased emphasis on 'social value' and 'rebalancing'
- Workforce initiatives such as Gwent Consortium and Micro Carers
- Childrens Services – reducing profit
- Mental Health and Learning Disabilities – new joint commissioning programme
- Further opportunities for pooled fund arrangements
- Increased regional co-ordination of some commissioning functions

2.3 Provider engagement

All 6 organisations in Gwent host regular provider forums for domiciliary care and residential providers. The frequency of these forums increased during the COVID-19 pandemic and additional regional provider fora were held weekly at a local level. Commissioners and monitoring officers maintain regular communication with providers and both report that engagement has been productive in identifying issues and encouraging resolutions. Locality based fora have concentrated on maintaining business continuity, infection prevention and control measures and supporting providers with PPE, as well as the administration of the hardship fund and other specific hypothecated grants, made to social care organisations by Welsh Government.

The regional approach to collaboration has resulted in several strands of developmental work primarily in the area of market stability and particularly to support workforce recruitment and retention. This work has also made an important contribution to the regional civil contingencies response to the pandemic and the unprecedented situations that have arisen as a result.

During the COVID-19 pandemic, regular multi-disciplinary team (MDT) meetings have also been instituted. MDT meetings are led by Public Health Wales with vital input from local authority environmental health teams, commissioning teams, ABUHB colleagues and GPs to discuss ongoing COVID-19 outbreaks with providers. This frequent, open communication has ensured providers have been supported in a consistent and positive manner.

Engagement with service provider groups continues to be encouraged in each locality and regionally. The region believes strongly in taking a co-productive approach to service design and delivery. Examples of a regional co-productive approach include

- design and implementation of a Regional Fee Methodology template.
- Regional contract monitoring
- Workforce based initiatives to reduce the impact of staff shortages in Domiciliary care
- Development of a regional adult advocacy commissioning strategy

Regular communication with providers has enhanced and strengthened relationships and led to a number of emerging key issues being identified by providers:

- A marked reduction in the number of admissions to care homes. It is unknown yet whether this will continue after the pandemic and to what extent.
- Recruitment and retention of staff has been further exacerbated by the pandemic, and general workforce challenges. This is particularly acute in the domiciliary care sector.
- Providers are not able to recruit new staff, so growth and responding to increases in demand has been difficult; however, there were some early signs that the situation appeared to have stabilised; but unfortunately, the cost of living crises and the exponential rise in the cost of petrol and diesel has further exacerbated the number of staff being forced to leave the sector.

Local authorities have continued to liaise with citizens in receipt of care services and relevant stakeholder groups (including third sector organisations) when undertaking any proposed new or changes to service provision. Examples of this include day services reviews and regional advocacy provision for adults and children.

The region also has a Citizen Panel linked to the RPB and this remains actively involved in commenting on and influencing planning and development within the region. There was considerable engagement with citizens when developing the PNA but given the Covid-19 pandemic, was through more virtual means. As the situation improves and restrictions ease, local authorities will continue to look to engage with service users in a cohesive and meaningful way.

2.4 Market Sufficiency

a. Care Homes for Older Adults

Gwent has a range of care homes for older people, ranging from large purpose-built homes to smaller services in converted accommodation. [Local authorities and ABUHB in Gwent currently commission 106 homes across the region.](#)

The 'categories' of care have shifted over the years to meet the changing needs of the population i.e., move from general residential to specialist nursing dementia care (EMI) residential and nursing. Also, there is evidence of increasing acuity of need as well as increased requirement for dementia care. Eligibility criteria is generally greater, as evidenced by the numbers of new requests for packages of care in the community aligned with requests for additional hours to existing packages of care. Citizens now have several alternatives to moving into a residential care home. An emphasis on 'what matters' conversations, has led to individuals often choosing to remain at home for as long as possible. The voice of the citizen has gained increased imperative, and this will be enhanced over time. Therefore, it is likely that commissioning practice will need to reflect the expressed needs of the population more so than has hitherto been possible.

In most areas the health and social care residential market is currently stable, with a sufficiency of supply in residential beds. However, despite record vacancies across the sector there is still some evidence from provider that in some areas a lack of supply of dementia nursing beds may arise. As evidenced in the Gwent Public Needs Assessment, the diagnosis rates of dementia are likely to increase due predicted population longevity.

Fig 1: Gwent Care Home Bed Vacancies

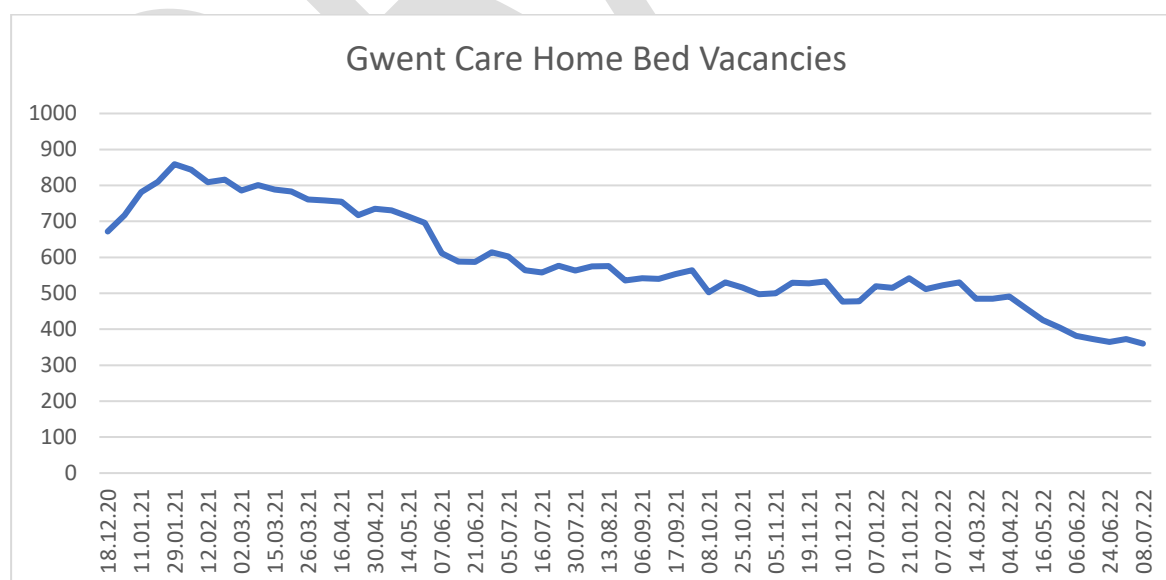


Fig 1 represents the number of care home bed vacancies across Gwent from December 2020 until July 2022. The number of vacancies has reduced since the start of the pandemic, but experienced small fluctuations due to COVID outbreaks.

Fig 2: Bed Vacancies per category

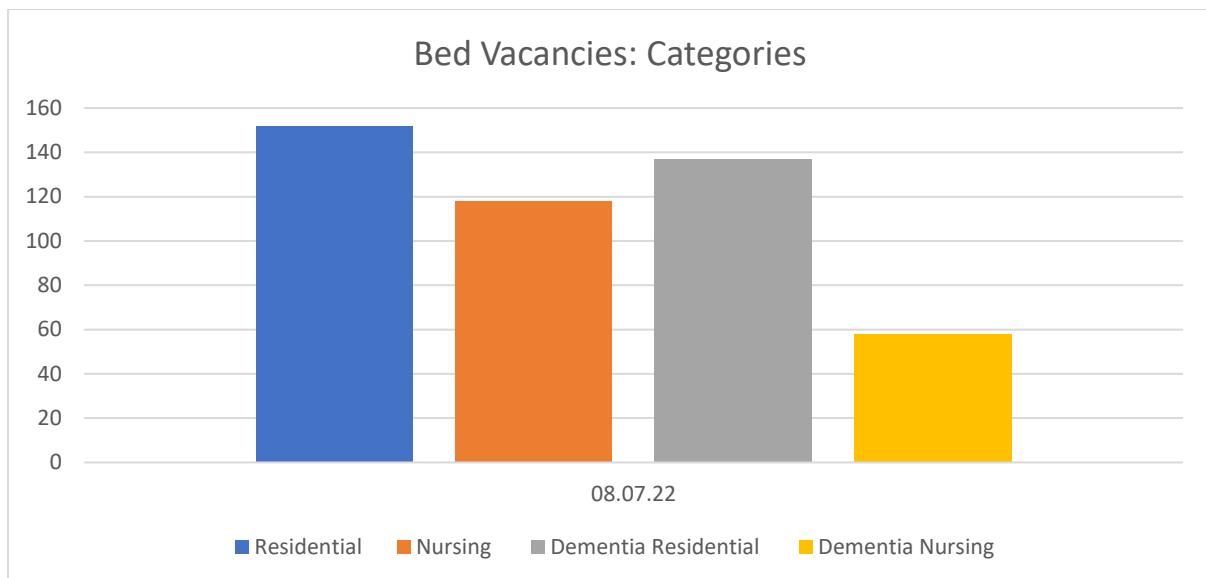


Fig 2 refers to the number of bed vacancies per category, as of 8th July 2022. As illustrated, the number of available dementia nursing beds remain lower than other categories. As the number of people living with dementia increase as predicted by the PNA, the demand for such beds is also likely to increase. These figures are an estimation of the available beds in each category, as each care home is able to amend the category of the bed depending on the needs of the individual, and the COVID status of the home. Amendments are also made to accommodate individuals who require isolation following a positive COVID result.

Prior to the pandemic, the average occupancy level across care homes was 90% plus, but this has reduced significantly. Monmouthshire fell to around 81% in February 2022. A reduction in capacity has affected homes, and some remain at around 40% occupancy.

Fig 3: Care Home Occupancy Rates: Financial Risk Analysis July 2022

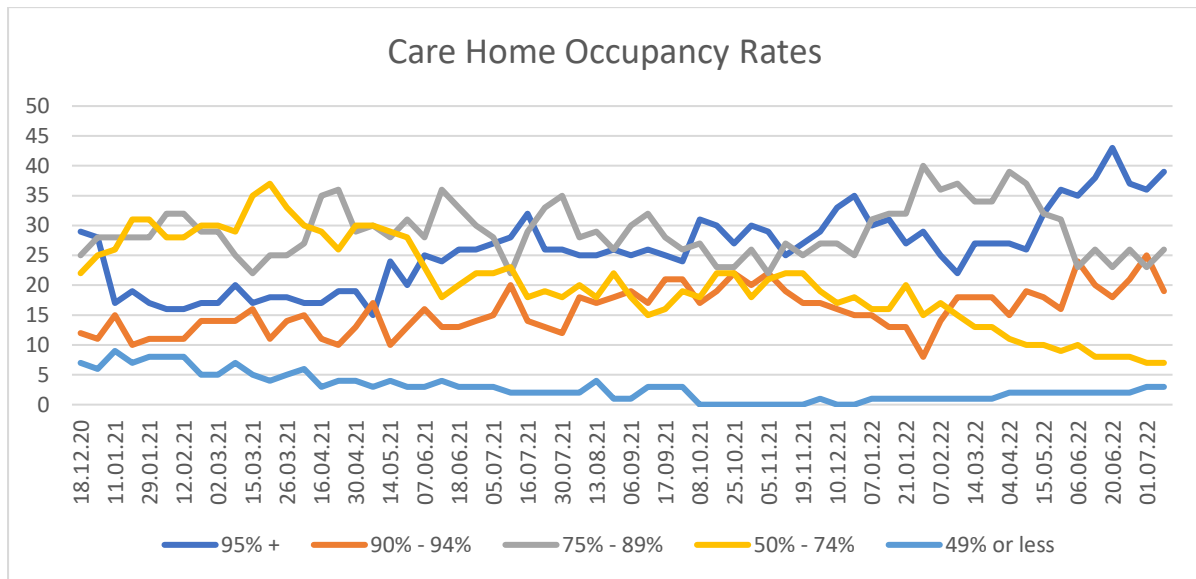


Fig 3 represents the identified financial risks to Care Homes in Gwent, based on occupancy levels on 8th July 2022. During engagement at provider forums, care homes have reported experiencing financial difficulty should they continually operate below 90% capacity which has implications for the financial sustainability of the home. Following the end of the Welsh Government Hardship Fund payment, Care Home providers have expressed concern at the financial viability of their homes should the occupancy rates remain low. However, overall, this is generally an improving picture.

Fig 4: LA Bed Vacancies

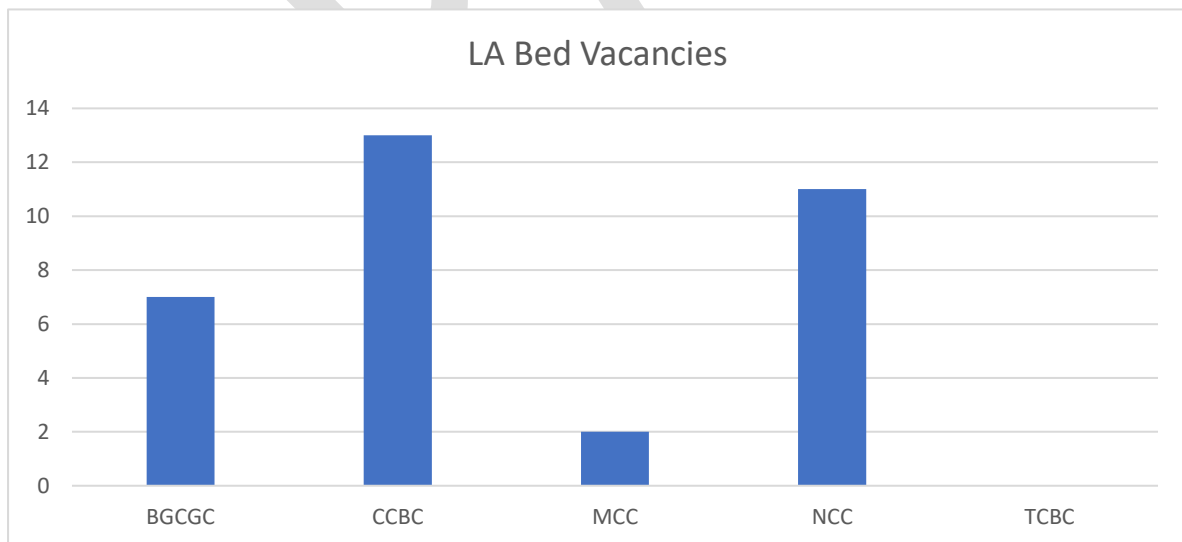


Fig 4 represents the number of vacant care home beds by each Local Authority. Vacancies shown are correct at time of reporting on 8th July 2022. Torfaen Council do not operate any directly provided care homes. Caerphilly County Borough Council hold the highest number of directly provided care homes for older adults, operating 6 homes across the Borough. Newport City Council currently have 3 care homes, Monmouthshire have 2 care homes and Blaenau Gwent have 1.

These vacancies are due to several factors identified by providers:

- Vacancies caused by repeated and protracted periods of non-admissions due to outbreaks of COVID.
- Suspension of admissions due to Escalated Concerns process in a small number of care homes (highlighted by commissioners)
- A possible change in attitude of people wishing to live in a care home, especially notable during the pandemic.

Of the 97 Older Person's care homes used by Local Authorities in Gwent, 12 are owned by Local Authorities.

Some local authorities and the health board have seen a reduction in the number of people it now supports within care homes for older people since March 2020. [The changes seen over the last 2 years in terms of reduced demand for care home placements as reported by Local Authority commissioners will need to be closely observed to understand whether they are short term reactions or trend changes but](#) regardless, the macro-economic issues need to be addressed at local, regional, and national levels if the system is to be fixed.

b. Domiciliary Care

There are currently [109 commissioned providers of domiciliary care services in Gwent. Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Monmouthshire County Council and Torfaen County Borough Council also have in-house domiciliary care and reablement services and Newport City Council operates a Reablement service, providing care to individuals for an initial 6 weeks.](#)

The supply of domiciliary care services is currently insufficient to meet the demands of the region. This has become particularly acute over the past 2 years. As a result, a review of previous commissioning arrangements relating to domiciliary care is to be undertaken across the Region.

[The domiciliary care market is in crisis, with the main issue being insufficient staffing levels to meet demand due to poor staff recruitment and retention. Work undertaken on a regional basis with health and social care providers has found that health and social care staff are leaving the sector at an unprecedented rate due to poor pay, terms and conditions, and cost of employment \(such as driving and registration.\) This has led to significant numbers of unallocated care packages across the region. As of data collected on 4th July 2022, Local Authorities in Gwent reported 3643.40 hours of domiciliary care remain unallocated, with 360 people awaiting packages of care. These unallocated hours may contribute to delayed transfers of care from local hospitals creating 'bottlenecks' across the wider health and social care system. However, in many cases individuals will be receiving care, albeit for example, extra care at home or intake/assessment services.](#)

A number of providers have returned packages of care they are no longer able to deliver, often in relation to people with complex needs and requiring more than one carer to visit at multiple times during a day. [From September 2021 to July 2022, 83](#)

packages of care, totaling 1192.5 weekly hours had been returned to local authority commissioners.

Fig 5: Domiciliary Care Outstanding package weekly unallocated hours

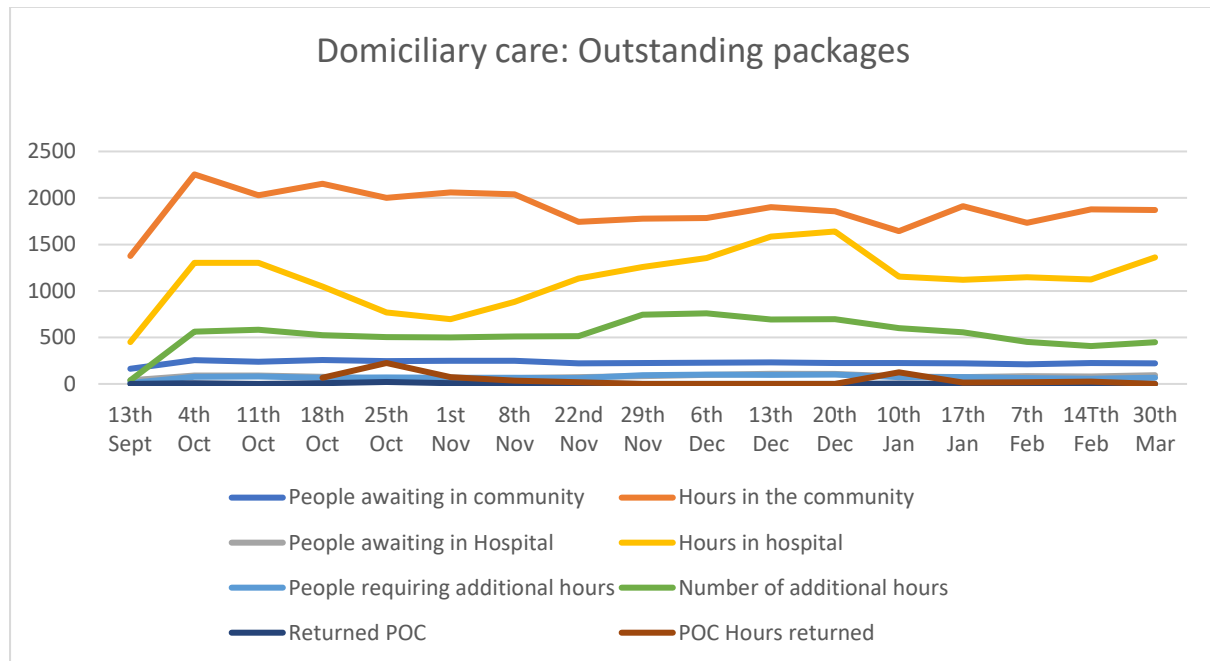


Fig 5 data shows the fluctuations in outstanding requests and hours for domiciliary care in Gwent, from October 2021 to March 2022.

Fig 6: Outstanding packaged of care per Local Authority

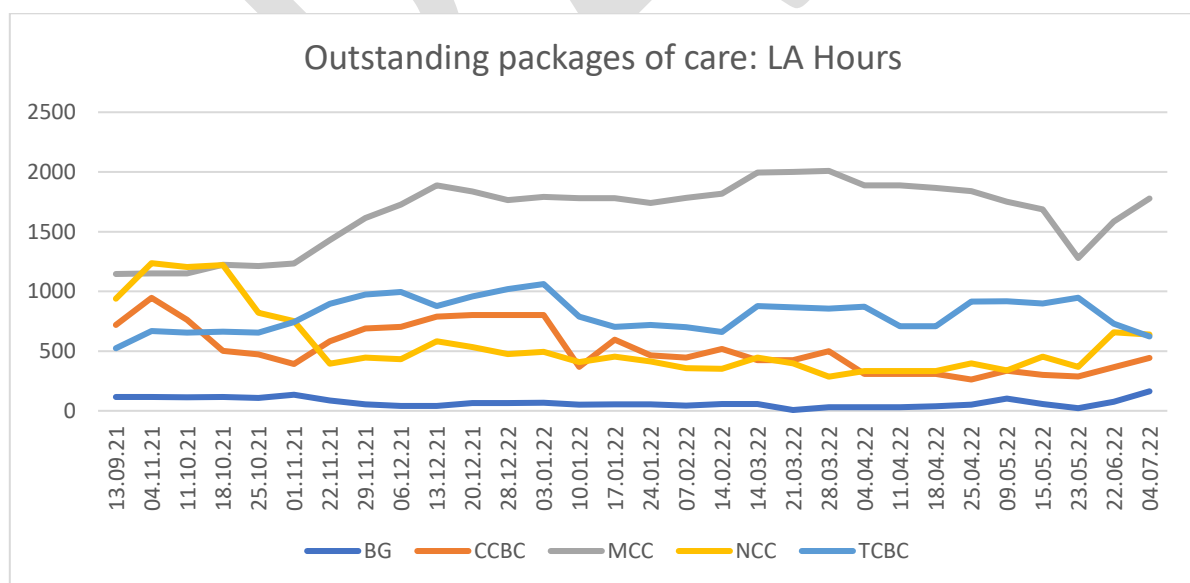


Fig 6 represents the packages of domiciliary care outstanding, by each Local Authority. Feedback obtained at Regional Provider Forums and from Local Authority commissioners has suggested that hours outstanding continue to remain high due to a number of factors; recruitment and the increased cost of living being the two largest contributors. Recently commissioners and providers reported that current staff are unable to maintain services due to the increasing cost of fuel.

Fig 7: Number of hours returned per Local Authority,

BG	CCBC	MCC	NCC	TCBC
80	18.25	136.75	705.75	0

Fig 7 indicates the total number of hours returned to the Local Authority from September 2021 to July 2022. Commissioners reported the main reasons for returned packages of care were increased levels of need for individuals and the current recruitment issues across the domiciliary care sector resulting in insufficient staff to provide care.

2.5 Market Stability

Gwent currently has a diverse provider base throughout the region. Emphasis is placed on ensuring single providers do not have a market share which could threaten stability of the overall market in the event of provider failure.

The health and social care residential care market is currently stable, although the removal of subsidies from Welsh Government is a challenge for the sector which could, in the medium term, precipitate some business failures in the region. However, most local authorities have now settled their fee levels with care homes and domiciliary care agencies and significant increases in rates have been made.

High levels of voids in residential and nursing care remain a concern as does the potential lack of supply of EMI care in some areas. [Providers have been supported through a transparent fee setting process, with some LAs in Gwent paying the highest fees in Wales to providers.](#)

A number of issues continue to affect the adult health and social care sector. [Rising costs of wages, recruitment and retention of care staff is challenging for the care sector as a whole.](#) Residential and nursing care homes also face infrastructure issues, with older buildings requiring repair and modernisation along with the significant impact of rising utility costs and maintaining compliance with the regulatory framework. The rapidly rising cost of living, in particular energy costs as well as food and insurance are all having an impact on operating costs whether independently operated or directly provided.

The domiciliary care sector has reached critical levels at times due to insufficient staffing. Labour shortages and cost pressures to meet the demands of increased wages are causing issues for providers. [Since April/May 2020 there has been a consistent increase in the level of demand for domiciliary care services which exceeds pre-pandemic levels.](#) The market has strived to meet this rise in demand but faces considerable challenges with recruiting and retaining sufficient staff to meet existing packages of care. These issues are not particular to Gwent and replicated across Wales and the UK as a whole.

The national minimum wage and real living wage increase impose further pressures to the domiciliary care sector in particular. While an increase in pay to those delivering direct care and support is welcomed and needed in order to keep pace with wages in

other employment sectors, it will have implications. The introduction of the real living wage will inevitably impact the pay bill of providers which, in turn will impact on the costs to local authorities, who are the main purchasers of social care provision. In turn the real living wage could squeeze the pay of staff in more senior roles, impacting career development and potentially increasing staff turnover. This may also lead to differential pay disputes for provider organisation.

The adult social care market is a 'mixed picture' currently in terms of stability. [There has been very little change in terms of care home providers operating in the county over the last 5 years.](#) There has been one new entrant and two homes have ceased to operate.

However, the onset of the pandemic and resultant impact upon care homes does bring questions of financial sustainability for certain homes and therefore potential negative effects upon stability. [A risk register based upon occupancy has been put in place for the region since June 2020.](#) Across Gwent, a sustained reduction in the number of admissions to care homes has been evident which, although increased since waves 1 and 2, has remained stable for 6 months at levels much lower than before March 2020. Overall, longer term, there may be a surfeit of places in care homes across Gwent, but this is difficult to assess at the moment as the full recovery since the pandemic is incomplete. The commissioning challenge in that scenario is to manage a process of reduction while ensuring that where provision is needed it is maintained and/or increased. This critical issue will be addressed in the Area Plan as the true picture begins to emerge during 2022/23.

[A small number of homes in the region remain at below 50% occupancy which is unsustainable without significant external or additional funding.](#) This is a cause for concern and how this will develop is still unclear as already stated. This situation will require close monitoring to understand what, if any action can be taken to support providers who find themselves in this position. [Commissioning teams in Gwent have very good relationships with all providers in the region and continue to keep in close contact with those homes who are experiencing particular challenges.](#)

Recruitment into health and social care continues to struggle against other sectors despite many local and national initiatives to raise its profile. The current issues experienced by in-house domiciliary care services who offer better terms than commissioned, private sector businesses exemplify this. Recruitment and retention have been a significant contributory factor to the return of packages of care.

Fig 8: Returned package of care from Domiciliary Care Providers

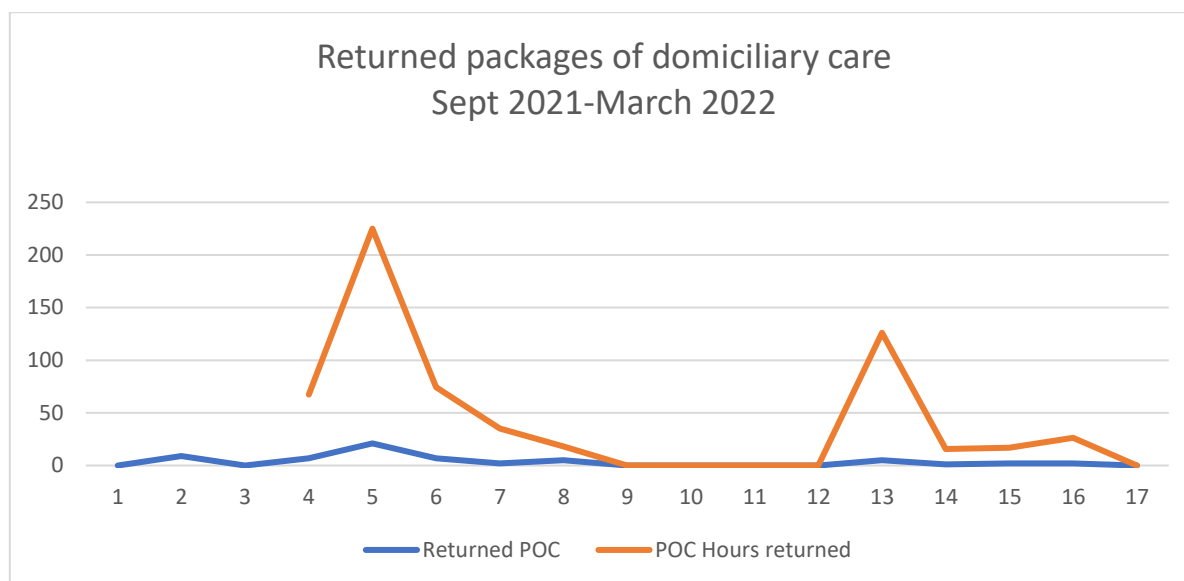


Fig 8 represents the packages of care returned and the number of hours outstanding between September 2021 until March 2022.

2.6 Provider Failure

A regional closure protocol is in place reflecting current guidance ‘Escalating Concerns and Home Closers in Wales’ and to guide appropriate actions when a provider fails. Good partnership working between agencies, ABUHB and Care Inspectorate Wales (CIW) are evident in Gwent which supports providers who are in difficulty. In instances of home closures, providers and residents have been supported to close and move to alternative suitable care provision. In TCBC for example, 2 homes have closed since 2017.

In both cases, the home closure protocol was enacted to support the residents and home to close with minimum disruption.

Within domiciliary care, the risk is managed by ensuring that no single provider could be regarded as having a monopoly or a market share that could not be covered in the event of provider failure. Packages of care have been reallocated and TUPE of staff managed when appropriate. However, staff shortages remain acute so any failure would have serious implications for the stability of the market and ability of local commissioners to provide a service to the quality expected.

The introduction of ‘Provider Performance, Escalating Concerns or Enhanced Monitoring’ for providers who are either failing or could potentially fail without remedial action have also proved to be beneficial.

2.7 Market Quality

Market quality has been managed in various ways:

- Provider concerns forms via Care Workers

- Annual desktop audits
- Concerns received via external sources (Family members etc.)
- Visits (announced and unannounced) undertaken as part of the audit process or acting on concerns received.
- Safeguarding concerns raised.

Care management feedback systems have also been implemented, which assess quality on an individual service user basis as judged by the care manager and the service user.

Agencies have been required to amend how they deliver their services in-line with infection prevention and control (IP&C) protocols and availability of staff. All providers quickly implemented contingency plans to ensure care services continued to be delivered in light of the pandemic. They also supported each other to share resources, information, and staff, for example day services staff were re-deployed across the region into support services such as community meals and domiciliary care services. The remaining staff then provided wellbeing calls to individuals and support was delivered virtually where possible and safe to do so. Some facility-based services remained open to provide services to those who were assessed as being in critical need. Individual outcomes continued to be met through these services.

There has been a marked increase in the number of people being supported to live at home with 24-hour live-in care across the region, many using their own or a combination of their own and LA resources. It will be interesting to observe whether this is indicative of a trend where people prefer to stay in their own home with more intensive support than consider residential care.

As previously stated, the market has been in a state of flux during the pandemic, it is not possible to assess at this stage whether the changes are short term reactionary changes or likely to be symptoms of longer-term change.

2.8 Current and Projected Trends

Across Gwent, market trends and population assessments are considered along with a variety of other information and intelligence gained from various sources available:

- Aging population with more complex needs
- Increase in nursing and dementia needs
- Increase in preventative services for example, Carer's support services and step up - step down facilities
- The opening of new state of the art facilities (e.g. Ty Glas Y Dorlan, a new purpose-built short stay housing with graduated care facility) to prevent hospital admission and encourage and facilitate discharge with a reable/enable focus and the ability to flex up and down . A community hub providing respite for carers and information ,advice and assistance, welcoming the community in.
- Two additional extra care schemes developed in Torfaen to provide flexible independent care needs.
- Introduction of assistive technology and online services

- Information Advice and Assistance to inform and educate people on what services are available.
- Links with private and third sector organisations to promote choice.

Across the Region, it is anticipated that some residential and nursing care providers may exit the market. The withdrawal of subsidies provided by the Welsh Government hardship fund is likely to impact on some of those providers with current very high levels of voids as businesses may become financially unsustainable.

There is likely to be an increased demand for domiciliary care, as people are expressing a preference to continue to live in their own homes rather than consider a move to residential care. However, recruitment remains an issue. There is a growing impetus among domiciliary care providers to identify a career pathway for workers that acknowledges their experience and skill set and to make it a more attractive career option for people. These initiatives are supported by the Regional Partnership Team.

Future commissioning arrangements will need to build in contingency plans for similar viral outbreaks in the future.

2.9 Impact of commissioning practices on the market

There are many examples of collaboration between the Gwent LAs, ABUHB and third sector organisations. These collaborate schemes often involve shared or pooled funding streams. Collaborative bids are also common, previously through the Integrated Care Fund (ICF), recently replaced by Regional Integration Fund.

Funding for services needs to be adequate in the long term. The availability of grants and hardship funding has supported providers throughout the COVID-19 pandemic, and this has been critical for service delivery.

The settlements provided to local authorities for 2022/2023 exceed previous levels, but this needs to be reviewed for the future. However, this needs to be seen in the context of many years of austerity and real term cuts to Local Authorities. It remains to be seen whether this increased level of funding will alleviate some of the pressures faced by care providers, particularly the recruitment and retention of staff.

Newport City Council has commissioned a trial of block runs in domiciliary care, which has been ongoing for 3 months. This has helped to meet demand and increase the capacity to meet needs. More work is required to review the outcomes from this trial and to assess whether this approach can be sustainable in the future.

Monmouthshire Council, with the support of the Regional Partnership Team is currently exploring the [development of a micro carers pilot to support local care capacity and delivery](#), providing an alternative to traditional domiciliary care provision. Three key areas have been identified where micro carers can potentially support local care capacity:

- They can provide care to those able to self-fund their care and support.
- They can provide care to those in receipt of direct payments.
- They can be directly commissioned by LAs to deliver care where there may be gaps in provision.

Micro-care pilots have been introduced in other regions as a response to the national shortage of carers and to meet the growing demand for care, particularly in rural areas where recruitment is difficult. Some of these have been regarded as successful and in particular Somerset where the Micro Carers system has been expanded considerably. If successful, then the pilot in Monmouthshire could be scaled up and learning shared with the other Gwent authorities. This pilot runs for 12 months from April 2022 to April 2023.

2.10 Sustainability of provision

There is a mix of provision across Gwent including independent and public sector services, both care at home and care homes. The voluntary sector is strong in the provision of support services i.e., hospital discharge, befriending and other preventative and complimentary services. The third sector has a significant role to play in promoting a diverse range of services, but funding challenges are also acute for them.

The provision of care home and care at home services has remained relatively stable during recent years in terms of numbers of providers in operation. In Monmouthshire there was one new entrant into the care home market in 2018 when a new build 70 bedded care home opened in Abergavenny. Another long-standing provider in Torfaen recently purchased an office building with plans to convert into a 21-bed residential facility. [One long established and small family run domiciliary care provider decided to cease operation in 2022 with the continuing challenges of recruiting and retaining staff cited as the reason they decided to cease trading.](#)

As previously stated, the withdrawal of subsidies via the hardship fund is likely to impact on the market, with some providers across the sector exiting the market due to a lack of sustainability. In addition, the crisis in the cost of living is exacerbating and already difficult recruitment and retention landscape in Gwent. [Some recent evidence points to domiciliary carers leaving to join care homes to avoid having to use their cars for work.](#) This latter point is being taken up with Welsh Government at the time of writing as some funding has been made available for electric vehicles etc.

2.11 Risks to market stability

As previously indicated, the following are the key risks to market stability highlighted by providers and commissioners:

- High voids in residential and nursing care are a concern as is the possible advent of a lack of supply of specialist EMI nursing care in some areas, particularly highlighted by Commissioners in Torfaen. Also, as highlighted in the Gwent PNA, population projections suggest individuals will live longer, meaning dementia diagnosis rates are predicted to increase.
- Rising costs of staff, recruitment and retention are challenging for the care sector as a whole
- Residential care and nursing care homes face infrastructure issues. Older buildings may require repair and modernisation, along with significant impact of rising utility costs.

- The cost-of-living crisis across the whole economy and particular the rising cost of fuel for cars.
- Funding challenges in both the short and long term.
- The onset of COVID and its effects over a 2-year period has raised questions about longer term market stability.
- Occupancy levels remain well below pre-COVID levels circa 80% average. This position is very mixed with only a few operators being at very low levels i.e. < 40%/50%. It is difficult to see how providers will be able to continue to operate at such low levels if no sustained increase in admissions is forthcoming.
- These systemic challenges may have an impact upon the longer-term stability of the market, but at this stage it is difficult to foresee what that might be.
- Risk assessments are undertaken when procuring regulated services. Open and transparent processes are in place to ensure service provision is the best possible.
- The domiciliary care recruitment crisis is having an acute effect on sustainability of care at home in some areas.
- Insurance for care homes is becoming increasingly challenging in terms of availability and cost

2.12 Non-Regulated provision

Measures have been introduced to promote preventative services:

- Support and assistance given to carers including respite breaks
- New facility, Ty Glas Y Dorlan opened in Torfaen to prevent residential and hospital admissions and facilitates timely hospital discharge enabling people to recover and then reable/enable before returning to their own homes.

Monmouthshire operates a number of preventative services and has invested in a reablement approach which looks to support people to become as independent as possible, preventing a reliance on traditional social care services.

Preventative services have been impacted by the pandemic, with increased social pressures, deprivation, and rising costs of living all impacting on this area. Newport City Council is currently working with Registered Social Landlords and third sector providers to develop accommodation and support services for care leavers, through ICF funding and the housing support grant.

Third sector organisations continue to act as key partners working with Local Authorities to promote social value and to enable the voice of user groups. Further work is required to develop this strand of work, particularly as we move away from the crisis management approach required over the course of the pandemic.

2.13 Resources

In meeting the needs of adults who are eligible for social care, local authorities continue to monitor the availability of resources. It is important to acknowledge that local authorities work alongside care and support providers, service user groups, third sector organisations, and other statutory agencies to consider the sufficiency of

available resources. Partnership working with regional colleagues is particularly important to identify common issues and to develop shared approaches.

As with most regions, Gwent is faced with the challenge of increasing demand and limited financial resources. The region recognises that doing things differently in partnership with providers is the best way to work through these challenges. Commissioners strive to maintain good relationships with partners and maximise ability to purchase beds at a fair and reasonable price. The fee rate is reviewed every year to ensure that we are taking account of all relevant material factors.

Over the last 6 years, Gwent RPB received Integrated Care Funding (ICF) and Transformational Funding to support with the wellbeing agenda of citizens in Gwent. In April 2022, this changed to the Regional Integrational Fund (RIF) and is a 5-year fund for Regional Partnership Boards in Wales to deliver a programme of change from April 2022 to March 2027. The RIF puts into practice the ways of working stated in the Social Services and Wellbeing (Wales) Act 2014, and places a focus on long term, prevention, integration, collaboration and involvement to help public bodies better plan for the wellbeing of the population.

All local authorities in Gwent and ABUHB have engaged with providers to produce a regional approach to Fee Methodology, with a regionally agreed template in operation across Gwent. The template was due to be tested in early 2020 but full implementation postponed due to the COVID-19 pandemic. This has now been re-established for testing in 2022-2023, with engagement from Local Authorities, ABUHB and care home providers.

The template has been produced in collaboration with a number of Care Home providers in Gwent and requires providers to detail costings involved in delivering care in their area. This forms a solid basis for constructive negotiations with commissioners on fee rates for the coming year. This is then reflected in a Fees and Charges Report to Council who set the fees.

Providers are currently facing significant changes to the financial aspects of their business. The cost-of-living crisis has meant that operating costs such as utilities, building maintenance and food have increased significantly. A number of providers have reported large increases of insurance premiums as a result of the COVID-19 pandemic and due to a recruitment crisis across all health and social care services, staff salaries have also been increased.

The template aims to account for these changes. Due to the differences in budgets available to local authorities and health boards and the individual requirements of each home, it is not possible to provide a single fee across Gwent, but the template aims to simplify the negotiation process for both commissioners and providers.

Fee negotiations are ordinarily conducted annually, but providers have reported that due to the rapidly rising costs of care delivery, the figures provided to commissioners are very quickly out of date.

The introduction of the real living wage as a minimum pay rate for carers in Wales will have implications for resources which are currently under consideration.

Clear and transparent methods are always employed when resourcing and investment are undertaken. Best value for money without reducing quality service delivery is always the main goal. Local Authorities adhere to all contract and procurement regulations to promote fair and equitable sourcing of services.

2.14 Self-Funders

The impact of self-funders on the social care market is difficult to assess, due to the limited information available and gathering intelligence on self-funders remains a challenge.

Due to the fact that most self-funders have private agreements that deal directly with care providers, little information is often held on these individuals. Local authorities are supportive in providing advice to self-funders and some include them in their contracts and financial systems.

2.15 Workforce

As previously outlined, the following shortfalls in the workforce represent a significant challenge to the social care market:

- Shortage of nursing staff in care homes
- Increased cost of agency staff
- Poor recruitment and retention of domiciliary care workers is now critical

Staffing continues to remain a significant issue, exacerbated by COVID-19. In the domiciliary care sector especially, worrying numbers of staff were seen to be leaving the sector. Some reasons are highlighted by providers:

- Poor pay
- Poor working conditions
- Lack of perceived career progression
- Lack of job satisfaction
- Increased regulations, including registration.
- Better pay and conditions in other sectors i.e., hospitality and retail
- Lack of younger people entering the sector or seeing social care as a career choice, coupled with an ageing workforce and people taking retirement.

This is coupled with high levels of employment across the region and the current demand for workers in other sectors (transport/hospitality) driving up wages.

As reported at Regional Provider Forums, the COVID-19 pandemic has also placed significant pressure on the mental health of the workforce. Care staff were required to adapt to new ways of working very quickly. Due to legislative requirements, the social aspect of the role was reduced, particularly in care homes, as residents were isolated to their bedrooms and large scale social activities were discouraged during periods of outbreaks. For this reason, more measures are needed to support the wellbeing of the workforce.

Gwent employability projects and Working Wales continue to report that very few of their clients register an interest in working in the social care sector, particularly domiciliary care for the reasons recorded above.

Wales' unemployment rate stands at 3.1%, compared with the UK rate of 4.1% as of February 2021 and employment figures in Gwent remain high. Historically social care does not attract workers from other sectors and is left to either recruit those furthest from the job market or those already working in the sector, contributing to high levels of workforce churn and little increase in capacity across the piece. This is despite several regional and local initiatives aligned with the national 'We Care' recruitment campaign to attract new workers to the sector.

3. DEMENTIA

Population Group	Dementia
Gaps and Emerging Themes	<p>Early diagnosis and timely intervention and support are key factors.</p> <p>Reduced provision of medication prompting services.</p> <p>There may be pressure on EMI nursing care beds across the Region as stated above.</p> <p>Could see an increased need for appropriate housing for people living with dementia.</p> <p>People living with dementia, their family and carers have said that access to information and support, are fundamental at an early stage in diagnosis.</p>

There are an estimated 7768 people living with dementia in the ABUHB area in 2017, with this number predicted to rise to 12833 by 2035 (Daffodil Cymru: 2014). Over the period of 2013 to 2035, the increases range from a predicted 62.1% in Blaenau Gwent, to 97.1% in Monmouthshire. Dementia affects a person's **executive functioning**, making it challenging for them to complete simple tasks, and the steps that go into them, such as having a shower or getting dressed. All of these day-to-day tasks have a sequence of steps, which can be difficult if someone has dementia. All local authorities in Gwent are predicting a significant increase in the number of people who require support with at least one domestic task. This suggests that as the number of people living with dementia increases, demands for support services will continue to rise, placing a demanding strain on already sparse resources.

Current research suggests that people with dementia were affected by the pandemic. Community support services were halted, and care homes reported an increase in the needs of their residents, requiring higher staffing provision as transfers to more suitable placements were halted during period of outbreaks and Government lockdowns. The Office of National Statistics (2020) states that 49% of deaths in care homes and 25.6% of all COVID-19 deaths were people with dementia.

As previously stated, commissioners in Gwent have reported that a shortage of EMI dementia beds in care homes in some areas may arise. The availability of respite beds is currently low, with resources unable to meet the demand. This puts further strain on informal carers. Several factors contribute to this, but the COVID-19 pandemic has forced at least one domiciliary care agencies in the area to cease trading and forced providers to reduce their respite beds provision due to the higher costs associated with such placements.

Therefore, the region has identified a need for additional dementia care services, both in the community and a potential requirement for additional EMI dementia beds.

With the emphasis being on preventative services and the focus being on community-based care, the region has developed the National Bevan Exemplar project, 'Get There Together'. Working in collaboration with Cardiff and Vale University Health Board, the Gwent region has developed video and leaflet resources for people living with dementia, and their carers to support social and functional activity recovery. Working with a number of large high-street retailers and transport providers, videos have been produced to help people to familiarise themselves with the changes to services due to the COVID-19 pandemic. This project continues and has now developed a technology app with StarFish Labs, which is being piloted by groups across Wales. The app allows more bespoke materials to be made to suit individual needs, via videos and audio clips made by the person living with dementia, their family and carers, and added to a daily planner.

We are also supporting the pilot of a multi-agency project led by Gwent Police who are the first police force in Wales to trial the technology. The project provides people who have a dementia diagnosis, with an extra safeguarding measure – wristband – alongside the Herbert Protocol. The wristband holds next of kin details using NCC technology which can be accessed through a mobile phone app by any member of the public to ensure a person needing assistance in the community is able to get home if they get lost or need help. The project will be evaluated in November/December 2022 and feedback sent to the Gwent Regional Partnership Board and the Police and Crime Commissioner.

The Dementia Action Plan for Wales 2018-2022 sets out a vision: Wales to be a dementia friendly nation that recognises the rights of people with dementia to feel valued and to live as independently as possible in their communities.

In Gwent we continue to promote Dementia Friendly Communities across the region, and support individuals to become dementia friends. Throughout the pandemic most of our sessions were online to support connections in our community, including dementia awareness workshops and sessions. As restrictions were lifted, we offered face-to-face sessions with Sporting Memory groups and Parkinson's Support groups, to raise awareness and highlight support available in the area people living with dementia, their families, and carers.

4. MENTAL HEALTH AND LEARNING DISABILITY SERVICES

Fig 9: Placements in Mental Health Services

Placements in Mental Health Services						
	ABUHB	CCBC	MCC	TCBC	NCC	BGCBC
Supported Living	82	39	N/A	6	N/A	3
Residential	14	11	N/A	138	N/A	0
Nursing	57	9	N/A	44	N/A	6
Secure Services	49	0	N/A	0	N/A	0

Fig 9 indicates the number of placements into mental health services across the Region. This information relates to placements both jointly funded by ABUHB and the LA, but also directly commissioned placements.

4.1 Sufficiency Assessment: Population Needs Assessment (PNA)

This section highlights the gaps and emerging themes in terms of sufficiency of care from the Population Needs Assessment (PNA).

Population Group	Mental Health
Gaps and Emerging Themes	<p>Studies referenced in the PNA highlight that the pandemic is likely to have had a severe impact on mental wellbeing. The long-term impact is difficult to predict, however, there is a significant risk that this will have an impact on services needed to support our population.</p> <p>We need to improve emotional well-being and mental health for adults and children through early intervention and community support.</p> <p>We need to promote the mental wellbeing of people in Gwent and ensure that the workforce is supported to be able to provide people with the support they need at the right time.</p>

Working in mental health facilities can often be a challenging place to work, and as a result, facilities continue to experience significant staff shortages, evident across the health and social care sector. This has led to continuous employment of agency staff, and patients reported a lack of continuity of care. The National Review 'Making Days Count' highlighted a number of further considerations in relation to the provision of mental health services.

During the COVID-19 pandemic, mental health services in Gwent were required to amend how they delivered their services. Staff across the region were supported by Local Authorities to move to a community-based service, initially provided virtually and later moving to face to face often one to one services when restrictions allowed. A number of services continue to deliver via both platforms, ensuring that individuals in the community continued to receive support. The National Review supports a move to a community first approach for mental health support, and patients should only move to hospital admissions when necessary. The impacts of the National Review of secure services need further consideration.

Mental health services receiving RIF funding reported an increase in referrals in the past 3 years, with some reporting that referrals to their services had doubled, particularly in the case of Community Connector services in Torfaen and Newport. Mental health services moved to a virtual delivery platform during the COVID-19 pandemic, and have reported that they aim to continue with virtual delivery or a hybrid model of virtual and face to face support as they continue to re-open services following the COVID-19 pandemic. Feedback from individuals accessing such services has stated that virtual delivery is preferred due to accessibility, and services such as SPACE panel have reported that they are delivering an improved service on a virtual basis.

4.2 Learning Disabilities

Fig 10: Placements in Learning Disability Services

Placements in Learning Disability Services						
	ABUHB	CCBC	MCC	TCBC	NCC	BGCBC
Supported Living	72	187	37	81	170	78
Residential	27	46	51	87	273	23
Nursing	3	8	3	3	231	0
Secure Services	7	0	0	0	0	0

***Figures provided by Newport City Council are totals of both MH and LD placements.**

Fig 10 indicated the number of placements into Learning Disability Support services across the Region. This data is indicative of placements both jointly funded by ABUHB and LA's but also of placements directly commissioned or provided by the LA.

4.3 Sufficiency Assessment: Population Needs Assessment

Population Group	Learning Disability
Gaps and Emerging Themes	To support people with learning disabilities to live independently with access to early intervention services in the community; and greater public awareness and understanding of people with learning disabilities needs.

	<p>Services and activities need to adapt to suit changes in people's needs.</p> <p>A multi-agency partnership approach to ensure appropriate housing and accommodation for vulnerable citizens</p> <p>Improvements needed to help people find supported training and employment.</p> <p>The demand for residential placements is increasing. There is evidence of a lack of residential beds for individuals with challenging behaviours.</p> <p>Individuals currently experience delays in hospital discharges due to the lack of available community support services or residential placements.</p> <p>Commissioning for Mental Health and Learning Disability Provisions have steadily increased over the last two years.</p>
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In Gwent, Local Authorities provide, and externally commission a number of community-based support services for individuals with learning disabilities. My Mates was established by Monmouthshire CBC as a pilot scheme to support individuals with learning disabilities and mental health needs in the community, through a combination of one to one and peer support. Funded through the Integrative Care Fund, the pilot supported individuals in the Borough with independence and establishing peer support groups in their community. Due to the success of the pilot, the scheme became Gwent-wide, with 4 staff members supporting over 200 individuals across the Region. Support during the COVID-19 pandemic was amended in line with legislative requirements and staff maintained over 8000 contacts to individuals, via virtual platforms. Staff held 500 video call chats to maintain wellbeing, held 140 live event virtual parties and completed 20 mail outs to individuals, sharing information and providing gifts.

4.4. Autism

Population Group	Autism
Gaps and Emerging Themes	<p>Provide more timely diagnosis of Autistic Spectrum Disorder and access to support services and information and advice.</p> <p>There is a need for improved signposting across Gwent particularly for supporting young people transitioning to adult social care services</p> <p>Improved access to suitable health provision for effective future support</p> <p>Improvements needed to help people find supported training and employment.</p> <p>The COVID 19 pandemic has led to increased levels of mental health problems and further isolation for people with autism.</p> <p>A multi-agency partnership approach to ensure appropriate housing and accommodation for vulnerable citizens</p> <p>Increase training, for an autism informed and accepting workforce.</p>

4.5 Engagement

The Gwent region engages with learning disability and mental health providers on a regular basis, receiving reports and monitoring progress, to establish any issues that they may be experiencing, or to discuss any proposed service provision changes. Provider feedback helps to shape service provision with recent engagement focusing on reviewing day activities and the regional advocacy helpdesk and service provision.

The following multi-agency partnerships in Gwent support engagement with ABUHB, Local Authorities, Independent/Third Sector, and citizens:

- Whole person, whole system MHCrisis and Acute care Model has been co-produced and developed over the past 6 years providing alternatives to hospital admission in a MH Crisis, Sanctuary provision both in the community and ED. Shared Lives are supported by Crisis Resolution and Home Treatment teams and development of a single point of contact and 111 for Mental health pilot and conveyance pilot, Reporting to the Crisis Board
- Mental Health Implementation Group – this group is attended by representatives from all local authorities in Gwent, as well as ABUHB and Gwent Police.
- Delivery group – attended by the Gwent local authorities and ABUHB focussed on Mental Health and Learning Disabilities.

- Regional Partnership Board – representation at Director level from Gwent local authorities and attended by ABUHB
- Caerphilly also has local engagement arrangements with providers and individuals through local meetings involving the Supporting People Team e.g., Platform panel, Accommodation panel, Drug and Alcohol panel.
- Complex Care Team/Quality Assurance panel to discuss services for people with complex needs
- Shared Lives Regional Partnership Board
- Engagement/due diligence undertaken with English providers when placements are made over the border
- Gwent Connect 5 network – Staff trained within the Regional Partnership Team to provide Gwent Connect 5 training; a mental health and wellbeing training course open to all organisations and communities within Gwent. To date, training has been delivered to a number of care providers in the Region in addition to local authority frontline care delivery services.

4.6 Market Sufficiency

There is a well-documented national crisis in recruitment and retention within the care industry and this has led to difficulties in providing timely care across the sector. Currently, providers can find it difficult to provide services to people with mental health conditions, so where possible, more specialist providers are used who have a greater understanding of mental health. Using this approach has been beneficial and provided positive outcomes. Given the population predictions outlined in the PNA, this is an area where a greater level of need is anticipated in the future. Research completed by Cardiff University confirms this and states '*The COVID-19 pandemic and the social distancing restrictions resulting from it have taken a huge toll on people's mental wellbeing and mental health. We can expect significant pressures and demand for mental health services in Wales over the coming years*'. (Prof Wyn Jones et al, 2021).

Gwent also has a lack of nursing homes which can respond to people with complex mental health needs and people with learning disabilities, and some placements have broken down due to behaviour management issues.

Case study: Commissioners in Gwent have reported that there continues to be a lack of provision for individuals with complex needs. In one example provided by commissioners, 4 individuals stepping down from low secure and locked rehabilitation units have been allocated placements in another region of Wales. However, due to the ongoing recruitment issues, the commissioning authority are required to continue to provide staffing support to those individuals. Commissioners have now recognised this as a priority, and the Regional Commissioning Group have started conversations around how providers can be encouraged to establish complex placements within Gwent, supported by the commissioning authorities.

There is a lack of appropriate accommodation with the right levels of support at the right time, rather than 24/7 supported living arrangements. There is a continued need to work with partners, to further develop step down facilities from hospital to independent living. Further development of relationships between Forensic Services, Social Services and Housing is also being addressed as a key priority for Gwent RPB.

These links are being improved through the strategic partnerships that are active in the Gwent Region. Gwent RPB are also the only RPB in Wales to be members of the Housing Learning Improvement Network (LIN), meeting quarterly with other health and social care colleagues to discuss issues.

The region's Shared Lives Scheme is continuing to produce positive outcomes, and there is an expectation that this will expand further within mental health and learning disability service provision.

There is a static market in Torfaen, for example, where essentially supply meets demand. Placements are either long term residential in smaller care homes or long-term placements in supported living schemes. Historically, there has been a drive to bring all out of county placements back within the localities. In terms of current and future policy and practice, the local authority, wherever possible, will look to place individuals into their own fully independent accommodation rather than a supported living model, and this has been facilitated by new build supported housing developments in the Borough.

There are 14 care homes for adults with a learning disability or mental health needs in Monmouthshire providing support for people with a range of needs. In the main these are small homes and are well established in the county with very little movement in the market for several years. There is sufficient supply within the county to meet the needs of most people with learning disabilities, however, lower-level support for people with mental health needs remains a challenge, and work is on-going with partners to look at the development of better solutions.

As an example, placement levels remain constant and have remained relatively unaffected by the pandemic across Monmouthshire.

Fig 11: Monmouthshire County Council Adult Placements

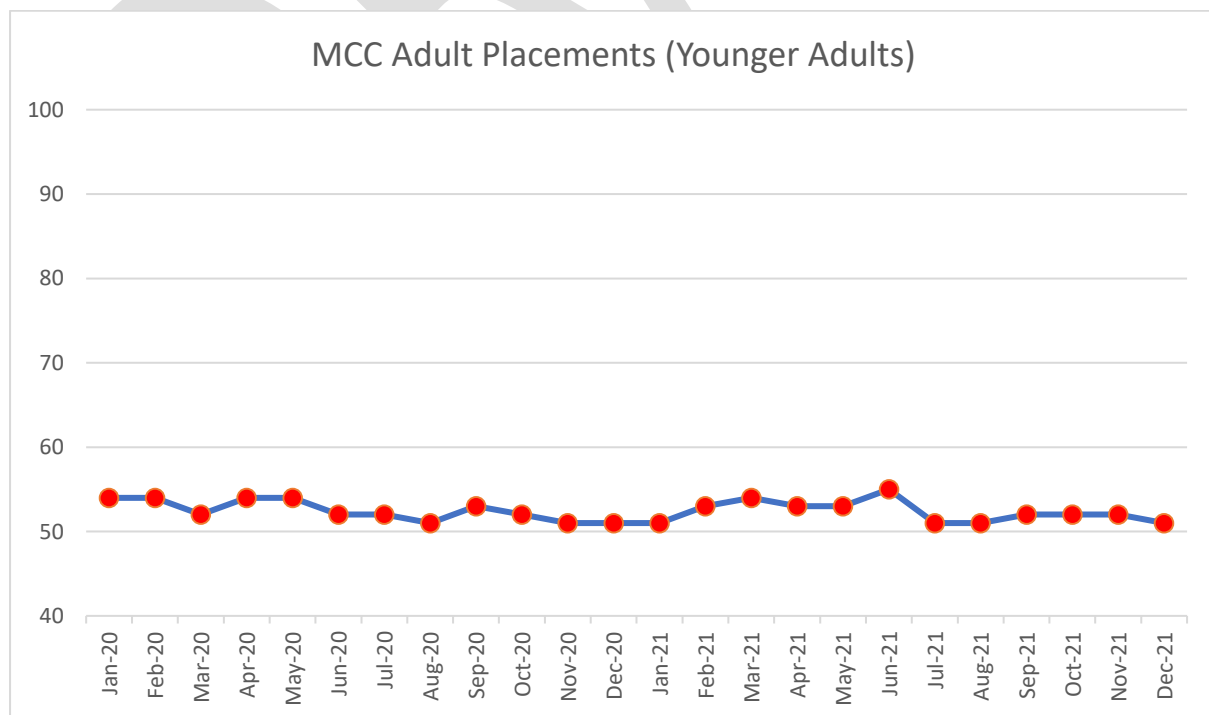


Fig 11 represents the numbers of younger adult mental health placements in Monmouthshire between January 2020 until December 2021

4.7 Market Stability

The provision of care home and supported living services has remained relatively stable during recent years, in terms of numbers of providers in operation, with no care homes exiting the market in the last 6 or 7 years.

There is a mix of provision across Gwent including independent and public sector services with the voluntary sector playing a strong role in the support services arena i.e., daytime support, self-advocacy, and family aid. However, Gwent does have a shortage of providers who can cater for citizens with mental health issues and autism.

As with other areas, the region has seen some smaller organisations acquired by larger organisations over recent years which impacts on the diversity of provision for mental health and learning disabilities. These mergers and acquisitions cause an immediate impact on services delivered. Changes to service can be difficult when staff leave, and new management take over or when a smaller enterprise loses its identity and becomes subsumed by a corporate business entity. An experienced workforce may then be lost which could have a significant impact to the people using the service. Fortunately, this has led to no real deterioration in the quality of care and support to people receiving support. For many years the region has developed good working relationships with provider partners, and these relationships have been further enhanced during the pandemic.

Local authorities have not needed to take any action in the Gwent area during this specified period, in pursuance of our duty under section 189(2) of the 2014 Act, to meet the care and support needs of relevant individuals. If there were any issues, we would introduce provider performance, or escalating concerns, or enhanced monitoring for providers who are either failing or could potentially fail without remedial action.

While the mental health sector has experienced some challenges during the pandemic in terms of reduction in occupancy and staff issues, it has not been as adversely affected as the older person's sector. Providers have reported that recruitment has been more problematic than usual, but they are still able to recruit and retain staff.

With the removal of the Welsh Government Hardship funding in March 2022, we will be closely observing the sector to see what impact this has on its sustainability and whether it will be able to return to pre pandemic occupancy levels.

There are improvements to be made with mental health services provision such as:

- The need for more providers who can respond to complex mental health needs as part of accommodation with support, including autism.
- More nursing homes that can respond to complex mental health needs such as learning disability, as most are focussed on dementia support. Some placements have broken down due to behaviour management issues.
- The need for more appropriate accommodation with the right levels of support at the right time, rather than 24/7 supported living arrangements, as well as the need for more single person accommodation with targeted support.

In recent years Gwent has introduced a standardised fee model, as historically individual fees varied considerably across providers. The aim is to keep a level of sustainability to allow the sector to continue to operate and be a profitable venture whilst still ensuring high quality care.

4.8 Quality of Care and Choice

The quality and availability of services provided were potentially impacted by the COVID-19 pandemic. However, as stated in 2.6 above, providers quickly implemented contingency plans to ensure care services were delivered. Agencies also supported each other to share resources, information, and staff. Day services staff were re-deployed across the region into support services, such as community meals and domiciliary care services. Remaining staff then provided wellbeing calls to individuals and support was delivered virtually where possible. Some facility-based services remained, to provide services to those who were assessed as being in critical need. Individual outcomes continued to be met through these services. However, continued lack of staff in the health and social care sector shows little signs of improvement even in the long term. This may lead to a reduction in services and the quality of those services may be affected. This may have an impact on the sufficiency and the stability of the market across many services. Also, financial difficulties and vacancy levels in health and social care residential care homes may lead to some providers finding it necessary to leave the market and close services.

In Gwent the aim is to provide choice and control to people through better services and early intervention. An example of this that has worked well is the work to continue to provide support through Community Connector teams in some areas, these in turn work in partnership with local care teams.

Torfaen Council has commissioned a bespoke facility: Ty Glass Y Dorlan, and part of their remit is to offer information, advice and assistance to the community so they can self-solve and use their own networks of support .

Day activities were used prior to the COVID-19 pandemic; however, many services were temporarily closed in line with the UK and Welsh Government's guidance and restrictions to protect citizens. During this time services were adapted to provide virtual sessions across the region to support people, and individuals did seek additional mental health online support due to a decline in their wellbeing because of the suspension of service provision.

Overall, the quality of care and support available to people is of a high standard. However, the onset of the pandemic has affected the type and level of quality assurance monitoring which local authorities and other partner agencies have been able to undertake i.e., Care Inspectorate Wales and the local health board.

Visits by other professionals such as social workers and families has also significantly reduced during the last 24 months, but these have now been reinstated with the lifting of restrictions by Welsh Government. Feedback from these visits has highlighted that the care and support provided is of a high standard with services going above and beyond in their duties to support people during these challenging times. Providers

have gone to great lengths to provide person-centred and high-quality support despite the challenges of regularly changing guidance and restricted visiting. Providers' contingency plans have proved robust and have allowed services to continue through the pandemic.

The current complexity of care needs within the community, supported living and care homes now are set to continue which requires a skilled workforce to support nursing and care needs of individuals.

4.9 Current and Projected Trends

There is a vibrant and varied mix of provision across Gwent. In some areas such as Monmouthshire, many younger people are choosing supported living as their preferred option and we have several providers in the county who support people in this way. [Providers are very responsive to developing the right type of support for individuals and engage with their families, and others to design person-centred models of support.](#) An example of this is the collaborative working with three people to design bespoke supported living service, which will enable them to live meaningful and engaged lives.

Working with young people and their families through transition is a key steppingstone to identifying bespoke solutions for adult life. People and families often require considerable support as young people move into adulthood and out of the more prescriptive and routine environments of school and college. Expectations and the re-opening to opportunities remain a challenge for some.

Learning disability residential services remain stable and individuals often move into the service and remain there for significant periods of time, so length of stay and quality of care needs to be continually assessed. However, it can sometimes be difficult to source compatible placements with current tenants.

Local authorities continue to work closely with providers to agree fair and reasonable costs of care and people have a range of support options to choose from, however these options are dictated by geographic and other preferences.

In Gwent it was anticipated that some people with a learning disability approaching middle age would need to move into supported living as their carers aged, but this hasn't materialised. People have stayed at home and kept themselves safe during the pandemic, so future needs are not clear at present.

4.10 Impact of Commissioning

There has been little reduction in the number of people placed in residential and supported living services, since the onset of the pandemic. Funding decisions continue to be made based on individual need and in negotiation with the provider. Where some providers are experiencing financial challenges, local authorities will work with them to seek to understand the issues and ensure that funding is appropriate and reasonable.

[Gwent also uses longer-term contracts to give providers the opportunity to invest in the workforce and better support banking arrangements.](#)

The region has attempted to standardise costings across the services and supported providers to access independent models of support. Supported housing schemes encompassing learning disability provision has also been added to the market.

The volume of referrals to supported living and residential providers has decreased, so providers would be experiencing the effects of this as they are approximately around 20% of normal volume.

There are many examples of collaboration between Gwent Local Authorities, ABUHB and Independent/Third sector organisations. These collaborative schemes often involve shared or pooled funding streams and/or Continuing Health Care funding.

4.11 Sustainability of Provision

While the learning disability sector has experienced some challenges during the pandemic in terms of reduction in occupancy and staff issues, it has not been as adversely affected as the older person's sector. Reports from providers are that recruitment has been more problematic than usual, but they are still able to recruit and retain staff.

There are concerns from some care providers that provide domiciliary care (sometimes alongside a range of other services), that they may be forced to close this service area in order to maintain the quality and sustainability of their other services due to a lack of staff capacity to deliver care at home. One provider in Gwent has ceased the operation of their domiciliary care service to enable them to prioritise their residential care facility.

The removal of the hardship funding in March 2022 is being closely monitored to understand what impact this will have on sustainability of services and whether it will be able to return to pre-pandemic occupancy levels. In common with other market segments many providers have experienced increased operating costs relating to fuel, gas, electric, increased National Insurance and pension costs, National Living Wage, Real Living Wage all of which are all having an impact on service provision.

Resource can be an issue causing difficulties when funding placements for people. Continuing Health Care can cause challenges, as the criteria can be difficult for local authorities and health boards to navigate.

4.12 Non-Regulated Provision/ Prevention

In Gwent there are no secure placements commissioned by local authorities. In Monmouthshire, support to adults with a learning disability has, for a number of years, been provided under the auspices of 'My Day, My Life'. Through this change programme and prior to the pandemic, the Council had moved away from venue-based services and were working with people in a more bespoke way based around the place they live, their families and wider networks. Fixed bases tending to be used as a springboard for more community-based activity.

The pandemic enabled Monmouthshire to move further ahead with this. Since March 2020 'My Day My Life' continued to operate in a very flexible, people focused way, offering people support to engage in opportunities that they choose in the areas where they live. Monmouthshire has scaled up the offer as restrictions have lifted. In general,

feedback has been positive and there has been little demand from citizens to return to a venue-based model.

The Housing Support Grant Programme provides preventative support for regulated service provision and has a grant funded programme that provides housing related support for a wide range of people in the community, including those who do not access statutory services.

A National Care Review was completed into the care and treatment of people who are inpatients in learning disability hospitals, either commissioned or provided by NHS Wales as part of a cross government programme 'Learning Disability – Improving Lives'. Through this report 70 recommendations were highlighted where improvements are needed, and the Gwent region has been reviewing services to identify what improvements are required as a priority. The Mental Health and Learning Disability Strategic Partnership with support from the Regional Partnership Team, has been facilitating workshops to gain a collaborative response to the national review to establish what actions are needed to improve the lives of people in Gwent. This work is ongoing, and feedback is being sent to the National Assurance Group.

4.13 Direct Payments

A high percentage of Direct Payments is made up from learning disability service users. There is potential to expand the services and it is starting to grow in some localities. Direct payments are always offered as an option for care delivery where suitable, however this is not always the best option for some individuals. Where it has been used it has been successful with many people, giving them choice and flexibility to tailor their care needs around their own circumstances. See section 8 for more details.

4.14 Social Value

Partners across the region encourage and are supportive to social enterprise ventures. However, they have sometimes found them to be restricted by legal requirements that are prohibitive; for example, with Services for Independent Living (SIL) who were engaged to provide additional services to Direct Payments service users, however this service has now closed.

The development of social enterprises is not something that can be 'designed in' by planners or commissioned in a mechanistic way. Anecdotal evidence suggests that the most successful co-operative ventures have been developed from a 'grass-roots' up approach where organisations and individuals providing services together on a collaborative basis based on mutual trust and the need to share resource more effectively.

Recent day services reviews have indicated that there might be some value in encouraging directly provided and/or commissioned day services to collaborate more formally to create support networks that may operate across geographical boundaries. This shares some commonalities with a 'community work' based approach founded upon voluntary action in its purist sense. This is very much an explorative venture at present post pandemic.

The RPB supports a vibrant provider forum which also acts as a social value forum. This forum is comprised mainly, but not exclusively of 3rd sector provider organisations.

Able Radio in Torfaen is a good example of a successful social enterprise. Initiated by volunteers, the service was supported by TCBC and hosted in a TCBC day services facility until the service expanded. The service provides day activities and training opportunities to individuals with learning disabilities and mental health issues.

Case study: Cartrefi Cymru is also an example of a long-standing social enterprise, established by parents and volunteers of people with learning disabilities. Supported by local authorities in Gwent, the service now provides support to individuals across the Region through supported living facilities, domiciliary care, floating sessional support and respite care. Cartrefi Cymru now operates as a co-operative and the region has been very supportive of the co-operative movement in social care in recent years.

In future the 5 local authorities would also like to develop the presence of the third sector in the fostering market to help deliver social value across Gwent communities as well as supporting the development of local IFAs across the region.

5 CHILDREN'S SERVICES

5.1 Sufficiency Assessment: Population Needs Assessment (PNA)

This section highlights the gaps and emerging themes in terms of sufficiency of care from the Population Needs Assessment (PNA).

Population Group	Children and Young People
Gaps and emerging themes	<p>To improve outcomes for children and young people with complex needs through earlier intervention, community-based support, and placements closer to home.</p> <p>To ensure good mental health and emotional well-being for children and young people through effective partnership working especially mitigating long term impact of Covid-19 pandemic.</p> <p>There is a need to continue strengthening services and partnerships around a single front door approach to reduce hand offs between organisations and establish a sequenced approach to multiple intervention needs.</p> <p>The RPB will continue to implement principles of NEST/NYTH and across all services to remain focused on what matters to children, young people, and families as we move to a whole system approach.</p>

	<p>Given the new programme of government priority to ‘eliminate’ profit in residential care for children looked after, the RPB will support this agenda and also the early intervention and preventative services that help reduce children becoming looked after.</p> <p>The young person’s voice, co-production, and integration, including more seamless transitions to adult services, remain key areas for development.</p>
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5.2 Provider Engagement

The 5 local authorities work in partnership with the health board, third and independent sectors, carers, and others to ensure that the care provided to children is of the highest quality and value for money; and most importantly provides the best outcomes for children who are looked after within the region.

My Support Team (MyST) is a multi-agency partnership, working to help children who are looked after to remain in their local communities across Gwent. It works seamlessly across statutory agencies to provide an effective alternative to residential care for children who are looked after with highly complex needs.

The Children and Families Strategic Partnership Board (CFB) provides overarching multi-agency strategic oversight and leadership for the delivery of the Gwent Regional Partnership Board’s vision for the development and delivery of children’s services across the region. Under the CFB an independent and voluntary sector network was established to engage directly with providers and for example, to highlight funding opportunities through Welsh Government’s Integrated Care Funding.

Most recently, the CFB has been working with the regional Youth Forum in developing the regional PNA, and a regular dialogue has been established. Each local authority also has its own partnership and engagement arrangements which include but are not limited to:

- Corporate parenting forums
- Young people’s forums
- Young Commissioner Programme (facilitated by the 4C’s)

5.3 Key Market Sufficiency Factors

The COVID-19 pandemic has impacted on the housing and care provision available to children and young people. COVID-19 has halted developments in many areas which has prevented children and young people ‘moving on’ and accessing the right care and support at the right time.

Fig 12 Total number of Children Looked After within each Gwent LA

	BGCBC	CCBC	MCC	NCC	TCBC
Total number of Children Looked After within each Gwent LA	200	456	213	378	446

Fig 12 shows the total number of children looked after in Gwent per LA as of March 31st 2022. *Includes children in residential homes and those that are fostered.

a. Foster Care

- Demand for foster placements currently outstrips supply, particularly for children who require a complex multi-agency care package or have challenging risk management plans
- Can often be difficult to source the right type of placement
- Children may go into residential placement in the first instance due to a lack of foster care
- COVID-19 and long periods of isolation have impacted on the resilience of families leading to an increase in demand across children's services.

b. Children's Residential

- External market has become saturated
- Market is insufficient to meet needs
- Majority of Gwent local authorities have focussed on investment of in-house residential services and development of preventative services
- Increase in privately run children's homes across the region
- Sufficiency is at a critical point as demand continues to grow at the highest end of the continuum of need.
- Some children are being placed in settings that are outside of the 'home' local authority

Monmouthshire and Torfaen are the exception; they have no in-house residential provision for children at the moment but remain committed to working with private and 3rd sector providers.

5.4 Market Sufficiency

The Gwent region wishes to increase regional capacity through a combination of in-house and external developments. It is the ambition of the region to care for the majority of children who have a long-term care plans through local residential care or step down to a foster family in a supported way, with support from MyST services, via in house regional provision. Integrated Care Funding has also been accessed to strengthen regional arrangements.

All 5 local authorities seek to work in partnership with local providers to develop bespoke packages of care for local children, who will support them to develop their independence skills and resilience for the future.

a. Foster Care

During the period of 31st March 2016 to the 31st March 2020, the number of local authority registered foster carers within the Gwent increased by 2%. However, the region also experienced a 17% increase in the number of children living in independent foster placements during the same period. This illustrates that the current level of demand is outstripping in-house provision and overall supply of foster homes. The Covid-19 pandemic has compounded this issue and it continues to prove difficult to source foster care placements, particularly for sibling groups and teenagers. As a result, some children are entering residential care following family breakdown in the first instance.

Multiple Independent Fostering Agencies (IFA's) operate within Gwent with a mix of charitable and commercial providers. All these providers are party to the All-Wales Framework for Foster Care Services. All fostering agencies irrelevant of status are currently facing a recruitment shortfall. Gwent local authorities continue to recruit and grow their in-house fostering provision, but recognise that there is continued demand, as well as competition for independent provision due to lack of in-house supply.

This shortage in foster carers directly impacts upon the choice of placement and permanence planning for children looked after. It is therefore essential, that foster carers are provided with a comprehensive range of support services to enable them to cope and effectively manage the challenging behaviour(s) they will encounter through the fostering process.

Fig 13 Number of children looked after by internal LA foster carers

	BGCBC	CCBC	MCC	NCC	TCBC
Number of children looked after by internal LA foster carers	71	162	40	160	134
Total number of children in external IFA placements (Includes external residential placements)	33	78	66	81	50

Fig 13 shows the total number of children looked after with LA foster carers and the number of children looked after by IFA's in Gwent as of March 31st 2022

b. Residential Care

The total number of children living in a residential provision increased by 58% in Gwent during the period 31st March 2016 to 31st March 2020

Demand for residential care has increased across Gwent, despite the development of the MyST teams and a regional drive to attract and recruit more foster carers. Newport and Caerphilly local authorities are expanding in-house residential home provision with a view to building Gwent wide capacity. Caerphilly has 3 LA residential homes for children and is currently developing a fourth. Newport is currently developing a new residential home that will provide a step-down service from secure provision. The availability of an annex to support short term stays will also help facilitate emergency placements. It is anticipated that these new homes will have capacity to offer places to other local authorities in Gwent. Torfaen is also planning to develop a residential provision for children in partnership with a locally based Registered Social Landlord (RSL) and an external provider, commissioned to deliver care. Monmouthshire have a similar provision in place with a Registered Social Landlord and are currently in the process of purchasing a facility with a view of having a similar partnership with a third sector provider.

Fig 14 Total number of children looked after out of county.

	BGCBC	CCBC	MCC	NCC	TCBC
Total number of children looked after out of county. *Includes IFA placements.	78	151	102	130	120

Fig 14 shows the total number of children looked after out of county in Gwent as of March 31st 2022

5.5 Market Stability

The Residential Care market in Gwent is currently failing to provide a sufficient supply of quality care providers to ensure that local authorities can consistently place children in appropriate placements that are close to home and meet their needs. Profits for large children's social care providers are higher than one would expect in a well-functioning market, and the lack of placements leaves all 5 local authorities in a weak position when attempting to negotiate the price of a placement. This financial instability mirrors the national picture.

The Competition and Markets Authority's (CMA) market study into children's social care in March 2021 reports that the UK has created "a dysfunctional market for children's social care with local authorities forced to pay excessive fees for privately run services." Source: [Action needed on "dysfunctional" children's social care market - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/action-needed-on-dysfunctional-childrens-social-care-market)

There has been a steady increase of privately run children's homes across the region. A lack of competition aligned with increasing demand for places is driving up costs. Mergers and acquisitions in the private sector have impacted on the quality of services delivered with changes of owner often resulting in the exodus of experienced and established staff. There is also some anecdotal evidence of small, local providers developing services for short term profit rather than sustainable growth. In recent years the sector has seen an increase in capital investment companies with a focus on profits for little demonstrable investment.

In March 2017, the Gwent Children & Families Partnership Board identified and recognised that the decision-making process for children with complex needs was inconsistent, overly complex, and not fit for purpose. A regional joint decision-making panel made up of senior leaders from the three key stakeholders (health, social care, and education) was created to discuss and resolve contentious complex cases that required financial and care package agreement that could not be agreed at a local level. However, several issues remain which include but are not limited to:

- The financial responsibility split between the LA's and health remains unresolved and there continues to be a lack on national guidance on this issue.
- The introduction of new continuing care guidance for health boards has not facilitated further agreement on legal and financial responsibilities of all stakeholders.
- There continues to be a difference in the interpretation of the new continuing care guidance for children with complex needs.

Individual market position statements on children's services have been developed for Caerphilly, Blaenau Gwent, Monmouthshire, and Torfaen, which can be obtained by contacting the Children's Commissioning Consortium (4C's.) These cover independent fostering agencies and children's residential care providers who are: delivering, able to deliver, or are planning to deliver' services within each local authority. The market positions statements help to structure engagement between the local authorities, Children and Family Services, local providers, looked after children, their family, and carers regarding the future vision of services. They also support the local authorities to co-produce outcomes focussed services acknowledging that there are a range of different methods for strategic commissioning with multiple partners.

5.6 Provider Failure

a. Torfaen

In 2020/21 a residential care provider was identified as operating below expected standards. Torfaen CFS were holding weekly Multi-Disciplinary Team (MDT) meetings, with NHS, the care provider and Torfaen commissioning representatives.

Through these meetings it became apparent that level of care and support expected was falling below expectation and that the provider was failing in its obligation to keep the young person safe.

Torfaen Council supported the provider to introduce new processes and attempted to make the placement both safe and successful. However, the provider was unable to operate safely, so work was undertaken to place the young person with a different provider. The MDT was supported by health but time scales for actions proved problematic due to ongoing capacity issues.

b. Monmouthshire

Monmouthshire County Council supported a new entrant into the residential care market last year however, the provider eventually went into liquidation. It was generally felt that this provider had grown too quickly and overextended itself. The provider saw a gap in the market for single bespoke care provision and was in the process of setting up several residential homes across Gwent and beyond responding to that gap in the market. However, there were several concerns brought from practitioners and partners that the provider was not following care plans, had poor communication with commissioners and a high turnover of managers. The Care Inspectorate Wales (CIW) were informed and became involved. Shortly after this the provider went into liquidation.

5.7 Market Quality

All LA's in Gwent have individual quality assurance frameworks for children's services that feed into the wider collective processes co-ordinated by The Children's Commissioning Consortium (The 4C's) to assess the overall quality of care and support provision being provided by regulated providers. The 4Cs has in place an 'issues, concerns and compliments' process which supports the LA's to consider the extent to which regulated services meet the requirements of quality care and support, and whether the state of the market poses any risks to the future quality of care provision.

The insufficiency of supply regarding suitable foster placements aligned with the stagnation of the children's residential market is impacting on the quality of placements available to children and young people. Placing children outside of their local authority makes maintaining family relationships and the continuity of care and support more difficult. Ultimately this will impact on a young person's outcomes and future.

5.8 Current trends

a. Foster Care

The region would like to support the development of foster carers who can provide short notice, emergency placements alongside placements for young people with more complex needs and teenagers. The provision of general foster placements is typically met by local authority services. The Gwent region would like to see IFAs target their recruitment and training at areas where there are current shortfalls in provision.

The region is keen to work with IFAs who have an established local footprint of capacity and those who will invest in service development locally for local children.

The ambition is to offer and deliver strong collaborative services for children and young people in Gwent to help them remain closer to home.

The 5 local authorities would also like to develop the presence of the third sector in the fostering market to help deliver social value across Gwent communities.

b. Residential Care

The 5 local authorities in Gwent are committed to developing sufficiency of accommodation in their local area. Where sufficiency cannot be achieved there is a joint commitment to prioritise sufficiency across regional footprints that mirror the Regional Partnership Board (RPB) and Local Health Board (LHB) footprint. The basis for this commitment is evidence based, intended to support improved outcomes for looked after children and to maximise use of local resources for local children.

All 5 local authorities are experiencing an increase in children entering care with complex behaviours that foster carers are either not prepared to or not sufficiently skilled to support. This has led to an increase in the number of young people being referred to residential services. In response the region plans to increase residential capacity due to the cost and lack of specialist providers, and bring those young people placed outside of the region back to Gwent. This approach supports the regional strategic priorities for children and families. To improve outcomes for children and young people with complex needs through earlier intervention, community-based support, and placement closer to home.

There is also a commitment to work in collaboration with public sector partners across the regional footprint where this offers identifiable benefits. This is evidenced through the co-produced projects being developed in Torfaen and Monmouthshire with an existing RSL, and [Newport who have developed links with specialist providers of adult care to enter the children's care market and support the development of two new children's residential homes.](#)

5.9 Impact on commissioning practices

Welsh Government's commitment to the phasing out of profit in children's care may significantly impact the market and act as a deterrent to future investment. Any sudden loss of private providers will increase pressure on local authority services and negatively impact the wellbeing and outcomes of children and young people. It is therefore vitally important that the transition period is well managed. It is likely that removing the profit from children's social care will lead to an increase in third sector providers being commissioned to fill gaps in capacity and meet demand. However, there is no guarantee that moving to third sector providers will yield significant savings.

The readily availability of grants and hardship funding, particularly during the Covid-19 pandemic has supported local providers, but the withdrawal of this funding will potentially affect the financial viability of some providers. However, the scale of impact remains difficult to predict.

The 'National Transfer Scheme' for unaccompanied asylum-seeking children (UASC) aligned with the war in Ukraine means that the number of children is predicted to rise putting further pressure on local authorities in terms of capacity.

5.10 Sustainability of provision

As previously reported:

- There is a lack diversity within the residential children's homes market.
- New and existing providers have the market power to demand higher care prices.
- The withdrawal of subsidies such as Welsh Government's Hardship Fund may impact on the sustainability of some providers.
- WG's commitment to removing the profit from children's care may reduce diversity and increase instability further.

As a result, there arises a classic 'make or buy' scenario. Clearly with prices so high to externally purchase placements it is more cost effective for local authorities to provide their own. However, evidence within the recent Competition and Markets Authority (CMA) Children Social Care study report (October 2011) contends that there is no material difference between the costs of internally provided care homes and externally provided care homes (however, this does not consider the individual needs of the child). However, it remains to be seen if this is sustainable in the longer term or if indeed, sufficient provision can be provided directly to make a material difference to the overall situation.

5.11 Risks to market stability

As previously reported: Welsh Government's commitment to the elimination of phasing out profit in children's care may significantly impact the market and act as a deterrent to future investment. Any sudden loss of private providers will increase pressure on local authority services and negatively impact the wellbeing and outcomes of children and young people. It is likely that removing the profit from children's social care will lead to an increase in third sector providers being commissioned to fill gaps in capacity and meet demand. However, it is far from clear if there are enough third sector providers and if these are offering or able to offer placements at more affordable prices. Historically third sector providers of IFAs and/or residential care have not offered significant savings compared to their independent sector counter-parts.

The 4Cs, as the residential care framework commissioning body, regularly advise caution to leaders on messaging that can create a more hostile market environment, which can have a disproportionate impact on effective smaller enterprises who add social value to local communities, thereby perversely leading to increased strength of large UK commercial providers and reducing healthy competition in the market.

5.12 Non-regulated provision

There is a mismatch between the needs of the children and young people requiring homes and the models of service or care offered by the market, leading to vacant beds and some young people having no regulated placement available to them. Due to lack of suitable residential placements Gwent like other regions in Wales must occasionally rely on unregulated residential providers, especially those that target the lack of sufficiency in secure estate, which is a major concern for local authorities in relation to both quality and price. In emergency situations local authorities find themselves occasionally having to place young people with these unregulated providers,

supplemented with additional safeguards, due diligence, and ongoing discussions with CIW.

6 DAY SERVICES

Day services in Gwent have been in operation for several years, and traditionally are facility-based services based across the region. Individuals could access the services through social worker referrals, and would engage in meaningful activities within the service, supported by staff. Services were typically offered on a full day basis, providing a longer period of respite for carers.

Prior to the Covid-19 pandemic, there were 16 in-house, facility based day services in operation across Gwent, alongside 13 community-based services. These services were temporarily closed in March 2020 as a result of the Nationwide lockdowns. Staff in the services were redeployed to alternative support services: domiciliary care, care homes, local specialist schools and community meals provisions. Remaining staff provided one to one support for individuals in the community, via face to face or on a virtual basis. Facility based services continued to be offered on a reduced capacity in line with social distancing guidelines for individuals with significant care needs or individuals who had an identified safeguarding risk.

Referrals to the services increased and all Local Authorities in Gwent responded with increased community support provisions. As these services progressed, individuals accessing the services reported that they preferred a community-based service, allowing them to access their surrounding community, engage in meaningful activities, meet with friends, and learn essential life skills.

Local authorities in Gwent are currently reviewing their day services provisions to include increased community support services alongside a reduced facility-based service. Facility based services will now operate on a sessional basis (mornings, afternoons, or full days) and the community-based services have been expanded to include face to face on an individual and group basis, and virtual support. Referral pathways have been amended to ensure an individual is offered the appropriate support for them.

7 Social value in Children's services

The RPB were one of the first boards to develop a Social Value Forum (Provider Forum). A key area of work progressed by the provider forum was a regional approach to an advocacy strategy for adults. In many respects advocacy work and the advocacy organisations are in the truest sense social value organisations. There was a deliberate agreement to take a co-production approach and further details are set out in section 10 below.

The RPB continues to engage with WCVA and the Wales Cooperative centre in adopting a Social Value Forum Toolkit and will look to support the development of social enterprises across the regions working with our third sector umbrella organisations.

Also, the Regional Commissioning Group and the new opportunities linked to RIF funding will provide a renewed focus to further develop the role of 3rd sector social

value based services in the region. This may be linked to day services or to supporting hospital discharge, admission avoidance and maintaining low level support in the community.

Third sector organisations continue to act as key partners in delivering children’s services across Gwent. Further work is required to develop this strand of work and all 5 LAs would like to see more charitable, co-operative and SME provision available within their area.

There are active discussions with children’s residential / foster care providers regarding this, as detailed above. However, it remains to be seen if this will be successful even in the medium term. For now, the market remains very much a ‘sellers’ market with LAs having to pay high prices for residential placements.

Some commissioning teams have attempted to work with and be supportive of social enterprise ventures and Torfaen engages with services for Independent Living, to provide additional services to individuals who utilise direct payments.

A similar approach has been taken with the Social Value (Provider) Forum. This forum is led from a regional perspective and has the benefit of a mixed set of attendees, third sector as well as private sector. Attendees on the provider forum are providers from all sectors within social care: domiciliary care, care homes and mental health services.

8 DIRECT PAYMENTS

Fig 15: Direct payments data per LA: Adults

Adult services	CCBC	BGCBC	NCC	TCBC	MCC
Number of adults receiving Direct Payments	129	111	87	80	145
Number of adults with a care and support plan	*Information unavailable	1067	1990	1138	147
% with care plan in receipt of DP	*Information unavailable	10.40%	4.40%	7.03%	7%
Number of PA's	163	160		90	225

Fig 15 shows the number of adults in receipt of Direct Payments in Gwent. Figures provided are accurate at the time of reporting in December 2021.

Fig 16: Direct payments data per LA: Children

Children's services	CCBC	BGCBC	NCC	TCBC	MCC
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Number of children receiving Direct Payments	44	35	51	28	55
Number of children with a care and support plan	*Information unavailable	324	493	149	51
% with care plan in receipt of DP	*Information unavailable	10.80%	10.00%	18.80%	28%
Number of PA's	51	44	73		60

Fig 16 shows the number of children in receipt of Direct Payments in Gwent. Figures provided are accurate at the time of reporting in December 2021.

Direct payments (DP) continue to be used by local authorities to enhance the range of support options available to people with eligible support needs. The role that it plays in the care market for regulated services is recognised and it will continue to feature as an integral element of the region's future commissioning plans. Across Gwent, each local authority has dedicated direct payment teams to initiate and provide ongoing support to those using the direct payments schemes.

The number of children/families in Gwent who receive a direct payment has remained static over recent years and the arrangements in place to support people, who wish to take up this option, are fragmented and inconsistent. Recruitment of personal assistants remains a critical issue and severely limits DPs as a viable alternative to other care provision.

A regional DP steering group was established and a review of direct payments in Gwent was undertaken in March 2022 with the following recommendations currently being considered by Heads of Adult Services:

- Establish a regional direct payment hub
- Commission a Gwent wide list of approved payroll providers
- Adopt Gwent wide policy and practice guidelines
- Establish one regional direct payment rate across Gwent

This work will progress through 2022.

Fig 17: Direct payment data per LA: Adults

Adult services	CCBC	BGCBC	NCC	TCBC	MCC
Number of adults receiving Direct Payments	129	111	87	80	145
Number of adults with a care and support plan	*Information unavailable	1067	1990	1138	147

% with care plan in receipt of DP	*Information unavailable	10.40%	4.40%	7.03%	7%
Number of PA's	163	160		90	225

Fig 17 shows the number of adults in receipt of Direct Payments in Gwent. Figures provided are accurate at time of reporting in December 2021.

Fig 18: Direct Payments data per LA: Children

Children's services	CCBC	BGCB C	NCC	TCBC	MC C
Number of children receiving Direct Payments	44	35	51	28	55
Number of children with a care and support plan	*Information unavailable	324	493	149	51
% with care plan in receipt of DP	*Information unavailable	10.80%	10.00%	18.80%	28%
Number of PA's	51	44	73		60

Fig 18 shows the number of children in receipt of Direct Payments in Gwent. Figures provided are accurate at the time of reporting in December 2021.

The current workforce capacity dedicated to Direct Payments in Gwent varies across the 5 Local Authorities, with 13.5 FTE posts across Gwent whose main function is to provide Direct Payment advice and support. A number of additional posts have involvement with Direct Payment work, in a management, training or financial function.

Payroll services are provided by a commissioned list of providers, ensuring that payroll providers deliver a service that meets people's needs, including those who do not have the mental capacity to administer their own Direct Payment, or is a child under 16 and has a Suitable Person to act on their behalf and also fulfils their audit requirements.

9 CARERS

This section highlights the gaps and emerging themes in terms of sufficiency of care from the Population Needs Assessment (PNA).

Population Group	Carers
Gaps and Emerging Themes	<p>The level of care and support for unpaid carers is projected to increase significantly over the next 10 years as our population grows older, with many carers themselves over the age of 65.</p> <p>There is a need to improve access to services and support for unpaid carers.</p>

	<p>Young carers need more emotional and mental health support. The pandemic has had a significant negative impact upon young people and young carers.</p> <p>There is still a need to increase awareness of the needs of carers and for frontline staff to be able to recognise when people take on caring responsibilities so they can signpost to support.</p> <p>Peer to peer support and respite provision are continually highlighted as being a priority need for carers. There is a need to increase support through third sector and community partners to increase befriending opportunities and community groups.</p> <p>The COVID-19 pandemic has negatively impacted on the availability of respite provisions.</p>
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There are an estimated 71,497 unpaid carers in Gwent (Daffodil Cymru). This does not include those who provide care but do not recognise themselves as carers. In the State of Caring Report 2021, carers were referred to as the third pillar of health and social care. In 2021/2022, Welsh Government awarded the Aneurin Bevan University Health Board (ABUHB) a per capita sum of £191,000, which was used alongside the Integrated Care Fund to further support unpaid carers.

The demand for care provision by carers is projected to increase with growing life expectancy, resulting in more people living longer and requiring care. Given these projected increases, it is likely that there will be an increased need for support services for carers, to ensure that they are not at risk of social isolation.

The carers voice is paramount in identifying and delivering the priorities of the Gwent RPB and are represented on the Gwent Carers Strategic Partnership Board, Citizens Panel and RPB. The Carers Expert Panel at Carers Trust SE Wales is also a mechanism used to ensure that carers can influence, change and shape the services that affect them in Gwent. Primary care services are often the first point of contact for carers and influential in identification of unpaid carers. Carers champions have been supported in GP services in Gwent, supporting carers at first contact.

Support services in Gwent faced a number of pressures during the COVID-19 pandemic. GP services changed to virtual consultations and legislative requirements required services to temporarily close, then begin support on an amended delivery programme. Face to face support was initially halted, and in some services, staff were redeployed into frontline care delivery services. This initial reduction in support placed strain on some carers.

Respite is a key provision for carers, providing a much-needed break from the care role. The COVID-19 pandemic meant that availability of respite services reduced, further exacerbated with travel restrictions and the closures of hospitality, tourism and leisure in line with legislation. In June 2021, Welsh Government launched a £3m

respite fund to both meet an anticipated surge in demand for respite services and to fund a new Wales-wide short breaks fund. In Gwent this was used in a variety of ways:

- In Caerphilly, leisure memberships were purchased for carers to contribute to health and wellbeing.
- In Blaenau Gwent, the fund was used for day care, funding a combination of overnight stays, sessional support and short break respite.
- In Newport carers were provided with vouchers for lunch at carers café events, farm sessions for families and a range of day activities and resources.
- In Monmouthshire, young carers attended various activities at local theatres, and adult carers accessed short term respite support.

The pandemic has significantly affected the mental health and wellbeing of carers, with 40% of carers in Wales reporting that they felt unable to continue their caring role (State of Caring Survey, Carers Wales). The recommendations for carer support in Gwent include:

- Providing respite opportunities.
- Working with dementia and mental health divisions to help develop the Good Work Learning and Development Framework
- Continuing engagement with carer groups and continuing to support unpaid carers in the region.
- Continue to support unpaid carers in education and the workplace.

A regional Carers Board support the RPB to deliver the national carers agenda and Welsh Government's '*Strategy for unpaid carers: delivery plan 2021*'. Further details on the needs of carers and a market position statement are included in the Population Needs Assessment with actions to address priorities to be set out in the developing Area Plan.

10 EQUITY, SOCIO-ECONOMIC DUTY AND HUMAN RIGHTS

Preventative services have been impacted by the pandemic, with increased levels of social pressures, deprivation, and rising costs of living all impacting on this area. All local authorities in Gwent are committed to the principles of social equality and comply with the requirements set out in the Equality Act 2010 and the Well-being of future generations Act 2015.

All LA services in Gwent are designed with due regard to the Equality Act 2010 and the Socio-economic Duty which specifies that local authorities must:

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

Services are also designed with due regard to the Wellbeing of Future Generations Act which requires LAs to demonstrate that they are improving social, economic, and

environmental wellbeing, alongside sustainable development. Engagement with third sector and private providers has increased, to offer individuals holistic means of support.

11 ADVOCACY

The Gwent Regional Partnership Board, with support from Age Cymru’s Golden Thread Advocacy Programme (GTAP), has developed a co-productive approach to developing a regional adult advocacy strategy. ‘*Our Vision and Intentions for Adult Advocacy 2019-2024*’ was officially launched on the 25th of October 2019. Its purpose: to guide the future procurement of adult advocacy services across the Gwent region. Local authority commissioners, advocacy organisations and local citizens worked together to shape the strategy and a unique infrastructure to support co-productive commissioning was developed to support the development of the strategy as well as the development of future advocacy services in Gwent.

Fig 19

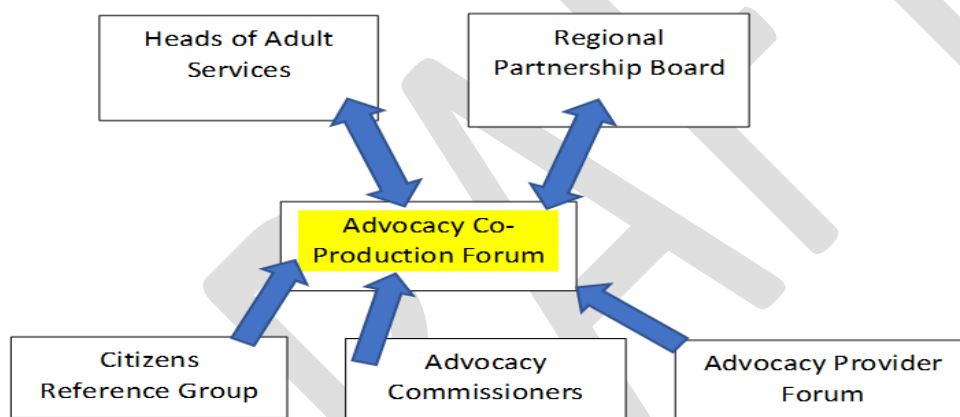


Fig 19 illustrates the unique governance structure for advocacy commissioning within the Gwent region.

The development of the regional, co-produced strategy was showcased at the launch of the ‘*National Framework and Toolkit for Commissioning Advocacy*’ in October 2019 as an exemplar. The national framework and accompanying toolkit developed by Golden Thread Advocacy Programme (GTAP) outline the commissioning approach that we have adopted in Gwent.

Prior to the development of the commissioning strategy two multi-stakeholder workshops were held alongside a workshop for people with learning disabilities, these were co-facilitated by the Golden Thread Advocacy Programme (GTAP) and the Co-production Network for Wales.

A single point of access, independent of social services and advocacy providers was recommended following the consultation process and a successful ICF bid led to the development of the Gwent Access to Advocacy Helpline (GATA.) pilot. Launched in October 2019 the GATA helpline has three main components:

- To create an independent single point of access (i.e., a referral helpline) for advocacy services across the partner authorities.
- Raise awareness of advocacy for the public and professionals, across health and social care.
- To provide for increasing demand for statutory Independent Professional Advocacy and wider forms of advocacy.
- To collect information that will enable commissioners and their co-production partners to build a clearer picture of the need and demand for advocacy, and of the gaps and trends.

It was anticipated that a regional advocacy awareness raising campaign would lead to greater demand of advocacy services across the region and drive referrals through the GATA helpline. However, the Covid-19 pandemic halted progress and made it difficult to establish a true picture of the need and demand for advocacy across Gwent as well as the impact of the GATA helpline over the past 18 months. An extension to funding for the GATA helpline has been secured until April 2023 and it is anticipated that this will support consistent data collection across the region and help identify gaps in provision, while mapping demand more accurately.

Due to the Covid-19 pandemic direct advocacy referrals were also permitted to providers from practitioners to prevent bottlenecks and support timely hospital discharge. However, the option to self-refer, through a single point of access remains important for Gwent citizens. Advocacy providers and the GATA helpline have highlighted that referrals are now returning to pre-COVID levels with a marked increase in parent advocacy relating to child protection and mental health cases. An overall picture of advocacy provision within Gwent is now being developed. This will help to measure the success of the GATA pilot and inform an options paper for future advocacy commissioning.

From April 2023, the Citizen Voice Body (CVB) will replace Community Health Councils (CHC) and listen and represent the voices and opinions of the people of Wales in respect of health and social care services. It is not clear what impact the CVB will have on advocacy services already commissioned in Gwent. However, links have already been established in Gwent with the existing CHC. This should provide the opportunity to co-ordinate the provision of advocacy support across the health board in order to strengthen the citizen's voice in relation to health and social care as the CVC develops.

The Mental Capacity (Amendment) Act 2019 will result in the transition from the existing Deprivation of Liberty Safeguards (DoLS) arrangements to the revised Liberty Protection Safeguards (LPS). Those deprived of their liberty will have rights that will include access to appropriate advocacy support. It is likely that this will increase the demand for advocacy support across Wales, including Gwent.

In relation to Children's Services, the National Youth Advocacy Service (NYAS) has been commissioned across the region to provider advocacy services to children and young people. NYAS support children looked after through an Independent Visiting service and are able to ensure the voice of the child is heard at child protection conferences and assessment reviews.

12. WELSH LANGUAGE

In Gwent, the PNA has considered the delivery of the Welsh language within the context of three key themes. These are:

- Increasing the number of Welsh speakers
- Increasing the use of the Welsh language
- Creating favourable conditions (infrastructure and context)

These key themes will be delivered through wider Local Authority and Health Board corporate Welsh language policies. The Gwent RPB has sought to identify the actions required to deliver the range and level of services identified as necessary through the medium of Welsh. The Welsh language strategic framework 'More than just words' aims to improve frontline health and social services provision for Welsh speakers, and family and carers. In keeping with the principles in the framework we have included the linguistic profiles of local authority areas to help identify where to focus provision and service delivery.

Accessing service provisions in Welsh is an important element of care and support across all patient groups. The Local Authorities in Gwent will:

- Ensure the 'active offer' is provided, whether through social workers or nurses.
- Ensure older people, including Dementia services, are able to provide Welsh language support as part of the Dementia Friendly Community Agenda.
- Ensure individuals accessing mental health services and learning disability services will be supported to use the Welsh language, and Local Authorities will promote the use of Welsh language through contracts with third sector partners.
- Ensure all RPB partners will have individual Welsh language policies in place.

Care and language go hand in hand, as quality of care can be compromised if people are unable to communicate in their preferred way. Although there is not a significant demand for services in the Welsh language in Gwent, providers are asked as part of monitoring activity how many Welsh speaking staff they have as well as how many people they support who, given the choice, would use the medium of Welsh.

The 2011 census recorded that 19% of people living in Wales can speak Welsh and shows that for the percentage of people aged 3+ who can speak Welsh that all areas across Gwent are below the Wales average (19.01%) ranging from 11.19% in Caerphilly to 7.85% in Blaenau Gwent. The table below shows the percent of people aged 3+ who can speak Welsh across the Gwent region. All areas fall below the Welsh average

Fig 20: Percentage of people aged 3+ who can speak Welsh

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Blaenau Gwent	18.0	17.8	17.8	17.5	19.7	17.1	16.1
Caerphilly	23.4	24.8	21.8	22.0	23.7	23.6	24.6
Torfaen	15.5	16.0	18.3	19.0	17.7	18.0	18.5
Monmouthshire	17.1	16.7	16.8	16.7	17.6	17.5	16.5
Newport	23.3	19.6	19.8	20.6	20.9	17.8	20.5
Wales	27.8	27.3	28.8	29.0	29.8	28.4	29.1

Throughout Gwent Welsh Language training is available to the workforce and also through Welsh Language units. Gwent adheres to the Welsh Language Policy to promote the use of Welsh and provide bilingual material when required or requested and 'The More Than Just Words' active offer is always considered as part of monitoring visits. Additional information on Welsh Language use can be found in both the Population Needs Assessment and Gwent Well-being Assessment www.gwentrpb.wales required under the Well-being of Future Generations (Wales) Act and through weblinks included.

As more people across Gwent start to use Welsh on a daily basis, public services need to be able to provide services in Welsh. Public services (Local Authorities, Gwent Police & Aneurin Bevan University Health Board) across Gwent report the Welsh language skills for staff in different ways so it is difficult to provide a cumulative figure. A detailed breakdown is included in the regional Wellbeing Assessment and the RPB will utilise this information when planning services. [CULTURAL-FINAL-VERSION.pdf \(gwentpsb.org\)](#)

13 SUMMARY

Adult Services

- Care home market is currently stable, given the additional funding throughout the pandemic, however serious risks are present which threaten sustainability and stability due to fewer placements being made during the pandemic leading to an overprovision of places in some areas. Despite this the cost-of-living crises now threatens to bring further instability linked to funding.
- Workforce crisis threatens social care and domiciliary care in particular – recruitment and retention losses appear to be levelling off leaving some areas unable to cover all packages
- Growing recognition that the mental health of the workforce has been seriously affected by the pandemic and measures are needed to support the workforce.

Mental Health and Learning Disabilities

- Pandemic has had a significant impact on mental health support for adults and children particularly in the general population leading to increased waiting times for CAMHs
- Early intervention needs to be improved across all emotional wellbeing and mental health services
- A more diverse and responsive market for complex learning disabilities placements is needed in the region
- A focus on support for people with learning disabilities:
 - to live independently in their communities
 - earlier diagnosis of ASD required.

Children's Services

- Residential and foster care placements are currently unstable due to demand outstripping supply.
- Cost and outcomes of arranging residential placements and independent foster care placements are unsustainable and need to be improved leading to 'make or buy' decisions for future services
- Welsh Government's policy of 'removing the profit' from Children's Services will need careful management if the market is not to become further restricted/destabilised.

In Gwent, individuals have a choice as to the services available to meet their needs. However, the stability of the market is likely to be put to the test during financial year 2022/2023 as increasing cost pressures, allied to recruitment and retention difficulties will further expose the sector to increased levels of risk, this is especially so in the adult domiciliary and residential care markets.

Care Homes are currently able to meet the demand for the services, although a shortage of dementia care beds is of concern in some localities in the region. Domiciliary care services have reached critical levels due to staffing availability and providers continue to have issues with recruitment and retention. Currently the demands for domiciliary care services are significant, with individuals choosing to remain at home if possible, and these demands are likely to exacerbate already strained resources. As community-based services continue to reopen following the COVID-19 pandemic, it is hoped that pressure on domiciliary care will alleviate somewhat.

In children's services, the external provider market is subject to instability caused by acquisitions and mergers. There is also currently a lack of competition and choice in the market and the costs and profits are significantly higher than they would be in a healthy, competitive marketplace.

Working throughout the pandemic in conjunction with partnership agencies, alongside independent providers within the care home and domiciliary care sector has required and allowed us to work differently and apply some creative commissioning in the best interest of our citizens. This has further strengthened the positive working relationships between health and social care and provider partners in the region.

The issues raised in this MSR will be picked up in the Area Plan and measures to mitigate threats to market stability will be outlined.

DRAFT

SUBJECT:	PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2021/22
MEETING:	CABINET
DATE:	19 OCTOBER 2022
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE

The purpose is to fulfil the expectation of the Public Services Ombudsman for Wales that their report is brought to the attention of Cabinet.

2. RECOMMENDATIONS

- 2.1 Cabinet note the content of the Public Sector Ombudsman for Wales (PSOW) annual letter (Appendix 1) and inform the PSOW of their considerations and any proposed actions.
- 2.2 That the authority continues to engage with the PSOW complaints standards work, access training for staff and provide the PSOW with complaints data. We have also fully implemented the PSOW's model complaints policy.

3. KEY ISSUES

- 3.1 The Public Sector Ombudsman for Wales sends every Council an annual letter which provides a summary of the complaints received and investigated. This compares the number of complaints against the local authority which were received and investigated by the PSOW during 2021/22, with the local authority average during the same period.
- 3.2 The PSOW annual letter provides:
 - a breakdown of the number of complaints about the local authority broken down into subject categories.
 - shows the complaint outcomes for the local authority and the volume and proportion that each outcome represents for the local authority.
 - the numbers and percentages of cases received in which an intervention has occurred.
 - a breakdown of all Code of Conduct complaint outcomes against councillors.
 - a breakdown of all Code of Conduct complaint outcomes against town or community councils.

- 3.3 The PSOW received 20 complaints about Monmouthshire County Council. This is the same number they received in the previous year. One complaint was investigated by them which is the same as the previous year. Comparisons are shown below, noting that the categories used by the commissioner differ between years.

Complaints received by subject: (PSOW definition)	Complaints Received	
	21/22	20/21
Adult Social Services	1	0
Children Social Services	6	3
Complaints handling	3	3
Environment and Environmental health	2	1
Finance and Taxation	1	0
Housing	1	0
Planning and Building Control	6	6
Roads and Transport	0	3
Community Facilities, Recreation And Leisure	0	1
Covid-19	0	1
Other	0	2

PSOW Comparison of complaint outcomes

Local Authority	Out of Jurisdiction	Premature	Other cases closed after initial consideration	Early resolution/voluntary settlement	Discontinued	Other report – not upheld	Other report – upheld in whole or in part	Public interest reports
Monmouthshire	5	10	4	2	0	0	0	0

There was one complaint where the PSOW intervened. This element of the letter will be presented to the Governance and Audit Committee at the next appropriate meeting.

- 3.4 Code of Conduct complaints. There were two complaints regarding the County Council that were closed with no evidence of breach. There were no Town/Community Council Code of Conduct complaints.
- 3.5 This report and the PSOW Annual letter 2021/22 will also be presented to the Standards Committee.

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

4.1 This report provides feedback information from the Public Services Ombudsman for Wales and no evaluation of that work is required.

5. OPTIONS APPRAISAL

5.1 The letter has to be presented to Cabinet. There is no options appraisal.

6. EVALUATION CRITERIA

6.1 MCC will continue to work with the Public Services Ombudsman for Wales on all matters.

7. REASONS

7.1 The Public Services Ombudsman for Wales (PSOW) role is to consider complaints about public services providers in Wales and to consider complaints that members of local authorities have broken the Code of Conduct. The PSOW has requested that Cabinet considers the complaints that the PSOW has received.

8. RESOURCE IMPLICATIONS

There are currently no extra resource costs identified.

9. CONSULTEES

Strategic Leadership Team
Cabinet

10. BACKGROUND PAPERS


Appendix 1: The Public Services Ombudsman for Wales Annual letter 2021/22

11. AUTHOR


Annette Evans, Customer Relations Manager
Tel: 01633 644647
E-mail: annetteevans@monmouthshire.gov.uk

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Ask for: Communications

 01656 641150

Date: August 2022

 communications@ombudsman.wales

Cllr. Mary Ann Brocklesby
Monmouthshire County Council
By Email only: maryannbrocklesby@monmouthshire.gov.uk

Annual Letter 2021/22

Dear Councillor Brocklesby

I am pleased to provide you with the Annual letter (2021/22) for Monmouthshire County Council which deals with complaints relating to maladministration and service failure, complaints relating to alleged breaches of the Code of Conduct for Councillors and the actions being taken to improve public services

This is my first annual letter since taking up the role of Public Services Ombudsman in April 2022, and I appreciate that the effects of the pandemic are still being felt by all public bodies in Wales. Our office has not been immune from this, with records numbers of cases being referred to us over the last two years. The strong working relationships between my Office and local authorities continues to deliver improvements in how we are dealing with complaints and ensuring that, when things go wrong, we are learning from that and building stronger public services.

Complaints relating to Maladministration & Service Failure

Last year the number of complaints referred to us regarding Local Authorities increased by 47% (compared to 20/21 figures) and are now well above pre-pandemic levels. It is likely that complaints to my office, and public services in general, were suppressed during the pandemic, and we are now starting to see the expected 'rebound' effect.

During this period, we intervened in (upheld, settled or resolved at an early stage) a similar proportion of complaints about public bodies, 18%, when compared with recent years. Intervention rates (where we have investigated complaints) for Local Authorities also remained at a similar level – 14% compared to 13% in recent years.

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Complaints relating to the Code of Conduct for Councillors

We also received a high number of Code of Conduct complaints last year, relating to both Principal Councils and Town and Community Councils. A record number (20) were referred to either the Adjudication Panel for Wales or local standards committees, due to evidence of a breach of the Code.

Supporting improvement of public services

In addition to managing record levels of complaints, we also continued our work using our proactive powers in the Public Services Ombudsman (Wales) Act 2019. Specifically undertaking our first Own Initiative Investigation and continuing our work on the Complaints Standards Authority.

October 2021 saw the publication of the first own initiative investigation in Wales: [Homelessness Reviewed](#). The investigation featured three Local Authorities and sought to scrutinise the way Homelessness assessments were conducted. The report made specific recommendations to the investigated authorities, as well as suggestions to all other Local Authorities in Wales and Welsh Government. Some of these recommendations will bring about immediate change – updating factsheets and letter and assessment templates to ensure that key equality and human rights considerations are routinely embedded into processes for example – all the recommendations were designed to bring about tangible change to people using homelessness services in Wales.

The Complaints Standards Authority (CSA) continued its work with public bodies in Wales last year. The model complaints policy has already been adopted by local authorities and health boards in Wales, we have now extended this to an initial tranche of Housing Associations and Natural Resources Wales. The aim being to implement this work across the Welsh public sector.

In addition to this, the CSA published information on complaints handled by local authorities for the [first time](#) – a key achievement for this work. The data for 21/22 showed:

- Over 15,000 complaints were recorded by Local Authorities
- 4.88 for every 1000 residents.
- Nearly half (46%) of those complaints were upheld.
- About 75% were investigated within 20 working days.
- About 8% of all complaints closed ended up being referred to PSOW.

The CSA has now implemented a model complaints policy with nearly 50 public bodies, and delivered 140 training sessions, completely free of charge, during the last financial year. The feedback has been excellent, and the training has been very popular - so I would encourage Monmouthshire County Council to engage as fully as possible.

Complaints made to the Ombudsman

A summary of the complaints of maladministration/service failure received relating to your Council is attached, along with a summary of the Code of Conduct complaints relating to members of the Council and the Town & Community Councils in your area.

In light of the new duties on political leaders and standards committees to promote and maintain high standards of conduct of their members, we look forward to working with you, your Monitoring Officer and standards committees to share any learning from the complaints we receive and to support your authority's work.

I would also welcome feedback on your Governance & Audit Committee's review of your authority's ability to handle complaints effectively so that we can take this into account in our work and support its work on the handling of complaints.

Finally, can I thank you and your officials for the positive way that local authorities have engaged with my Office to enable us to deliver these achievements during what has been a challenging year for everyone. I very much look forward to continuing this work and collaboration to ensure we further improve public services across Wales.

Further to this letter can I ask that your Council takes the following actions:

- Present my Annual Letter to the Cabinet and to the Governance & Audit Committee to assist members in their scrutiny of the Council's performance and share any feedback from the Cabinet and the Governance & Audit Committee with my office.
- Continue to engage with our Complaints Standards work, accessing training for your staff, fully implementing the model policy, and providing complaints data.
- Inform me of the outcome of the Council's considerations and proposed actions on the above matters by 30 September.

This correspondence is copied to the Chief Executive of your Council and to your Contact Officer. Finally, a copy of all Annual Letters will be published on my website.

Yours sincerely,



Michelle Morris

Public Services Ombudsman

cc. Paul Matthews, Chief Executive, Monmouthshire County Council.

By Email only: paulmatthews@monmouthshire.gov.uk

Factsheet

Appendix A - Complaints Received

Local Authority	Complaints Received	Received per 1000 residents
Blaenau Gwent County Borough Council	14	0.20
Bridgend County Borough Council	55	0.37
Caerphilly County Borough Council	60	0.33
Cardiff Council*	182	0.50
Carmarthenshire County Council	54	0.29
Ceredigion County Council	52	0.72
Conwy County Borough Council	27	0.23
Denbighshire County Council	34	0.36
Flintshire County Council	99	0.63
Gwynedd Council	39	0.31
Isle of Anglesey County Council	29	0.41
Merthyr Tydfil County Borough Council	27	0.45
Monmouthshire County Council	20	0.21
Neath Port Talbot Council	45	0.31
Newport City Council	40	0.26
Pembrokeshire County Council	39	0.31
Powys County Council	55	0.42
Rhondda Cynon Taf County Borough Council	51	0.21
Swansea Council	71	0.29
Torfaen County Borough Council	18	0.19
Vale of Glamorgan Council	61	0.46
Wrexham County Borough Council	71	0.52
Total	1143	0.36

* inc 17 Rent Smart Wales

Appendix B - Received by Subject

Monmouthshire County Council	Complaints Received	% Share
Adult Social Services	1	5%
Benefits Administration	0	0%
Children's Social Services	6	30%
Community Facilities, Recreation and Leisure	0	0%
Complaints Handling	3	15%
Covid19	0	0%
Education	0	0%
Environment and Environmental Health	2	10%
Finance and Taxation	1	5%
Housing	1	5%
Licensing	0	0%
Planning and Building Control	6	30%
Roads and Transport	0	0%
Various Other	0	0%
Total	20	

Appendix C - Complaint Outcomes (* denotes intervention)

County/County Borough Councils	Out of Jurisdiction	Premature	Other cases closed after initial consideration	Early Resolution/ voluntary settlement*	Discontinued	Other Reports- Not Upheld	Other Reports Upheld*	Public Interest Report*	Total
Monmouthshire County Council	5	10	4	2	0	0	0	0	21
% Share	24%	48%	19%	10%	0%	0%	0%	0%	

Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	13	0%
Bridgend County Borough Council	7	54	13%
Caerphilly County Borough Council	7	58	12%
Cardiff Council	45	159	28%
Cardiff Council - Rent Smart Wales	1	16	6%
Carmarthenshire County Council	7	49	14%
Ceredigion County Council	13	46	28%
Conwy County Borough Council	2	24	8%
Denbighshire County Council	4	33	12%
Flintshire County Council	15	94	16%
Gwynedd Council	6	41	15%
Isle of Anglesey County Council	3	28	11%
Merthyr Tydfil County Borough Council	2	26	8%
Monmouthshire County Council	2	21	10%
Neath Port Talbot Council	5	45	11%
Newport City Council	4	36	11%
Pembrokeshire County Council	2	40	5%
Powys County Council	7	55	13%
Rhondda Cynon Taf County Borough Council	3	45	7%
Swansea Council	10	76	13%
Torfaen County Borough Council	2	20	10%
Vale of Glamorgan Council	9	62	15%
Wrexham County Borough Council	4	67	6%
Total	160	1108	14%

Appendix E - Code of Conduct Complaints

County/County Borough Councils	Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	Refer to Standards Committee	Withdrawn	Total
Monmouthshire County Council	0	2	0	0	0	0	2

Appendix F - Town/Community Council Code of Complaints

Town/Community Council	Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	Refer to Standards Committee	Withdrawn	Total
Caerwent Community Council	-	-	-	-	-	-	0

Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2021/2022. These complaints are contextualised by the number of people each health board reportedly serves.

Appendix B shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

Appendix C shows outcomes of the complaints which PSOW closed for the Local Authority in 2021/2022. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix D shows Intervention Rates for all Local Authorities in 2021/2022. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix E shows the outcomes of Code Of Conduct complaints closed by PSOW related to Local Authority in 2021/2022. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix F shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area. This table shows both the volume, and the proportion that each outcome represents for each Town or Community Council.

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REPORT

SUBJECT: Land adjacent to Caldicot Comprehensive School – Housing Development Opportunity

MEETING: Cabinet

DATE: 19th October 2022

DIVISION/WARDS AFFECTED: Severn

1. PURPOSE:

- 1.1 To seek approval to proceed with the disposal of land at Caldicot Comprehensive School, for the development of 100% affordable housing.

2. RECOMMENDATIONS:

- 2.1 To accept the officer recommendation for development of 100% affordable housing at land at Caldicot Comprehensive School.
- 2.2 To confirm Monmouthshire Housing Association preferred bidder.
- 2.3 To delegate responsibility to the Chief Officer for Resources, in consultation with Cabinet Member for Resources, to agree terms with the preferred bidder.

3. KEY ISSUES:

Context

- 3.1 The Local Housing Market Assessment carried out in 2020 highlighted a growing disparity in the affordability of housing, as well as an increasing demand for the provision of affordable housing across the county. This estimated a shortfall of 468 affordable homes per year between 2020,2025, with the majority to be provided as Social Rented accommodation (68%), followed by Low Cost Home Ownership (25%) and Intermediate Rent (7%). As of September 2022, there were 2,220 households with a recognized housing need registered on the housing waiting list. Of these, 802 have a desire to live in Caldicot, with the majority requiring one bedroom accommodation (54%), followed by two bedroom accommodation (28%). Given increased property prices and the cost of living crisis, social rented affordable housing is expected to remain the greatest proportion of need.

- 3.2 Monmouthshire's housing stock is predominately owner occupier with just under 74% of the market with limited availability of one or two bed roomed properties, which is often the traditional route on to the housing ladder for first time buyers.
- 3.3 Levels of homelessness continue to be a major concern for the Council and Monmouthshire has continued to see a steep increase in the demand for temporary accommodation. As of September 2022, there were 183 households in temporary accommodation, including 98 households in bed and breakfast accommodation. Many of these are single homeless people with support needs but there are also a number of families in temporary accommodation.
- 3.4 The provision of sufficient good quality housing for people's needs, including affordable housing is a cross-cutting theme that will help deliver many of the wellbeing goals of the Future Generations Act, including a more equal Wales, a Wales of cohesive communities, a prosperous Wales and a healthier Wales. The Council's ambition to undertake an interventionist approach to positively contribute to affordable housing remains.

The Site

- 3.5 In December 2020 Cabinet agreed a proposal to investigate the potential for residential development on land adjacent to Caldicot Comprehensive School. The 1.87 acre site is within the development boundary and in close proximity to Caldicot Town Centre. A site plan of the area is outlined in Appendix A.
- 3.6 Following a period of due diligence, a marketing exercise has been undertaken inviting bids for development schemes. Five bids were received for the land proposing a range of uses including residential and retail. Tenders have been evaluated based on a scoring matrix assessing the submission on the quality of social and financial return achievable, and a preferred bidder identified.
- 3.7 The preferred bidder, Monmouthshire Housing Association, has been selected having scored highest on the scoring matrix. The recommended proposal is a 100% affordable housing development, inclusive of a housing mix of 1 bed flats, 2 and 3 bed houses, and bungalows. The capital receipt payable will be subject to design and density achievable.
- 3.8 MCC's Estates and Housing departments will work closely with the preferred bidder through the design and development process, with a view to securing nomination rights over the properties and the delivery of products that might not otherwise be delivered by developers in the market.

- 3.9 The preferred bidder will work with MCC to deliver high quality, energy-efficient affordable homes that support creation of sustainable and resilient communities. All properties will be designed to EPC Rated 'A', inclusive of energy efficient heating solutions such as ground source heat pumps, solar PV and designed to Welsh Development Quality Requirements and Welsh Housing Quality Standards.
- 3.10 The site presents an opportunity to deliver affordable housing in Caldicot on surplus land, ahead of the wider planning policy environment (and RLDP) to be established. Due to its proximity, the development will positively contribute towards the town centre generation strategy.

4. OPTIONS APPRAISAL:

In determining how to proceed with the project the following options were considered:

Option	Benefits	Risks
Proceed with disposal of the site for residential development	<ul style="list-style-type: none"> Housing would be constructed Facilitate opportunity to intervene in the housing market and provide affordable housing units. Generate a capital receipt Provide learning and proof of concept 	<ul style="list-style-type: none"> The financial return is considerably lower than that of a development inclusive of market housing. In order to demonstrate best value, the sale will be supported by an independent valuation. Risk that the development partner will be unable to maximise the Council zero carbon aspirations due to viability pressures. The developer will be obligated to deliver this benefit as best achievable in design and viability terms. Costs and risks volatility in the housing market present a risk to the receipt generated. MCC Estates will work with the developer to minimize consequence to the scheme.
Retain the asset	<ul style="list-style-type: none"> No financial loss No risks incurred 	<ul style="list-style-type: none"> Affordability disparity continues to widen The number of homeless households continues to grow Financial gain from housing development is not retained with county

5. REASONS:

- 5.1 The current market mechanisms are failing to meet demand and indigenous populations are increasingly being forced to re-locate as housing prices and

rental levels become more and more unaffordable. This proposal would enable the Council to deliver a development project, which would provide learning to support the aspirations of higher percentages of affordable housing on MCC land, assist the development of housing ahead of RLDP adoption.

- 5.2 Development of the site for the provision of affordable housing will allow the Council to intervene in the affordable housing market.
- 5.3 The current pandemic has resulted in an increase in homeless referrals and there is insufficient stock to meet these demands. The development of this site would increase the available stock, provide learning, capacity and expertise.
- 5.4 The sale of the land will generate a capital receipt for Monmouthshire County Council.

6. RESOURCE IMPLICATIONS:

- 6.1 The proposal to build a 100% affordable housing site will result in a reduced capital receipt compared to that of a site developed inclusive of market housing, however the sale of the land will generate a capital receipt.

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

The Equality and Future Generations Evaluation can be found at Appendix B to this report. The proposal fully aligns with the principles of sustainable development and the well-being principles.

8. CONSULTEES:

Cabinet
Strategic Leadership Team
Local Ward Members
Ian Bakewell – Housing & Communities Manager
Sally Meyrick – Strategy and Policy Affordable Housing Officer

9. BACKGROUND PAPERS:

Appendix A – Redline Site Plan
Appendix B – Integrated Impact Assessment

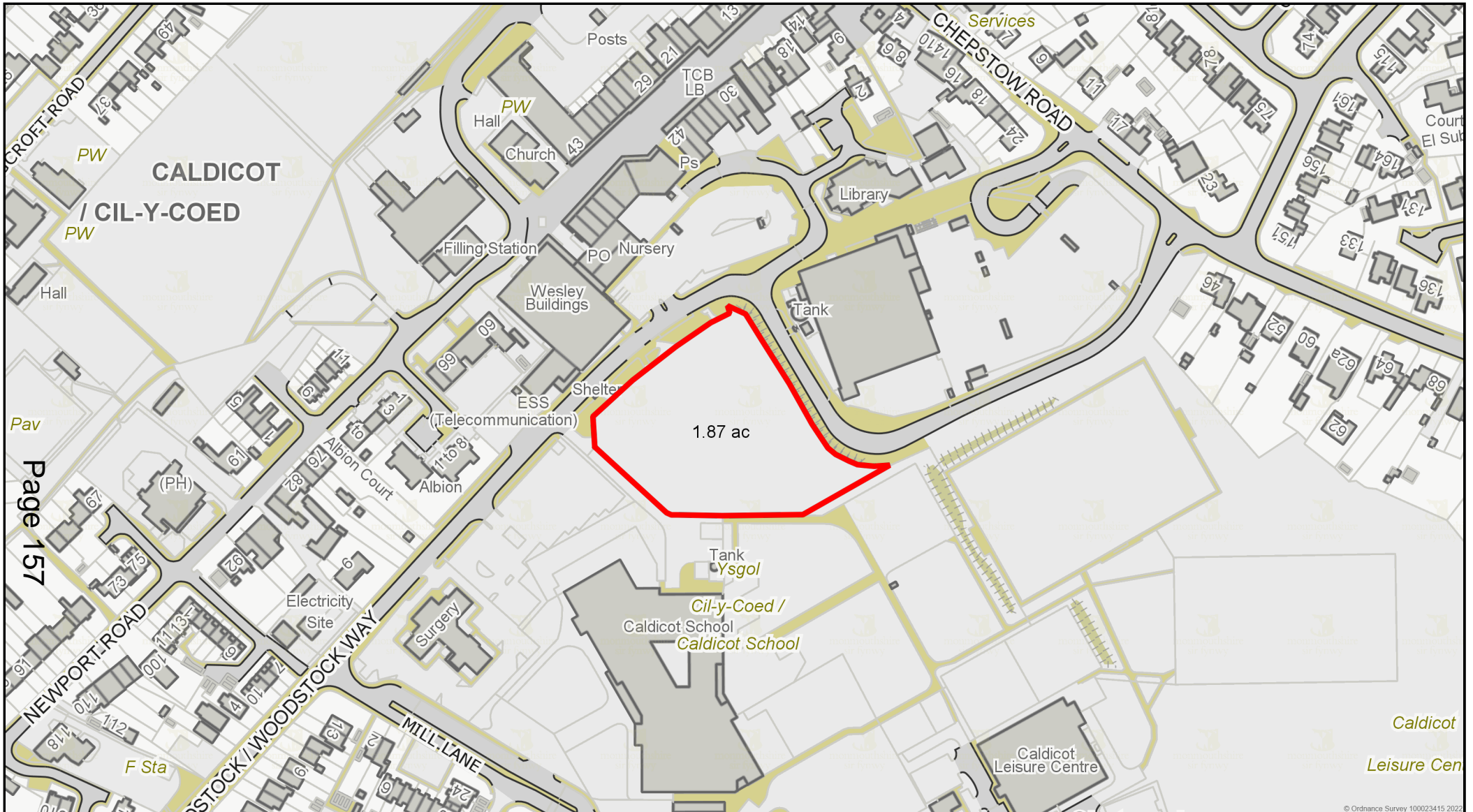
10. AUTHOR:

Nicholas Keyse – Estates Development Manager

11. CONTACT DETAILS:

Tel: 01633 644773
Email: nicholaskeyse@monmouthshire.gov.uk

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Land adj. Caldicot Comprehensive School (landscape)

1.87 ac

Monmouthshire County Council, County Hall, The Rhadyr, Usk. NP15 1GA

Scale:1:2500

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Integrated Impact Assessment document

(incorporating Equalities, Future Generations, Welsh Language and Socio Economic Duty)

<p>Name of the Officer completing the evaluation Nicholas Keyse</p> <p>Phone no: 01633 644773 E-mail: nicholaskeyse@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To seek approval to proceed with the disposal of land at Caldicot Comprehensive School, for the development of 100% affordable housing.</p>
<p>Name of Service area</p> <p>Landlord Services</p>	<p>Date</p> <p>29/09/2022</p>

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

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Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The development will promote healthier and local living, providing affordable housing for all age demographics.	None identified.	MCC will engage with the development partner to identify opportunities to improve contribution to this characteristic.
Disability	Development will be undertaken in accordance with the planning and building regulation requirements, including meeting WDQR standards.	No impact	The design of the properties will be compliant with WDQR.
Gender reassignment	No impact	No impact	No impact

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Marriage or civil partnership	No impact	No impact	No impact
Pregnancy or maternity	No impact	No impact	No impact
Race	.No impact	No impact	No impact
Religion or Belief	.No impact	No impact	No impact
Sex	No impact	No impact	No impact
Sexual Orientation	.No impact	No impact	No impact

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2. The Socio-economic Duty and Social Justice

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

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Socio-economic Duty and Social Justice	Development of the site will increase the provision of affordable housing in Caldicot. The provision of sufficient good quality housing for people's needs, including affordable housing is a cross-cutting theme that will help deliver many of the wellbeing goals of the Future Generations Act, including a more equal Wales, a Wales of cohesive communities, a prosperous Wales and a healthier Wales. The Council's ambition to undertake an interventionist approach to positively contribute to affordable housing remains	<i>No impact.</i>	The sites development potential and design principles will be carefully considered to ensure it is enhanced to it's fullest capability, with due consideration for site parameters and contribution to the town centre.

3. Policy making and the Welsh language.



How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
<p>Policy Making</p> <p>Effects on the use of the Welsh language,</p> <p>Promoting Welsh language</p> <p>Treating the Welsh language no less favourably</p>	<p>Promotion of the affordable housing will be offered bilingually, to ensure promotion of the Welsh Language.</p>	<p>None identified at this stage.</p>	<p>No negative impact</p>
<p>Operational</p> <p>Recruitment & Training of workforce</p>	<p>MCC's Estates and Housing department will work closely with the development partner to maximise the upskill and shared learning, as well as utilize local labour and materials wherever possible.</p>	<p>None identified at this stage.</p>	<p>MCC promote opportunities to communicate through Welsh Language and will continue to do so through communication on this scheme progress.</p>
<p>Service delivery</p> <p>Use of Welsh language in service delivery</p> <p>Promoting use of the language</p>	<p>Promotion of the affordable housing will be offered bilingually, to ensure promotion of the Welsh Language.</p>	<p>None identified at this stage.</p>	<p>MCC promote opportunities to communicate through Welsh Language and will continue to do so through communication on this scheme progress.</p>




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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The proposal would draw upon a local supply chain for materials and in-house partner with construction expertise. The development will support the town centre regeneration proposals and increase the availability of affordable housing.	The development scheme will improve through the design and planning process, in order to maximise the social and financial benefits.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The development proposals are for zero/low carbon homes that are supported by renewable technologies, ground source heat pumps, and delivered via modern methods of construction.	We will continue to explore further opportunities for the use of renewable technologies and innovative approaches to development.
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The affordability and quality of housing is a key contributor to an individual's physical and mental well-being. The development will comply with the Welsh Development Quality Requirements and Welsh Housing Quality Standards.	The scheme will be designed to promote walking and active travel, incorporating linkages between the town centre, Caldicot Comprehensive School, and Caldicot Leisure Centre.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The development will strive to ensure it maximises social and financial value. The scheme will be pursued sustainably and connected communities, and provide a housing mix appropriate to service the various housing demands in this location.	The scheme will be designed to ensure a positive contribution to its surrounding environment and the community of Caldicot.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The scheme will be low carbon, develop supply chains, utilise local materials and labour where possible, and ensure its design principles align with the Future Generations Act	The development scheme will improve through the design and planning process, in order to maximise the social and financial benefits.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People	Developments will ensure compliance with LDP policy, including those relating to green space, affordable housing, amenity and infrastructure.	The development scheme will improve through the design and planning process, in order to maximise the social and financial benefits.

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?
are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The provision of affordable well designed energy efficient homes will create equity for those who are currently unable to live within the community. The proposals will create opportunities to combat rising rental levels and house prices/availability.	MCC and the Development partner will pursue the most appropriate development that positively contributes to a fair and equal community.

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The development of affordable houses with due consideration for their carbon impact aligns with the aspirations of the Climate Declaration and RLDP. Renewable technology will contribute to offsetting their impact, as well as modern methods of construction which can serve as case study's for subsequent development on public land.</p>	<p>We will continue to explore further opportunities for the use of renewable technologies and innovative approaches to development.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The proposal to accept the tender of the preferred bidder is a commitment to working in collaboration with known and trusted partners. The development process will be supported by colleagues in Housing and Estates will be proactively and positively impact the outputs of the development scheme.</p>	<p>MCC will engage with the development partner to enhance collaboration opportunities for the scheme.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="141 480 297 507">Involvement</p> <p data-bbox="349 256 517 443">Involving those with an interest and seeking their views</p>	<p data-bbox="544 256 1328 483">The recommendation to release the land for development has been undertaken in conjunction with stakeholders within the local authority. Development proposals, notably the planning application, will receive public consultation and be open to submissions of support or objection through the planning process.</p>	<p data-bbox="1350 256 2101 352">MCC will engage with the development partner to enhance collaboration and consultation opportunities for the scheme.</p>
 <p data-bbox="152 759 293 786">Prevention</p> <p data-bbox="349 520 506 818">Putting resources into preventing problems occurring or getting worse</p>	<p data-bbox="544 520 1317 683">The development will intervene in the market where house prices are continuing to escalate and supply has failed to meet the pace of demand. The proposals will assist in combating the homelessness demand and necessity for temporary and permanent accommodation.</p>	<p data-bbox="1350 520 2105 616">The development scheme will improve through the design and planning process, in order to maximise the social and financial benefits.</p>
 <p data-bbox="159 1102 300 1129">Integration</p> <p data-bbox="349 857 517 1121">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="544 857 1317 978">The proposals seek to maximise financial value without compromising on its well being principles and social justice agenda.</p>	<p data-bbox="1350 857 2089 952">The development scheme is committed to the delivery of affordable housing, and will seek to maximise the social and financial benefits.</p>

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

	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?
Safeguarding	The development will provide safe and improved linkages between the town centre, Caldicot Comprehensive School and Caldicot Leisure Centre.	.None identified at this stage.	The development will ensure appropriate safeguarding considerations during the design process, given the proximity of the development to the school.
Corporate Parenting	No impact identified	None identified at this stage.	

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

The Local Housing Market Assessment in 2020 highlighted a growing disparity in the affordability of housing, as well as an increasing demand for the provision of affordable housing across the county. As of August 2022, there were 2,289 households with a recognised housing need registered on the housing waiting list. Of these, 792 have a desire to live in Caldicot, with the majority requiring one bedroom accommodation (48%), followed by two bedroom accommodation (28%). Given increased property prices and the cost of living crisis, social rented affordable housing is expected to remain the greatest proportion of need.

Monmouthshire's housing stock is predominately owner occupier with just under 74% of the market with limited availability of one or two bed roomed properties, which is often the traditional route on to the housing ladder for first time buyers.

Levels of homelessness continue to be a major concern for the Council and Monmouthshire has continued to see a steep increase in the demand for temporary accommodation. As of August 2022, there were 180 households in temporary accommodation, including 95 households in bed and breakfast accommodation. Many of these are single homeless people with support needs but there are also a number of families in temporary accommodation.

The provision of sufficient good quality housing for people's needs, including affordable housing is a cross-cutting theme that will help deliver many of the wellbeing goals of the Future Generations Act, including a more equal Wales, a Wales of cohesive communities, a prosperous Wales and a healthier Wales. The Council's ambition to undertake an interventionist approach to positively contribute to affordable housing remains.

In December 2020 Cabinet agreed a proposal to investigate the potential for residential development on land adjacent to Caldicot Comprehensive School.

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

The current market mechanisms are failing to meet demand and indigenous populations are increasingly being forced to re-locate as housing prices and rental levels become more and more unaffordable. This proposal would enable the Council to deliver a development project, which would provide learning to support the aspirations of higher percentages of affordable housing on MCC land, assist the development of housing ahead of RLDP adoption.

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

What are you going to do	When are you going to do it?	Who is responsible
Liaise with the development partner regarding key indicators to demonstrate consideration of the protected characteristics.	Throughout the design and construction period	Nicholas Keyse

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

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Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
	Cabinet	19/10/2022	

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