

Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 31 October 2023

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **Steve Greenslade Room, County Hall, Usk** on **Wednesday, 8th November, 2023**, at **5.00 pm**.

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. 2023/24 REVENUE BUDGET - MONTH 5 UPDATE 1 - 48

Division/Wards Affected: All

Purpose: To provide Cabinet with an update of the progress of the Councils revenue budget for the 2023/24 financial year, as forecast at the end of Month 5 (August).

Author: Jonathan Davies, Head of Finance (Deputy S151 officer)

Contact Details: jonathandavies2@monmouthshire.gov.uk

4. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) 49 - 84

Division/Wards Affected: All

Purpose: To consider the updated MCC RIPA policy and recent IPCO inspection outcomes

Author: Geraint Edwards, Solicitor and Acting SRO

Contact Details: geraintedwards@monmouthshire.gov.uk

5. PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2022/23 85 - 98

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

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 Promoting localism within regional and national frameworks Relationships with Welsh Government, UK Government and local government associations Regional Relationships with City Regions and Public Service Board Strategic Procurement Local Food production and consumption, including agroforestry and local horticulture</p>	Llanelly
Paul Griffiths	<p>Cabinet Member for Planning and Economic Development Deputy Leader Lead Officer – Frances O'Brien</p> <p>Economic Strategy Local development plan and strategic development plan including strategic housing sites Homelessness, affordable housing delivery and private sector housing (empty homes, leasing scheme, home improvement loans, disabled facilities grants and adaptive tech) Supporting Town Centres including car parking and enforcement Development Management and Building Control Skills and Employment Broadband connectivity Car parks and civil enforcement trading standards, environmental health, public protection, and licencing</p>	Chepstow Castle & Larkfield
Rachel Garrick Ben Callard	<p>Cabinet Member for Resources (Job Share) Lead Officers – Peter Davies, Frances O'Brien, Jane Rodgers</p> <p>Finance including MTFP and annual budget cycle Benefits Digital and information technology Human resources, payroll, health and safety Land and buildings Property maintenance and management Emergency planning</p>	Caldicot Castle Llanfoist & Govilon

<p>Martyn Groucutt</p>	<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 and improvement Community learning Sustainable communities for learning Programme Youth service School transport</p>	<p>Lansdown</p>
<p>Ian Chandler</p>	<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</p>	<p>Llantilio Crossenny</p>
<p>Catrin Maby</p>	<p>Cabinet Member for Climate Change and the Environment Lead Officer – Frances O’Brien, Ian Saunders</p> <p>Decarbonisation Transport planning, public transport, highways and MCC fleet Active travel and Rights of way Waste management, street care, litter, public spaces, and parks Pavements and back lanes Flood alleviation, management and recovery Countryside, biodiversity, and river health</p>	<p>Drybridge</p>
<p>Angela Sandles</p>	<p>Cabinet Member for Equalities and Engagement Lead Officers – Frances O’Brien,, Matthew Gatehouse, Jane Rodgers</p> <p>Community inequality and poverty (health, income, nutrition, disadvantage, discrimination, isolation and cost of living crisis) Citizen engagement and democracy promotion including working with voluntary organisations Citizen experience - community hubs, contact centre, and customer service and registrars Leisure centres, play and sport Tourism Development and Cultural strategy Public conveniences</p>	<p>Magor East with Undy</p>

	Electoral Services and constitution review Communications, public relations and marketing Ethics and standards Welsh Language	
--	--	--

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.

This page is intentionally left blank

SUBJECT: 2023/24 REVENUE BUDGET – MONTH 5 UPDATE
MEETING: CABINET
DATE: 8th November 2023
DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 To provide Cabinet with an update of the progress of the Councils revenue budget for the 2023/24 financial year, as forecast at the end of Month 5 (August).

Page
1

2. RECOMMENDATIONS:

- 3.1 That Cabinet note the overall revenue budget deficit forecast at month 5 of £124k.
- 3.2 That Cabinet endorse the budget recovery action as outlined in **Appendix 3**, that has been enacted as a direct result of Cabinet's request at their July 2023 meeting for immediate mitigating budget recovery action following signalling of early budget pressure.
- 3.3 That Cabinet note the budgetary risks that are inbuilt into the month 5 forecast, namely;
- The volatility of demand for high-cost services, particularly in Adults & Childrens Social Care and Homelessness;
 - Continuing negotiation around national pay agreements which will further impact forecasts if it results in an award over and above the current offer;
 - The risk of further non-delivery of the £10m of budgeted savings targets, with services currently forecasting 83.6% delivery;
 - The severely limited reserve cover available to the Council;
 - The continued pressure on both UK and Welsh Government budgets, and wider challenging economic environment;

- The potential shortfall in funding of the increased responsibilities transferred to Councils, particularly within Universal Free School Meals and Homelessness that have the potential to further impact forecasts.

3.4 That in light of the severity of the current financial position and the risk that this presents to the ongoing financial sustainability of the Council, that all possible budget mitigation actions continue to be instigated by services such as to limit the call on severely limited reserve balances.

3.5 That Cabinet note the forecast draw on schools delegated balances as outlined in **Appendix 1** of this report of £3.663m, with school balances forecast to reduce to £594k by the end of the financial year with eleven schools forecast to be in a deficit balance.

3. KEY ISSUES:

Page 2 Context

3.1 Councils across the UK are facing financial challenges on an unprecedented scale. It is widely acknowledged that local government funding over recent years has not kept pace with increased service demand, the additional responsibilities being transferred, and inflationary pressures.

3.2 Our 2022/23 revenue budget culminated in an over spend of £3.5m which required funding from earmarked reserves to cover the additional expenditure incurred following acute pressures experienced within Adult's and Children's services, Homelessness, and Additional learning needs.

3.3 The 2023/24 budget set in March 2023 accommodated additional costs of delivering services of £26m or 14%. Whilst income and funding increased by 9% (£16m) to meet some of these costs, the Council needed to find savings of 5% (£10m) from services.

3.4 The budget when set highlighted a number of known budgetary risks that sat outside of the core budget, some of which have now materialised and have resulted in further pressures being reported.

3.5 The first half of 2023/24 has seen continuing financial headwinds which are having a severe impact upon the service operating environment:

- Inflation has not fallen as quickly as economic projections predicted and is placing a significant additional financial burden upon service delivery;

- Interest rates have risen sharply to combat inflation, significantly above recent economic forecasts;
- The cost of living crisis continues to have a significant impact on our communities, and will be further exacerbated by the UK economy likely to enter recession during the year, and the recent sharp interest rate rises that will impact housing costs as we move through the year;
- The Council continues to deal with a shortage of staff resources due to the ongoing tight labour market that requires more costly temporary solutions to be used;
- Supply chain issues continue which requires more costly alternative or expedited arrangements;
- The wider and longer lasting impact of the pandemic continues to impact the Council, particularly in the areas of Homelessness, Children’s services, Adult social care and Children’s additional learning needs.

3.6 All the above results in a growing need for supportive Council services, a reduced demand for income generating services, increased risks around debt recovery, and a continued high-cost operating environment.

3.7 Cabinet received an early financial update for the year at their 26th July 2023 meeting which highlighted significant early pressure on the Council’s budget of around £6m. As part of a package of measures to tackle this, Cabinet approved the use of £2.5m of useable revenue reserves to increase the Council’s overall level of inflation contingency. This equated to the amount of reserves that were originally anticipated to be required to support the 2022/23 budget outturn position, but were not ultimately called upon. When set alongside a further unbudgeted grant assumption of £1m, this left a remaining forecast budget pressure of £2.6m.

3.8 Cabinet therefore requested that the Strategic Leadership Team engage in immediate mitigating action and develop a structured approach to tackling the remaining forecast deficit through budget recovery action.

Revenue budget forecast

Table 1: Budget forecast at Month 5

Directorate	Shortfall in saving target £000's	In-year budget Pressures / Savings £000's	Total budget pressure at Month 5 £000's
Social Care & Health	1,113	1,863	2,976

Children & Young People	105	658	763
Communities & Place	294	1,548	1,842
Monlife	37	307	344
Chief Executives Units	0	13	13
People & Governance	0	191	191
Resources	115	(124)	(9)
Corporate, Treasury & Financing	0	(2,850)	(2,850)
Service budget deficit	1,664	1,605	3,269

Unbudgeted grant assumption for remainder of year	(1,000)
Budget recovery action	(2,145)
Remaining budget deficit at Month 5	124

Service budget deficit

- 3.9 A service budget deficit of £3.269m is forecast at month 5, which is a combination of a shortfall in services being able to meet their budgeted savings targets of £1.664m, alongside in-year net budget pressures for the year of £1.605m.
- 3.10 It is important to note that the total service deficit forecast for the year is mitigated by revenue reserves totalling £5.5m, £3m of which were approved as part of the original budget, and an additional contribution of £2.5m that was approved by Cabinet at their meeting on the 26th July 2023. Further mitigation is provided by utilising £3m of capital receipts to meet revenue expenditure under regulation.
- 3.11 **In-year service pressures and savings:** *Appendix 1* to this report details all service pressures and savings that have developed since the budget was set in March 2023. At a summary level these primarily relate to the following areas:

Table 2: Service budget pressures and savings

Pressure / Saving	Value £000's	Summary
--------------------------	-------------------------	----------------

Neighbourhood Services	812	The recycling market remains volatile and delays in rolling out polyprop reusable bags due to depot infrastructure and vehicle issues is adding to pressure. Income targets on trade waste and grounds maintenance remain challenging.
Fleet Maintenance	318	Fuel and parts inflation remain high, supply chain issues for replacement parts is leading to the outsourcing of repairs to external contractors. Downtime of vehicles is also driving up hire costs.
Housing/Homelessness	636	B&B accommodation costs remain high despite a reduction in the number of rooms in use, as room rates have increased. This is exacerbated by being unable to claim full housing benefit subsidy. Further costs have been incurred to rectify damage caused by tenants in hostel and leased accommodation.
Passenger Transport	153	An increase in costs due to retender of some contracts, and a bus operator removing a service route which has to be covered by MCC.
Adults care services	2,734	Negotiated Care provider fees are £1.5m more than budgeted following significant hikes in rates in the current market. A further pressure of £1.1m from an increase in care home placements together with an increase in the average cost of placements. A shortfall of £1m against budgeted savings targets. This is offset by under spends of £900k in the My Day My Life, and Care at Home vacancies.
ALN Transport & Recoupment	643	Transport contracts pressure of £650k. Change in ALN formula for schools - all out of county recoupment for mainstream schools will be delegated to schools £358k. Reduction in number of pupils in out of county schools has resulted in a saving of £378k
MonLife Income / Contact centre	339	Borough Theatre £210k and Attractions £86k, both due to lower than budgeted visitor levels. Contact centre £54k due to delays in implementing a restructure and cover for long term sickness.
Democratic Services	160	Members costs have increased as a result of pay awards, higher than anticipated take up of the superannuation scheme, and an increase in co-opted members.
Pay inflation - non-teaching	960	Estimated pressure over and above base budget based upon the employer's current pay offer of a flat rate £1,925
Other variances	224	A number of smaller over spends within services
Treasury costs	(250)	Estimated saving as a result of interest rate rises pausing and higher than expected cash balances.
Council Tax	(460)	The Council tax base is currently slightly above budgeted levels and CTRS caseloads is running slightly below historical levels.
Inflation contingency budget	(3,000)	Full use of the reserve backed contingency budget is forecast
Total	3,269	

3.12 **Budgeted savings targets:** Of the above budget pressures of £3.269m, there is a shortfall of £1.664m or 16.4% currently forecast against the service savings targets that were set as part of the original budget for 2023/24. Full details can be found at **Appendix 2** to this report, however the main variances are as follows:

Table 3: Progress against budgeted savings targets

Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance	Variance	Comment
	£000	£000	£000	%	
Social Care & Health	(3,349)	(2,236)	1,113	33.2%	Adult's services - £1.1m shortfall against £2.0m target due to the complexity and level of demand for care needs restricting progress, some savings being dependent upon third party negotiation, and challenges resourcing some of the service change required.
Children & Young People	(1,809)	(1,704)	105	5.8%	Not possible to meet target of increased ALN recoupment income following changes agreed in the ALN formula for schools
Communities & Place	(2,513)	(2,219)	294	11.7%	£177k shortfall in meeting energy reduction targets following a delay in resourcing the team £100k shortfall in mileage reductions following delays in the roll out of the pool car scheme and other initiatives intended to reduce business mileage £17k shortfall as we are unable to change the licencing arrangements for schools and community transport due to the number of vehicles we are operating
Monlife	(930)	(893)	37	4.0%	A delay in progressing some staffing reductions
Chief Executives Unit	(39)	(39)	0	0.0%	
People & Governance	(86)	(86)	0	0.0%	
Resources	(991)	(876)	115	11.6%	Property estate rationalisation has not progressed as quickly as anticipated
Corporate Costs & Levies	(433)	(433)	0	0.0%	
Totals	(10,150)	(8,486)	1,664	16.4%	

Unbudgeted grant assumption

- 3.13 The overall month 5 forecast includes an assumption that a further £1m of unbudgeted grant will be awarded during the remainder of the year, and that this award will allow for core Council expenditure to be met from the additional grant.
- 3.14 Whilst this assumption is in line with trends over recent years, as the year progresses this assumption comes with a higher degree of risk following indications of the in-year pressures on the Welsh Government budget. On the 18th October 2023 Welsh Government published a package of budget changes that looks to prioritise and support the NHS and Transport budget in Wales for the remainder of the year. Whilst Local Government budgets have been protected as part of these changes, it is clear that funding priorities remain with the NHS and Transport.
- 3.15 The Chancellor's Autumn Statement on the 22nd of November will provide further information on the level of further support, if any, that maybe provided by way on consequential funding to Welsh Government for the remainder of the year.

Budget recovery action

- 3.16 Following the signalling of significant budgetary pressure early in the financial year, Cabinet required the Strategic Leadership Team to engage in immediate budget recovery action.
- 3.17 Full details of the budget recovery action totalling £2.145m that has been enacted can be found at **Appendix 3** to this report. At a summary level the action taken revolves around the following mitigations:

Table 4: Budget recovery action

Type	Children & Young People	Social Care, Health & Safeguarding	Communities & Place	MonLife	People & Governance	Chief Executives Unit	Resources	Total
Increase Grant / Income	138	60	86	139			75	498
Freeze vacant posts	24	75	259	89	60	17	55	579
Expenditure reduction		11	131	48	3	8	48	249
Service reduction / change				56				56
Service reserve funding	270			30				300
Transfer of cost to Capital			407		8	40	9	464
Total	432	146	883	362	71	65	187	2,145

- 3.18 Whilst the recovery action identified falls short of the original £2.6m target, there has been a favourable movement in service budget positions since the early budget forecast was presented, that now results in an overall remaining forecast budget deficit of £124k at month 5.

Remaining budgetary risks

- 3.19 There remain key specific budgetary risks presenting for the remainder of this financial year and beyond, that have the ability to further impact upon our financial sustainability as a Council:
- **Homelessness presentations** continue to be volatile and a return to higher numbers during the winter period could lead to above forecast use of costly Bed & Breakfast or temporary housing solutions despite the strategies engaged to reduce this;
 - **Pay agreements** - The current employers pay offer for non-teaching staff is for a flat rate £1,925 and which is the subject of continued negotiation. Any agreement reached that is above this level would result in a further budgetary pressure over and above current forecasts.
 - There remains a risk that **further non-delivery of budgeted savings** targets in the current difficult operating environment will impact on both 2023/24 and the medium-term if alternative strategies to deliver savings cannot be found;
 - **Limited reserve cover** – we started the year with £15.4m in useable revenue reserves which has since reduced to £12.9m after allowing for the in-year use of £2.5m. When allowing for the minimum recommend prudent level to be held in the Council fund reserve for emergency use of £7.9m, this leaves only £5m of useable revenue reserves available. All banked capital receipts have currently been committed to this years or future budgets.
 - **National picture** – there is continued pressure on both UK and Welsh Government budgets resulting from the wider economic environment. This has the potential to impact upon levels of further budget consequential funding;
 - Significant **increased responsibilities** have been transferred to Councils which are not currently being fully funded through the Welsh Government settlement or through specific grants. For 2023/24 this focusses primarily on increased responsibilities around Homelessness where Monmouthshire has significant specific local factors that impact cost, and the rollout of universal free school meals where inflationary pressures mean costs are significantly above funding levels. Whilst it is hoped that this pressure will be recognised with further funding during the remainder of the year, this remains a key budgetary risk area.

Financial implications and future focus

- 3.20 The continuing financial headwinds, increasing demand for services, funding uncertainty, and the need for service savings now totalling £12m to be delivered within a challenging operating environment present tangible ongoing budget risks for the year.

- 3.21 When this is considered alongside a significant budget gap to be resolved for 2024/25, and a challenging funding outlook in the medium term, there remains a severe risk to the financial sustainability of the Council in the near term.
- 3.22 There is therefore a requirement for all services to bear down on avoidable cost and identify further income opportunities wherever possible for the remainder of the year, in order to limit the call on severely limited useable revenue reserves.
- 3.23 A targeted vacancy freeze has been enacted by the Senior Leadership Team with vacancy needs firstly being evaluated by senior management teams and considered for authorisation by the Chief Executive.
- 3.24 More regular financial monitoring arrangements continue for the remainder of the year. This has been formalised through the establishment of a Financial Management Board who will focus on high budget risk areas and in regularly assessing the progress being made against budgeted service savings, and the additional budget recovery action.
- 3.25 As we move towards the next formal monitoring period at Month 6, work will continue to deliver on the structured approach to tackling the underlying budget pressures, which will continue to explore all available options open to the Council. This will include vacancy management, the potential for further or alternative savings, consideration of a pause in capital expenditure, and a more targeted review of grant funding opportunities and income generation.

RESOURCE IMPLICATIONS:

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

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

- 5.1 This report provides Members with an update on the early progress being made against the revenue budget of the Authority and carries no decisions. There are therefore no equality and future generations' implications directly arising from this report.

CONSULTEES:

Senior Leadership Team

Cabinet

BACKGROUND PAPERS:

Appendix 1 – Detailed service commentaries

Appendix 2 – Progress against budgeted savings

Appendix 3 – Budget recovery action

AUTHORS:

Jonathan Davies, Head of Finance (Deputy S151 officer)

CONTACT DETAILS:

Tel: (01633) 644114

E-mail: jonathandavies2@monmouthshire.gov.uk

Overall Revenue Position

Table 1: Council Fund 2023/24 Forecast Outturn Summary Statement at Month 5

Service Area	Original Budget 2023/24	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Month 5
	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	63,735	(90)	63,644	66,620	2,976
Children & Young People	62,420	30	62,449	63,212	763
Communities & Place	26,427	(1,110)	25,317	27,159	1,842
MonLife	8,188	(12)	8,176	8,519	344
Chief Executives Unit	3,009	(4)	3,006	3,019	13
People & Governance	2,715	(2)	2,713	2,904	191
Resources	7,017	1,189	8,206	8,197	(9)
Corporate Costs & Levies	29,344	2,500	31,845	29,706	(2,139)
Net Cost of Services	202,854	2,501	205,355	209,336	3,981
Appropriations	5,661	(2,501)	3,160	2,908	(252)
Expenditure to be Financed	208,515	0	208,515	212,244	3,729
Financing	(208,515)	0	(208,515)	(208,975)	(460)
Net General Fund (Surplus) / Deficit	0	0	0	3,269	3,269

Unbudgeted grant assumption for remainder of year	(1,000)
Budget recovery plan	(2,145)
Net budget pressure at Month 5	124

Table 2: Council Fund 2023/24 Outturn Detailed Statement

Service Area	Original Budget 2023/24	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Month 5
	'000's	'000's	'000's	'000's	'000's
Adult Services	38,246	34	38,280	41,014	2,734
Children Services	22,209	(26)	22,183	22,424	241
Public Protection	1,790	(4)	1,786	1,849	63
SCH Support	1,489	(94)	1,396	1,334	(62)
Social Care, Health & Safeguarding	63,735	(90)	63,644	66,620	2,976
Emergency Planning	170	0	170	169	(1)
Individual Schools Budget	50,423	30	50,453	50,588	134
Resources	1,140	(1)	1,139	1,125	(14)
Standards	10,686	1	10,687	11,331	643
Children & Young People	62,420	30	62,449	63,212	763
Enterprise, Housing & Community Animation	4,564	(882)	3,682	4,303	621
Facilities & Fleet Management	10,805	(194)	10,610	11,105	495
Neighbourhood Services	9,306	(24)	9,282	10,094	812
Placemaking, Highways & Flood	1,752	(9)	1,743	1,657	(86)
Communities & Place	26,427	(1,110)	25,317	27,159	1,842
Communications	203	0	203	208	5
Countryside & Culture	1,157	0	1,157	1,157	0
Finance & Business Development	4,170	(10)	4,160	4,499	339
Leisure, Youth & Outdoor Adventure	2,658	(2)	2,656	2,656	0
MonLife	8,188	(12)	8,176	8,519	344
Policy, Scrutiny & Customer Service	1,236	(3)	1,234	1,279	46
People	1,773	(1)	1,772	1,740	(32)
Chief Executives	3,009	(4)	3,006	3,019	13
Democratic Services	1,634	(1)	1,633	1,793	160
Legal and Land Charges	1,022	(1)	1,021	1,048	27
People	59	0	59	63	4
People & Governance	2,715	(2)	2,713	2,904	191
Commercial, Corporate & landlord Services	1,597	(4)	1,593	1,700	108
Corporate Health & Safety	77	0	77	77	0
Finance	2,505	1,074	3,579	3,462	(117)
Information Communication Technology	2,837	119	2,957	2,957	0
Resources	7,017	1,189	8,206	8,197	(9)
Precepts & Levies	24,578	0	24,578	24,578	0
Coroner's	171	0	171	189	18
Archives	213	0	213	213	0
Corporate Management	355	0	355	239	(116)
Non Distributed Costs (NDC)	757	0	757	757	0
Strategic Initiatives	1,643	2,500	4,142	2,102	(2,040)

Insurance	1,628	0	1,628	1,628	0
Corporate Costs & Levies	29,344	2,500	31,845	29,706	(2,139)
Net Cost of Services	202,854	2,501	205,355	209,336	3,981
Interest & Investment Income	(925)	0	(925)	(1,036)	(111)
Interest Payable & Similar Charges	6,953	0	6,953	6,964	11
Charges Required under Regulation	6,800	0	6,800	6,924	124
Other Investment Income	0	0	0	(24)	(24)
Borrowing Cost Recoupment	(3,658)	0	(3,658)	(3,910)	(252)
Contributions to Reserves	63	0	63	63	0
Contributions from reserves	(3,572)	(1,316)	(4,888)	(4,888)	0
Contribution from Council Fund	0	(1,185)	(1,185)	(1,185)	0
Appropriations	5,661	(2,501)	3,160	2,908	(252)
Expenditure to be Financed	208,515	(0)	208,515	212,244	3,729
General Government Grants	(91,451)	0	(91,451)	(91,451)	0
Non Domestic Rates	(31,224)	0	(31,224)	(31,224)	0
Council tax	(93,642)	0	(93,642)	(93,842)	(200)
Council Tax Benefit Support	7,802	0	7,802	7,542	(260)
Financing	(208,515)	0	(208,515)	(208,975)	(459)
Net General Fund (Surplus) / Deficit	0	0	0	3,269	3,269

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,976	0	0	0

The Social Care directorate continues to make in-roads into its identified savings targets; however, a number of key areas, particularly within Adults services, remain challenging to deliver. The service continues to deal with high demand and complexity of people's needs making the balance between reducing costs and ensuring that people are safe, and their basic needs are met a challenging one. To assist with this increased oversight of spend is in place across the system.

It is pleasing to note that the work within Children's services placement planning is showing good outcomes, and that the overall numbers of children coming into care continues to remain stable with a slight downward trend over the last 3 years. Similarly, within Adults service effective negotiations with care providers have allowed costs associated with fees and charges to be controlled.

There are a number of key risks within the service which can have an impact of cost including the insufficiency of children's placements. [The numbers of Unaccompanied Asylum Seeking Children entering the county has increased significantly which whilst cost neutral in itself puts renewed pressure on placements and on wider resources.] Additionally the service is benefitting from a number of WG grants, some of which are known to be short-term and others of which remain uncertain with regards to how long they might be available. Services supported by grants are deeply integrated into the core delivery of the service and contribute heavily to managing demand and supporting the delivery of savings.

ADULT SERVICES				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,734	0	0	0

There is a £2.73M over spend in adults.

Progress against savings mandates remains challenging, particularly with regard to the reduction of care at home hours. Following an initial review pilot process in the central area, initial savings associated with the reduction of care packages was identified as £80K. The work to reduce and change the care packages with individuals is underway and the review process that was established is now extending out across the service based on the work. To monitor this we are tracking the total number of people in receipt of care at home against the total number of care hours delivered. It is also positive to note that the numbers of unmet need care at home hours has continued to show overall reductions.

We continue to show a deficit against saving mandates associated with CHC. Some recent cases have been successfully pursued with health which has allowed us to generate £140K of savings against a target of £550K.

The main pressures are down to the £1.5M provider fee increases. At the beginning of the year this was calculated at £2M; however, after extensive fair fee negotiations with provider agencies we were able to reduce this by £0.5M.

A further pressure of £1.1M has arisen through continued increase in care home placements together with an increase in the average cost of care home placements. A gatekeeping panel has been established to provide oversight to all requests for high-cost care packages including residential placements. Residential placements are now used in situations where the cost of care at home would exceed the cost of a residential placement, contributing to the continued rise in residential placements.

The over spend has been assisted by £900K under spends within My Day My Life and Care at Home vacancies, and the £1.1M Social Care Workforce and Sustainability Grant, leading to the true underlying over spend more in the region of £5M, coupled with debt for care charges still running high at £1.757M.

Budget recovery measures are being enacted including increasing the oversight of all new packages of care against tightened eligibility criteria.

CHILDREN SERVICES

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	241	0	0	0

Children's services have been able to capitalise on their progression planning activity with individual children, bringing children into placements that are closer to home and more in keeping with their care and support needs and longer-term personal outcomes. This has including supporting some children to return home, or, for older children, into more independent settings. Additional family support services have been put in place to support this endeavour – with the service benefitting from WG grants to achieve this.

The £241K over spend within children's service is largely due to the increased cost of new placements and demand.

The service continues to have an over-reliance on agency staff working in critical areas of the service particularly child-protection. The service is reviewing all agency assignments and accelerating agency exit plans wherever possible to contribute to budget recovery measures. The service is working in accordance with the All-Wales pledge in order to control the costs associated with agency-worker fees.

PUBLIC PROTECTION

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	63	0	0	0

The deficit results from the SCH2a saving mandate not being delivered, as a consequence of the Head of Public Protection post being retained. A vacant EHO post has been deleted which partly offsets this budget pressure.

SCH SUPPORT

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(62)	0	0	0

Due to vacancy savings within the directorate finance team.

CHILDREN & YOUNG PEOPLE DIRECTORATE

	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	763	0	0	0

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 5 position is an overspend of £762,846. This overspend is largely due to ALN Transport (£650k) and a reduction in ALN Recoupment (£358k).

We have partly been able to offset our overspend by successfully developing our in County ALN provision, which has resulted in a reduction of the number of ALN pupils attending Out of County or Independent placements.

All opportunities to make savings are being reviewed. This includes the cost of ALN Transport and any vacancies that may occur in the Directorate.

Emergency Planning

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(1)	0	0	0

Individual Schools Budget

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	134	0	0	0

The overspend is largely due to an increase in transport costs and we are working with the PTU to try and minimise these costs going forward:

- £56k Post-16 Transport
- £20k Bus to Caldicot School
- £12k Llandenny to Usk Transport

A further overspend has been due to the 2022-23 Pay Award, which has caused the SRS costs to increase for all schools. This pressure was not known at the time of agreeing the Service Level Agreements (SLA's) and so it could not be passed onto the schools:

- £46k SRS Charges

Resources

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(14)	0	0	0

The under spend of £14k is due to receiving a grant, which has subsequently been utilised to offset the ALN Licence costs.

Standards

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	643	0	0	0

The over spend of £643k is due to the following:

- £650k ALN Transport – forecast revised based on Q1 actuals and September actuals, and following re-tender where costs have significantly increased.
- £358k reduction in ALN Recoupment – with the recent changes in ALN formula for schools, all out of county recoupment for mainstream schools will be delegated to support pupils.
- £59k Breakfast clubs – increase in catering costs and reduction in income
- £16k - ALN Administration Service – unable to currently make the employee related savings

Offset by:

- -£378k saving on ALN Out of County – reduction in number of pupils in out of county schools has resulted in a saving

- -£55k saving in independent schools – reduction in the number of pupils requiring places
- -£7k saving in Education Psychology – due to staff savings

COMMUNITIES & PLACE DIRECTORATE	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,842	0	0	0

The Directorate is forecasting an overspend of £1.842m at Month 5. The inflationary rises, supply chain issues, market instability and a post-covid environment continue to impact upon the cost of the provision of key services. In addition, national policy changes are impacting upon the services particularly within school catering (Universal Free School Meals) and housing (Homelessness) which are not attracting full funding.

Each service area sets out the detail behind these projections 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. All opportunities to make savings are being reviewed.

Enterprise, Housing & Community Animation				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	621	0	0	0

Enterprise & Community Animation is forecasting a £621k over spend at month 5, this is mainly due to: -

- **Enterprise Mgt** - £52k over spend – Our partner contribution towards City Deal has increased over and above available budget by £13k, on top of this senior management costs have exceeded budget due to the inability to make vacancy factor savings and an over spend in subscription and software costs.
- **Housing** - £636k over spend, this can be broken down into these main areas: -
 - **Homelessness** – £428k over spend:

The cost of providing B&B accommodation remains high, even though we have reduced the number of rooms in use (67 as at M5) room rates have increased resulting in the total cost remaining constant. We are projecting to spend £2.512m on B&Bs this year with an additional £624k on ancillary spend including security and damage repairs. The majority of this cost will be offset by Housing Prevention grant of £467k and Housing Benefit of £1.683m, but leaves a £128k shortfall. The service also benefited from a significant budget uplift as part of the 23-24 MTFP.

There is a further related over spend of £300k relating to B&B placements for which we are unable to claim full housing benefit subsidy. The cost of providing the accommodation remains constant due to an uplift in room rates, which means the gap between what we pay and what we can claim back is significant creating a budget pressure. Work is

ongoing to find alternative accommodation options which may result in fewer placements in later months, however there is currently no certainty that this will mitigate demand and reduce the pressure on the budget.

This is a volatile area where accommodation demands can fluctuate month by month and officers are continually reviewing placement options to try and limit costs.

- **Shared Housing & Private Leasing** - £215k over spend – We are seeing significant increases in maintenance costs across our hostel and leased accommodation to rectify damage caused by tenants. This was also an issue in 22-23 but it was covered by additional HPG grant that we do not have this year.
- **Strategic Services** – £7k under spend – Staff under spend due to savings from a vacancy.
- **Business Growth & Enterprise** – £85k under spend – Under spend as a result of staff savings due to core costs in Economic development being funded by grant and staff vacancy savings in the Strategic Operations Team due to the delay in the restructure that has only just been agreed.
- **Procurement** – £18k over spend – Software & system costs have increased above available budget.

Facilities & Fleet Management

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	495	0	0	0

Facilities, Fleet & De-carbonisation are forecasting a £495k over spend, due to-

- **Schools Catering** – Break-even - We have now fully rolled out the universal free school meal to all primary pupils. This has resulted in a significant jump in expenditure due to the need for additional staff, materials and equipment to cope with the uplift in meal numbers and has resulted in costs **exceeding budget by £215k**. WG are currently paying us £2.90 per meal but this isn't sufficient to cover costs. This is an issue across Wales and WG are reviewing the meal rate and we will know in the autumn of the updated meal rate so we are currently assuming that this shortfall will be fully funded. Given the overall Welsh Government budget challenges this year there is a degree of risk that further funding will not materialise and we will have to cover the shortfall.
- **Passenger Transport** – £153k over spend – We are predicting a £353k over spend in external operator costs, this is due to a number of factors:
 - We had to re-issue 11 contracts due to the unfortunate death of one of our operators and as a consequence of market forces these contracts were priced at a premium.
 - We had to commission 18 more contracts due to late applications from parents pushing up pupil numbers resulting in the need for extra transport.
 - A bus operator removing a service route which had to be covered by MCC.

These costs have been part offset by a £29k under spend in internal commissioning mainly due to hire income and £170k of bus operator grant income.
- **Regional Transport Team** - £37k under spend – Staff under spend as we have been able to use capitalisation directive to fund core service cost.
- **Car Salary Sacrifice Scheme** – £12k over spend - the number of members in the scheme has reduced in recent years to a point where the actual savings being made have fallen below budgeted levels.
- **Fleet maintenance** - £318k over spend – Fuel and parts inflation remain high driving costs up, in addition we are also experiencing supply chain issues for replacement parts meaning in some instances we have to outsource repairs to external contractors to ensure vehicles are back on the road as quickly as possible. Downtime of vehicles is also driving up hire costs as we have to cover vehicles that are off the road.

- **Building Cleaning & Public Conveniences** - £31k under spend – mainly down to part year staff vacancy savings.
- **Solar Farm & Sustainability** - £77k under spend – due to improved income mainly from our PV installations caused by the increased market rates for energy.
- **De-Carbonisation Team** - £155k over spend - staff savings of £122k have been offset by the inability to achieve the full corporate energy target by £177k and the total mileage saving of £100k.

Neighbourhood Services

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	812	0	0	0

Neighbourhood Services are forecasting to over spend by £812k, this is due to-

- **Highways, Swtra & Streetlighting** – Break-even – currently all areas are reporting a balanced budget. The Highways budget can be affected by adverse weather during the winter months with the possibility of snow events or additional gritting, but the service will look to amend its programme accordingly to ensure there is no over spend.
- **Waste & Street Scene** - £812k over spend – this can be broken down into 2 main areas:
 - **Waste Services** - £765k over spend – The recycling market remains volatile and delays in rolling out polyprop reusable bags due to depot infrastructure and vehicles is adding to pressure. Income target for green waste service have been achieved but income targets on trade waste remain challenging.
 - **Grounds Maintenance** - £48k over spend - The income targets are challenging with many customers looking to reduce costs of grounds maintenance. Costs associated with materials and equipment are above inflation and placing further pressure on budgets despite budget mandates being achieved.

Placemaking, Highways & Flood

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(86)	0	0	0

Placemaking, Highways & Flood is forecasting to under spend by £86k, this is as a result of -

- **Planning & Building Control** – £84k over spend – the downturn in the economy has affected income where applications are down in both Planning and Building Control – in addition we have incurred additional IT costs for essential server upgrades (£8k) and the ongoing digital update to the microfiche system (£30k).
- **Planning Policy & LDP** – Reporting a balanced budget.
- **Car Parks & Civil Parking Enforcement** - £72k over spend – we are forecasting a shortfall in income across the service of £85k. PCN fines are down due to staff absence, pay & display income is down due to the new car parks at Severn Tunnel and Wyebridge street not bringing in expected levels and we are also seeing a reduction in the issue of parking permits. We are also forecasting an increase in professional services fees, card payment fees, machine maintenance fees and software costs (total £30k), these have been offset by under spends on rates (£22k) and staff savings from part vacant posts (£21k).

Highways management & flooding - £209k under spend – Early forecasts indicate that fee income across the department will exceed budgets particularly in Road Closure & inspection fees and SABs fees, in addition staff costs have under spent due to part year staff vacancy savings.

MONLIFE DIRECTORATE	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	344	0	0	0

The Monlife directorate is forecasting to over spend by £344k, with the primary areas of pressure being the Borough Theatre, Attractions, Markets, and the Contact Centre. The the Borough Theatre has only reopened this year and is still recovering from the covid pandemic. This year's adverse weather has been detrimental to income delivery at our attractions, our Markets have not returned to pre covid levels and the contact centre remains under pressure due to increased demand and software updates. Monlife are looking at each business unit assessing the best options for future sustainability and the tactics needed to improve performance in these areas.

(MonLife) Communications

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

Central communications are predicted to over spend by £5k due to higher than anticipated software and subscription costs.

(Monlife) Finance & Business Development

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	339	0	0	0

Finance and Business Development are predicted to over spend by £339k, the primary areas of significant pressure are:

Borough Theatre which is predicted to over spend by £210k due to lower than anticipated income levels, the section is still recovering, and full growth is not expected for another 12months. The service is looking at any grant opportunities that can reduce this over spend in the short term.

Attractions which are predicted to over spend by £86k due to lower-than-expected income. Visitor numbers to all our attractions have been significantly impacted by the adverse weather conditions, the section will look to reduce further costs and look at any opportunities for further income generation, this is limited as the service approaches season closure.

Contact Centre which is predicted to over spend by £54k due to higher than anticipated staffing levels to cover long term sick, delays in implementing restructure which impacted forecast savings, failure to meet employee related savings along with inflation on existing essential contracts.

(Monlife) Leisure, Youth & Outdoor Adventure

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

Leisure, Youth & Outdoor Adventure are predicted to balance, with the over spend in outdoor adventure and youth being mitigated by higher than anticipated income at Monmouth Leisure Centre and higher than budgeted grant in sports development.

This remains an area of concern and requires close monitoring due to the significant income targets and the effect of the cost-of-living crisis on disposable income and future memberships.

CHIEF EXECUTIVE'S UNIT DIRECTORATE	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	14	0	0	0

CHIEF OFFICER – PEOPLE, PERFORMANCE AND PARTNERSHIPS COMMENTARY -:

Chief Executives is forecasting to overspend by £14k. This is largely due to salaries increased above available budgets and an inability to achieve the 3% vacancy factor which is built into budgets due to low staff turnover. We have also seen an increase in the subscriptions charged by external bodies. The major area of service overspend is Welsh language translations which are required to comply with the Welsh Language Standards. A key post has been held vacant with work being done by other officers to try and redress the overspend.

Policy, Scrutiny & Customer Experience

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	46	0	0	0

Policy, Scrutiny & Customer Experience is forecasting to over spend by £46k, the outturn position is made up of a number of under and over spends across the directorate with the main variances being :-

- **Corporate** - £45k over spend - Mainly staffing overspend due to the full cost of CEO's PA which only had budget for a part time post, increase in a senior officer's banding after a realignment of responsibilities at Strategic Leadership Team which has no budget, and the inability to meet vacancy factor savings
- **Equalities & Welsh Language** - £19k under spend – Currently projecting a £69k under spend in staffing due to the delay in filling the Equalities officer post, this has been mostly offset by a £49k over spend in Welsh language costs due to the volume of external translation expected this year.
- **Levies, Subscriptions & Donations** - £20k over spend – membership subscriptions to external bodies such as the WLGA and LGA have increased over and above available budget.
- **Scrutiny** - £8k over spend – staffing costs are exceeding budget mainly own to inability to make vacancy factor savings.
- **Policy & Partnerships** – £8k under spend – net under spend mainly due to staff vacancy savings in the community safety team.

People (CEO)

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(32)	0	0	0

People Services is forecasting to under spend by £32k, the main variances are as follows:

- **Payroll & System support** - £31k over spend – The service is currently in the process of changing the recruitment system and have exceeded budget due to the overlap costs of changing from one system to the other, some of these costs have been offset by staff savings due to vacancies that are being held at present until we have a better understanding of future resource need.
- **People Management** - £55k over spend – Staff costs have exceeded budget by £85k mainly as a result of the employment of 2 temporary staff to help with the implementation of the new HR system plus the inability to meet the vacancy factor saving. This has been offset by an increase in income as SLA recharges have exceeded budget.
- **Occupational Health** - £11k under spend – service demand is down resulting is an under spend against budget.
- **Corporate Training** - £108k under spend – Mainly as a result of staff vacancies (3) within the unit, one of which is the Head of Workforce planning & Development - the delay in filling this post has generated a sizeable in-year saving.

PEOPLE & GOVERNANCE DIRECTORATE

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	191	0	0	0

PEOPLE & GOVERNANCE DIRECTOR'S COMMENTARY:

People & Governance is forecasting to over spend by £191k, primarily due to an increase in members costs, alongside income shortfalls in Legal and land charges.

Every effort is being made to identify mitigating savings to recover the overall position, with £65k currently identified as part of the wider budget recovery plan. This includes looking at all uncommitted expenditure, the potential to capitalise system costs, and holding vacant posts open.

Democratic Services

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	160	0	0	0

Democratic Services is forecasting to over spend by £160k, this is due to:

- **Members** - £147k over spend – the cost of elected members has increased over budget this year and is down to a number of factors. The members pay award was agreed at 4.75% for 23-24, this is over the 4.25% built into the budget so has caused a small pressure. The number of co-opted members has increased and the projected cost for these is anticipated to be £28k over previous years. We have seen a higher uptake in members joining the Superannuation scheme than in previous years and this has increased staff oncosts over available budget. There is a vacancy factor saving built into the budget, this will not be achieved this year causing a pressure.

Democratic Services - £13k over spend – this is mainly due to an increase in the cost of our ModGov support within the committee section offset by improved grant in Electoral Management

Legal and Land Charges

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	27	0	0	0

Legal and Land charges is forecasting a £27k over spend:

- **Legal** - £13k over spend – staff savings generated by the gap in filling the Head of Governance post have been offset by a projected under recovery of income due to the inability this year to charge core staff costs to capital projects.
- **Land Charges** - £14k over spend – Search fees have been impacted by the downturn in the housing market resulting in a budget pressure in income, in addition an essential server upgrade has meant that we have a £3k over spend in supplies & services, this has been part offset by a saving in staffing due to a vacant post.

People

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

- **Organisational Development** - £4k over spend – Staff over spend due to the inability to meet vacancy factor saving.

RESOURCES DIRECTORATE

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

At month 5 the Resources directorate is forecasting to under spend by £9k, primarily due to pressures within the corporate & commercial landlord budget, which is offset by savings within finance.

The performance in being able to deliver budgeted savings has deteriorated by £80k since the early forecast produced and presented to Cabinet in late July, specifically in relation to a delay in property rationalisation savings being realised.

Commercial investments continue to fall short of budgeted net income targets though this expects to improve as lettings are secured through the last half of the financial year.

The directorate is playing its part in supporting the wider budget recovery plan in ceasing non-essential expenditure and holding vacancies, the savings for which feature in the forecast to the extent that they have not subsequently been identified as a result of the budget recovery plan. Further out performance against budget has been achieved through increased income being achieved from county farms, industrial units and cemeteries which is pleasing to see at this stage of the financial year.

Finally, the budget recovery plan sees the directorate bringing forward a further £187k of savings and that relates to additional funding and income being secured, further savings from posts being held vacant and managed reductions in supplies and services. The scope to introduce significant levels of savings at this stage of the year is very constrained. However, work will continue to secure further savings and any such savings will be reported in future reporting periods.

Finance

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(117)	0	0	0

Finance is forecasting to under spend by £117k, this is mainly due to -

- **Revenues:**
 - **Council Tax** - £3k over spend – due to a £16k residual budget pressure from the Finance restructure and potentially reduced summons income. Partially offset by one off administration grant income for Welsh Government Retail Relief scheme.
 - **Debtors and Charity relief** – Break-even.
- **Finance** - £153k under spend – Staff savings due to vacancies as service is awaiting a restructure.
- **Audit** – Break-even.
- **Systems & Exchequer** – £28k over spend - due to additional costs for the Revenues & Benefits system.

Future Monmouthshire

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

Future Monmouthshire is forecasting to return a balanced budget.

Information, Communication & Technology

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

ICT is forecasting to return a balanced budget.

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	107	0	0	0

Commercial & Corporate Landlord services is forecasting over spend by £107k, due to :-

- **Investment Properties** - £158k over spend, due to –
 - **Newport Leisure Park** - £47k over spend – NLP is expected to generate a £290k surplus after loan repayments, however this falls short of the £337k budget target for 23-24. The £47K shortfall relates to unbudgeted rates on vacant units and rent-free periods for new tenants reducing turnover in 23-24. In 24-25 we will see these unexpected expenses reduce and income increase as the rent-free period ends.
 - **Castlegate Business Park** - £111k over spend – Castlegate is forecasting to over spend by £111k, this relates to the unbudgeted utility costs associated with our vacant units, the section continues to work on improving the vacancy rate which will help reduce this over spend by year end.
- **Landlord Services** - £74k over spend – The budget includes a £215k saving from the rationalisation of our property portfolio – currently we are only estimating to find £50k this financial year. This over spend has been part offset by improved rental income and a one-off grant to cover the Ukrainian welcome centre.
- **Shared Accommodation** - £21k under spend – Staff savings due to a vacant cleaner post and improved income.
- **County Farms** - £29k under spend – Lettings have improved resulting in increased rental income.
- **Industrial Units** - £24k under spend – Rental income has increased above budget due to a number of new lettings.
- **Cemeteries** - £50k under spend. Burial income is projected to come in higher than budget.
- **Property Services** - Break-Even – Potential pressure within accommodation is being managed by under spends in other areas of the service.

CORPORATE COSTS & LEVIES DIRECTORATE	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

Precepts & Levies

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

No variance forecast at month 5.

Coroners Services

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	18	0	0	0

Coroner's Service are forecasting an over spend due to the urgent restructuring of the service as required by the Chief Coroner of England and Wales.

Corporate Management

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(116)	0	0	0

Increased income due to favourable rateable value adjustments on Council owned properties.

Non-Distributed Costs

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

No Forecast variance at Month 5

Strategic Initiatives

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(2,040)	0	0	0

Unallocated reserve funded budgets that are mitigating the overall over spend within the Authority.

Insurance

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

The Council has been out to tender for its insurance cover which resulted in premiums payable for 2023/24 being slightly less than anticipated and reflective of a very competitive insurance market. Additional premiums can arise during the year if further assets are acquired by the authority and require insurance cover.

APPROPRIATIONS DIRECTORATE

Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(251)	0	0

Interest & Investment Income

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(111)	0	0	0

The performance of investments in money market funds and DMO deposits continue to improve with raising interest rates.

Interest Payable & Similar Charges

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	12	0	0	0

Interest payable remains near target despite raising interest rates. The budget has been helped by a lower-than-expected temporary loan requirements combined with forward starting loans locking into beneficial rates. A Lender Option Borrower Option (LOBO) loan has also been repaid early reducing in year interest.

Charges Required Under Regulation

Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	124	0	0	0

This budget covers the statutory amount the Council is obliged to set aside to fund future loan repayments (Minimum revenue provision – MRP) and the forecast is slightly higher than the £6.7m budget due to higher spend than anticipated in the 2022/23 capital programme that was funded from borrowing (MRP costs start the year after the corresponding expenditure).

Other Investment Income				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(24)	0	0	0
Unexpected one-off income related to discharge of SRS business capital advance.				
Borrowing Cost Recoupment				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(252)	0	0	0
This budget represents a technical accounting adjustment where 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 2022/23 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. An insurance settlement has also been made on a vehicle and as such additional borrowing charges recouped from the service.				
FINANCING DIRECTORATE				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
Council Tax Benefit Support				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(260)	0	0	0
Caseload activity is currently running slightly below budgeted historical numbers.				
Council Tax				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(200)	0	0	0
The tax base is increasing slightly as we progress through the year which reflects new housing developments within the County becoming occupied.				
General Government Grants				
Outturn Forecast	Month 5	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
Income received to budget.				

2. SCHOOL BALANCES

- 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 forecast Schools' balances position based on month 5 projections for each Educational Cluster.
- 2.2. The LA and Governing Body have not formally agreed a 2023-24 budget for Chepstow Comprehensive. This will be agreed at the Governing Body Meeting in October.

Council Fund Outturn 2023/24 – School Balances Summary outturn position	(A) Opening Reserves (Surplus) / Deficit Position 2023/24	(B) Draw / (Contribution) from / (to) School Balances @ Month 5	(C) Draw / (Contribution) from / (to) School Balances @ Month 6	(D) Draw / (Contribution) from / (to) School Balances @ Month 9	(E) Draw/ (Contribution) to Reserves at Outturn	(A+B) Forecast 2023/24 Reserves £'000
	£000's	£'000	£'000	£'000	£'000	
Cluster						
Abergavenny	(1,598)	1,059	0	0	0	(540)
Caldicot	(1,151)	915	0	0	0	(236)
Chepstow	(112)	180	0	0	0	69
Monmouth	(1,425)	1,032	0	0	0	(393)
Special	29	478	0	0	0	506
Total	(4,257)	3,663	0	0	0	(594)

2.3. At Month 5, the forecast anticipated draw on reserves is £3,663,351, against a budgeted draw on reserves of £3,344,722. This will result in a forecast surplus balance of £593,885 at year-end. Grants awarded to schools at 2020/21 and 2021/22 year-ends resulted in a large increase in overall school balances and schools developed grant investment plans in line with the terms and conditions of these grants, hence the large draw on reserves during 2022/23 and 2023/24.

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 5	Month 6	Month 9	End of year
Total: 5	Total: 11	Total: 0	Total: 0	Total: 0
Chepstow Comprehensive	Chepstow Comprehensive			
Llandogo	Llandogo			
Pupil Referral Service	Pupil Referral Service			
The Dell	The Dell			
Our Lady & St Michael's RC Primary School (VA)				
	Deri View			
	Ysgol y Fenni			
	Caldicot School			
	Archbishop Rowan Williams			
	Ysgol Y Ffin			
	Osbaston			
	Overmonnow			

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. As previously advised, grants awarded to schools at 2020/21 and 2021/22 year-ends resulted in a large increase in overall school balances, which has somewhat masked structural budget deficits across some schools.

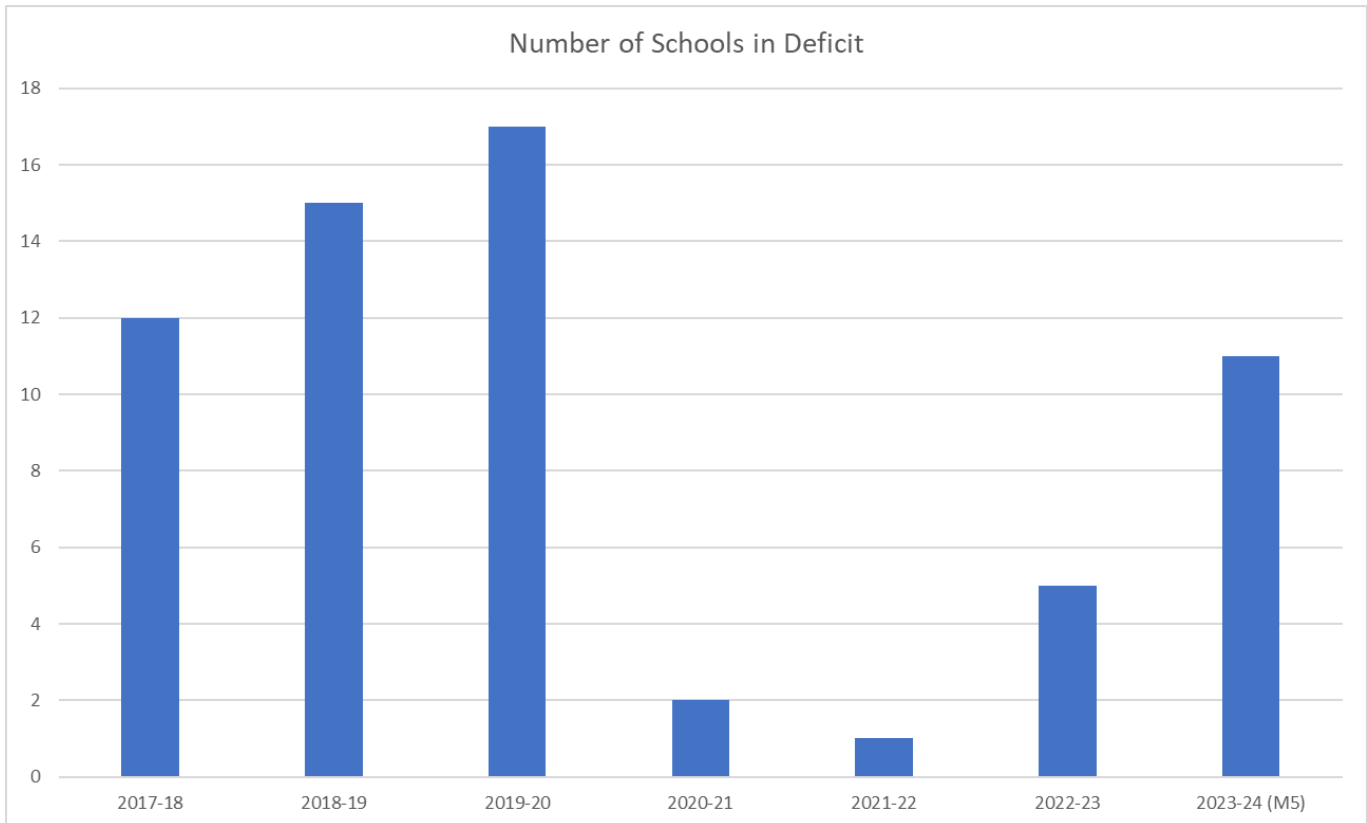
2.6. The projected return of eleven schools into deficit balance by the end of the year is disappointing and points to inherent structural budget deficits remaining in some cases.

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 (Surplus) / Deficit in £000's
---------------------------	---

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	(4,257)
2023-24 (forecast)	(594)

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. Unfortunately, the current projection is a return of eleven schools into deficit balance by the end of the year:



This page is intentionally left blank

Budget savings progress

Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance		Comment
	£000	£000	£000		
Social Care & Health	(3,349)	(2,236)	1,113	33.2%	
Children & Young People	(1,809)	(1,704)	105	5.8%	
Communities & Place	(2,513)	(2,219)	294	11.7%	
Monlife	(930)	(893)	37	4.0%	
Chief Executives Units	(39)	(39)	0	0.0%	
People & Governance	(86)	(86)	0	0.0%	
Resources	(991)	(876)	115	11.6%	
Corporate Costs & Levies	(433)	(433)	0	0.0%	
Totals	(10,150)	(8,486)	1,664	16.4%	

Ref	Social Care & Health	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
SCH3	Children's Services - Placement and Practice Change - re-evaluating our current processes and systems post-covid in order to clearly define at what points we make essential decisions in regard to when a child is placed within a High-Cost Placement	(748)	(1,152)	(404)	Care planning for High Cost and Solo Placements is in place with HOS oversight and sign off. This is allowing children to progress to alternative placements where this is in keeping with their care and support needs and their longer term personal outcomes.
SCH5	Staffing reductions to Adult Services - The proposal is to create savings by reducing the core workforce across the statutory teams in adults' services.	(308)	(162)	146	A monitoring framework has been established and a "totaliser" set up to track, record and account for all the identified staff savings throughout the year.
SCH4	Children's Service Redesign/Staffing - (i) Family Time Service Development, (ii) Review of Structures and Service Operating costs	(421)	(72)	349	Additional Family Contact Sessional workers are in place providing cost avoidance activity where intensive family supervision is required (previously the service was reliant on commissioned services). Weekly Workforce Meeting of Children Service Leadership Team is overseeing the reduction of the use of agency social workers, which is progressing positively.
SCH10	Adults - Care hours, block commissioning, Mileage - Reduce amount of direct care in the region of 10% whilst rebalancing in house/external provision	(400)	0	400	Various workstreams underway to right size care packages but challenges associated with identifying the resource required to undertake the work. A Review pilot in Monmouth to right size packages and Nevill Hall to discharge people with minimal care requirements, and establishment of a weekly QALG (Quality Assurance Group) to right size care package and ensure cost efficiency. However current data tells us that overall, once care reductions and new demand has been accounted for, the impact is one of increasing spend in this area.
F&Cs	Fees and charges increases - in line with inflation for SCH directorate	(415)	(415)	0	All agreed Fees and Charges for 2023/24 have been implemented
SCH9	Practice and Process Change Adults - For people with high support needs	(250)	0	250	SCH7 and 9 are merged together as they are both looking into the same operational areas and are mainly focussing around practice change and the effective application of CHC around the Adult care spectrum. At present we have one LD cases which has entered into the final level 3 dispute stage and we continue to challenge ABuHB with estimate costs of £250K.
SCH7	Learning disabilities - Remodelling of learning disability and mental health teams that will involve a decrease in team management hours.	(300)	(31)	269	
SCH8	Adult services - Direct payment saving	(200)	(200)	0	10% levy has been applied to all Direct Payment care packages
SCH2a	Staff restructuring within the Public protection service.	(103)	(28)	75	There was an inherent risk of moving forward on the proposal for removal of the Head for PP and we will look throughout the year at any mitigation where possible
SCH12b	Transformation Team structure - reduction in core workforce	(61)	(58)	3	Saving met practically in full

Service savings progress

	Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
SCH11	Reduction in Adult partnership arrangements for Gwent service delivery models - Shared lives, Emergency duty, Frailty, Regional partnership team	(60)	(35)	25	Savings to date represent a 50% reduction in the RPT contribution.
SCH13	Monmouthshire & Torfaen YOS – Accommodation Change, Reduction in Staffing, Reallocation of Duties	(44)	(44)	0	YOS partnership budget has been realigned accordingly so SCH achieved the saving in its partner in year contribution
SCH12a	Transformation Team structure - vacant and temporary posts	(39)	(39)	0	Savings met 100%. : Removal of counselling development fund (£8,000) Reduce commissioned training. (£6,729) Reduce professional accredited professional and leadership training commissioned (£10,000) Review business support functions - vacant post (£14,000) £2914.00 from S040 vacant post Mandate SCH12a/b £100,000.00
SCH Totals		(3,349)	(2,236)	1,113	

Ref	Children & Young People	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
CYP13	Schools - A reduction in the budget delegated to schools of 2.8% after making full provision for pay and energy increases.	(1,450)	(1,450)	0	This saving has been made in full. The ISB has been reduced to reflect this.
CYP8	Increase ALN recoupment income - additional places and increased charges to cover pay awards.	(100)	0	100	With the recent changes in the ALN formula for schools, all out of county recoupment for mainstream schools will be delegated to schools to support pupils. Therefore, any additional income generated through additional places will be delegated to the schools.
CYP12	Gwent Music - partial withdrawal of subsidy from the service.	(61)	(61)	0	This saving has been agreed with Gwent Music and will be made in full
CYP11	Grant funding to support Education Psychology staff budget	(81)	(81)	0	Grant funding in place to fund post so saving will be made without loss of post
CYP10	Reduce contribution to Education Achievement service - To reduce MCC's core contribution by 10%	(40)	(40)	0	This has been agreed with the EAS and the saving will be made in full
CYP6	Grant funding to support the Additional Learning Needs Admin Team	(30)	(30)	0	Grant funding in place to fund post so saving will be made without loss of post
CYP15	Support Services staff savings through restructure	(25)	(25)	0	Savings will be made through restructure
CYP7	Additional Learning Needs Equipment - To cease funding for ALN specialist equipment that is funded centrally for pupils placed in our schools.	(22)	(17)	5	Funding has been made available for a pupil in one of our mainstream schools
CYP Totals		(1,809)	(1,704)	105	

Ref	Communities & Place	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
DeCarb1	Decarbonisation - Reducing energy consumption across the Council's estate	(532)	(355)	177	Potential Risk - only estimating 2 thirds achievable at present - Decarbonisation team is not yet in place resulting in a delay in implementing the energy reduction strategies highlighted in the saving mandate. In addition April and May was colder than expected so we are expecting heating bills to be up.
DeCarb1	Commercial & Landlord Services - Solar farm export tariff income	(150)	(150)	0	Achievable - budget uplifted to reflect 22-23 activity, no indication that this will not be the case in 23-24 so saving should be achieved in full.

	Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
C&P28	Highways Development & Car Parks - Increasing car park & permit charges.	(280)	(280)	0	Achievable - car park prices have been increased across authority, if activity remains the same as 22-23 then saving will be achieved in full.
22/23 Decision	Neighbourhood Services - Recycling & Waste - Increase garden waste charges to achieve a full cost recovery model and increase annual charge based on inflation	(250)	(250)	0	Achievable - Prices were uplifted as part of cabinet report in Jan - no notable reduction in uptake so assume saving will be made in full.
TRAN1+2	Fleet Maintenance - Reduction in operating fleet and corporate mileage reduction.	(160)	(60)	100	Fleet reduction of £60k on course to be achieved. Mileage - 50% achievable - roll-out of pool car scheme and other initiatives has been slower than anticipated so cannot forecast that any of this saving will be found in 23-24.
F&Cs	Uplift in fees & charges not covered by a standalone mandate	(155)	(155)	0	Achievable - Services have uplifted fees as per 23-24 MTFP - if activity remains the same then saving will be achieved across directorate.
C&P27	Highways Development & Car Parks - To increase the income target for road closures	(149)	(149)	0	Achievable - budget uplifted to reflect 22-23 activity - no indication that this will not be achieved in 23-24.
C&P4	Neighbourhood Services - To reduce the revenue budget for street lighting maintenance taking account of the reduction in energy usage and reduced maintenance requirements of recently renewed columns, LED lamps and traffic light renewals	(142)	(142)	0	Achievable - Energy and maintenance saving reflects actual reduction in 22-23, no indication that these savings will not re-occur in 23-24.
C&P6	Neighbourhood Services - Reduction of grounds maintenance services	(90)	(90)	0	Achievable - Mowing schedules have been reduced and sweeping structure changed so saving should be achieved in full.
C&P6	Neighbourhood Services - Grounds Maintenance and Cleansing - Uplift of charges for external contracts	(120)	(120)	0	Achievable - Pricing schedule has been updated to reflect new rates.
C&P3	Neighbourhood Services - Service savings and staff reduction.	(80)	(80)	0	Achievable - Re-use shop has increased opening hours so saving should be achieved, black bag sorting has been employed at sites so we should see a reduction in overall tipping costs.
C&P17,18,21+24	Highways & Flood Mgt - Reduction in staffing costs in the Highways and Flood Management service area	(74)	(74)	0	Achievable - Posts have been removed from structure so saving should be made in full.
PTU1	Passenger Transport Commissioning - New acceptable routes are implemented to reduce transport requirements based on current transport policy	(70)	(70)	0	Potential risk - The majority of the routes will be tendered in June so we will have a clearer picture in July. We are trying to increase the number of passengers travelling by public buses, but I think that will be limited by the uncertainties around bus grant funding. They are working on the costs for active travel to reduce transport demand and we do expect to see savings.
C&P34+35	Planning, Policy & Building Control - To reduce revenue budget for the service area by reducing the professional and specialist fees, and photocopying and postage budget.	(59)	(59)	0	Achievable - budgets were reduced to reflect activity - no indication that this will change, achieved in full.
22/23 Decision	Housing - A proposed restructure of the Housing Sustainable Living Team	(50)	(50)	0	Achieved - Post has been removed from structure
22/23 Decision	Flexible Funding - Restructure Management Team to reduce core costs	(50)	(50)	0	Achieved - Post has been removed from structure

	Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
C&P7	Neighbourhood Services - Savings from Siltbuster recycling plant.	(30)	(30)	0	Achievable - recycling plant is operational and contracted rebate payments have been received, saving will be achieved in full.
PTU7	Passenger Transport - Terminate the Mission Software and revert back to CTX which is a lower cost	(30)	(30)	0	Achievable - Change has been made, savings should be achieved in full.
C&P12	Housing - to build on the foundations of the well-established Careline Service to ensure it continues to be fit for future purpose.	(25)	(25)	0	Part Achieved - All clients have been written to and given notice of a price rise of £0.50 pw. Due to the increased charge being implemented wef 1st June 2023, it is not projected that the price increase will achieve the mandate target. Assuming no reduction of clients leaving the service due to the price increase, the additional projected income is £17,995. An agreed proposal to remodel the Careline service to a broader Assistive Technology model in order to align with Social Care requirements is making positive progress, including the appointment of a Digital Coach. A joint action plan focused on staff training and development has been established and is being implemented. One off grant funding acquired from Social Care Wales to support the Assistive Technology proposal. An arising risk is Call Monitoring Centre charges have increased for 22/23
PTU4	Schools & Community Transport - Changing the licensing arrangements	(17)	0	17	Unachievable - This will not materialise as we have not been able to proceed with the operators licence as we are only allowed to run 10 public bus / grass route vehicles on it and we have more than that.
	C&P Totals	(2,513)	(2,219)	294	

Ref	Monlife	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
ML 3 & 4	Finance & Business Support Restructure	(104)	(104)	0	Restructure complete - Post deleted from structure savings will be fully achieved
ML22	Gilwern Outdoor Adventure Services Redesign - Increase income through new business, new ways of working and engaging further with Monmouthshire internal services to provide cost avoidance for CYP and Social Services.	(100)	(100)	0	Early indications of continued growth along with the services final outturn position indicates that this saving should be fully achievable in 23-24, there is still significant uncertainty around winter bookings and our re-engage program which are both essential in achieving the necessary income targets, we will continue to monitor this close and report any variances.
F&Cs	Uplift in fees & charges not covered by a standalone mandate	(83)	(83)	0	Fee's updated 01st April 2023 - Early indications this will be achievable.
ML 7,8,9 & 21	Attractions Service Redesign	(65)	(65)	0	Redesign is underway savings will be fully achieved in 23-24
ML1	Green Infrastructure Grants - To fully utilise Shared Prosperity Fund (SPF), Local Places for Nature and related grants / project funding	(45)	(45)	0	The service has received notification of successful bids, these will allow this saving to be fully achieved in 23-24.
ML5	Removal of vacant Project Officer post	(45)	(45)	0	Post deleted savings will be fully achieved
ML14	Youth Services - Seeking to maintain service delivery at reduced core costs by increases reliance on external grants, an internal restructure of priorities, programmes and delivery.	(25)	(25)	0	A joined up approach to funding through the delivery of sports development youth and play should provide the necessary opportunities to maximise external income opportunities and deliver this saving in 23-24.

Service savings progress

	Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance		Comment
		£000	£000	£000		
ML19	Old station Tintern Miniature Train Track - Complete the necessary repair and maintenance on the miniature train track through an initial one-off capital investment of £45k, this will allow us to re-open this much-loved attraction and increase our income generation.	(25)	(25)	0		The season has just reopened early indications indicate we are on target to achieve the additional income
ML10	Collections Management - Remove 0.40 FTE from the Collections Management Post, currently vacant within the structure.	(21)	(21)	0		Post removed savings will be fully achieved
ML13	Sports Development - To increase income generation through external grants, seeking to maintain service delivery at reduced core costs but increase service reliance on alternative external grants.	(20)	(20)	0		This income will be fully achieved in 23-24
ML2	Countryside Access Grant Project cost recovery - To fully utilise the full cost recover model when recovering project management costs, ensuring our recovery rates maximise the rate allowed by grant providers.	(20)	(20)	0		In progress early indications indicate that the additional income will be fully achieved in 23-24.
ML11	Visitor charging at some heritage exhibitions/activities and events	(20)	(20)	0		Program is being developed, income should be fully achievable in 23-24.
ML18	Recharge Project Officers against Grant - Ensuring full cost recovery of officer's time against grants.	(20)	(20)	0		Additional grants awarded to MONLIFE will allow this income to be fully achieved in 23-24.
ML12	Sale of Caterpod	(10)	(10)	0		In the process of arranging the sale of the caterpod will be complete in 23-24.
ML15	Caldicot Fitness Equipment Maintenance - Reduce Caldicot LC maintenance contract to reflect the ageing equipment and seek a local accredited supplier to maintain	(10)	(10)	0		Contract negotiations underway, this saving should be fully achieved in 23-24.
ML17	Commercial contributions and Sponsorships	(10)	(10)	0		This will be achieved in 23-24.
ML6	Reducing the Marketing supplies and services budget	(5)	(5)	0		This saving will be fully achieved in 23-24
CEO1-5	Community Hubs - Reduce staffing levels at community hubs in order to reduce costs while keeping all hubs open with reduced service levels.	(135)	(135)	0		Achievable - improvement from M2, an updated assessment has been made and it is now predicted that this saving will be fully found within the available budget.
CEO08	Community Hubs & Libraries - Reduce the budget for library books by 50% from £90,000 to £45,000.	(45)	(45)	0		Achievable - budget removed, purchases will be limited to new figure.
CEO10	Community Education - Increase income by growing learner base	(10)	(10)	0		Achievable - Early indication is that this will be achieved.
CEO11&13	Contact Centre - To reduce staffing levels in the contact centre by 2.5 FTE	(112)	(75)	37		Full year saving won't be achieved due to timing of redundancies.
	MonLife Totals	(930)	(893)	37		

Ref	Chief Executive's Unit	Budgeted Saving	Month 5 Forecast	Variance		Comment
		£000	£000	£000		
CEO14	Performance & Data - Remove data scientist post	(39)	(39)	0		Achievable - Post removed from structure
	CEO Totals	(39)	(39)	0		

	Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
Ref	People & Governance	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
PG2	P&G income - The below proposals seek to increase income in Comms and Land Charges and a small software cost reduction in payroll.	(80)	(80)	0	Achievable - no indication so far that this will not be achieved.
F&Cs	Uplift in fees & charges not covered by a standalone mandate	(6)	(6)	0	Achievable - Services have uplifted fees as per 23-24 MTFP - if activity remains the same then saving will be achieved across directorate.
	PG Totals	(86)	(86)	0	

Ref	Resources	Budgeted Saving	Month 5 Forecast	Variance	Comment
		£000	£000	£000	
RES8	Landlord services - Reduce Corporate Building (Reactive and Planned) Maintenance revenue budget	(300)	(300)	0	Achievable - budget will be monitored to ensure all qualifying repairs will be charged to the capital programme (where funding has been made available) - assume saving will be made in full.
RES24	Landlord services - To review the property estate and to explore options for further rationalisation	(215)	(100)	115	Latest assumption is that due to delays in decisions only £100k will be achievable this financial year.
RES12	ICT - Mobile Phone Contract Saving	(149)	(149)	0	Budget has been distributed to services
RES1	Revenues, Systems & Exchequer - Remove budget earmarked for a discretionary business rate relief scheme	(126)	(126)	0	Achievable - budget has been removed.
RES2	Landlord services - Vacant development surveyor post being held - or funded by capital programme as required	(45)	(45)	0	Achievable - Post has been removed from structure.
RES14	SRS Contribution & PSBA Line Savings	(62)	(62)	0	Achievable - SRS contribution has been reduced in line with SRS figures, assume achievable.
F&Cs	Uplift in fees & charges not covered by a standalone mandate	(19)	(19)	0	Achievable - Services have uplifted fees as per 23-24 MTFP - if activity remains the same then saving will be achieved across directorate.
RES7	Landlord services - Explore alternative reception solutions at County Hall to remove front of house staffing needs	(19)	(19)	0	Achievable - Staffing reduction to kick in from July, saving should be achieved in full.
RES11	Digital Design & Innovation - Automate Starters & Leavers Process	(13)	(13)	0	Achievable - Awaiting SRS but assume it will be made in full.
RES23	ICT - Restructure of the Information Security and Technology Team	(13)	(13)	0	Achievable - adjustments to team structure have been made.
RES20	Revenues, Systems & Exchequer - Increase use of purchase cards to increase e-payment rebate	(10)	(10)	0	Achievable - The rebate for 2022/23 has been confirmed as £10,164.44.
RES21	Revenues, Systems & Exchequer - Reduce budget allocated for finance system upgrades	(10)	(10)	0	Achievable - System development costs will be managed in line with budget. Therefore barring any emergencies or unexpected costs, expect to achieve this saving.
RES22	Revenues, Systems & Exchequer - Shared Revenues & Benefits service potential savings through automation and increased use of self service facilities (Citizens Access).	(10)	(10)	0	Achievable - Expect to achieve this saving following changes to operating practices within the Shared Service
	Resources Totals	(991)	(876)	115	

	Savings proposals by Directorate	Budgeted Saving	Month 5 Forecast	Variance		Comment
		£000	£000	£000		
Ref	Corporate Costs & Levies	Budgeted Saving	Month 5 Forecast	Variance		Comment
		£000	£000	£000		
Capex1	Extend capitalisation direction	(358)	(358)	0		Additional qualifying expenditure identified and will be funded via capital receipts as per budget
CORP2	Insurance - reduction in self insured costs and professional fees/ICT costs	(75)	(75)	0		Saving in professional fees/ICT costs to be achieved in full (£25k). Self insured costs (£50k saving) - This budget covers insurance excesses payable on claims or costs agreed outside of insurance and not met from the service (i.e. where costs in total fall below any excess). This is a highly volatile budget based on claims incidence and operating environment (i.e. adverse weather conditions). However long term trends have seen some modest reduction in costs payable and this trend is expected to continue through 2023/24.
	Corporate Costs & Levies Totals	(433)	(433)	0		

This page is intentionally left blank

Directorate	Budget recovery £000's
Social Care, Health & Safeguarding	146
Children & Young People	432
Communities & Place	883
MonLife	362
Chief Executives Unit	65
People & Governance	71
Resources	187
Total	2,145

Type of action	Children & Young People	Social Care & Health	Communities & Place	MonLife	People & Governance	CEO	Resources	Total
Increase Grant / Income	138	60	86	139			75	498
Freeze vacant posts	24	75	259	89	60	17	55	579
Expenditure reduction		11	131	48	3	8	48	249
Service reduction / change				56				56
Service reserve funding	270			30				300
Transfer cost to Capital			407		8	40	9	464
Total	432	146	883	362	71	65	187	2,145

Children & Young People

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	<i>i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.</i>	<i>A brief description of the proposal including any risks to being able to deliver</i>
CYP1	Support Services	To use grants to displace current salary costs, to be used in line with the current grant terms	85	Grant funding	CYP have a number of grants for capital (3 - 19) early years and capital project management. The work is currently being completed by CYP staff within their existing work.
CYP2	Most Team	Hold vacancy open	5	Vacant post	Post vacant from Christmas does not need to be filled. Team will be restructured to pick up workload
CYP3	PV	The reserve relates to income from the PV solar panels on some schools.	150	Release reserve	The reserve has been building up a large number of years, the original proposal was to use this reserve to help schools fund energy efficient devices. The funding of this has been superseded with other funding streams and therefore the reserve can be released
CYP4	PV	The reserve relates to income from the PV solar panels on some schools.	120	Release reserve	This is as above but it is the forecast revenue stream for Q2 - 4 in the current year. There is a risk that the income will not be generated which is why this is medium risk but it is based on past income.
CYP5	Most team	To use grants to displace current salary costs, to be used in line with the current grant terms	53	Grant funded	The ALN capital grant terms allows any work contributing to improving ALN provision through the medium of Welsh to be charged to the grant. The proposal is to charge the salary costs for the Welsh speaking specialist teacher who works with pupils with ALN in both Welsh medium primary schools. The return to Welsh government will be made at the end of the financial year and there is a small risk this may not be approved expenditure, which is why the risk is medium.
CYP6	Support Services	Vacancy in Support Services not being filled.	19	Vacant post	The vacancy is in the school and student access admissions team, the post is temporary to cover a secondment, the post has been advertised twice and no one has been appointed, work will be redistributed to cover this post.
Total proposals			432		

Social Care, Health & Safeguarding

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	<i>i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.</i>	<i>A brief description of the proposal including any risks to being able to deliver</i>
SCH1	Adult	Hold identified vacancies	45	Vacant posts	Hold back vacancies to provide additional savings over and above what has already been included in the month 5 forecast
SCH2	Adult	10% reduction in workforce costs	11	Reduction in workforce costs	Limit off site meetings etc to reduce office based/management staff mileage costs
SCH3	Adult	Winter resilience funding	60	Use one off Winter Resilience money to reduce the current overspend	This is subject to agreement through RPB (likely to be achieved)
SCH4	Children	Hold identified vacancies	30	Vacant posts	Hold back vacancies to provide additional savings over and above what has already been included in the month 5 forecast
Total proposals			146		

Communities & Place

Ref	Service	Proposal	Amount £000's	Recovery method <i>i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.</i>	Details <i>A brief description of the proposal including any risks to being able to deliver</i>
C&P1	Waste Services	Use spare capital budget to fund qualifying spend sat within revenue budget	188	Passporting costs to capital	Waste services has a capital budget that it uses to help fund box and vehicle replacement - this can be used to fund qualifying spend that sits within revenue account.
C&P2	Street Lighting	Passport qualifying maintenance spend to capital	50	Passporting costs to capital	Certain revenue repairs can be classed as capital - we can push these costs to the street lighting capital budget - potential risk around having enough capital budget to fund larger replacement scheme such as traffic light systems etc...
C&P3	Highways Operations	Reduce the number of sweepers/vactors currently on hire	50	Curtailing Spend	£50k in year £150k full year saving but currently funded through capital so would continue this work and reduce revenue maintenance works - risk of double counting with C&P9
C&P4	Fleet Maintenance	Pay for fuel tanks from Capital	23	Passporting costs to capital	Transport depot had to purchase new fuel tanks after a health and safety review - this is capital in nature and shouldn't be funded from revenue - relies on there being spare capital funding to accommodate.
C&P5	Fleet Maintenance	Passport qualifying parts & maintenance spend to capital	120	Passporting costs to capital	As with Street Lighting certain revenue repairs can be classed as capital - we can push these costs to the capital budget.
C&P6	Fleet Maintenance	Curtailment of non-essential spend	29	Reduction in Supplies & Services	Freeze on all non-essential spend between now an year end. No risk
C&P7	Fleet Maintenance	Remove Council Car	3	Curtailing Spend	Removal of council car to save on leasing costs (potential for sale proceeds from number plate). £3k in-year saving if decision made now, £8k full year saving in 24-25
C&P8	Fleet Maintenance	Continue review of vehicle fleet (owned & hired) to drive out efficiencies.	10	Curtailing Spend	Implement a governance structure within fleet maintenance to ensure all assets are used efficiently and unnecessary hire costs and damage costs are eliminated.
C&P9	Schools Catering	Curtailment of non-essential spend (outside of above)	4	Reduction in Supplies & Services	Freeze on all non-essential spend between now an year end. No risk
C&P10	Building Cleaning	Curtailment of non-essential spend	5	Reduction in Supplies & Services	Freeze on all non-essential spend between now an year end. No risk
C&P11	Building Control	Use of capitalisation direction	8	Passporting costs to capital	Server Upgrades could be capitalised.
C&P12	Planning	Freezing system development spend relating to the digitising of the Microfiche system.	30	Curtailing System development	Planning have been implementing a digital replacement for the microfiche system, the freeze will not affect the service but will delay the roll-out to the full digitisation of documentation.
C&P13	Car Parks	Withdraw Free Xmas Parking	20	Additional Income	The authority does not continue the offer of free xmas parking.
C&P14	Procurement	Use of capitalisation direction	18	Passporting costs to capital	Software implementation costs - can be capitalised as part of joint procurement SLA.
C&P15	Economic Development & Youth Enterprise	Explore opportunities to use grant funding to cover core costs	66	Additional Income	Reallocation of SPF funding will allow for further core costs to be funded by grant
C&P16	Service Wide	Freezing of all Non-exempt posts	259	Not Filling Vacant Posts	This is the maximum level of saving that would be achieved if all current vacancies were frozen until end of year. There is potential that some of the post on the lists will be deemed essential so this figure will drop.
Total proposals			883		

People & Governance

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	<i>i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.</i>	<i>A brief description of the proposal including any risks to being able to deliver</i>
PG1	Land Charges	Use of capitalisation direction	8	Passporting costs to capital	Server Upgrades could be capitalised.
PG2	Legal	Reduce training spend	3	Reduction in Supplies & Services	Curtail spend for only essential training requirements
PG3	Vacancy Freeze	Freezing of all Non-exempt posts	60	Not Filling Vacant Posts	This is the maximum level of saving that would be achieved if all current vacancies were frozen until end of year. There is potential that some of the post on the lists will be deemed essential so this figure will drop.
Total proposals			71		

Chief Executives Unit

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	<i>i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.</i>	<i>A brief description of the proposal including any risks to being able to deliver</i>
CEO1	People Services	Reduce training spend	3	Reduction in Supplies & Services	Curtail spend for only essential training requirements
CEO2	GIS	Use of capitalisation direction	40	Passporting costs to capital	Staff costs associated with transformational support. Depends on available funding.
CEO3	Payroll	Learning Management System Implementation	5.0	Remove contingency budget attached to the roll-out of the Learning Management System	If problems arise during implementation, and require additional costs it will result in overspend or non-delivery of the project
CEO4	HR	Removal of discretionary counselling sessions for staff	0.3	Reduction in service offer	Risks - Negative impact on well-being for a small number of staff who would have accessed counselling over and above our standard 6 week offer. The standard offer is unaffected
CEO5	Vacancy Freeze	Freezing of all Non-exempt posts	17.0	Not Filling Vacant Posts	This is the maximum level of saving that would be achieved if all current vacancies were frozen until end of year. There is potential that some of the post on the lists will be deemed essential so this figure will drop.
Total proposals			65		

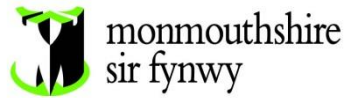
Resources

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	i.e. Not filling vacant post, reduction in supplies or services, additional income,	A brief description of the proposal including any risks to being able to deliver
RES1	Cyber Security Team	Curtail training spend	3.5	Reduction in Supplies & Services	Cyber security is a partnership between MCC, Police, Torfaen & Blaenau Gwent - all essential training has been undertaken for this year so we can freeze any further spend - this will not impact IT security.
RES2	Revenues & Financial System support	Curtail system development spend	29	Curtailling System development	Freezing any further spend on system development
RES3	Revenues & Financial System support	Use of capitalisation direction	9	Passporting costs to capital	Uplift in staff costs associated with transformational support. Depends on available funding.
RES4	Revenues & Financial System support	Vacancy Freeze	9	Not filling vacant post	Not fill cashiers post. This will leave the service running at a minimum, therefore there may be times when we will be unable to provide a full service.
RES5	Revenues & Financial System support	Curtail Non-pay spend	7	Reduction in Supplies & Services	Managed reduction in non-pay spend.
RES6	Revenues & Financial System support	One off Admin Grant & Ukraine grant	40	Additional Income	New burden funding for administering the Energy scheme on behalf of UKG & Ukraine grant for WG
RES7	Service Wide	Freezing of all Non-exempt posts	46	Not Filling Vacant Posts	This is the maximum level of saving that would be achieved if all current vacancies were frozen until end of year. There is potential that some of the post on the lists will be deemed essential so this figure will drop.
RES8	Audit	Agency support freeze	8	Curtailling spend on agency support cover	Curtailling spend on additional agency support for Audit - we can freeze the additional 20 days that was built into M5 forecast. Support was put in place by the request of Audit & Governance cte so curtailling spend will impact on service outputs.
RES9	Landlord Services	Increase in income from commercial and community assets	20	Additional Income	-Industrial portfolio – uplifts on renewals at OPF, Castleway, Raglan -Grazing Licenses – new lettings and agreement renewals -Income for new lettings at Hanbury House, Mon Market Hall -County Farm – uplifts and back rent
RES10	Landlord Services	Investment Assets - Castlegate Business Park	2	Additional Income	Marketing launch of the new flexible working space. Predict income based on additional lettings from New Year.
RES11	Landlord Services	Investment Assets - Castlegate Business Park - Potential for Housing to relocate the storage for homelessness belongings from external supplier to units in Castlegate	13	Additional Income	Income generation in Investments and reduced cost in Housing - this idea is currently being explored to see if space is suitable. Figure will need updating once way forward has been finalised.
Total proposals			187		

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.	A brief description of the proposal including any risks to being able to deliver
ML1	Borough Theatre	Secondment Theatre Manager to SPF Project	30	Secondment - Utilising approved grant funding	To propose that the current post advertised for Youth Arts Project manager be delivered in house through support from the theatre manager and youth service. The SPF bid is a tri-partner bid with Danceblast and Melville theatre. This project needs a dedicated member of staff to lead the project and deliver on the project outcomes. Risks are that it is a specialist project that does require a degree of arts/theatre knowledge however this can be supported by the manager. Tri partners may not agree to post being delivered in house as all agreed post spec and that it would go out externally. Not having a dedicated person to lead this project could mean that the project outcomes are not met in time; consistent contact for partners; stakeholders and young people attending the project.
ML2	Borough Theatre/Museums	Creative Cultures Grant	8	Charge core staffing to grant	Grant funding has allocated funding towards staffing time so no impact on resources or delivery
ML3	Volunteering	Event Budget	2	Face to face volunteering event cancelled	No expenditure in year so far, budget is allocated to marketing materials and celebration event for volunteers annually. Risk is that volunteers feel unappreciated this year with no event to attend.
ML4	Museums	Reserve - Funding core staff	30	Museums fund raising reserve allocated against core museums staff	No risk to allocating this money. Would have allowed creation of more exhibitions for 24/25 however will look to grant funding to continue work across sites
ML5	Attractions	Business Support	8	Do not fill vacant post	Current no spend will create less traffic through business support in the interim - will be able to support for a period of time through attractions business support
ML6	Heritage and Attractions	Reduce Enhancements and Overtime	5	Change Park Rangers - Monday to Friday only and reduce overtime	Currently season coming to close so less activity and for the next 6 months park rangers can do their hours within the working week. Odd couple of events we have in they will ensure that they do litter picks/support site staff. Risks - need posts to resume normal duties from April 1st as site has full programme for 24/25 and require staffing for 7 days a week.
ML7	Markets	Freeze Markets Manager Post	19	4 Month freeze Market managers post	
ML8	Communications	Secondment of Head of Communications	29	Secondment of Head of Communications to Welsh Government	Replacement cover required from November 2023 to June 2024 when Abby will be back in role, to deliver: communications, engagement and marketing strategic direction across all Monmouthshire CC channels. Lead required for any potentially tricky complex/reputational risks presented over the coming months. Key initiatives in plan include: in year budget position communications, communications, engagement and marketing around the 2024-2025 budget engagement process, general election communications and promoting democracy and any new campaigns planned to generate income. Strategic delivery of on-going improvement work to Monmouthshire.gov.uk linking in with the customer strategy and digital programme office. Management of: the long term plan, the tactical weekly plan (particularly around the social media schedule and various 'days'), the Team (4 FTE), on-going communications campaigns (hub, compass and Digital Cwtch), managing film requests. Key objectives to be delivered: •Set the strategic, long term agenda and plan for communications, marketing and engagement. Provide the long term focus and 'annual plan on a page', monitor progress and suggest continual improvements based on insight. •Lead the strategic, delivery of marketing and engagement campaigns across all channels. •Deliver on-going improvements based on data and evidence. Test new channels (inc. digital) to increase engagement. •Protect the reputation of Monmouthshire County Council through all communications. Provide focus to deliver a communications response to emerging, emergency situations, •Demonstrate excellent stakeholder engagement skills, working in partnership with members, stakeholders, colleagues and partners to deliver success. •Grow communications reach across all channels. •Identify opportunities to generate income and optimise budget. •Line manage the team and manage the tactical, monthly communications plan and schedule.
ML9	Monlife Communications	Pause spending on Museums signage	4	Reduction in Supplies and services spend	
ML10	Monlife Communications	Reduce spending on clothing and Uniform	4	Reduction in Supplies and services spend	
ML11	Leisure Services	Reduce Chepstow Café Opening Hours	5	Reduce opening hours to maximise return	The reduction of opening hours has been based on 12 month trends. We will launch the new opening hours, in-line we key programmes and footfall throughout the day and at weekends. We have benefitted from multiskilled staff working across our catering provision, therefore, any staff affected will be assigned to other areas of the business, i.e. delivery of swimming lessons, lifeguarding, etc.
ML12	Outdoor Adventure	Sell surplus equipment	10	Sell surplus equipment - Feb potential the best opportunity to maximise return	Our outdoor equipment is ageing and a number of items, for high footfall commercial usage, is deemed end of life. However, there is a resale market for this type of equipment as the specification is generally much higher than you can purchase from a retailer, i.e. Aldi for paddles, etc. The items are likely to be sold individually or in small amounts and towards the end of the financial year, where the outdoor market starts to move into the more busier period.

Ref	Service	Proposal	Amount	Recovery method	Details
			£000's	<i>i.e. Not filling vacant post, reduction in supplies or services, additional income, curtailing service, etc.</i>	<i>A brief description of the proposal including any risks to being able to deliver</i>
ML13	Destinations Management	Freeze implementation of destination management plan	15	Reduced external consultancy cost - delaying development of destination management plan	Removal from current cabinet work programme as existing small team do not have the resources to achieve this without consultancy support. Diminishes the Council's credibility as a leader of the strategic direction of tourism with destination stakeholders. Longer term lack of focus and priorities for destination partners / awareness of potential opportunities / best prospects and more limited access to funding.
ML14	Countryside	Reducing all non essential service spend	15	Maximising supplies & services against grant	Deferred spend on plans and projects. Risks include lack of up to date guidance, therefore impact on the quality of development proposals and thence added pressure on ecology and development management colleagues in assessing proposals and seeking to achieve quality outcomes.
ML15	Countryside	Freeze GGGP Business Support Post	17	Freeze vacancy Business Support Post	Adds pressure on existing staff to provide for the ongoing business support requirements
ML16	Countryside	GGGP - Simplified Costs	21	Extension of grant allowed full recovery of business support post	No risk
ML17	Countryside	Rights of way	15	Reduction in Supplies and services spend	Includes deferring spend on maintenance issues, maximising spend on grants and not pursuing public path orders in the public interest where advertising costs etc. cannot be recovered (i.e. only processing orders in the landowners interest where costs recovery is possible). This will delay resolving rights of way issues. Deferring maintenance issues unless health and safety priorities is likely to lead to increased future costs
ML18	Active Travel	Officer Recharge PS	70	Charge core staff to grant	No expected risk at this stage due to grant allocation. Consideration may need to go to colleagues in highways and potential increased % being proposed to be claimed back for project managers involved.
ML19	Community Education	Freeze Community Learning Lead Tutor Post	45	Freeze Vacancy	This is a vacancy we have re-entered the market to recruit to, however this post plays an important quality assurance role in complying with our delivery standards for our franchise grant from Coleg Gwent and supporting role to all our tutor staff (franchise and direct grants) to ensure compliance with teaching standards, associated monitoring, reporting, curriculum design and professional peer support.
ML20	Community Hubs	Reduction in rates across hubs	10	Reduction in building costs	No risk.
		Total proposals	362		

This page is intentionally left blank



SUBJECT:	Regulation of Investigatory Powers Act 2000 (RIPA)
MEETING:	Cabinet
DATE OF REPORT:	8 November 2023
DIVISION/WARDS AFFECTED:	All

1. PURPOSE

1.1 To consider the updated MCC RIPA policy and recent IPCO inspection outcome.

2. RECOMMENDATIONS

2.1 Cabinet is requested to approve the MCC RIPA Policy as per proposed amendments.

2.2 Cabinet is requested to note the recent IPCO Inspection Report.

3. KEY ISSUES

3.1 Local authorities carry out investigations for a variety of regulatory services. In carrying out these duties, they have general powers to conduct surveillance of individuals suspected of committing criminal offences.

3.2 The Regulation of Investigatory Powers Act 2000 (RIPA) regulates the use of certain surveillance powers, including:

- Directed Surveillance (covert surveillance conducted as part of a specific investigation likely to result in obtaining private information about an individual);
- Use of Covert Human Intelligence Sources (CHIS), and
- Access to communications data (e.g. details of subscribers to telephone numbers or email accounts).

3.3 These powers are seldom used by the Council. However it is important that when they are used, the Council has sufficient oversight of its activities to ensure that any considered use is compliant with the subject's human rights, in particular Article 8 of the European Convention of Human Rights (right to privacy).

3.4 The Home Office publishes national Codes of Practice on the use of RIPA-regulated surveillance powers by public authorities. The Council must have regard to the relevant Code of Practice whenever exercising powers covered by RIPA. In addition, the Investigatory Powers Commissioners' Office (IPCO) conducts periodic inspections of all public authorities to ensure compliance with RIPA and the Codes of Practice.

3.5 The Council has adopted its own Policy to advise officers on RIPA obligations and to regulate any use of these powers.

3.6 Day to day oversight of the Council's internal compliance with RIPA rests with the RIPA Senior Responsible Officer (SRO) who also acts as the main source of legal advice to regulatory officers and keeps the Council's Policy up to date.

3.7 Under the Council's RIPA Policy, the use of any surveillance powers must first be approved by a suitably trained Authorising Officer. There is currently one such Authorising Officer at the Council. If the Authorising Officer gives approval, then an application must be made to the Magistrates Court for independent judicial approval before the activity takes place (the Office for

Communications Data Authorisations gives judicial approval in respect of accessing communications data). Any authorisations issued must also be internally reviewed and cancelled when no longer required.

- 3.8 The Home Office Code of Practice for Covert Surveillance and Property Interference recommends that elected members of a local authority should review the use of RIPA and set the policy at least once a year. In MCC, responsibility for member oversight of RIPA is divided between Cabinet and the Governance and Audit Committee.
- 3.9 Cabinet is the appropriate body to conduct an annual review and approval of the Policy as well as receive the outcome of any IPCO inspection. The Governance and Audit Committee is the appropriate body to receive an annual report from the SRO on the use of RIPA-regulated powers.
- 3.10 The policy was last reviewed and approved by Cabinet on 6 January 2021 following an IPCO inspection of MCC on 29 October 2020. The policy approved by Cabinet had been considered beforehand by the IPCO in its inspection, with the following comment from the Investigatory Powers Commissioner, the Right Honourable Sir Brian Leveson:

“I am aware that the revised RIPA policy is very soon to be presented to the Council Cabinet for approval and that my Inspectors, having reviewed the document, are satisfied that it is comprehensive in detail and addresses the key areas in RIPA. They are content that it will be meaningful to staff and should serve to ensure your authority remains compliant with the legislation and codes of practice.”

- 3.11 The attached policy for review and approval is at Appendix 1. The Acting SRO proposes that the contents the policy approved in 2021 be updated with the following minor amendments:
- at paragraph 14, delete “Audit and Governance Committee” and insert “Governance and Audit Committee”;
 - at paragraph 15, insert wording clarifying the appointment of SRO where the Chief Officer Law and Governance is unable to carry out the role;
 - at paragraphs 15(b) and 22, delete “Chapter 2 of RIPA” and insert “Part II of RIPA”;
 - at paragraph 16, delete the words “The current AOs are the Head of Public Protection and Head of People”;
 - at paragraph 17, delete “professional applicants” and insert “Professional Applicants”;
 - at paragraphs 21 and 79, update the references to Home Office CHIS Guidance to the latest CHIS Guidance issued in 2022;
 - at paragraph 78, delete “Twitter” and insert “X (formerly Twitter)”.

These amendments do not amount to a substantive alteration of the policy.

- 3.12 In addition, the IPCO conducted a further inspection earlier this year. This inspection was carried out remotely via correspondence. The inspection report outcome letter is at Appendix 2. The report confirms that MCC is compliant with RIPA and that the next inspection will be carried out in 2026. It also recommends that MCC continues to ensure that key compliance issues continue to receive necessary internal governance and oversight through the Chief Executive and SRO: policy refreshes; annual updates to members; ongoing training and awareness raising; internal compliance monitoring by lead managers within their business areas; and the retention, review and destruction of any product obtained through the use of covert powers.

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

- 4.1 Given the nature of this report no implications have been identified.

5. OPTIONS APPRAISAL

5.1 Any proposed amendments to the policy can be made as required where they are within the Home Office guidance.

6. RESOURCE IMPLICATIONS

6.1 Nil

7. CONSULTEES

7.1 SLT
David Jones (Head of Public Protection / RIPA Authorising Officer)

8. AUTHOR

Geraint Edwards
Acting SRO
Solicitor

geraintedwards@monmouthshire.gov.uk

This page is intentionally left blank



monmouthshire
sir fynwy

**REGULATION OF INVESTIGATORY
POWERS ACT 2000**

**Directed Surveillance, Use of Covert Human
Intelligence Sources and Obtaining
Communications Data**

CONTENTS

PART I - INTRODUCTION	3
AIM	3
THE LAW	4
ROLES AND RESPONSIBILITIES	5
REFERENCE	6
PART II – SURVEILLANCE	7
WHAT IS SURVEILLANCE?	7
COVERT SURVEILLANCE	7
DIRECTED SURVEILLANCE	8
INTRUSIVE SURVEILLANCE AND CONFIDENTIAL INFORMATION	9
INTERFERENCE WITH PROPERTY	9
PART III – COVERT HUMAN INTELLIGENCE SOURCE	10
USING A CHIS	10
JUVENILES AND VULNERABLE PERSONS AS CHIS	12
CHIS RECORD KEEPING	12
PART IV – COMMUNICATIONS DATA AND NON-RIPA SURVEILLANCE	14
COMMUNICATIONS DATA	14
EMPLOYEES	15
NON-RIPA SURVEILLANCE	15
CCTV	15
PART V – SOCIAL MEDIA	16
PART VI – SAFEGUARDS, ERRORS, COMPLAINTS AND DATA RETENTION	18
SERIOUS ERRORS	21
BREACH OF RIPA	21
COMPLAINTS	21
DATA RETENTION	22
PART VII – AUTHORISATION PROCESS	23
DIRECTED SURVEILLANCE	23
JUDICIAL APPROVAL	24
TIMELINE OF AN AUTHORISATION	25
CHIS	27

PART I – INTRODUCTION

1. Parliament creates laws within which society in all its guises operates. Those laws apply to local authorities (LAs), some of which enable functions, some of which bound functions, and some of which are delegated to them to enact and enforce.
2. The Regulation of Investigatory Powers Act 2000 (as amended) is designed to create the correct tension between allowing LAs to operate in an effective way on behalf of their citizens, and limit that operation with respect to Human Rights (HR), legality and fairness.
3. RIPA covers the acquisition and disclosure of communications data (Part I of RIPA); the carrying out of surveillance and use of covert human intelligence sources (CHIS) (Part II); and the investigation of electronic data protected by encryption (Part III).
4. In accordance with sections 28 and 29 of the Act, Monmouthshire County Council (MCC) is empowered to make use of the practices set out in Part II. It would potentially do so as part of its duty to tackle illegal practice. Examples of which may include fly-tipping, selling counterfeit or dangerous goods, animal cruelty, fraud, underage sales of alcohol – the list is non-exhaustive. MMC is permitted to:
 - a. carry out directed surveillance. This is the planned, covert ‘watching’ of someone or somewhere that is likely to result in the obtaining of information about a person;
 - b. carry out CHIS activity. This is the establishment of a relationship that is used covertly to obtain or disclose information.
5. In fulfilling its functions, MCC must comply with a framework of legislation that includes:
 - a. Human Rights Act 1998;
 - b. Regulation of Investigatory Powers Act 2000;
 - c. Protection of Freedoms Act 2012;
 - d. Investigatory Powers Act 2016;
 - e. Data Protection Act 2018;and the broad sweep of criminal legislation and common law.
6. This policy talks to the use of surveillance and covert human intelligence sources (CHIS) MCC is not permitted to carry out:
 - a. intrusive surveillance;
 - b. entry onto or interference with property;
 - c. interception of communications;
 - d. any other surveillance-related activity not covered by Part II of RIPA.

AIM

7. This policy sets out to:

- a. explain what RIPA is and how MCC interacts with it;
- b. explain what MCC can and can't do;
- c. explain the legislative framework within which MCC must operate;
- d. signpost the reader to the correct guidance relating to RIPA:
- e. signpost the reader to the most up-to-date resources, templates and materials to be used whenever RIPA applies;
- f. set out who within MCC may make use of the practices that RIPA bounds;
- g. establish a resource and framework so that the whole authority is informed about RIPA;
- h. prevent inadvertent use of techniques or practices that should fall under RIPA;
- i. ensure that MCC operates legally.

And it should be read in conjunction with the RIPA Authorisation, Training and Review plan that is maintained by the SRO in the RIPA [site](#). This subservient document is a 'live' document that sets out who is suitably trained and experienced to carry out activities covered by this policy, a training schedule and a programme of review and consultation.

THE LAW

8. MCC has a duty across myriad different areas of operation and legislation to apply and uphold the law. This could be the protection of children, animals, the consumer, visitors, vulnerable people – in short, everyone.
9. Some of this duty is exercised under the prescription of the law. So it may be that a criminal law requires MCC to take an individual to Court, family law requires MCC to intervene in the case of a neglected child, licensing law requires MCC to consider the suitability of an individual to drive a taxi – again, this is very broad.
10. And then there is the use of the law in establishing information that will ultimately determine what the outcome of the above will be. It may be witnesses appearing in Court to explain how an animal came to be injured, it may be that access to an establishment is approved in order to assess the hygiene of food preparation – you are hopefully getting a feel for how this works.
11. But these duties and powers are bounded. Each in turn will have systems and processes that prevent misuse or abuse. And there are the overarching facets of Human Rights legislation that always apply:
 - a. Article 6 ensures that when a legal process is pursued that the individual has a fair trial with all that this entails regarding the obtaining of evidence and opportunity to challenge it;
 - b. Article 8 establishes the individual's right to a private life, and so limits the extent the State, in any guise, may impinge on that and creates a just tension between the exercise of MCC's duties with consideration for the individual;
 - c. Article 14 ensures that in the pursuit of MCC's duties that it does it in a non-discriminatory way.

12. And this is where RIPA, IPA and the framework of Commissioners, training, guidance and inspection come in: to ensure that MCC is capable of carrying out its functions and duties, but that it does it a bounded and legal way.
13. The essence of finding the right balance between these different pieces of legislation is acting in a way that is **necessary** and **proportionate**. Those 2 watchwords must sit at the heart of how the reader of this policy acts, embellished by correct training, knowledge and communication.

ROLES AND RESPONSIBILITIES

14. Elected Members. Cabinet is responsible for any RIPA policy and Governance and Audit Committee will be presented annually with an update regarding RIPA within the organisation. This is not just to monitor when it has been used but also to ensure that there is no inadvertent activity relating to RIPA powers.
15. Senior Responsible Officer (SRO). The SRO is the Chief Officer Law and Governance. In circumstances where they are unable to carry out the role of SRO, the outgoing or current chief officer can with the agreement of the Chief Executive appoint a solicitor in the Legal team with suitable knowledge and experience in RIPA to serve as acting SRO. The SRO is responsible for:
 - a. the integrity of the RIPA framework and process within MCC;
 - b. compliance with Part II of RIPA and with the relevant codes;
 - c. engagement with the Commissioners and inspectors when they conduct their inspections, and where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner;
 - d. overseeing and co-ordinating the:
 - i. submission of annual reports detailing RIPA activity and oversight to the Audit and Governance Committee;
 - ii. the identification of issues in the oversight process, to enable analysis of issues, evidencing results, and ensuring subsequent feedback into the RIPA training, to ensure these matters are corporately addressed;
 - iii. training needs of the organisation;
 - iv. dissemination of guidance and information as required.
16. Authorising Officers (AOs). They are responsible for:
 - a. receiving and assessing **all** applications to carry out RIPA activity;
 - b. applying the criminal threshold established by the 2012 Act when considering such applications;
 - c. the application of all legislative and Home Office guidance tests and best practice in support of assessing what is reasonable and proportionate in all the circumstances;
 - d. providing guidance and oversight to professional applicants in all RIPA related matters;

- e. working with the SRO to establish training requirements and carry out reviews as required;
 - f. as with applications, applying the same rigour and standards to the tracking and completion of all reviews, renewals and cancellations.
17. Gatekeepers. These are suitably experienced and senior line managers capable of assisting Professional Applicants in the drafting of applications such that the AO can be satisfied that due diligence has taken place.
 18. Professional Applicant. This is the Officer with the most knowledge of any particular matter who is best placed to complete the application and subsequent review, renewal or cancellation paperwork for submission to the AO and the Court when required.
 17. Magistrates' Court. Judicial approval for the use of LA powers is required in accordance with the legislation.
 18. Investigatory Powers Commissioner's Office. The team overseen by the independent Commissioner dedicated to fulfilling the duties placed upon them by the 2016 Act. For the purposes of MCC this is the organisation that will inspect and recommend best practice, collate statistical data and, when required, take action relating to bad practice.

REFERENCE

19. Various pieces of legislation are listed above and there is also a considerable amount of guidance and best practice available, as well as training materials accumulated over time, past inspection reports, template documents and the central record of authorisations.
20. All of these documents can be found at the MCC RIPA [site](#) for those granted access. It is imperative that full use of the information and documentation available in this resource is made every time an operation is considered, or when it is suspected that there may be activity underway that may classify as RIPA activity inadvertently.
21. No one should be carrying out any RIPA activity without first making use of the Home Office Codes of Practice on Covert Surveillance and Property Interference (August 2018) and Covert Human Intelligence Sources (December 2022).

PART II – SURVEILLANCE

22. Part II of RIPA sets out a regulatory framework for the use of covert investigatory techniques by LAs.

WHAT IS SURVEILLANCE?

23. Surveillance is:
- a. monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications;
 - b. recording anything monitored, observed or listened to in the course of surveillance;
 - c. by or with the assistance of appropriate surveillance device(s).

It can be overt or covert.

24. Overt Surveillance. This is generally how MCC will carry out investigations. There will be nothing secretive or clandestine and, in many ways, Officers will be behaving in the same way as a normal member of the public (e.g. in the case of most test purchases), or will be going about Council business openly (e.g. a market inspector walking through markets).
25. Similarly, surveillance will be overt if the subject has been told it will happen (e.g. where a noisemaker is warned (preferably in writing) that noise will be recorded if the noise continues, or where an entertainment licence is issued subject to conditions, and the licensee is told that Officers may visit without notice or identifying themselves to the owner/proprietor to check that the conditions are being met).

COVERT SURVEILLANCE

26. Covert Surveillance is defined in s26(9)(a) RIPA:

“Surveillance is covert if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place”.

27. General observation forms part of the duties of many enforcement officers. Such observation may involve the use of equipment or merely reinforce normal sensory perceptions, such as binoculars or the use of cameras, where this does not involve systematic surveillance of an individual. It forms part of the everyday functions of law enforcement or other public bodies. This low level activity will not usually be regulated under the provisions of RIPA.
28. The installation of CCTV cameras for the purpose of generally observing activity in a particular area is not surveillance which requires authorisation. Members of the public are aware that such systems are in use, for their own protection and to prevent crime.
29. However, an authorisation may be required if a CCTV camera is to be used for surveillance as part of a specific investigation or operation otherwise than as an immediate reaction to events. In such circumstances either the Council or the police may give the necessary authorisation. If an authorisation is given by the police then a record of the authorisation will be kept to ensure any surveillance is within its terms.
30. Part II of RIPA applies to the following conduct:

- a. directed surveillance;
- b. intrusive surveillance; and
- c. the conduct and use of covert human intelligence sources (CHIS).

DIRECTED SURVEILLANCE

31. Directed Surveillance is defined in s26(2) RIPA:

“...surveillance is directed for the purposes of this Part if it is covert but not intrusive and is undertaken:

- (a) for the purposes of a specific investigation or a specific operation;*
- (b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and*
- (c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of the surveillance.”*

32. Where it is anticipated that mobile surveillance will be an integral part of any directed surveillance operation Authorising Officers must be satisfied that it is necessary and the need is proportionate to the investigation being undertaken. Mobile surveillance is a specialist skill and should, at all times, be assessed for risks to health and safety of operatives engaged in this activity. At no times should road traffic laws or regulations be ignored by officers engaged in mobile surveillance. Due regard should be afforded to the driving and surveillance skills of operatives engaged in such activity. Under no circumstances will officers engage in high-speed pursuit of vehicles involved in Directed Surveillance operations.
33. Where surveillance using airborne crafts or devices, for example helicopters or unmanned aircraft (colloquially known as ‘drones’), is planned, this could amount to direct (or even intrusive) surveillance and there will be a requirement to determine whether a surveillance authorisation is appropriate. In considering whether the surveillance should be regarded as covert, account should be taken of the reduced visibility of a craft or device at altitude.
34. The general observation duties of many law enforcement officers and other public authorities do not require authorisation under the 2000 Act, whether covert or overt. Such general observation duties frequently form part of the legislative functions of public authorities, as opposed to the pre-planned surveillance of a specific person or group of people.
35. Private information includes any information relating to a person’s private or family life. Private information should be taken generally to include any aspect of a person’s private or personal relationship with others, including family and professional or business relationships.
36. Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person’s activities in public may still result in the obtaining of private information. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a public authority of that person’s activities for future consideration or analysis.

INTRUSIVE SURVEILLANCE AND CONFIDENTIAL INFORMATION

37. Intrusive Surveillance is defined in s26(3) RIPA:

“Subject to subsections (4) to (6), surveillance is intrusive for the purposes of this Part if, and only if, it is covert surveillance that—

- (a) is carried out in relation to anything taking place on any residential premises or in any private vehicle; and*
- (b) involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.”*

38. MCC cannot, by law, conduct intrusive surveillance. It also cannot obtain information of a confidential nature such as a client speaking to their lawyer, journalistic material and relevant personal information.

INTERFERENCE WITH PROPERTY

39. This is covered by other legislation and MCC is not permitted to undertake this activity.

PART III – COVERT HUMAN INTELLIGENCE SOURCE

40. This is defined in s26(8) of RIPA:

“...a person is a covert human intelligence source if –

- (a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);*
- (b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or*
- (c) he covertly discloses information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship.”*

41. The concept of “covertness” is very similar to that used in relation to directed surveillance. Here, however, it is used at 2 stages, both of which must be met for an authorisation to be required:

- a. the covert purpose of the relationship;
- b. the covert actions of obtaining or providing access to information and of disclosing such information.

42. If a person has a relationship with another person which is not established or maintained for a covert purpose, the fact that he or she does in fact covertly disclose information to the local authority will not require an authorisation and that person will not be a CHIS.

43. There is no use of CHIS merely because a person offers information to the local authority that may be material to the investigation of an offence, but there would be if the authority asks the person to obtain further information. It is important that what starts out as a member of the public offering information does not evolve into a CHIS relationship by MCC seeking to develop a relationship to gather more information.

44. A CHIS is somebody who is concealing or misrepresenting their true identity or purpose in order to covertly gather or provide access to information from the target. Examples of a CHIS include a private investigator pretending to live on a housing estate to gather evidence of drug dealing or an informant who gives information to Trading Standards about illegal business practices in a factory or shop.

USING A CHIS

45. Section 29(5) sets out a number of definitive requirements:

- a. there will at all times be an officer within the local authority who will have day to day responsibility for dealing with the source on behalf of the authority, and for the source’s security and welfare;
- b. there will at all times be another officer within the local authority who will have general oversight of the use made of the source;
- c. there will at all times be an officer within the local authority who has responsibility for maintaining a record of the use made of the source;
- d. the records relating to the source maintained by the local authority will always contain particulars of all matters specified by the Secretary of State in Regulations. (The current

regulations are The Regulation of Investigatory Powers (Source Records) Regulations 2000). These particulars are:

- i. the identity of the source;
 - ii. the identity, where known, used by the source;
 - iii. any relevant investigating authority other than the authority maintaining the records;
 - iv. the means by which the source is referred to within each relevant investigating authority;
 - v. any other significant information connected with the security and welfare of the source;
 - vi. any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph iv. has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
 - vii. the date when, and the circumstances in which, the source was recruited;
 - viii. the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the Act (see bullet points above) or in any order made by the Secretary of State under section 29(2)(c);
 - ix. the periods during which those persons have discharged those responsibilities;
 - x. the tasks given to the source and the demands made of him in relation to his activities as a source;
 - xi. all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
 - xii. the information obtained by each relevant investigating authority by the conduct or use of the source;
 - xiii. any dissemination by that authority of information obtained in that way; and
 - xiv. in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority;
- e. that records maintained by the local authority that disclose the identity of the source will not be available to persons except to the extent that there is a need for access to them to be made available to those persons.

46. These requirements make it very unlikely that an investigation could involve the use of a CHIS without there having been prior planning within the investigating department/section. It is important to realise that it may well be a member of staff of the department and, indeed, an investigator him or herself, who becomes the source, depending on the manner of working

used. It is not only persons outside the employ of the local authority who may be used as a source.

47. MCC will not carry out any operations involving a CHIS without specific and up to date training of those officers involved with any of the duties set out at para 45.
48. No CHIS is to engage in any criminal activity in the course of their operation.

JUVENILES AND VULNERABLE PERSONS AS CHIS

49. This is governed by the Regulation of Investigatory Powers (Juveniles) Order 2000. A person under 16 cannot be used as a CHIS if the relationship that would be covertly used is between the juvenile and his/her parent or person with parental responsibility for him/her. (Whether or not a person who is not a parent has parental responsibility for a child may only be determined by having sight of documentation, e.g. a court order providing for that person to have parental responsibility. Further, a person may have parental responsibility for a juvenile, even though they no longer live together).
50. The Regulations also provide in the case of a source under 16 that there is at all times a person within the local authority responsible for ensuring that an appropriate adult (parent or guardian, any other person who has assumed responsibility for the juvenile's welfare, or where there are no such persons, any responsible person over 18 who is not a member or employee of the local authority – therefore a local authority social worker is not eligible to act as appropriate adult) is present at meetings between the juvenile source and any person representing the investigating authority.
51. Where the source is under 18, authorisation may not be granted or renewed unless there has been made or updated a risk assessment sufficient to demonstrate that the nature and magnitude of any risk of physical injury or psychological distress to the juvenile arising out of his or her use as a source has been identified and evaluated.
52. The Authorising Officer must have considered the risk assessment and satisfied him/herself that the risks are justified and have been properly explained to and understood by the source. The Authorising Officer must also be clear whether or not the covert relationship is between the juvenile and any relative, guardian or person who has assumed responsibility for his/her welfare and, if it is, has given particular consideration to whether the authorisation is justified ("necessary" and "proportionate") in the light of that fact.
53. A vulnerable person is or may be in need of community care services by reason of mental or other disability, age, illness or is unable to take care of themselves or unable to protect themselves against significant harm or exploitation.
54. Any such individual should only be used as a source in the most exceptional circumstances and the SRO must be involved in any decision relating to this category of person.

CHIS RECORD KEEPING

55. Records should be kept as prescribed by the Code of Practice. Where a source wearing or carrying a surveillance device is invited into residential premises or a private vehicle and records activity taking place inside those premises or vehicle, authorisation for use of that covert source should be obtained in the usual way.
56. The source should not use an invitation into residential premises or private vehicle as a means of installing equipment. If equipment is to be used other than in the presence of the covert

source, an intrusive surveillance authorisation is necessary which cannot be granted by the local authority.

PART IV – COMMUNICATIONS DATA AND NON-RIPA SURVEILLANCE

COMMUNICATIONS DATA

57. MCC is permitted to acquire information defined as “communications data”. This includes subscriber data and service data but not “traffic data” as defined by the Act. MCC is a member of the National Anti Fraud Network (NAFN).
58. Communications data is “*information held by communication service providers (e.g. telecom, internet and postal companies) relating to the communication made by their customers*”. This includes information relating to the use of a communications service but does not include the contents of the communication itself.
59. Communication data is broadly split into 3 categories:
- a. s21(4)(a) - “traffic data”; This is usually data generated by the Communications Service Provider (CSP) in the process of delivering a communication. (Not included in Local Authority authorisation);
 - b. s21(4)(b) - server use or billing information - the use made of the service by any person i.e. itemised telephone records; e.g. numbers called, itemised connection records, itemised timing and duration of services, connection, disconnection and reconnection information; provision and use of forwarding/redirecting services; conference calls call messages call waiting & call barring information;
 - c. s21(4)(c) - postal records including records of registered, recorded or special delivery postal items.
60. In the context of telephone data, it would include the telephone numbers of the phone from which the call was made and the number of the phone receiving the call. It also includes the date, time, duration and place of the call. It does not include the actual content of the telephone call.
61. In respect of e-mail and the internet, it would include details of the subscriber account. It would also include dates and times when e-mails have been sent or received. The content of the e-mails are excluded from communications data. The websites are included but not the actual web pages that have been viewed.
62. In the context of a letter, it would include the information on the envelope but not the contents of the letter. The information will therefore include the name and address of the recipient and the postmark showing when and where the letter was sent. It might also contain details of the address of the sender if recorded on the envelope.
63. MCC is not permitted to carry out the interception of any communications data. There may be situations where either the caller or receiver consents to the recording of the telephone conversation and, in such circumstances a warrant is not required. This type of surveillance will require authorisation, either as directed covert surveillance, or, if it is a CHIS making or receiving the telephone conversation (usually an officer working “undercover”), as a CHIS authorisation.
64. Where as part of an already authorised directed covert surveillance or CHIS a telephone conversation is to be recorded by the officer or the CHIS then no special or additional authorisation is required.

65. The recording of telephone conversations for purposes not connected with investigatory powers does not fall within the RIPA legislative framework.

EMPLOYEES

66. s1 of RIPA does not apply to Local Authorities except where the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 - SI2000/2699 applies. The legislative framework permits the Council without further authorisation to lawfully intercept its employees' e-mail or telephone communications and monitor their internet access for the purposes of prevention or detection of crime or the detection of unauthorised use of these systems.

NON-RIPA SURVEILLANCE

67. MCC may occasionally wish to undertake covert surveillance which is not regulated by RIPA. This would be an activity not considered a 'core' function, and instead a 'normal' function, ie. something common to all organisations such as the investigation of an employee moonlighting. The [2018 Guidance](#) relating to non-core functions should be consulted in this situation.
68. Similar mechanisms for activity which cannot be protected by the 2000 Act is encouraged. The human rights aspects must still be considered alongside legislation such as the Data Protection Act 2018 and guidance issued by the ICO.
69. An authorisation process provides a useful audit of decisions and actions. The process reflects that of directed surveillance, save for the Judicial approval.
70. Authorisation under RIPA affords a public authority a defence under s27 i.e. the activity is lawful for all purposes, provided an authorisation is in place, and the conduct of the officers is in accordance with the legislation. However, failure to obtain an authorisation does not make covert surveillance unlawful.
71. Section 80 of RIPA contains a general saving for lawful conduct. RIPA is a shield not a sword.

CCTV

72. Normal use of CCTV is governed by the [MCC CCTV Strategy](#) and associated documents.
73. CCTV only falls under the umbrella of RIPA when it is used in such a way to satisfy the tests set out in the introduction, ie. a pre-planned use of directed surveillance for the purpose of obtaining private information.

PART V – SOCIAL MEDIA

74. It is important to be aware that use of social media in an investigation could, depending on how it is used and the type of information likely to be obtained, constitute covert activity that requires authorisation under RIPA.
75. Generally, researching 'open source' material would not require authorisation, but return visits in order to build up a profile could change the position – this may constitute directed surveillance depending on the circumstances. Examples of 'open source' material, are materials you could view on social media without becoming a friend, subscriber or follower.
76. The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed.
77. Where it is intended to access a social media or other online account to which the Council has been given access with the consent of the owner, the Council will still need to consider whether the account(s) may contain information about others who have not given their consent. If there is a likelihood of obtaining private information about others, the need for a directed surveillance authorisation should be considered, particularly (though not exclusively) where it is intended to monitor the account going forward.
78. Officers should not use false personae (eg. a false Facebook profile or X (formerly Twitter) handle) to disguise their online activities. False personae should not be used for a covert purpose without authorisation.
79. In order to determine whether an authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. The guidance at paras 3.10-3.17¹ and 4.29-4.35² in the Home Office Codes of Practice should be consulted. Factors that should be considered in establishing whether a directed surveillance authorisation is required include whether:
- a. the investigation or research is directed towards an individual or organisation;
 - b. it is likely to result in obtaining private information about a person or group of people;
 - c. it is likely to involve visiting internet sites to build up an intelligence picture or profile;
 - d. the information obtained will be recorded and retained;
 - e. the information is likely to provide an observer with a pattern of lifestyle;
 - f. the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life;
 - g. the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s);

¹ Home Office Code of Practice on Covert Surveillance and Property Interference, August 2018

² Home Office Code of Practice on Covert Human Intelligence Sources, December 2022

- h. it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

PART VI – SAFEGUARDS, ERRORS, COMPLAINTS AND DATA RETENTION

SAFEGUARDS

80. Material obtained through surveillance may include private information, legally privileged information, or other confidential material including journalistic material and constituency business of Members of Parliament.
81. Dissemination, copying and retention of material must be limited to the minimum necessary for authorised purposes. Something is necessary for the authorised purposes where the material:
- a. is (or is likely to become) necessary for the surveillance purposes set out in the legislation;
 - b. is necessary for facilitating the carrying out of the functions of the Council under the surveillance legislation;
 - c. is necessary for facilitating the carrying out of any functions of the Commissioner or Investigatory Powers Tribunal;
 - d. is necessary for the purposes of legal proceedings;
 - e. is necessary for the performance of the functions of any person by or under any enactment.
82. When information obtained under a surveillance authorisation is used evidentially, the Council should be able to demonstrate how the evidence has been obtained, to the extent required by the relevant rules of evidence and disclosure.
83. Regular reviews of all authorisations should be undertaken during their lifetime to assess the necessity and proportionality of the conduct. Particular attention should be given to the need to review authorisations frequently where they involve a high level of intrusion into private life or significant collateral intrusion, or particularly sensitive information is likely to be obtained.
84. The Council will likely need to share information obtained through surveillance within the Council and between the Council and other public bodies where legally necessary. This must be limited to the minimum necessary. If a summary of the information will be sufficient to meet necessity, no more than that should be disclosed.
85. When sharing this type of information MCC will ensure that it has appropriate safeguards and agreements in place to ensure compliance.
86. Information and material obtained through surveillance must only be copied to the extent necessary. Copying includes direct copies as well as summaries and extracts.
87. All information and material obtained through surveillance and all copies, extracts or summaries must be stored securely to minimise the risk of theft or loss. Only those with appropriate legal authority and security clearance should be able to access the information.
88. Confidential personal information is information held in confidence concerning an individual (whether living or dead) who can be identified from it, and relates to his or her physical or mental health or to spiritual counselling. Such information is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or any legal obligation of confidentiality. For example, confidential

personal information might include consultations between a health professional and a patient, or information from a patient's medical records.

89. Confidential constituent information is information relating to communications between a Member of Parliament and a constituent in respect of constituency business. Again, such information is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation.
90. The reasons for acquiring information of this type must be clearly documented and the specific necessity and proportionality of doing so must be carefully considered.
91. Material which has been identified as confidential personal or confidential constituent information should be retained only where it is necessary and proportionate to do so in accordance with the authorised purpose or where otherwise required by law. It should be securely destroyed when its retention is no longer needed for those purposes.
92. Where confidential personal or constituent information is retained or disseminated to an outside body, reasonable steps should be taken to mark the information as confidential. Where there is any doubt as to the lawfulness of the proposed handling or dissemination of confidential information, advice should be sought from the SRO.
93. Any case where confidential personal or constituent information is retained, other than for the purpose of destruction, and disseminated should be reported to the Investigatory Powers Commissioner as soon as reasonably practicable, and any material which has been retained should be made available to the Commissioner on request so that the Commissioner can consider whether the correct procedures and considerations have been applied.
94. There is a strong public interest in protecting a free press and freedom of expression in a democratic society, including the willingness of sources to provide information to journalists in confidence.
95. Confidential journalistic material includes material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence, as well as communications resulting in information being acquired for the purposes of journalism and held subject to such an undertaking. Confidentiality can continue to attach to confidential journalistic material when it is sent to or held by a person who is neither the journalist nor the source (for example, a news editor who has been sent some notes by a journalist).
96. An application for authorisation where the purpose, or one of the purposes, of the authorisation is to authorise the acquisition of material of this type must contain a statement in those terms. The person to whom the application is made may issue the authorisation only if they consider that appropriate safeguards relating to the handling, retention, use and disclosure of the material are in place.
97. When this type of material is retained and disseminated to an outside body, reasonable steps should be taken to mark it as confidential. Where there is any doubt as to the lawfulness of the proposed handling or dissemination of such information, advice should be sought from a legal adviser to the Council before any further dissemination of the content takes place.
98. Where this type of information has been obtained and retained, other than for the purposes of destruction, the matter should be reported to the Commissioner as soon as reasonably practicable.
99. The acquisition of material subject to legal privilege is particularly sensitive and is

therefore subject to additional safeguards which provide for three different circumstances where legally privileged items will or may be obtained. They are:

- a. where privileged material is intentionally sought;
 - b. where privileged material is likely to be obtained;
 - c. where the purpose or one of the purposes is to obtain items that, if they were not generated or held with the intention of furthering a criminal purpose, would be subject to privilege.
100. The 2010 Legal Consultations Order provides that surveillance that is carried out in relation to anything taking place on so much of any premises specified in article 3(2) of the Order as is, at any time during the surveillance, used for the purposes of 'legal consultations', shall be treated for the purposes of Part II of RIPA as intrusive surveillance. As a result, such authorisations are not available to the Council.
101. Where a lawyer, acting in this professional capacity, is the subject of surveillance, it is possible that a substantial proportion of any material which will or could be acquired will be subject to legal privilege. In addition to considering the applicability of the 2010 Legal Consultations Order, the Council will need to consider which of the three circumstances that apply when items subject to legal privilege will or may be obtained is relevant, and what processes should therefore be followed.
102. Any case involving lawyers' material should also be notified to the Commissioner during their next inspection, and any material which has been retained should be made available to the Commissioner on request.

ERRORS

103. Regular reviews of errors will be undertaken with a written record made of each review.
104. An error must be reported if it is a "relevant error", which is defined under section 231(9) of the IPA as being any error by MCC in complying with any requirements that are imposed on it by any enactment which are subject to review by a Judicial Commissioner. This would include compliance by public authorities with Part II of RIPA. Examples of relevant errors occurring would include circumstances where:
- a. surveillance or Covert Human Intelligence Source activity has taken place without lawful authority;
 - b. there has been a failure to adhere to the safeguards set out in the relevant statutory provisions and Codes.
105. All relevant errors made by the Council of which it is aware must be reported to the IPC as soon as reasonably practicable, and no later than 10 working days (or as agreed with the Commissioner). Where the full facts of the error cannot be ascertained within that time, an initial notification must be sent with an estimated timescale for the error being reported in full and an explanation of the steps being undertaken to establish the full facts of the error.
106. From the point at which the Council identifies that a relevant error may have occurred, it must take steps to confirm the fact of an error as quickly as it is reasonably practicable to do so. Where it is subsequently confirmed that an error has occurred and that error is notified to the Commissioner, the Council must also inform the Commissioner of when it was initially identified that an error may have taken place.

107. The report should include information on the cause of the error; the amount of surveillance conducted and material obtained or disclosed; any unintended collateral intrusion; any analysis or action taken; whether any material has been retained or destroyed; and a summary of the steps taken to prevent recurrence.
108. The IPC may issue guidance as necessary, including guidance on the format of error reports. The Council must have regard to any guidance on errors issued by the IPC.

SERIOUS ERRORS

109. If the IPC considers that the error is a serious error and that it is in the public interest for the person concerned to be informed of the error, they must inform them. An error is a serious error where it is considered to have caused significant prejudice or harm to the person concerned.
110. In deciding whether it is in the public interest for the person concerned to be informed of the error, the Commissioner must in particular consider:
 - a. the seriousness of the error and its effect on the person concerned;
 - b. the extent to which disclosing the error would be contrary to the public interest or prejudicial to:
 - i. national security;
 - ii. the prevention or detection of serious crime;
 - iii. the economic well-being of the United Kingdom;
 - iv. the continued discharge of the functions of any of the security and intelligence services.
111. Before making a decision, the Commissioner will ask MCC to make submissions on the matters concerned, and the Council must take all such steps as notified to help identify the subject of a serious error.
112. When informing a person of a serious error, the Commissioner must inform the person of any rights that the person may have to apply to the Investigatory Powers Tribunal, and provide such details of the error as the Commissioner considers to be necessary for the exercise of those rights.

BREACH OF RIPA

113. Evidence gathered where RIPA has not been complied with may not be admissible in Court and could lead to a challenge under Article 8 of the Human Rights Act.
114. Any perceived breach of this policy or the RIPA procedures should be reported to the Monitoring Officer in order to notify the Investigatory Powers Commissioner immediately.

COMPLAINTS

115. The Council will maintain the standards set out in this guidance and the current Codes of Practice. The Investigatory Powers Commissioner has responsibility for monitoring and reviewing the way the Council exercises the powers and duties conferred by the legislation.
116. Contravention of the RIPA or the IPA (and associated legislation) may be reported to MCC via the normal corporate complaints policy here: <https://www.monmouthshire.gov.uk/feedback/>
117. Alternatively, you may contact the IPC directly at:
- Investigatory Powers Commissioner's Office
PO Box 29105
London
SW1V 1ZU
- Email: info@ipco.org.uk
Telephone: 0207 389 8999
118. Contravention of the Data Protection Act 2018 and/or GDPR may also be reported to the Information Commissioner.

DATA RETENTION

119. Information obtained as the result of any RIPA activity will be retained dependant on the nature of the information.
120. Any information obtained in error, that is collateral and unrelated to the aim, that accidentally goes beyond the scope of the authorisation given or is in breach of law will be destroyed immediately.
121. All other information will be retained for a period of 6 years either from a decision to not pursue any action, or the completion of any related evidential process (eg. a criminal Court case.)
122. This is in accordance with the MCC retention schedule at this [intranet link](#). It complies with the Limitation Act 1980 and aligned with the statute of limitation relating to any subsequent cases relating to a Tort and MCC's policy relating to casefiles.

PART VII – AUTHORISATION PROCESS

123. There is complexity and nuance throughout the process, both leading up to, during, and after any operation that involves RIPA. As such, this section is intended as the starting point for anyone involved in the process, but no one should act in isolation of the Home Office guidance and training materials contained in the MCC RIPA [site](#), and full use of the gatekeepers and Litigation Solicitor should be made.
124. All of the forms required for the different processes are available at the resource above, linked to the latest version online, and are not replicated here. A record of all activity will be maintained in the Central Record of Authorisations (CRA) that is held in the MCC RIPA [site](#). This will record the key details associated with each application but will not contain any personal information. The applications themselves will be retained by the applicant, and any information obtained from any operation will be retained as per the retention schedule set out in this document.

DIRECTED SURVEILLANCE

125. The Protection of Freedoms Act 2012 amended RIPA 2000 to the effect that authorisation of the use of certain covert powers, including the use of directed surveillance, will only have effect once an order approving the authorisation has been granted by a Magistrates' Court.
126. The assessment of necessity and proportionality throughout is key, and should be evident through the completion of all application/other forms, the consideration given by the AO and the presentation to the Court.
127. All applications for authorisation of Directed Surveillance must be in writing and record:
- a. the grounds on which authorisation is sought. For MCC this will be for the prevention and detection of crime and disorder only
 - b. an assessment of the Directed Surveillance Crime Threshold. Directed surveillance can only be authorised under RIPA to prevent or detect criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months imprisonment or where the investigation is in regard to the underage sale of alcohol or tobacco (see below);
 - c. consideration of why the Directed Surveillance is proportionate to what it seeks to achieve;
 - d. what other options for the gathering of information have been considered and that Directed Surveillance is necessary;
 - e. the nature of the surveillance;
 - f. the identity or identities, where known, of those to be the subject of Directed Surveillance;
 - g. the action to be authorised and level of authority required;
 - h. an account of the investigation or operation;
 - i. an explanation of the information which it is desired to obtain as a result of the authorisation;

- j. any potential for collateral intrusion and why such intrusion is justified;
 - k. the likelihood of acquiring any confidential or privileged material, and the details of such material;
 - l. where the purposes include obtaining information subject to legal privilege, as an explanation as to why there are exceptional and compelling circumstances that make this necessary.
128. Where, at any point in an operation, the parameters of the original authorisation are likely to be exceeded, they must inform the applicant and the AO immediately, for example if the operation/investigation unexpectedly interferes with the privacy of individuals who are not the original subjects of the investigation or covered by the authorisation in some other way. Where the original authorisation is not sufficient separate authorisation is required.
129. The AO must satisfy themselves that the authorisation is necessary on particular grounds and that the surveillance is proportionate to what it seeks to achieve. It is important that sufficient weight is attached to considering whether the surveillance required is proportionate by:
- a. balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
 - b. explaining how and why the methods adopted will cause the least possible intrusion on the subject and others;
 - c. considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
 - d. evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.
130. The AO must be able to produce evidence that the relevant issues have been considered for monitoring purposes, for example a note of the documents and information available to the officer at the time the authorisation is given, together with a note of the date and time authorisation was given. It is essential that the AO considers each request for an authorisation on its merits and a rubber stamping approach must never be used.
131. Particular consideration should be given to collateral intrusion on or interference with the privacy of persons other than the subject(s) of surveillance. Such collateral intrusion or interference would be a matter of greater concern in cases where there are special sensitivities, for example in cases of premises used by lawyers or for any form of medical or professional counselling or therapy.

JUDICIAL APPROVAL

132. Where an Authorising Officer has granted an authorisation (for Directed Surveillance), the authorisation is not to take effect until a Magistrates' Court has made an order approving the grant of the authorisation.
133. The Court will only give approval to the granting of an authorisation for Directed Surveillance if they are satisfied that:
- a. at the time the AO granted the authorisation, there were reasonable grounds for believing that the authorisation was necessary and that the surveillance being authorised was proportionate;

- b. the AO was a designated person for the purposes of s28 of RIPA;
 - c. the grant of the authorisation was not in breach of any restrictions imposed by virtue of s30(3) of RIPA;
 - d. any other conditions provided for by any Order were satisfied;
 - e. there remain reasonable grounds for believing that the necessary and proportionate tests are satisfied.
134. If a Magistrates' Court refuses to approve the grant of the authorisation, then it may make an order to quash that authorisation.
135. No activity permitted by the authorisation granted by the Authorising Officer may be undertaken until the approval of the Magistrates' Court of that authorisation has been obtained.
136. AOs must, as early in the process as possible, inform the SRO or Litigation Solicitor in order that arrangements for an application to be made by the Council's lawyers or an appropriate officer to the Magistrates Court for an order to approve the authorisation can be made.
137. The Court does not need to consider cancellations or internal reviews.
138. As a minimum, the Court is to be provided with a copy of the original RIPA authorisation form and the supporting documents setting out the case. This forms the basis of the application and should contain all information that is relied upon. Further, a partially completed judicial application/order form is required.

TIMELINE OF AN AUTHORISATION

139. A written authorisation for Directed Surveillance will cease to have effect at the end of a period of 3 months beginning with the day on which it took effect.
140. If at any time before an authorisation would cease to have effect, the AO considers it necessary for the authorisation to continue for the purpose for which it was given, he/she may approve a renewal in writing for a further period of 3 months, beginning with the day when the authorisation would have expired but for the renewal.
141. Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.
142. All requests for the renewal of an authorisation for Directed Surveillance must record:
- a. whether this is the first renewal or every occasion on which the authorisation has been renewed previously;
 - b. the information required in the original request for an authorisation plus:
 - i. any significant changes to the information in the previous authorisation;
 - ii. why it is necessary to continue with the surveillance;
 - iii. the content and value to the investigation or operation of the information so far obtained by the surveillance;

- iv. an estimate of the length of time the surveillance will continue to be necessary.
143. Renewals of authorisations will also be subject to approval by the Magistrates' Court. The AO must therefore advise the SRO immediately when they are minded to grant a renewal.
 144. Applications for renewals should not be made until shortly before the original authorisation period is due to expire but officers must take account of factors which may delay the renewal process (eg. intervening weekends or the availability of the AO).
 145. The AO must cancel an authorisation if he/she is satisfied that the Directed Surveillance or the conduct of the CHIS no longer meets the criteria for authorisation. When cancelling an authorisation, an Authorising Officer must ensure that proper arrangements have been made for the activity's discontinuance, including the removal of technical equipment, and directions for the management of the product. Further, where necessary and practicable, the safety and welfare of the CHIS should continue to be taken into account after the authorisation has been cancelled, and risk assessments maintained. In the context of CHIS the AO will want to satisfy themselves that all welfare matters are addressed, and should make appropriate comment in their written commentary.
 146. Authorisations for Directed Surveillance, and any subsequent renewals and cancellations, are subject to review by the Government appointed Investigatory Powers Commissioner.
 147. AOs will review all Directed Surveillance and CHIS applications and authorisations that they have granted regularly to assess whether they remain necessary and proportionate. The results of a review should be recorded on the appropriate form, and kept in the central record of authorisations. The AO should determine how often the review should take place. This should be done as frequently as is considered necessary and practicable, but not later than once a month following the date of authorisation; sooner where the surveillance provides access to confidential material or involves collateral intrusion.
 148. Reviews must record:
 - a. whether this is the first renewal or every occasion on which the authorisation has been renewed previously;
 - b. any significant changes to the information in the previous authorisation;
 - c. why it is necessary to continue with the surveillance;
 - d. the content and value to the investigation or operation of the information so far obtained by the surveillance;
 - e. an estimate of the length of time the surveillance will continue to be necessary.
 149. All documentation regarding Directed Surveillance should be treated as confidential and should be kept accordingly.
 150. Each Service Department undertaking Directed Surveillance must ensure that adequate arrangements are in place for the secure handling, storage and destruction of material obtained through the use of covert surveillance.
 151. There is nothing in the 2000 Act which prevents results obtained through the proper use of the authorisation procedures from being used on other Council Department Investigations. However, the disclosure outside of surveillance results obtained by means of covert surveillance and its use for other purposes should be authorised only in the most exceptional circumstances.

Before doing so the AO must be satisfied that the release of material outside of the Council, complies with and meets Human Rights Act requirements.

152. Quarterly review meetings will be held between the SRO, AOs and Gatekeepers at which document retention will be discussed.
153. All refusals to grant authority to undertake Directed Surveillance must be recorded and retained for inspection.

CHIS

154. Much of the above process is applicable to CHIS applications as well. The following should be read in conjunction with the process for DS accordingly.
155. The standards of necessity and proportionality are the same, taking into account the added human complexity and increased chance of collateral intrusion in a CHIS operation. A risk assessment for collateral inclusion is therefore required.
156. The approach taken by the AO is the same, as is the need for a Magistrates' Court to approve any operation.
157. The AO must be satisfied that arrangements exist for the proper oversight and management of the source that satisfy the requirements of s29(5) of the Act and such other requirements as may be imposed by order made by the Secretary of State.
158. There are important welfare provisions attached to any CHIS authorisation. They should fall broadly into line with the approach that MCC takes for the welfare of its staff, recognising the duty of care to covert sources and the importance of a risk with regard to the welfare of the source. The risks to the source may not only be physical but also psychological.
159. The source is not to engage in criminal activity (excluding activity that would be criminal but rendered lawful by authority under the Act – eg. the lawful interception of communications).
160. Conduct of the CHIS:
 - a. any conduct that is comprised in any such activities as are specified or described in the authorisation; and
 - b. any conduct by or in relation to the source specified or described in the authorisation; and
 - c. which is carried out for the purposes of or in connection with the investigation or operation that is specified or described.
161. Court approval is required as per above. Approval of an authorisation for use of a CHIS will only be forthcoming if the Court is satisfied that:
 - a. at the time the AO granted the authorisation, there were reasonable grounds for believing that the authorisation was necessary;
 - b. the activity being authorised was proportionate;
 - c. arrangements existed that satisfied section s29(5);
 - d. the AO was a designated person for the purposes of s29;

- e. the grant of the authorisation was not in breach of any restrictions imposed by virtue of section 29(7)(a) or 30(3);
 - f. any other conditions provided for by any Order were satisfied; and
 - g. there remain reasonable grounds for believing that the necessary and proportionate tests are satisfied and that any other requirements provided for by Order are satisfied.
162. Records should be kept as prescribed by the Code of Practice. Where a source wearing or carrying a surveillance device is invited into residential premises or a private vehicle and records activity taking place inside those premises or vehicle, authorisation for use of that covert source should be obtained in the usual way.
163. The source should not use an invitation into residential premises or private vehicle as a means of installing equipment. If equipment is to be used other than in the presence of the covert source, an intrusive surveillance authorisation is necessary which cannot be granted by a local authority.
164. Regular reviews of authorisations should be undertaken by the AO to assess whether it remains necessary and proportionate to use a CHIS and whether the authorisation remains justified. The review should include:
- a. the use made of the CHIS during the period authorised;
 - b. the tasks given to the CHIS;
 - c. the information obtained from the CHIS;
 - d. if appropriate to the AO's remit, the reasons why executive action is not possible at this stage.
165. In each case, unless specified by the Secretary of State or Investigatory Powers Commissioner, the AO should determine how often a review should take place. This should be as frequently as is considered necessary and proportionate, but should not prevent reviews being conducted in response to changing circumstances.
166. In the event that there are any significant and substantive changes to the nature of the operation during the currency of the authorisation, the AO should consider whether it is necessary to apply for a new authorisation.
167. CHIS authorisations can be renewed on more than one occasion if necessary and provided that they continue to meet the criteria for authorisation. Before an authorising officer renews an authorisation, they must be satisfied that a review has been carried out of the use of a CHIS and that the results have been considered.
168. All renewals are subject to authorisation by the Court in the established way.
169. When deciding if the relevant source is authorised as part of the 'same investigation or operation' in calculating the period of total or accrued deployment or cumulative authorisation periods, the following should be considered:
- a. common subject or subjects of the investigation or operation;
 - b. the nature and details of relationships established in previous or corresponding relevant investigations or operations;

- c. whether or not the current investigation is a development of or recommencement to previous periods of authorisation, which may include a focus on the same crime group or individuals;
 - d. previous activity by the relevant source that has a bearing by way of subject, locality, environment or other consistent factors should be considered in calculating the period;
 - e. the career history of the relevant source.
170. All applications for the renewal of an authorisation should record:
- a. whether this is the first renewal or every occasion on which the authorisation has been renewed previously;
 - b. any significant changes to the information in the initial application;
 - c. the reasons why it is necessary for the authorisation to continue;
 - d. the use made of the CHIS in the period since the grant or, as the case may be, latest renewal of the authorisation;
 - e. the tasks given to the CHIS during that period and the information obtained from the use or conduct of the CHIS; and
 - f. the results of regular reviews of the use of the CHIS.
171. The AO who granted or renewed the authorisation must cancel it satisfied that the use or conduct of the CHIS no longer satisfies the criteria for authorisation, or that arrangements for the CHIS's case no longer satisfy the requirements described in s29.
172. Where the AO is no longer available, this duty will fall to the person who has taken over the role that AO has been assigned to.
173. Where necessary and practicable, the safety and welfare of the CHIS should continue to be taken into account after the authorisation has been cancelled, and risk assessments should be maintained. The AO will wish to satisfy themselves that all welfare matters are addressed, and should make appropriate comment in their written commentary.
174. An authorisation for a CHIS will cease to have effect at the end of a period of 12 months beginning with the day it took effect. However, an authorisation concerning a juvenile CHIS will cease to have effect after 4 months from the date it took effect.

This page is intentionally left blank

IPCO

Investigatory Powers Commissioner's Office

PO Box 29105, London
SW1V 1ZU

Mr Paul Matthews
Chief Executive
Monmouthshire County Council
County Hall
Y Rhad yr
Usk
Monmouthshire
NP15 1GA

7th September 2023

Dear Mr Matthews,

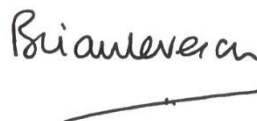
Thank you for providing IPCO with your response to the matters identified at points 1 to 10 of my Secretariat's letter dated 5th July 2023. I am also grateful for the subsequent engagement between my Inspector, Graham Wright and Mr Geraint Edwards (Solicitor) as they followed up on the information you had provided.

I am satisfied that your reply provides your assurance that ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016 will be maintained. As such, your Council will not require further inspection this year.

I would ask that you ensure that the key compliance issues continue to receive the necessary internal governance and oversight through yourself and your Senior Responsible Officer: policy refreshes; annual updates to your Elected Members; ongoing training and awareness raising; internal compliance monitoring by lead managers within their business areas; and the retention, review and destruction (RRD) of any product obtained through the use of covert powers (Records and Product Management in accordance with the Safeguards Chapters of the relevant Codes of Practice).

Your Council will be due its next inspection in 2026, but please do not hesitate to contact my Office if IPCO can be of assistance in the intervening period.

Yours sincerely,



The Rt. Hon. Sir Brian Leveson
The Investigatory Powers Commissioner

This page is intentionally left blank

**SUBJECT: PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER
2022/23**

MEETING: CABINET

DATE: 8 NOVEMBER 2023

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. The PSOW is aware that due to the scheduling of meetings there would be a delay in responding to them.
- 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 2022/23, 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 23 complaints about Monmouthshire County Council. This is 3 more than they received in the previous year. They did not investigate any complaints although they intervened in one complaint where an early resolution was agreed. Comparisons are shown below, noting that the categories used by the commissioner differ between years.

Complaints received by subject: (PSOW definition)	Complaints Received	
	22//23	21/22
Adult Social Services	2	1
Children Social Services	3	6
Complaints handling	3	3
Environment and Environmental health	2	2
Finance and Taxation	0	1
Housing	2	1
Planning and Building Control	5	6
Roads and transport	4	0
Community Facilities, Recreation & Leisure	0	0
Covid 19	0	0
Other	2	0

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	6	1	0	0	0	0

There was one complaint where the PSOW intervened and an early resolution sought and agreed.

Code of Conduct complaints

There was one complaint that was discontinued.

Town/Community Council Code of Conduct complaints

There were five complaints where it was decided not to investigate.

3.4 This report and the PSOW Annual letter 2022/23 will also be presented to the Standards Committee.

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

This report provides feedback information from the Public Services Ombudsman for Wales. The report does not seek to divert from the Council's corporate priorities and the continued delivery of the wide range of services provided through the Council to the public. As the report deals solely with feedback information, a Future Generations and Equality Impact Assessment is not considered appropriate in this instance.

5 OPTIONS APPRAISAL

This section is not relevant as the work of the Public Services Ombudsman for Wales is outside of our control.

6 EVALUATION CRITERIA

We will continue to work with the Public Services Ombudsman for Wales office to resolve as many issues as possible at an early stage and monitor the number of complaints the Public Services Ombudsman for Wales receives and deals with.

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 2022/23

11 AUTHOR:

Annette Evans, Customer Relations Manager


12 CONTACT DETAILS:

Tel: 01633 644647


E-mail: annetteevans@monmouthshire.gov.uk



Ask for: Communications

 01656 641150

Date: 17 August 2023

 Communications
@ombudsman.wales

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

Annual Letter 2022/23

Dear Councillor Brocklesby

I am pleased to provide you with the Annual letter (2022/23) 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 letter coincides with my Annual Report – “[A year of change – a year of challenge](#)” – a sentiment which will no doubt resonate with public bodies across Wales. My office has seen another increase in the number of people asking for our help – up 3% overall compared to the previous year, and my office now receives double the number of cases we received a decade ago.

In the last year, I have met with public bodies across Wales – speaking about our casework, our recommendations, and our proactive powers. The current climate will continue to provide challenges for public services, but I am grateful for the positive and productive way in which local authorities continue to engage with my office.

1,020 complaints were referred to us regarding local authorities last year - a reduction of 11% compared to the previous year. During this period, we intervened in (upheld, settled or resolved at an early stage) 13% of local authority complaints.

We received fewer Code of Conduct complaints in 22/23 compared to the previous year, relating to both Principal Councils and Town and Community Councils. My role is such that I do not make final findings about breaches of the Code of Conduct. Instead, where investigations find the most serious concerns, these are referred to the Standards Committee of the relevant local authority, or the

Adjudication Panel for Wales. In 2022/23, the Ombudsman made 12 such referrals – a welcome reduction from 20 last year.

Supporting improvement of public services

Despite the challenges of last year, we have pushed forward with our proactive improvement work and launched a new Service Quality process to ensure we deliver the standards we expect.

Last year, we began work on our second wider Own Initiative investigation – this time looking into carers assessments within local authorities. This investigation will take place throughout the coming year, and we look forward to sharing our findings with all local authorities – not just those involved in the investigation.

The Complaints Standards Authority (CSA) continued its work with public bodies in Wales last year, with more than 50 public bodies now operating our model policy. We've also now provided more than 400 training sessions since we started, with local authorities, in September 2020.

We continued our work to publish complaints statistics into a second year, with data now published twice a year. This data allows us to see information with greater context – for example, last year 12% of Monmouthshire County Council's complaints were referred to PSOW.

I would encourage Monmouthshire County Council, and specifically your Audit and Governance Committee, to use this data to better understand your performance on complaints and consider how well good complaints handling is embedded throughout the Authority.

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 and Audit Committee at the next available opportunity and notify me of when these meetings will take place.
- Continue to engage with our Complaints Standards work, accessing training for your staff, fully implementing the model policy, and providing accurate and timely complaints data.
- Inform me of the outcome of the Council's considerations and proposed actions on the above matters at the earliest opportunity.

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	16	0.24
Bridgend County Borough Council	55	0.38
Caerphilly County Borough Council	49	0.28
Cardiff Council*	142	0.39
Carmarthenshire County Council	53	0.28
Ceredigion County Council	35	0.49
Conwy County Borough Council	31	0.27
Denbighshire County Council	32	0.33
Flintshire County Council	65	0.42
Cyngor Gwynedd	36	0.31
Isle of Anglesey County Council	25	0.36
Merthyr Tydfil County Borough Council	17	0.29
Monmouthshire County Council	23	0.25
Neath Port Talbot Council	39	0.27
Newport City Council	42	0.26
Pembrokeshire County Council	44	0.36
Powys County Council	38	0.29
Rhondda Cynon Taf County Borough Council**	54	0.23
Swansea Council	94	0.39
Torfaen County Borough Council	16	0.17
Vale of Glamorgan Council	49	0.37
Wrexham County Borough Council	65	0.48
Total	1020	0.33
* inc 9 Rent Smart Wales		
** inc 2 South Wales Parking Group		



Ombwdsmon Ombudsman

Cymru · Wales

Appendix B - Received by Subject

Monmouthshire County Council	Complaints Received	% share
Adult Social Services	2	9%
Benefits Administration	0	0%
Children's Social Services	3	13%
Community Facilities, Recreation and Leisure	0	0%
Complaints Handling	3	13%
Covid19	0	0%
Education	0	0%
Environment and Environmental Health	2	9%
Finance and Taxation	0	0%
Housing	2	9%
Licensing	0	0%
Planning and Building Control	5	22%
Roads and Transport	4	17%
Various Other	2	9%
Total	23	

Page 92

ombwdsmon.cymru
holwch@ombwdsmon.cymru
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales
ask@ombudsman.wales
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
We are happy to accept and respond
to correspondence in Welsh.



Ombudsmon Ombudsman

Cymru • Wales

Appendix C - Complaint Outcomes (* denotes intervention)

Monmouthshire County Council		% Share
Out of Jurisdiction	5	23%
Premature	10	45%
Other cases closed after initial consideration	6	27%
Early Resolution/ voluntary settlement*	1	5%
Discontinued	0	0%
Other Reports - Not Upheld	0	0%
Other Reports Upheld*	0	0%
Public Interest Reports*	0	0%
Special Interest Reports*	0	0%
Total	22	



Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	16	0%
Bridgend County Borough Council	5	57	9%
Caerphilly County Borough Council	6	52	12%
Cardiff Council	25	145	17%
Cardiff Council - Rent Smart Wales	1	9	11%
Carmarthenshire County Council	7	60	12%
Ceredigion County Council	13	44	30%
Conwy County Borough Council	5	35	14%
Denbighshire County Council	2	33	6%
Flintshire County Council	5	70	7%
Cyngor Gwynedd	5	33	15%
Isle of Anglesey County Council	5	25	20%
Merthyr Tydfil County Borough Council	1	18	6%
Monmouthshire County Council	1	22	5%
Neath Port Talbot Council	7	38	18%
Newport City Council	8	48	17%
Pembrokeshire County Council	3	45	7%
Powys County Council	8	44	18%
Rhondda Cynon Taf County Borough Council	2	54	4%
Rhondda Cynon Taf County Borough Council - South Wales Parking Group	0	2	0%
Swansea Council	10	99	10%
Torfaen County Borough Council	1	17	6%
Vale of Glamorgan Council	15	53	28%
Wrexham County Borough Council	6	67	9%
Total	141	1086	13%



Ombwdsmon Ombudsman

Cymru · Wales

Appendix E - Code of Conduct Complaints

Monmouthshire County Council

Decision not to investigate	0
Discontinued	1
No evidence of breach	0
No action necessary	0
Refer to Adjudication Panel	0
Refer to Standards Committee	0
Total	1

Investigations
Page 95

ombwdsmon.cymru
holwch@ombwdsmon.cymru
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales
ask@ombudsman.wales
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
We are happy to accept and respond
to correspondence in Welsh.



Appendix F - Town/Community Council Code of Complaints

Town/Community Council	Decision not to investigate	Investigations				Total
		Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	
Caerwent Community Council	0	0	0	0	0	0
Llantilio Pertholey Community Council	1	0	0	0	0	1
Monmouth Town Council	4	0	0	0	0	4



Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2022/23. These complaints are contextualised by the population of each authority.

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 2022/23. 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 2022/23. 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 2022/23. 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 in 2022/23. This table shows both the volume, and the proportion that each outcome represents for each Town or Community Council.

ombwdsmon.cymru
holwch@ombwdsmon.cymru
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales
ask@ombudsman.wales
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
We are happy to accept and respond
to correspondence in Welsh.

This page is intentionally left blank