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Tuesday, 25 October 2016

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **Council Chamber - Council Chamber** on **Wednesday, 2nd November, 2016**, at **2.00 pm**.

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of reports from Select Committees (none)
4. To consider the following reports (Copies attached):

i. **Discretionary Housing Payment Policy**

1 - 18

Ward/Division Affected: All

Purpose:

The UK Government is continuing to implement its programme of welfare reform. The programme has a number of policy objectives, to encourage those on benefits to find work and to move away from dependency on benefits payments, whilst at the same time contributing a significant proportion of savings towards Governmental public spending reductions.

The report summarises the main impacts of the welfare reform programme particularly with reference to reductions in Housing Benefit and the ability of Monmouthshire households to afford their rental payments. It includes reference to a further significant reform, the lowering of the household Benefit Cap.

The main practical mitigation offered by the Council is via the administration of Discretionary Housing Payments to assist customers to meet the rent shortfall incurred due to the welfare reforms. Cabinet is asked to consider the revised Discretionary Housing Payment Policy.

Author: Richard Davies, Head of Shared Benefits Service

Contact Details: Richard.davies@torfaen.gov.uk

- ii. **Welsh Church Fund Working Group** 19 - 30
Division/Wards Affected: All

Purpose: The purpose of this report is to make recommendations to Cabinet on the Schedule of Applications for the Welsh Church Fund Working Group meeting 2 of the 2016/17 financial year held on the 22nd September 2016.

Author: David Jarrett, Senior Accountant – Central Finance Business Support

Contact Details: davejarrett@monmouthshire.gov.uk

- iii. **Medium Term Financial Plan and Budget Process 2017/18 to 2020/21** 31 - 52
Division/Wards Affected: All

Purpose:

To highlight the context within which the Medium Term Financial Plan (MTFP) will be developed for 2017/18 to 2020/21

To agree the assumptions to be used to update the MTFP, and provide an early indication of the level of budget savings to be found.

To update Members with the implications arising from the provisional settlement announcement of Welsh Government.

To agree the process for developing the MTFP and budget for 2017/18.

Author: Joy Robson - Head of Finance

Contact Details: joyrobson@monmouthshire.gov.uk

- iv. **Revenue and Capital Monitoring 2016/17 - Period 2 Outturn Forecast Statement** 53 - 76
Division/Wards Affected: All

Purpose:

The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of period 2 which represents month 6 financial information for the 2016/17 financial year

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

- assess whether effective budget monitoring is taking place,
- monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,

- challenge the reasonableness of projected over or underspends, and
- monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

Author: Mark Howcroft – Assistant Head of Finance

Contact Details: markhowcroft@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	Organisational Development Whole Council Performance, Whole Council Strategy Development, Corporate Services, Democracy, Trading Standards, Public Protection, Licensing	WLGA Council WLGA Coordinating Board Local Service Board	Portskewett
R.J.W. Greenland (Deputy Leader)	Innovation, Enterprise & Leisure Innovation Agenda, Economic Development, Tourism, Social Enterprise, Leisure, Libraries & Culture, Information Technology, Information Systems, Development Control.	WLGA Council Capital Region Tourism	Devauden
P.A.D. Hobson (Deputy Leader)	Community Development Community Planning/Total Place, Equalities, Area Working, Citizen Engagement, Public Relations, Sustainability, Parks & Open Spaces, Community Safety, Environment & Countryside.	Community Safety Partnership Equalities and Diversity Group	Larkfield
E.J. Hacket Pain	Schools and Learning School Improvement, Pre-School Learning, Additional Learning Needs, Children's Disabilities, Families First, Youth Service, Adult Education.	Joint Education Group (EAS) WJEC	Wyesham
G. Burrows	Social Care, Safeguarding & Health Adult Social Services including Integrated services, Learning disabilities, Mental Health. Children's Services including Safeguarding, Looked after Children, Youth Offending. Health and Wellbeing.	Gwent Frailty Board Older Persons Strategy Partnership Group	Mitchel Troy
P. Murphy	Resources Accountancy, Internal Audit, Estates & Property Services, Procurement, Human Resources & Training, Health & Safety, Building Control, Energy.	Prosiect Gwrydd Wales Purchasing Consortium	Caerwent
S.B. Jones	County Operations Highways, Transport, Traffic & Network Management, Waste & Recycling, Engineering, Landscapes, Flood Risk.	SEWTA Prosiect Gwyrdd	Goytre Fawr



Sustainable and Resilient Communities

Outcomes we are working towards

Nobody Is Left Behind

- Older people are able to live their good life
- People have access to appropriate and affordable housing
- People have good access and mobility

People Are Confident, Capable and Involved

- People's lives are not affected by alcohol and drug misuse
- Families are supported
- People feel safe

Our County Thrives

- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation
- Maintaining locally accessible services

Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships.
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.



Subject: DISCRETIONARY HOUSING PAYMENT POLICY

Meeting: Cabinet

Date: 2nd November 2016

Divisions/Wards Affected: Chief Executives

1. PURPOSE:

- 1.1 The UK Government is continuing to implement its programme of welfare reform. The programme has a number of policy objectives, to encourage those on benefits to find work and to move away from dependency on benefits payments, whilst at the same time contributing a significant proportion of savings towards Governmental public spending reductions.
- 1.2 The report summarises the main impacts of the welfare reform programme particularly with reference to reductions in Housing Benefit and the ability of Monmouthshire households to afford their rental payments. It includes reference to a further significant reform, the lowering of the household Benefit Cap.
- 1.3 The main practical mitigation offered by the Council is via the administration of Discretionary Housing Payments to assist customers to meet the rent shortfall incurred due to the welfare reforms. Cabinet is asked to consider the revised Discretionary Housing Payment Policy.

2. RECOMMENDATIONS:

- 2.1 To approve the Discretionary Housing Payment Policy attached below and to reaffirm the criteria for decision making.
- 2.2 To note the recommendations of the Adult Select Committee scrutiny as noted in paragraph 4.19 below.

3. KEY ISSUES:

- 3.1 The major reforms currently affecting Monmouthshire local authority customers are as follows:
 - **Under occupation charge / 'bedroom tax'** restricting rents for working age people in social housing owned by landlords such as Monmouthshire Housing Association, Melin and Charter (affecting 495 households by an average of £13 per week)
 - **Private sector rent limits** – particularly those restricting rents for the under 35's

– their rents are limited to the shared room rate of £48.60 (75 single people by an average of £35 per week)

- **Household Benefit Cap** – a maximum limit on benefits for household, £18,000 for single people and £26,000 for lone parents and couples (25 households by an average of £45 per week)

3.2 The Household Benefit Cap is being further restricted from November 2016 onwards. The threshold is being lowered to £13,400 for single people and £20,000 for lone parents and couples. This will affect approximately 100 households in Monmouthshire with an average impact of £60 per week. Most families affected have three or more children.

3.3 The administration of Housing Benefit, delivered by the Shared Benefit Service led by Torfaen, is the responsibility of the Department for Work and Pensions (DWP) and is not currently a devolved matter.

3.4 All of the changes referenced in 3.1 are administered by the Council on behalf of the DWP. This means that the Council's Benefits service is well placed to understand the local circumstances and implications, and are a key part of the system that can potentially provide help and support.

3.5 In order to mitigate the impact of the changes the Government has provided additional funding to local authorities in the form of Discretionary Housing Payments. Discretionary Housing Payments are intended to assist those who are in most need due to their inability to pay their rent.

3.6 In 2016/17 Discretionary Housing Payment funding from the DWP amounts to £125,435. In total the Council is permitted to spend up to a cash limit of £313,588. In 2015/16 the Council spent £171,269 (with a DWP contribution of £116,197). In total 1,129 awards were made during the last financial year.

3.7 Of the 1,129 Discretionary Housing Payment (DHP) awards, 778 were made due to spare room subsidy / bedroom tax, 84 due to private rent restrictions and 17 due to the household Benefit Cap. In addition, 250 awards were made to customers facing general hardship and not able to afford their award.

3.8 In terms of the purpose of the award, 918 awards were made to customers with ongoing rental costs, 87 awards were made to customers to assist them in the short term while they were seeking employment, 59 awards were made to those who were moving or waiting to move to alternative accommodation, 19 awards to assist customers who live in specially adapted accommodation, 44 awards to customers mainly in private rented accommodation to secure and move to new homes and 2 awards to households with foster children.

4. REASONS

4.1 Our policy approach to date can be summarised as follows:

- To assist customers to meet the impact of the changes, to maintain financial stability and to safeguard their homes
- To signpost the customer to access support services to assist them to find more

suitable housing, to obtain budgetary advice and/or to find work.

- 4.2 Some customers impacted by under occupation / bedroom tax are not able to change their situation e.g. those who are disabled and live in specially adapted accommodation requiring long term support from the DHP fund.
- 4.3 A DHP can only be paid if there is a shortfall in rent. DHP awards are normally based on an assessment of the customer's income and expenditure. The key principle is a financial one, whether or not the customer is able to afford their rent shortfall based upon the information provided. In addition, customers are asked to provide any other supporting information that is relevant to their ability to pay their rent.
- 4.4 Customers seeking a Discretionary Housing Payment are required to complete an application form setting out their income and expenditure. The added detail could also include reference to debts or rent arrears.
- 4.5 Customers are also required to detail any steps they are taking to improve their financial circumstances and to mitigate the impact of the benefit change affecting them. For example, if they are affected by the bedroom tax they are asked whether they have approached their landlord to downsize to a smaller property.
- 4.6 Each application is considered on its own merits by a decision maker in the Council's Benefits service. In many cases awards are for part of the rent shortfall due to the welfare reforms as the demand upon the fund is so significant and are normally awarded for a six month period in order for the customer to take time to address their circumstances.
- 4.7 In the decision letter detailing the award customers are warned that help is short term and they should take action to address their circumstances including the mitigations suggested by the Department for Work and Pensions (see 4.13 below).
- 4.8 Many customers re-apply for help at the end of period and are considered again as their circumstances do not change but they still face difficulty in affording their rent.
- 4.9 Three per cent of applications for a DHP were refused by the Council in 2015/16 mainly because the customer had excess income that enabled them to afford their rent or because they were already receiving the maximum amount of Housing Benefit.
- 4.10 The Council's policy is robust and very few customers have challenged our DHP decisions although we have had three appeals against the under occupation charge.
- 4.11 Suggested mitigations from the Department for Work for Pensions (DWP) for claimants affected by the welfare reforms include downsizing to smaller properties, getting a lodger in or increasing income / finding work.
- 4.12 The Government has provided increased funding to local authorities as part of the discretionary housing payment scheme. The Council has a good record of using the DHP fund to safeguard tenancies and to prevent homelessness. The Council has allocated additional funding in addition to funding from the Department for Work and Pensions to ensure we direct help to where it is needed.
- 4.13 The Government has criticised local authorities for not spending the funding allocated. In Wales some authorities have handed under spent funding back to the DWP.

- 4.14 The new demand from the Benefit Cap will significantly increase pressure on the DHP budget. The change will mean that the funding allocated will be under severe pressure and we may need to reduce awards to some recipients.

DISCRETIONARY HOUSING PAYMENT POLICY

- 4.15 The Policy requires the Council to review it every time there is a major change in welfare policy. The Benefit Cap constitutes such a change. The major part of the policy document is unchanged in terms of its approach and the criteria applied to our decision making. However, there are some key changes:
- New terminology is incorporated including reference to Universal Credit and housing costs, Universal Credit will eventually replace Housing Benefit over the next five years, although the Council retain responsibility for administering discretionary housing payments
 - The increased role of partners is noted in terms of supporting customers affected by hardship including registered social landlords and the third sector
 - It allows the Council to consider the recovery of overpaid DHP in certain circumstances, for example where a fraud has occurred
- 4.16 In the main the purpose of bringing the Policy forward is by seeking to re-affirm the principles of the Council's approach to this area of administration set out in 4.1 above.
- 4.17 Expenditure via the DHP budget means we stave off the impact on families of homelessness and displacement of children and that the impact on services and costs to the Council is also reduced.
- 4.18 This is an increasingly important area of social policy with a much wider impact than benefit administration. The Policy is designed to be fair, resilient and robust.

PRE DECISION SCRUTINY

- 4.19 On 20th September 2016 Adult Select Committee undertook pre-decision scrutiny of the Discretionary Housing Payments Policy, as part of their wider scrutiny of welfare reform. The Committee agreed to endorse the policy and to make the following recommendations to the Cabinet in their consideration of the policy in November:
- Cabinet are recommended to give serious consideration to agreeing an uplift to the monies it invests in the Discretionary Housing Payment fund, recognising the demonstrative impact the funding has had on vulnerable people and the risks and implications of not supporting people through further benefit reductions, particularly in terms of preventing homelessness and children being taken into the care of the Council.
 - Given that much of this work is delivered in a household environment, Cabinet are recommended to recognise the need for an accessible corporate warning system to identify clients and households that may present a risk to lone workers. The Committee understand that Torfaen operates a similar model to protect its workforce.

- The Committee recommends that all the agencies working in the benefits arena such as the CAB, RSL's and the Council consider the potential for sharing best practice and explore opportunities to create efficiencies and economies in the provision of welfare advisory services.
- The Committee further recommends a joint meeting with the Planning Committee to consider the relationship between homelessness, housing benefits and the provision of affordable housing in Monmouthshire.

5. RESOURCE IMPLICATIONS:

- 5.1 The administration of DHP's is an increasing responsibility as the welfare reform agenda widens and is seen as a key mitigation. The impact upon resources available is being closely monitored.
- 5.2 For 2016/17 the Authority's allocation from the DWP is £125,435. This has been topped up by the Authority by a further £61,000 taking the total budget for the year to £186,514. Current forecasts indicate that this will be fully spent by year end.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

- 6.1 An effective policy approach means that the Council is able to ensure that claimants remain in their homes and the wider impact of homelessness and children taken in to care is minimised.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS:

- 7.1 The policy ensures that there is effective liaison between frontline staff in the Benefits service and other support services in the Council including Social Care and Housing and with social landlords to ensure vulnerable households are identified, protected and supported.

8. CONSULTEES:

Cabinet Members
 Leadership Team
 Head of Finance
 Head of Legal Services
 Adult Select Committee

9. BACKGROUND PAPERS:

Discretionary Housing Payment Policy

10. AUTHOR: Richard Davies, Head of Shared Benefits Service

11. CONTACT DETAILS:

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MONMOUTHSHIRE COUNTY COUNCIL

Discretionary Housing Payment Policy

1. Background - What is a Discretionary Housing Payment?

- 1.1 Under powers contained within the Discretionary Financial Assistance Regulations 2001 (as amended) Monmouthshire County Council has the ability to authorise Discretionary Housing payments (DHP) to those who may “require some further financial assistance...in order to meet housing costs”. This payment is in addition to any Housing Benefit or Universal Credit housing cost award.
- 1.2 Housing costs are not defined in the Regulations but, in general, housing costs mean rental liability. However, for the purposes of the DHP scheme they can be interpreted more widely to include
- rent in advance
 - rent deposits
 - any other lump sum costs associated with a housing need (e.g. removal costs).
- 1.3 Although the scheme is discretionary there are conditions that must be met before a DHP can be considered. The customer must be entitled to Housing Benefit (HB) or Universal Credit (UC) that includes an element towards rental liability and require further financial assistance with housing costs.
- 1.4 A DHP may be granted to meet the shortfall between rent and HB and may include the following
- Reductions in HB (or UC) where the household benefit cap has been applied;
 - Reductions in HB (or UC) due to the maximum rent (social sector) size criteria the so-called 'bedroom tax';
 - Reductions in HB (or UC) as a result of local housing allowance / private sector rent restrictions;
 - A reduction in HB (or UC) as a result of other welfare reforms e.g. the removal of the family premium for new claims;
 - Rent shortfall to prevent a household becoming homeless whilst Housing Options Team explores housing alternatives;
 - Non dependant deductions in HB or housing costs contribution in UC ;
 - The effect of income tapers, where the customer receives less than full benefit owing to the means test;
 - Rent in advance;
 - Rent deposits;
 - Any other lump sum costs associated with a housing need (e.g. removal costs).

Please note this list is not exhaustive

- 1.5 Following the abolition of Council Tax Benefit in April 2013 DHPs can no longer be made to help meet any shortfall in council tax liability.
- 1.6 A DHP also **cannot** be used to
- pay ineligible service charges (such as water rates and meals)

- minimise the effects of other benefit sanctions e.g. Job Seekers Allowance or UC sanctions or any HB overpayments;
- make a payment when HB is suspended;
- cover increases in rent (e.g. court costs) due to outstanding rent arrears.

2. Funding

- 2.1 DHP payments are cash limited. Each year the Department for Work and Pensions (DWP) sets out in the annual finance orders the cash limit for each authority and the government contribution.
- 2.2 The maximum level for each local authority is 2.5 times the government contribution. It is unlawful to exceed the cash limit. Any unspent amount from the government contribution (40 per cent of the cash limit) must be returned to the DWP.

3. Purpose of this Policy

- 3.1 The purpose of this policy is to specify how the Benefits Service will operate the DHP scheme and to indicate some of the factors that will be considered when deciding if a DHP can be awarded. Each case will be treated strictly on its merits and all customers will receive equal and fair treatment. The Council is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise entitlement to all available state benefits and this will be reflected in the administration of the DHP scheme.
- 3.2 This policy should be read in conjunction with the DWP's DHP guidance manual (last updated in February 2016) and the Council's DHP procedure.

4. Statement of objectives

- 4.1 The Benefits Service will consider making a payment of a DHP to all customers who meet the qualifying criteria. The Benefits Service will treat all applications on their individual merits, and will seek through the operation of this policy to:
 - Alleviate poverty;
 - Mitigate the effects of welfare reform ;
 - Support vulnerable young people in the transition to adult life;
 - Encourage Monmouthshire residents to obtain and sustain employment;
 - Assist people to maintain their tenancy and prevent them from becoming homeless;
 - Safeguard Monmouthshire residents in their homes;
 - Help those who are trying to help themselves;
 - Keep families together;
 - Support the vulnerable in the local community;
 - Support disabled people to remain in their own homes/ adapted properties ;
 - Support the work of foster carers;
 - Support domestic violence victims who are trying to move to a place of safety;
 - Help customers through personal and difficult events.
- 4.2 The Council considers that the DHP scheme should be primarily seen as a short term emergency fund. It is not and should not be considered as a way around any current or future entitlement restrictions set out within HB and UC legislation.

5. Awareness, publicity and take up

- 5.1 We will make every effort to publicise the DHP scheme particularly as they are a key element of the Government's strategy for mitigating the impact of welfare reform changes.
- 5.2 We will also proactively promote the DHP scheme by working in partnership with community, voluntary and statutory organisations to advertise the availability and take up of DHPs. In doing

so, the Council will make claim forms and literature on DHPs available to the wider community via its website.

5.3 Information about the DHP scheme is given on all HB decision letters.

6. The application and decision making process

6.1 A claim for a DHP can only be considered if it includes sufficient information to make a decision on entitlement. Claims can only be made in writing on a form specifically to claim a DHP. A claim can be made by the claimant or by their representative.

6.2 The Benefits Section may request any reasonable evidence in support of an application for a DHP. The customer must also demonstrate that he/she is suffering from financial hardship as a direct result of his / her housing costs.

6.3 All income will be taken into account when deciding whether a DHP is appropriate unless it is a disability-related benefit.

6.4 In cases where a disability –related benefit is in payment the Council take into account the decision of the High Court in R v Sandwell MBC, ex parte Hardy. Each case will be considered on a case by case basis, the Council must have regard to the purpose of those benefits and whether the money from those benefits has been committed to other liabilities associated with disability.

6.5 The Council will also consider whether the claimant has any savings which can be used to help them meet the shortfall.

6.6 All genuine and reasonable expenses such as food, clothing utility bills travel costs and debts etc. will be considered. However in certain circumstances it may be reasonable to expect the claimant to reduce their household expenditure before they claim /reapply for a DHP.

6.7 The Council will also take all relevant circumstances into account when making the award including

- Is there any genuine risk of eviction if help with housing costs is not provided?
- The medical needs of the claimant, their partner and any other person in the household.
- What other outgoings does the customer have which make it harder for them to meet their housing costs?
- Is it possible for the customer to negotiate a rent reduction with the landlord?
- Could the customer relocate to alternative accommodation that would incur lower housing costs?
- Has the customer applied for all available sources of income to them?
- The level of indebtedness of the customer and their family. Has the customer tried to renegotiate loans to reduce their expenditure or are they paying off debts, which are making their expenditure temporarily higher.
- Has the customer sought advice from a debt advisor to try to alleviate their situation?
- Is the hardship having particular effects on individuals within the family, for instance young children?
- Are non-dependants living in the household contributing financially?
- Is there a risk of the customer being declared statutorily homeless if a payment is not made?

This is not an exhaustive list and is covered in more detail in the Council's DHP Procedure.

7. The award

7.1 In all cases the Council will make its decision on the known facts and the evidence supplied. The period and level of the award will be on the basis of need, with a minimum period of award of one week and a maximum period of fifty two weeks. An award will usually be made for between three to six months.

- 7.2 The DHP award may be a full award covering the whole shortfall or a partial award which does not cover the full shortfall. This depends on the circumstances of the claimant and their household.
- 7.3 The Council will decide the most appropriate person to pay based upon the circumstances of the case. This could include paying the claimant, an appointee or the landlord (or agent of the landlord).
- 7.4 Payments will usually be made into a bank account every 4 weeks in line with the HB payment run.
- 7.5 Any reasonable request for backdating an award of a DHP will be considered in line with good cause criteria as laid out in the 2006 Housing Benefit Regulations as to why there was a delay in making a claim. A DHP cannot be awarded for any period outside an existing HB benefit period granted under the HB statutory scheme. UC DHPs will be considered using the same criteria
- 7.6 In all cases, we will inform the customer that the scheme is cash limited and that future payments cannot be relied upon. Awards will be reviewed if the customer's circumstances change e.g. starting employment.
- 7.7 The onus is on the claimant to reapply for a DHP if help is still required to meet the shortfall in rent. There is no guarantee however that a further award will be made even if their circumstances remain the same. We do expect the claimant to show that they have made every effort to improve their financial position this includes working with the Council and its partners to improve their financial position.

8. Housing Options / Debt Advice

- 8.1 In all cases customers will be provided with details of contact arrangements for the Housing Options service.
- 8.2 Customers requiring specialist debt advice and support will be referred to the Citizen's Advice Bureau or to their registered social landlord.
- 8.3 If the customer gives us written permission they will be referred to the Housing Options Team , the Council's Financial Inclusion Officers or their registered social landlord as appropriate.

They may be able to provide assistance on a range of issues including

- Debt /budgeting advice;
- Housing related matters e.g. if a claimant is faced with eviction.

9. Notification

- 9.1 The Council will aim to inform the customer in writing of the outcome of their application within one week of receipt. Where the application is unsuccessful, the Benefits Service will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Benefits Service will advise:
- The weekly amount of DHP awarded;
 - The period of the award;
 - How, when and to whom the award will be paid;
 - The requirement to report a change in circumstances.
- 9.2 The notification will also advise the claimant of appropriate steps that should be taken to improve their financial situation. If they subsequently reapply for a DHP they will need to demonstrate the action taken and the outcome of such actions.

10. Review procedure

- 10.1 DHPs are not payments of HB and are therefore not subject to the statutory appeals procedure. The Council is committed to providing an appropriate review procedure. A customer (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for a review should be delivered in writing to a designated office within one calendar month of the written DHP decision being issued to the customer. The Head of Revenues and Benefits will then consider the request and review the decision made and respond to the customer within fourteen days.

11. Final review

- 11.1 If the customer is still unhappy with the decision a further review may be undertaken by an independent panel including a Chief Officer independent of the service. This is the final stage of the review process and may only be challenged further via the judicial review process.

12. Fraud

- 12.1 Monmouthshire County Council is committed to the fight against fraud in all its forms. A customer who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Fraud Act 2006. Where it is alleged, or the authority suspects that such a fraud may have been committed, the matter will be investigated and if fraud is found to have occurred, action will be taken including the recovery of overpaid monies and, if appropriate, criminal proceedings.

13. Overpayments

- 13.1 Any DHP award found to be overpaid may be recovered where appropriate.

14. Review of policy

- 14.1 A review of this policy will be undertaken when major changes to Benefits legislation occur affecting the criteria for entitlement.



<p>Name of the Officer completing the evaluation Richard Davies</p> <p>Phone no: 01495 742358 E-mail: richard.davies@torfaen.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Approval of Discretionary Housing Payment Policy</p>
<p>Name of Service</p> <p>Shared Benefits Service</p>	<p>Date Future Generations Evaluation form completed</p> <p>18th October 2016</p>




NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc



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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The policy approach means we can support our most vulnerable residents reducing the impact of financial hardship</p>	<p>The policy sets out a clear criteria for the award and the length of entitlement</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The policy ensures the poorest households receive financial assistance and advises them on the mitigations available	See left
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The policy assists those in financial hardship contributing to the household income available for essential items such as food	The assistance is targeted to assist vulnerable households particularly those who are disabled or with children
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The policy ensures the poorest households receive financial assistance and advises them on the mitigations available	See left
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	n/a	n/a
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	n/a	n/a
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The policy ensures the poorest households receive financial assistance and advises them on the mitigations available	See left

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Yes the policy acknowledges that although awards are short term the impact of the welfare reforms is long term and customers may reapply</p>	<p>n/a</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The policy outlines how we work together with partners in order that customers are supported by organisations such as CAB and the Registered Social Landlord (RSL) sector</p>	<p>In certain circumstances detailed project or partnership work is being undertaken with reference to major reforms</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The policy has been scrutinized by Special Adult Select Committee and consultation has taken place with partners such as RSLs</p>	<p>n/a</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p data-bbox="152 496 291 523">Prevention</p> <p data-bbox="344 256 506 560">Putting resources into preventing problems occurring or getting worse</p>	<p data-bbox="546 256 1323 363">The policy acknowledges that this is an increasing area of administration as the nature of benefits administration shifts from statutory to discretionary</p>	<p data-bbox="1352 256 1458 284">See left</p>
 <p data-bbox="152 839 291 866">Integration</p> <p data-bbox="344 600 517 858">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="546 600 1323 707">The policy ensures that tenancies are safeguarded and that families are not affected by homelessness ensuring the impact on other key Monmouthshire services is minimised</p>	<p data-bbox="1352 600 1391 627">n/a</p>

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	n/a	n/a	n/a
Disability	n/a	n/a	n/a
Gender reassignment	n/a	n/a	n/a
Marriage or civil partnership	n/a	n/a	n/a
Pregnancy or maternity	n/a	n/a	n/a
Race	n/a	n/a	n/a
Religion or Belief	n/a	n/a	n/a
Sex	n/a	n/a	n/a
Sexual Orientation	n/a	n/a	n/a
Welsh Language	n/a	n/a	n/a

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

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	The policy supports households to pay for their rent, safeguarding their tenancies	n/a	n/a
Corporate Parenting	n/a	n/a	n/a

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

The policy is being reviewed. There is significant evidence that the current policy is robust and resilient and is administered fairly.

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

The aim is to continue to administer DHPs effectively as now.

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

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

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

The impacts of this proposal will be evaluated on:	
--	--

9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Page 1

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration

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SUBJECT:	WELSH CHURCH FUND WORKING GROUP
MEETING:	Cabinet
DATE:	2nd November 2016
DIVISIONS/WARD AFFECTED:	All

1. PURPOSE:

- 1.1 The purpose of this report is to make recommendations to Cabinet on the Schedule of Applications for the Welsh Church Fund Working Group meeting 2 of the 2016/17 financial year held on the 22nd September 2016.

2. RECOMMENDATION:

- 2.1 We resolved that the following grants be awarded as per the schedule of applications.

SCHEDULE OF APPLICATIONS CONSIDERED 2016/17 – MEETING 2.

- (1) Portskewett Heritage Centre requested £5,000 to assist in the restoration of a derelict churchyard building which will include the provision of Kitchen and Toilet facilities as well as a Multi-media centre for local information and a Community history activity programme

Recommendation – This application was deferred to obtain S106 information in regard to the application and therefore make a more informed funding decision.

- (2) Blue Phoenix Jazz Band requested £500 to assist in the purchase of competition tap shoes for the children as parents of many of the members are single parent / low income families.

Recommendation - £200 awarded to assist in provision of shoes for the relief of poverty..

- (3) Llantillio Crossenny Church requested £1,000 to assist in the provision of a hard standing car park

Recommendation - £200 was awarded to assist in the construction of the car park.,.

- (4) Joanna Harries requested £649 to assist in attending a scholarship at the prestigious Alexander Gibson Opera School at the Royal Conservatoire of Scotland.

Recommendation – The Committee felt that this application could not be supported.

- (5) Catherine Wynne-Paton requested £500 to study for an MA at University of Gloucester

Recommendation - The Committee felt that this application could not be supported..

- (6) St Mary's Church Llanvair Discoed requested £1,000 to assist in the replacement of rainwater guttering and drainage channel refurbishment.

Recommendation – £500 was awarded so essential repairs could be carried out to the church.

- (7) Clybiau Plant Cymru Kid's Clubs requested £850 for 5 'Nature Zone' club workshops in out of school childcare clubs across Monmouthshire.

Recommendation – £340 was awarded to provide resource materials for these children's workshops.

- (8) Friends of Llanfoist Cemetery Chapel requested £3,500 for repairs to masonry, plasterwork, windows, lead guttering and missing slates.

Recommendation - £1,000 was awarded towards the cost of this restoration project

- (9) Llangwm Baptist Chapel requested £2,000 to assist in replacing the combi boiler and fuel tank, guttering, kitchen and sanitary units as well as a new porch to chapel and general decorating and refurbishment.

Recommendation - £1,000 awarded to assist in replacing the chapels infrastructure

- (10) Rowan Carbury required £500 for assistance in studying an MSc in Economics, Politics and Public Policy at Cardiff University.

Recommendation - The Committee felt that this application could not be supported.

- (11) St Michael's Church Mitchell Troy requires £725 to assist in the installation of two new metal handrails on the church steps and replace damaged steps for H&S reasons.

Recommendation - £500 was awarded to assist this Health and Safety project

- (12) St Denis Church, Llanishen requested £1,400 to assist in the re-building of two sections of the churchyard wall which collapsed during last winter's heavy rainfall.

Recommendation - £1,000 awarded to help in the reconstruction of the churchyard walls.

The deferred application from St Mabli's Church Abergavenny, has been again deferred to a later meeting as further funding has yet to be secured.

2.3 KEY ISSUES

The nature of the request in each case is set out in the attached schedule.

3. REASONS

A meeting took place on Thursday, 22nd September 2016 of the Welsh Church Fund Cabinet Working Group to recommend the payment of grants as detailed in the attached schedule and to confirm administrative procedures for the financial year 2016/17.

County Councillors in attendance:

County Councillor D.L. Edwards (Chairman)
County Councillor B. Strong (Vice Chairman)
County Councillor D. Evans
County Councillor A. Webb

OFFICERS IN ATTENDANCE:

D. Jarrett Central Finance Officer
W. Barnard Senior Democracy Officer

3.1 DECLARATIONS OF INTEREST

It was agreed that declarations of interest would be made under the relevant item if appropriate.

3.2 APOLOGIES FOR ABSENCE

None

3.3 CONFIRMATION OF REPORT OF PREVIOUS MEETING

The minutes of the meeting of the Welsh Church Fund Working Group held on Thursday 16th June 2016 were confirmed as an accurate record and signed by the Chairman.

4. RESOURCE IMPLICATIONS

A total of £4,740 was allocated at meeting 2 of the Welsh Church Fund Committee. The remaining budget of £26,451 is available for distribution in the 2016/17 financial year.

5. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

There are no equality or sustainable development implications directly arising from this report. The assessment is contained in the attached appendix.

6. CONSULTEES:

Senior Leadership Team
All Cabinet Members
Head of Legal Services
Head of Finance
Central Management Accountant

7. BACKGROUND PAPERS:

Welsh Church Fund Schedule of Applications 2016/17– Meeting 2 (Appendix 2)

8. AUTHOR:

David Jarrett – Senior Accountant – Central Finance Business Support

9. CONTACT DETAILS

Tel. 01633 644657

e-mail: daveJarrett@monmouthshire.gov.uk

WELSH CHURCH FUND - APPLICATIONS 2016/17
MEETING 2: 22nd September 2016

APPENDIX 2

<u>ORGANISATION</u>	<u>ELECTORAL DIVISION</u>	<u>Signed by Councillor</u>	<u>REQUEST</u>	<u>DECISION</u>	<u>NATURE OF REQUEST</u>	<u>APPROX COST</u>	<u>DATE Received</u>	<u>D of I*</u>	<u>Comments</u>
NEW APPLICATIONS AWAITING DECISION			£	£		£			
1 Portskewett Heritage Centre	Portskewett	P. Fox	£5,000	defer S106	Assistance in the restoration of a derelict churchyard building which will include the provision of Kitchen and Toilet facilities as well as a Multi media centre for local information and a Community history activity programme	£98,400	15/06/16	no	A management group under the authority of the Parochial Church Council support s growing village community of 2,133 (soon to increase by 1,000) and so the need for improved community facilities has been recognised and being planned for. This comprises members from Community groups to the local Caldicot History Society.
2 Blue Phoenix Jazz Band	Severn	R.J.Higginson	£500	£200	Request for assistance in the purchase of competition tap shoes as parents of many of the members are single parent / low income families in the Caldicot area. The band does not want to exclude children from the group on the grounds of poverty as some children cannot afford to £25 to £ tap shoes.	£800	07/07/16	No	The band consists of 27 members which are encouraged and mentored in musical tuition, discipline and teamwork. The band provide demonstrations within the community and is growing in numbers.
3 Llantilio Crossenny Church, St Teilo's	Llantilio Crossenny	R.Edwards	£1,000	£200	Assist in the provision of a hard standing car park not grass as currently difficult to use in wet weather	£2,000	26/07/16	No	The car park will receive regular maintenance and be used by up to 200 members / visitors.
4 Joanna Harries	Dixton with Osbaston	R.Hayward	£649	£0	Assistance to a scholarship at the prestigious Alexander Gibson Opera School at the Royal Conservatoire of Scotland	£8,649	30/07/16	No	Awarded a £5,000 entrance scholarship from RCS (for two years), also £1,750 from Simon Fletcher Charitable Trust and £1,250 from Ryan Davies Memorial Fund. The applicant has performed at the Welsh National Opera and studied at the Royal Northern College of Music. you can see her recordings and videos on her website at www.joannaharries.com
5 Catherine Wynne-Paton (Artist name) Catherine Mitchell (Legal name)	Trellech United	Debby Blakeborough	£500	£0	Assistance required to study for an MA at University of Gloucester	£8,366	18/07/16	No	Work involves painting, printing and has initiated a 'Lost Library' project in Abergavenny involving Community members. The applicant has used funds from the F.O.A.L.S Friends of Abergavenny Library) in regard to the project
6 St Mary's Church Llanvair Discoed	Caerwent	P Murphy	£1,000	£500	funding required to assist in the replacement of rainwater guttering and drainage channel refurbishment	£9,000	16/08/16	No	Refurbishment required to prevent further water penetration to the inside walls of the church and prevent further water damage due to damp
7 Clybiau Plant Cymru Kid's Clubs	Wyesham	L Hackett-Pain	£850	£340	Funding required for 5 'Nature Zone' club workshops in out of school childcare clubs across Monmouthshire. This is the implementation of low cost activity schemes to enable the children to interact with nature outside of the classroom	£850	16/08/16	No	The scheme will introduce new and sustainable low cost activity programme with associated play worker training to encourage children to get outdoors and interact with nature developing more imaginative and innovative skills and promote the environmental and social sustainability agendas. Play workers are provided with 'Nature Zone' resource packs to enable start up
8 Friends of Llanfoist Cemetery Chapel	Llanfoist Fawr	M. Hickman	£3,500	£1,000	Chapel requires repairs to masonry, plasterwork, windows, lead guttering and missing slates. Also, replacement oak door required for chapel	£6,373	18/08/16	No	The chapel currently has no mains electricity and has only just reopened and is being used for funeral services.
9 llangwm Baptist Chapel	Devauden	B Greenland	£2,000	£1,000	Assist in replacing combi boiler and fuel tank, guttering, kitchen and sanitary units, new porch to chapel and general decorating and refurbishment	£17,231	30/08/16	No	Chapel is primarily used for worship, weddings, funerals, dedications and burial services
10 Rowan Carbury	Llanbadoc	V.E.Smith	£500	£0	Assistance to study an MSc Economics, Politics and Public Policy at Cardiff University	£6,490	30/08/16	No	Attaining a post graduate degree will enable the applicant to advance both his and the situation of those less fortunate.
11 St Michael's Church Mitchell Troy	Mitchell troy	G. Burrows	£725	£500	Assist in the installation of two new metal handrails on the church steps and replace damaged steps for H&S reasons	£1,000	08/09/16	No	The work is to replace the dangerous handrail, and ledger stones to make it safe for visitors and people attending Church Services, Funerals and Weddings.
12 St Denis Church, Llanishen	Trellech United	Debby Blakeborough	£1,400	£1,000	Assistance required to help re-build two sections of the churchyard wall which collapsed during last winter's heavy rainfall	£6,350	15/09/16	No	This work includes the removal of two trees that have to be taken down to facilitate the construction of the new west wall
Late Application(s)									
Deferred Applications									
St Mabli's Church Hall, Abergavenny	Llanover	S Jones	£5,000	defer for HLF result	Assist in fitting a disabled WC and kitchen including associated ground and utility supply work	£112,575	03/05/16	No	The Hall is used by several community groups for Concerts , meetings etc. and is staffed exclusively by volunteers.
SUB TOTAL Meeting 2			£22,624	£4,740					
Meeting 1 Award				6,718					
Meeting 2 Award				4,740					
TOTAL AWARDED FOR 2016/17 TO DATE					11,458				
BUDGET 2016/17					31,400				
BALANCE B/F TO 2016/17					£6,509				
Monmouthshire's Allocation for 2016/17					£37,909				
REMAINING BALANCE			£26,451						

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<p>Name of the Officer D Jarrett Phone no: 4657 E-mail: davejarrett@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal To assess the Grant Allocation Processes of the Welsh Church Fund for the meeting of the Welsh Church Fund Working Group on the 22nd September 2016.</p>
<p>Name of Service Finance</p>	<p>Date Future Generations Evaluation 22nd September 2016</p>


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

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been / will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Positive in relation to developing the skills and proficiencies of applicants</p>	
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>No impact</p>	
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Positive in regard to providing equipment to assist in the preservation of life</p>	

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been / will be taken to mitigate any negative impacts or better contribute to positive impacts?
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Positive in relation to connecting the community and its constituents	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Positive in relation to social well-being. Helping the environmental well-being of the community through preservation of history.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Positive in relation to the promotion of culture in the community	Positive impact on the education of individuals in regard to recreational achievements
A more equal Wales People can fulfill their potential no matter what their background or circumstances	No impact	

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

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 Balancing short term need with long term and planning for the future	Not applicable to Welsh Church Fund Trust	

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Collaboration Working together with other partners to deliver objectives</p>	Not applicable to Welsh Church Fund Trust	
 <p>Involvement Involving those with an interest and seeking their views</p>	Not applicable to Welsh Church Fund Trust	
 <p>Prevention Putting resources into preventing problems occurring or getting worse</p>	Not applicable to Welsh Church Fund Trust	
 <p>Integration Positively impacting on people, economy and environment and trying to benefit all three</p>	Not applicable to Welsh Church Fund Trust	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	Positive impact on the early years generation	None	
Disability	Positive impact in the provision of disabled facilities	None	
Gender reassignment	No impact	No impact	
Marriage or civil partnership	No impact	No Impact	
Race	No impact	No Impact	
Religion or Belief	Positive impact in relation to the preservation and accessibility of religious services	None	
Sex	No impact	No impact	
Sexual Orientation	No impact	No Impact	
Welsh Language	No impact on Welsh Language	No impact on Welsh Language	

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

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not applicable		
Corporate Parenting	Not applicable		

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

The evidence and data used for the assessment of each applicant to the Welsh Church Fund is supplied by the applicant upon submission of their application. The data and information supplied or subsequently requested is used to form the basis of the Committees' decision on whether to award a qualifying grant.

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

The grant aid supports and highlights the positive effect that decisions the Welsh Church Fund Working Group have on the applicants funding requests from Voluntary Organisations, Local Community Groups, Individuals and Religious Establishments. All awards are made in the belief that the funding is utilised for sustainable projects and cultural activities that benefit individuals, organisations, communities and their associated assets. All grants are awarded within the Charitable Guidelines of the Trust

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

What are you going to do	When are you going to do it?	Who is responsible	Progress
Award grants	October 2016	Welsh Church Fund	On target

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

The impacts of this proposal will be evaluated on:

The Payment of grants awarded to the successful applicants



REPORT

SUBJECT:	MEDIUM TERM FINANCIAL PLAN and BUDGET PROCESS 2017/18 to 2020/21
MEETING:	CABINET
DATE:	2nd November 2016
DIVISION/WARDS AFFECTED:	WHOLE AUTHORITY

1. PURPOSE:

- 1.1 To highlight the context within which the Medium Term Financial Plan (MTFP) will be developed for 2017/18 to 2020/21
- 1.2 To agree the assumptions to be used to update the MTFP, and provide an early indication of the level of budget savings to be found.
- 1.3 To update Members with the implications arising from the provisional settlement announcement of Welsh Government.
- 1.4 To agree the process for developing the MTFP and budget for 2017/18

2. RECOMMENDATIONS:

- 2.1 That the budget assumptions outlined in paragraphs 3.19 to 3.21 in the report are agreed and updated during the budget process should better information become available.
- 2.2 That Cabinet approves the draft response to the Welsh Government on the provisional settlement.
- 2.3 That the budget process as outlined in paragraph 3.24 is adopted including member budget scrutiny and consultation conducted with Select Committees, and consultation with the public, businesses, JAG, schools budget forum and the Equality and Diversity Group.

3. KEY ISSUES:

Context

- 3.1 Members will know that we have faced and will continue to face significant financial challenges. Over the last four years the Council has had to manage a reduction in service budgets of £18.1 million. Funding from Welsh Government has reduced over the period and austerity looks set to continue for the foreseeable future. At the same time pressures on the budget have been increasing in terms of demographic growth, demand and expectations in children's services, contract price inflation and redundancy costs.
- 3.2 Whilst setting the budget annually within the context of a MTFP, the development of multi-year budget proposals has been a challenge. An ongoing forecast resource gap is being predicted however with the absence of future year's indicative settlements from Welsh government, planning for the future is challenging.

- 3.3 Reports to Cabinet, earlier this year, have outlined the work which has been started on Future Monmouthshire. This recognizes that the challenges faced by the County and Council are not limited to financial pressures, but these should be seen in the round with other significant challenges. Taking a holistic approach to this work will ensure that the needs of our communities that we serve are put first within the financial constraints that we operate.
- 3.4 The year end position for 2015/16 and the current year monitoring continues to demonstrate the tightening of our financial position. The reports also assess the delivery of the savings we have previously identified. Overall the outturn position was just under budget, but means that there was a limited opportunity to replenish our reserves.
- 3.5 A review of the earmarked reserves position was brought to Cabinet on 6th July 2016. The report highlighted that as reserves have been used extensively and there is less opportunity to replenish reserve balances as budgets get tighter, ear marked reserves need to work harder to help the Authority through the financial challenges and risks it faces. Reserves should not be used to plug the funding gap and fund on going expenditure, they are needed to help with one off costs to invest and transform services so that they can operate within a reduced financial envelop. Having clearer protocols and responsibility assigned can help to ensure the return from the use of reserves in the future is maximised.

Current approach to the 2017/18 budget

- 3.6 Taking significant levels of resource out of the budget year on year has been a massive achievement. In reviewing this process, questions have been raised about whether it is sustainable going forward. Whilst the Future Monmouthshire work is making progress and establishing key themes to work on it was never intended to identify the new shape of the Council in time for setting next year's budget. Therefore a one year approach has been taken albeit within the context of the MTFP, and with the expectation that a more medium term approach can be adopted next year once the Future Monmouthshire work is further progressed.
- 3.7 The Mandate process to setting the budget has been a largely successful up to now, but it is getting harder and has tended to rely on the same individuals and services each year rather than being proportionately spread across all service areas. In the **short term**, the ongoing challenge is to set off on the new path clearly understanding demand, current trends & reducing costs through greater efficiency, sharing services, greater productivity and limiting or stopping some services. Clearly the need to still set annual budgets within our Medium Term Financial Planning framework will need to sit alongside the Future Monmouthshire work. In order to encourage all services to engage with this work, the process for identifying budget proposals has been modified so that all services in the organisation have been asked to consider how their services would look within a range of reductions in the resources available to them. The principles adopted through the Future Monmouthshire work will form an important back drop for services to explore the options available to meet the more immediate budget challenges.
- 3.8 In rolling forward the current MTFP, a review of all the existing assumptions, savings and pressures previously agreed for inclusion in the model has been undertaken and provides a basis on which to scenario plan for the future, whilst recognizing that we are building from an extremely challenging starting point.

MTFP assumptions

Review of Savings already included in the MTFP

3.9 Some previous mandates identified multiple year savings and these have been captured in the MTFP and now reviewed as part of the 2017/18 process. The result has been captured in the table below:

Review of savings previously agreed	2017/18 £000	Revised savings £000	Comments
B20 ALN	150	150	No Change
34 Adult soc care	600	600	Savings relating to managing demand and changing practise to remain in the MTFP, whilst recognising the pressures in the adult social care budget
B1 Leisure ADM	254	0	Full business case being developed, savings unlikely in 2017/18
B4 ICT	100	0	Further analysis of a move to cloud has established that this target savings is not able to be made
B6 CIL	50	0	This saving is unlikely to be achieved in 2017/18, however opportunities in this area will be kept under review for future years
B18 Strategic Property review	100	0	This savings was predicated on consolidation of office buildings, which is not likely to materialise in 2017/18
Garden waste income	40	50	Plans in place to implement an increase in charge for 1st April based on revised estimate
Total	1,294	800	

Review of Pressures already included in the MTFP

3.10 Previously identified pressures have also been reviewed and the results identified in the table below:

Review of pressures in MTFP	2017/18 £000	2018/19 £000s	2019/20 £000s	2020/21 £000s	Comments
Pension auto enrolment	187	0	0	0	Pension auto enrolment has been reviewed as the process to auto enrol has been implemented, the pressure only remains in schools and CYP directorate, other Directorates have budget to cover pension contributions. Therefore pressure has been reduced to from £1.005 million to £187k
Waste	311	0	0	0	Increasing contract costs and additional households, no change
PTU	30	47	72	0	Additional school transport costs associated with the new Welsh school at Duffryn, no change
Apprenticeship levy	346	0	0	0	Announcement in the Chancellors Autumn statement last year introduced an Apprenticeship levy on employers from April 2017 to fund the plans to create 3 million new apprenticeship roles by 2020. The levy is 0.5% of an employer's pay bill, no change
Unallocated pressures	1626	2453	2428	2500	In most years over £5 million of pressures emerge and are included in the MTFP, however most are not specifically identified until the year before. Services are aware of the need to mitigate and manage as many pressures as possible so for the purposes of modelling a gap, a total of £2.5 million pressures per year has been assumed.
Total Pressures	2500	2500	2500	2500	

- 3.11 There are a myriad of other potential pressures which have not yet been factored in as they are currently being assessed. Included in this list would be any further changes in demand for services, legislation changes, living wage impact on social care contracts, changes to specific grant funding streams and welfare reform. If specific grants cease, it is expected that the activity will cease. Continuance of an activity following grant funding ceasing, would require a business case to assess each case on its merits.
- 3.12 The budget monitoring reports will also be assessing the achievability of delivering the savings identified for 2016/17, and the scale of other pressures manifesting in this year of account. An assessment will need to be made about whether these pressures extend into 2017/18 notwithstanding any efforts to manage and mitigate the pressures in year

Assumptions used in the MTFP – Aggregate External Finance Provisional settlement

- 3.13 The funding reductions projected in the MTFP brought forward was 4.3% across the period. For 2016/17 the funding reduction was 3.1% and some of the indications/predictions being considered for 2017/18 have highlighted that there may be further improvement, so for modelling purposes a reduction of 2.3% was being considered. In addition the recent publication of a programme for government included a commitment to provide funding to put in place a floor for future government settlements.
- 3.14 The provisional settlement was announced on the 19th October 2016. The overall increase in the Welsh Government revenue budget for 2017/18 is 3.5%, and following decisions by the WG on its budget, the Local Government settlement was announced with an overall slight increase across Wales of 0.1%. However, this includes additional funding for new responsibilities. These relate to the raising the capital limit for residential care to £30k and a full disregard of the War Disablement Pension (WDP) in financial assessments for charging for social care. The sparsity changes to the formula recommended by the Distribution Sub Group have been phased over two years. The Welsh Government's statement also makes reference to the settlement including '£25 million to support the delivery of strong social services' and an 'additional £25 million through the settlement to support the delivery of vital services'; these should be regarded as within the funding envelope announced. This also applies to other initiatives mentioned in the Cabinet Secretary's statement such as the £1 million for school transport or the £3 million for a pilot scheme to support town centre car parking, where further clarity is needed in due course.
- 3.15 For Monmouthshire the provisional settlement has delivered a reduction in the Authority's Aggregate External Finance (AEF) of 0.12% after taking into account new responsibilities and transfers into and out of the settlement. The AEF across Wales range from a 0.9% increase in Gwynedd to reduction of 0.5% in Powys, Torfean, Merthyr Tydfil, Wrexham and Blaenau Gwent. Some of these authorities having been caught by the funding floor. There have been several transfers of grant into the settlement. When the provisional AEF is compared to the figure modelled in the MTFP of a 2.3% reduction the Authority is better off by £2 million. A response to WG regarding the Provisional Settlement is attached as Appendix 1. A table showing each authorities position resulting from the provisional settlement is included at Appendix 2 to this report. Monmouthshire remains at the bottom of the table in terms of AEF per head of population.

- 3.16 In terms of Specific Grants the provisional settlement also only included the notifications of some specific grants at an all Wales level. Out of the 60 specific grants that existed in 2016-17, 14 grants consolidate into new grants, 5 grants transfer into the settlement or to Social Care Wales and 1 grant ceases. There was no information on 11 grants at the time of publication. For those that have been announced and are comparable to 2016-17, there is a reduction in the total amount of around 1%. There are notable increases in the pupil deprivation grant and Pioneer Schools of 7%, and a notable decrease in the Single Revenue Grant (Environment) of 7%. The table of grant information at an all Wales level is provided in Appendix 3.
- 3.17 On capital account, the provisional settlement saw very little change to the anticipated funding included in the capital MTFP. It is proposed that the capital reserve is used to make up any minor differences, rather than reduce capital budgets any further.
- 3.18 The medium term prognosis is still of concern, there are no indicative settlement figures published, even though the Spending review showed the Welsh budget with slight cash increases it is difficult to forecast how this will be distributed by Welsh Government. The WLGA has modelled a 'pessimistic' scenario where the NHS and other non LG budgets are protected for inflation. In such a scenario the AEF for LG would reduce by 2.6% in 2018/19 and 1.8% in 2019/20. These reductions will be used in the MTFP so that planning can be undertaken on a prudent basis, however this may be revised when the MTFP is updated after the 2017/18 budget is set.

Other MTFP assumptions

- 3.19 All the assumptions in the underlining MTFP model have been reviewed and the following are recommended for modelling purposes:
- Council Tax – 3.95%
 - Other external income – 2.5%
 - Pay inflation – 1%
 - Non pay inflation – 0%
 - Vacancy factor – 2% (except schools)
 - Superannuation – 21.1% (Actuarial review pending)
 - Schools Budget – 0%
- 3.20 Reserves – It is assumed that additional reliance on reserves, except for one off investment that has a net on going benefit to the revenue budget, will be avoided in the MTFP. Ear marked reserves are an important part of the MTFP strategy for managing the changes required and are key to financial resilience in times of extreme financial challenge.
- 3.21 Capital financing - Capital financing costs are currently based on the approved Capital MTFP, the funding budgets will need to be reviewed following the development of the next capital MTFP taking into account any slippage and the requirement to increase the capital budget for the Future Schools programme (Council report – 20th October 2017). Other Corporate Costs, such as precepts and levies, will also be updated as information becomes available.
- 3.22 The assumptions highlighted above are based on the best information available at the current time, however they will be subject to variation as new information comes to light and our forecasting techniques are refined. The current assumptions show the following gap in the MTFP model:

3.23

Year	MTFP Gap £'000s
2017/18	2,509
2018/19	5,985
2019/20	8,250
2020/21	10,502

What is clearly shown in the table above is that there will be a significant gap in the MTFP to find. Further potential pressures have already been identified that will potentially increase this gap, however work is being undertaken to validate these and assess how they can be managed or mitigated. At the moment £10.5 million will be a working target until more information becomes available.

Process

3.23 The process this year has been revised and reconfigured so that the Future Monmouthshire work could start to be established and this has enabled a set of principles to be developed to ensure that any work and decisions that need to be made in the short term can be consistent with ongoing work to establish the medium and long term picture.

3.24 The process for developing proposals for next year's budget within the context of the MTFP has included the following:

- All services to provide 5% and 10% budget proposals considering the following issues in line with the Future Monmouthshire principles:
 - A continued drive for efficiency and focusing on what matters to citizens
 - Service Redesign including demand management, use of technology to enable digital access to services.
 - Moving to enabling services to be delivered via an array of alternative commissioning arrangements and delivery models and/or collaboration
 - Income generation – taking opportunities to commercialise services, maximize income generating potential from all the authorities assets and seeking and sourcing new income streams
 - As a last resort service reduction, including stopping or closing some services
- The process has also included capturing cross cutting issues that may deliver savings across the whole authority
- Identification of pressures, including an assessment of any ongoing pressures in the current year's budget. These will be rigorously reviewed and challenged.
- External and internal challenge processes to ensure robustness of proposals and achievability for 2017/18
- It is expected that the draft budget proposals will be available for a special Cabinet on 16th Dec
- The consultation period with the public, businesses, JAG, schools budget forum, Equality and Diversity Group and Select Committees will then run from 16th December until beginning of Feb 2017.

- Select dates:
 Economy and Development – 5th January 2017
 Children and Young People – 12th January 2017
 Adults - 24th January 2017
 Strong Communities - 26th January 2017
- Deadline for receipt of Community Council precepts – 31st January 2017
- Final budget proposals following consultation will go to a special Cabinet in mid Feb 2017
- Council Tax and budget setting will then take place at Full council on 9th March 2017.

4. REASONS:

- 4.1 To ensure that short and medium term budgets are constructed to maximize available resources in favour of the Council's priorities and based on the best available knowledge of local and national funding and expenditure pressures.
- 4.2 To provide the opportunity for consultation on and scrutiny of budget proposals and processes.

5. RESOURCE IMPLICATIONS:

The report outlines the framework within which next year's budget will be constructed, including the assumptions to be used, pressures and savings incorporated in the model leading to an estimated gap over the MTFP.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

The Future Generations process has been completed and the form is attached at Appendix 4

There are no significant impacts identified at this stage. As part of the budget process, individual budget proposals will be assessed for their implications as they are developed.

Consultation with the protected characteristics will be covered as a minimum by engagement with the Authority's Equality and Diversity Group.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS:

None

8. CONSULTEES:

Strategic Leadership Team
 All Cabinet Members
 Head of Legal Services
 Head of Finance

9. BACKGROUND PAPERS:

10. AUTHOR:

Joy Robson - Head of Finance

11. CONTACT DETAILS:

Tel: 01633 644270

Email: joyrobson@monmouthshire.gov.uk

Appendix 1 – Response to Welsh Government on the Provisional Settlement

Simon Edwards
Local Government Funding and
Performance Branch,
Welsh Government,
Cathays Park,
Cardiff.
CF10 3NQ

Your Ref/Eich Cyf:
Our Ref/Ein Cyf:
Date/Dyddiad:
File Ref:
The Person dealing with
this matter is/ Y
Person sy'n delio gyda'r
mater yma yw:
Tel/Ffôn: 01633 644270
Fax/Ffacs: 01633 644260
e-mail address/ cyfeiriad
e-bost Monmouthshire.gov.uk

Dear Mr Edwards,

Re: Provisional Local Government Settlement 2017/7

Thank you for the opportunity to comment on the Provisional Settlement announced recently. This response has been endorsed by Monmouthshire County Council's Cabinet and provides the views of members.

Obviously, the All-Wales provisional settlement announcement is better than expected, coming as it does, after the reductions that Councils have experienced in recent years. The Council is very conscious of the pressures on household budgets and so the Council is doing its utmost to deliver a balanced budget but this will inevitably put pressure on Council Tax rises.

When comparing like for like, Monmouthshire's settlement is a slight reduction of 0.12%. The provisional settlement has done nothing to alleviate our position as the worst funded Council in Wales per head of population. In addition, looking forward to 2018/19 and beyond, the prospect of continuing austerity remains and is set against very real pressures in already stretched services. The provision of indicative settlements for the next three years would help Councils in planning for the future through these very difficult times.

As a rural authority we fully support the introduction of the effect of sparsity into the formula and would have liked to have seen the full effect implemented for 2017/18 rather than phased over 2 years. We also welcome the commitment to providing a funding floor to mitigate any volatility.

Monmouthshire notes some recognition of the growing pressures which social services face but this is some considerable way short of the actual pressures being faced. However in a reducing resource envelop there is a need to distinguish between protecting services and protecting budgets. Every service area needs to be looked at and ways of improving efficiency and effectiveness implemented which enables budgets in social care to be contained whilst still providing priority outcomes.

Monmouthshire supports and encourages the transfer of specific grants into the settlement and is disappointed that more progress has not been made in this regard.

If there are opportunities to put more grants into the final settlement this would be welcomed providing it continues to be distributed on the same basis as the original grant to prevent large changes at a very late stage in the process.

On capital account, the settlement does not address the previous reductions in capital funding and is still therefore a serious concern, especially as it comes at a time when councils are struggling to raise capital receipts from asset sales. The need to invest in priority areas such as 21st Century Schools, waste management, carbon reduction and infrastructure remains high, with WG support remaining a critical success factor.

Despite the fact that the reasons for the level of the provisional settlement are both known and understood, it is difficult to reconcile the revenue and capital settlements with the increasing expectations and demands on local council services are continuing to grow. Councils will face difficult decisions in reconciling budgets next year and in the medium term and it is important that the WG recognises the need for difficult decisions, is supportive of local authorities facing difficult times and does not promote undeliverable policy expectations. This is a time for us all to work together to minimise the consequences of the downturn in public finances on the most vulnerable in society and to send clear and consistent expectations to the public we exist to serve.

Yours sincerely,

Councillor Philip Murphy – Cabinet Member

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WELSH LOCAL GOVERNMENT SETTLEMENT 2017-18

Provisional

Table 1c: Aggregate External Finance (AEF) plus top-up funding per capita, by Unitary Authority, 2017-18

Unitary authority	2017-18 provisional Aggregate External Finance plus top-up funding (£000s)	Provisional Aggregate External Finance per capita (£)*	Rank
Isle of Anglesey	92,289	1,315	12
Gwynedd	168,590	1,367	9
Conwy	150,101	1,286	13
Denbighshire	140,349	1,472	4
Flintshire	184,989	1,196	19
Wrexham	169,007	1,220	18
Powys	169,650	1,284	15
Ceredigion	97,808	1,285	14
Pembrokeshire	156,599	1,263	17
Carmarthenshire	251,794	1,355	10
Swansea	309,385	1,268	16
Neath Port Talbot	206,797	1,466	5
Bridgend	187,513	1,316	11
The Vale Of Glamorgan	150,169	1,172	21
Rhondda Cynon Taf	354,778	1,490	3
Merthyr Tydfil	88,790	1,500	2
Caerphilly	262,693	1,453	6
Blaenau Gwent	108,764	1,565	1
Torfaen	128,747	1,401	8
Monmouthshire	91,622	987	22
Newport	209,013	1,410	7
Cardiff	427,976	1,177	20
Total Unitary Authorities	4,107,420	1,318	

* Based upon 2014-based population projections for 2017.

WELSH LOCAL GOVERNMENT SETTLEMENT 2017-18

Provisional

Table 9: List and estimated amounts of Grants for total Wales

Existing Grant name	2016-17	2017-18	Notes
£'m			
Communities and Children			
Prevention and Early Intervention (PEI - new spending line)	..	154.383	
Supporting People	123.688	123.688	
Flying Start Revenue Grant	76.052	PEI	New spending line
Families First	38.352	PEI	New spending line
Communities First	27.539	PEI	New spending line
Communities for Work	6.092	PEI	New spending line
Cardiff Bay Legacy	5.891	5.891	
Promoting Positive Engagement for Young People	4.330	4.330	
Out of School Childcare	2.300	PEI	New spending line
Domestic Abuse Grant	1.938	1.938	
Lift	0.980	PEI	New spending line
Community Cohesion	0.360	0.360	
Town Centre Partnership	0.220	NA	
Remploy Employment Support Grant	0.198	0.000	
Welsh Adoption Register	0.103	0.100	
Business Improvement District Development	0.065	0.050	
Armed Forces Day	0.020	0.020	
Economy and Infrastructure			
Concessionary Fares	60.557	NA	
Bus Services Support Grant	25.000	NA	
Young Persons Discounted Bus Travel Scheme	9.750	NA	
Bus Revenue Support Traws Cymru	2.187	NA	
Road Safety Grant	1.937	2.000	
CyMAL Revenue	0.275	NA	
New Developments	0.149	NA	
Travel Plan Co-ordinators	0.125	0.125	
Community Rail Partnership	0.065	0.065	
Bus Revenue Support	0.050	NA	
Enterprise Zones	0.050	0.035	
Blue Badge	0.010	RSG	Transferring into Settlement
Education			
Education Standards (ES - new spending line)	..	134.018	
Curriculum and Assessment (C&A - new spending line)	..	2.480	
Delivery Support (DS - new spending line)	..	0.411	
Education Improvement Grant	134.282	ES	New spending line
Pupil Deprivation Grant	87.304	93.746	
Schools Challenge Cymru	13.747	NA	
Pioneer Schools	6.283	6.740	
GCSE Support Programme Grant	3.415	C&A	New spending line
Additional Learning Needs Innovation Fund	1.100	1.100	
School Uniform Grant	0.736	ES	New spending line
Modern Foreign Languages	0.480	C&A	New spending line
Mentoring and Networking Support for Headteachers	0.100	0.100	
Special Schools Grant	0.100	C&A	New spending line
National Numeracy Tests - Supported Marking Grant to Consortia	0.020	0.020	
Environment and Rural Affairs			
Single Revenue Grant	64.320	60.000	
Health, Wellbeing and Sport			
Deprivation of Liberty Safeguards	0.184	RSG	Transferring into Settlement
Lifelong Learning and Welsh Language			
Youth Engagement & Employment (YE&E - new spending line)	..	3.856	
Post-16 Provision in Schools	101.000	NA	
Adult Community Learning	3.811	NA	
Youth Work Strategy Support	2.756	YE&E	New spending line
Youth Engagement & Progression	1.100	YE&E	New spending line
Learning in Digital Wales (Phase 2)	0.500	0.500	
Person Centred Practice	0.286	0.000	Grant ending
Development of the Seren Network	0.100	0.000	
Skills and Science			
SBRI Innovation Accelerator Programme	0.015	0.090	
Social Services and Public Health			
Welsh Independent Living Grant	26.764	27.000	
Substance Misuse Action Fund	22.663	22.663	
Social Care Workforce Development Programme	7.149	0.000	Transferring to Social Care Wales
Delivering Transformation Grant	2.830	RSG	Transferring into Settlement
Secure Estates	0.448	0.448	
Food Hygiene	0.057	RSG	Transferring into Settlement
All Grants	869.833	646.157	
All Grants excluding NA (for a like-for-like comparison)	653.087	646.157	

Note: The information shown above details the grants where the amounts that Wales will receive in total in 2016-17 and estimated amounts for 2017-18 are known. Amounts for future years are indicative at this stage and are liable to change.

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

NA = Figures not available at time of publication

.. = Not applicable



Future Generations Evaluation (includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation Joy Robson</p> <p>Phone no: 01633 644270 E-mail: joyrobson@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To agree the update to the MTFP and process for the 2017/18 budget</p>
<p>Name of Service</p> <p>Finance</p>	<p>Date Future Generations Evaluation form completed</p> <p>18th October 2016</p>

NB. Key strategies and documents that may help you identify your contribution to the wellbeing goals and sustainable development principles include: Single Integrated Plan, Continuance Agreement, Improvement Plan, Local Development Plan, People Strategy, Asset Management Plan, Green Infrastructure SPG, Welsh Language Standards, etc





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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Positive – ensuring resources are used efficiently</p>	<p>n/a</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>n/a</p>	<p>n/a</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	n/a	n/a
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	n/a	n/a
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	n/a	n/a
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	n/a	n/a
A more equal Wales People can fulfil their potential no matter what their background or circumstances	n/a	n/a

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Yes – the setting of the 2017/18 budget within the context of the projections within the MTFP</p>	<p>-</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>n/a</p>	<p>-</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Select committee scrutiny and public consultation period</p>	<p>-</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The process enables this to occur</p>	<p>-</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	The Budget proposals once formulated will be assessed for impact	-

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	n/a	n/a	n/a
Disability	n/a	n/a	n/a
Gender reassignment	n/a	n/a	n/a
Marriage or civil partnership	n/a	n/a	n/a

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Pregnancy or maternity	n/a	n/a	n/a
Race	n/a	n/a	n/a
Religion or Belief	n/a	n/a	n/a
Sex	n/a	n/a	n/a
Sexual Orientation	n/a	n/a	n/a
Welsh Language	n/a	n/a	n/a

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

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	n/a	n/a	n/a
Corporate Parenting	n/a	n/a	n/a

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

The provisional settlement and internal and external factors impacting on the assumptions, savings and pressures used in the MTFP model.

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

Provides a structured approach and process to the allocation of resources in next years budget

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

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

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

The impacts of this proposal will be evaluated on:

As part of the final budget report

9. VERSION CONTROL: The Future Generations Evaluation should be used at the earliest stages of decision making, and then honed and refined throughout the decision making process. It is important to keep a record of this process so that we can demonstrate how we have considered and built in sustainable development wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration

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REPORT

SUBJECT	REVENUE & CAPITAL MONITORING 2016/17 PERIOD 2 OUTTURN FORECAST STATEMENT
DIRECTORATE	Chief Executive's Unit
MEETING	Cabinet
DATE	2nd November 2016
DIVISIONS/WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of period 2 which represents month 6 financial information for the 2016/17 financial year
- 1.2 This report will also be considered by Select Committees as part of their responsibility to,
- assess whether effective budget monitoring is taking place,
 - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
 - challenge the reasonableness of projected over or underspends, and
 - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

2. RECOMMENDATIONS PROPOSED TO CABINET

- 2.1 That Cabinet notes the extent of forecast revenue overspend at period 2 of £839,000, an improvement of £529,000 on previous reported position at period 1.
- 2.2 That Cabinet expects Chief officers to continue to review the levels of over and underspends and reallocate budgets to reduce the extent of compensatory positions needing to be reported from month 6 onwards.
- 2.3 That Cabinet appreciates the extent of predicted schools reserve usage and an anticipation that a further 4 schools will be in a deficit position by end of 2016-17.
- 2.3 That Cabinet approves a caveated use of reserves to finance £318,000 employment tribunal costs if the Council's budget is not able to absorb the effect of this extraordinary expenditure over the remaining 6 months of financial year.
- 2.4 That Cabinet considers the capital monitoring, specific over and underspends, and importantly that Cabinet recognises the risk associated with having to rely on a use of capital receipts in the year of sale and the potential for this to have significant revenue pressures should receipts be delayed and temporary borrowing be required.

3. MONITORING ANALYSIS

3.1 Revenue Position

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

3.1.2 Responsible Financial Officer's Summary of Overall Position Period 2 (Month 6)

Given the extent of service movement since period 1 and the creation of the Resources Directorate, a change from previous reporting has been implemented to highlight to Members where particular services now reside. The following more detailed table is also anticipated to reduce the need for subsequent tables.

Table 1: Council Fund 2016/17 Outturn Forecast Summary Statement at Period 2 (Month 6)	Original Budget	Budget Virements & Revisions Period 1	Budget Virements & Revisions Period 2	Revised Annual Budget @ Month 6	Annual Forecast @ Month 6	Forecast Over/ (Under) spend @ month 6	Equivalent Forecast Over/ (Under) spend @ month 2	Variance in Forecast since month 2
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services	6,925	0	0	6,925	6,740	(185)	20	(205)
Children Services	9,687	26	125	9,839	10,295	456	660	(203)
Community Care	20,121	39	464	20,624	21,512	888	483	405
Commissioning	2,008	0	(465)	1,543	1,497	(46)	(22)	(24)
Partnerships	347	0	0	347	347	0	0	0
Public Protection	1,486	(26)	0	1,460	1,437	(23)	0	(23)
Resources & Performance	928	(17)	0	911	891	(20)	(19)	(1)
Total Social Care & Health	41,502	22	124	41,649	42,719	1,070	1,121	(51)
Individual School Budget	43,298	10	0	43,308	43,308	0	0	0
Resources	1,508	0	0	1,508	1,499	(9)	0	(9)
Standards	5,066	0	0	5,066	5,116	50	209	(159)
Total Children & Young People	49,872	10	0	49,882	49,923	41	209	(168)
Business Growth & Enterprise	592	491	281	1,365	1,381	16	(5)	21
Planning & Housing	1,370	91	0	1,462	1,229	(233)	(10)	(223)
Tourism Life & Culture	2,342	51	600	2,993	3,389	396	398	(2)
Youth	600	0	(600)	0	0	0	0	0
Total Enterprise	4,905	633	281	5,819	5,999	180	383	(203)
Governance, Engagement & Improvement	4,233	206	0	4,439	4,411	(28)	(5)	(23)
Legal & Land Charges	516	(69)	0	448	418	(30)	0	(30)
Operations	17,120	(198)	0	16,922	16,988	66	41	25
Total Chief Executives Unit	21,869	(61)	0	21,808	21,817	8	36	(28)
Finance	2,063	214	0	2,277	2,248	(29)	(8)	(21)
Information Communication Technology	2,058	253	0	2,310	2,378	68	100	(32)
People	1,533	(107)	0	1,425	1,525	100	0	100
Place	(652)	6	0	(646)	(501)	145	217	(72)
Total Resources	5,002	365	0	5,367	5,651	284	309	(25)

**Table 1: Council Fund 2016/17
Outturn Forecast Summary
Statement at
Period 2 (Month 6)**

	Original Budget	Budget Virements & Revisions Period 1	Budget Virements & Revisions Period 2	Revised Annual Budget @ Month 6	Annual Forecast @ Month 6	Forecast Over/ (Under) spend @ month 6	Equivalent Forecast Over/ (Under) spend @ month 2	Variance in Forecast since month 2
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Precepts and Levies	16,484	0	0	16,484	16,488	4	0	4
Coroners	80	0	0	80	100	20	0	20
Gwent Joint Records	183	0	0	183	182	(0)	0	(0)
Corporate Management (CM)	361	(175)	0	186	505	319	0	319
Non Distributed Costs (NDC)	726	0	0	726	824	98	72	27
Strategic Initiatives	634	0	0	634	634	0	0	0
Office furniture & equipment	110	(110)	0	(0)	0	0	0	0
Insurance	1,218	0	0	1,218	1,159	(59)	0	(59)
Total Corporate Costs & Levies	19,796	(285)	0	19,511	19,892	381	72	309
Net Cost of Services	142,945	685	405	144,035	146,001	1,966	2,099	(133)
Attributable Costs – Fixed Asset Disposal	0	95	0	95	149	54	54	0
Interest & Investment Income	(55)	0	0	(55)	(61)	(6)	0	(6)
Interest Payable & Similar Charges	3,490	5	0	3,496	2,956	(540)	0	(540)
Charges Required Under Regulation	3,356	71	0	3,427	3,410	(17)	0	(17)
Contributions to Reserves	103	2	0	105	105	0	0	0
Contributions from Reserves	(1,139)	(860)	(405)	(2,404)	(2,141)	263	80	183
Appropriations	5,755	(686)	(405)	4,664	4,418	(245)	134	(379)
General Government Grants	(63,567)	0	0	(63,567)	(63,567)	0	0	0
Non-Domestic Rates	(27,981)	0	0	(27,981)	(27,981)	0	0	0
Council Tax	(63,411)	0	0	(63,411)	(63,941)	(530)	(550)	20
Council Tax Benefits Support	6,258	0	0	6,258	5,909	(349)	(313)	(36)
Financing	(148,701)	0	0	(148,701)	(149,580)	(879)	(863)	(16)
Budgeted contribution from Council Fund	2	0	0	2	0	(2)	(2)	0
Net Council Fund (Surplus) / Deficit	1	(1)	0	(0)	839	839	1,368	(529)

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

Net Council Fund Surplus	2016-17	2015-16	2014-15
	£'000	£'000	£'000
Period 1	1,511 deficit	867 deficit	219 deficit
Period 2	839 deficit	1,066 deficit	116 deficit
Period 3		162 deficit	144 deficit
Outturn		579 surplus	327 surplus

3.1.4 Overall an improved position is anticipated against month 2. The deficit at month 6 monitoring is also an improvement on the equivalent position last year. This is significantly affected by council tax receipts and treasury improvements, although the net cost of services still exhibits £2million

variance. Directorates are continuing to review the levels of over and underspends and reallocate budgets to reduce the extent of compensatory positions needing to be reported from month 6 onwards.

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

3.1.6 Stronger Communities Select Portfolio (£401k net underspend)

- Chief Executives Unit (£8k overspend)

Governance and Legal division exhibit underspends of £28k and £30k respectively. Operations exhibits an overspend, whose net effect is predominantly the effect of the Highways Trunk Road Agency contract being renegotiated on more of a cost recovery basis (£250k), overspend of £38k in passenger transport, compensated in part by underspends in waste (£140k) and Property Services (£82k).

- Resources Directorate (£284k overspend)

An underspend in Finance Division costs (£29k) compensates in part for overspends in IT (£68k) as a result of delays in commercialising and selling our developed Social Care application. People division forecast an overspend of £100k, due to the delays with implementing the Training budget mandate (£50k) and take of Flexible benefits being less than the target saving mandate (£50k). Place division forecast an overspend of £145k, the result of delays in meet previously agreed income targets in the sustainability budget, and £70k overspend in respect of Markets, a mixture of increased costs in association with Borough Theatre, and a shortfall in income against income targets.

- Corporate (£381k overspend)

This is caused predominantly by an excess of net pension strain costs (£98k), and Coroner costs being higher than budgeted (£20k overspend), offset by Insurance underspend of £59k. In addition a recent decision in an Employment Tribunal will cost £318k which is currently unbudgeted and will require one off reserve funding if the Council's budget is unable to absorb the effect of this over the remaining few months of the year.

- Appropriations (£245k underspend)

Caused predominantly by a net £509k saving in treasury/borrowing costs from active treasury management and utilising recurrent short term borrowing as an alternative to taking out more expensive long term borrowing. Net borrowing costs are also favourably affected by any delay in the timing of expenditure that has not already been factored into the budget calculations e.g. capital (of net £42.5m capital budget only net £12m has been incurred at month 6), and using receipts as more cost effective temporary internal borrowing. The extent of this saving is moderated by the net anticipated use of reserves which is £264k less than predicted and should have a directly compensating underspend within services as they are not incurring that reserve funded expenditure.

- Financing (£879k underspend)

The net effect from an excess of Council tax receipts and less than anticipated Council tax benefit payments

3.1.7 Economy & development Select Portfolio (£157k net overspend)

- Enterprise Directorate (£180k net overspend)

Commercial and people development (£17k overspend) - Business growth and enterprise is incurring a forecast overspend of £97k, compensated in part by underspend in Eisteddfod spending of £80k, which reduces the approved call upon reserves in Appropriations.

Planning & Housing (£232k underspend) – a £225k underspend is forecast in planning. The service is using £100k from reserves to assist with LDP work that is not anticipated to be drawn upon, and the 2016/17 budget reflects a further £125k that will not be incurred this year. Housing also anticipate an underspend, totalling £8k and the net effect of additional grant funding to afford homeless inclusion officer position, and increased income from the Council's lodging scheme through heightened occupation rates.

Tourism, leisure & culture (£396k overspend) - Countryside exhibit an underspend of £12k from part vacancy and extra grant funding. There is a £119k overspend in respect of Cultural services, of which the main pressure is Caldicot Castle, and Museums experiencing £37k as a result of unmet mandate savings. Leisure services anticipate £81k overspend, partly due to reduced grants to afford summer play schemes, but mainly due to redundancy costs of circa £40k, a shortfall in mandated savings £25k and reduced income. Tourist Information Centres indicate a £61k overspend due to savings not yet being achieved. Youth services are a recent addition to Enterprise Directorate, it has been received with an inherent pressure (£147k) as previous mandates presumed additional grant funding that has not been achieved.

- Social Care & Health (£23k underspend)

Public Protection (£23k underspend) – miscellaneous minor underspends on £1.5million expenditure budget

3.1.8 Adult Select Portfolio (net £637k overspend)

- Social Care & Health

Adult Services (£185k underspent) – the net effect of secondments and intermediate care funding sustaining services, a saving of £45k has resulted from the My Day review, which compensates in part for a short term staffing pressure at Severn View of £70k.

Community Care (£887k overspend) – this area is now the most significant financial challenge affecting Social Care Directorate. The net pressure is caused by care package demands predominantly within the Chepstow team and Mental Health Care team, collectively £1.1 million. These are compensated in part by savings within the other 2 teams (£152k), reported Frailty partnership cost underspends (£52k) and net community learning disability team savings of £27k.

Commissioning (£46k underspend) – predominantly a savings within Drybridge Gardens service area caused by a refund on the last 3 years management agreement and a vacant unit at the site.

Resources (net £19k underspend) – a mix of Finance team and Facilities management savings

Whilst the work around Changing Practice and the associated budget saving mandate of £628k is continuing, the service is facing increasing demand which is offsetting some of the progress that has been made.

3.1.9 Children & Young People Select Portfolio (net £497k overspend)

- Social Care & Health

Children's Services (net £456k overspend) – there are a variety of large value under and overspends within the service. Assessment and contact costs introduce a £140k cost pressure, consideration is being given to the most appropriate cost centre for these costs. As in previous years, Counsel/legal costs introduce a net pressure, this year of £118k. Encouragingly external placement costs exhibit a £300k underspend, which even with increased costs in fostering payments (£141k) still provides a net financial underspend for the service. There are continuing agency staff costs of £458k whilst the team seek to recruit and train new directly employed staff.

Youth offending team partnership (breakeven) – whilst it is unusual to highlight a service that is anticipated to have a neutral year end effect. As part of the Select Committee's work programme, Members may wish to understand the considerable effort made by the service to accommodate significantly declining government funding in 2016/17 and into future and how it could foreseeably impact upon sustainability of the service.

- Children and Young People (net £41k overspend)

Resources delegated to schools exhibit no variance to budgeted levels. There is a small underspend of £9k within the Finance team, which compensates in part for the net overspend in Additional Learning Needs costs.

3.2 SCHOOLS

3.2.1 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 6 projections.

Month 6 movement on school reserves

Reserve b/fwd (Surplus)/ Deficit	In Year forecast at Month 2 (Surplus)/ Deficit	Difference reported from Month 6 to Month 2 (Surplus)/ Deficit	In Year forecast at Month 6 (Surplus)/ Deficit	Projected c/fwd at year end (Surplus)/ Deficit
£'000	£'000	£'000	£'000	£'000

Abergavenny cluster

King Henry VIII Comprehensive	(107)	241	(37)	204	97
Cantref Primary	(42)	13	(3)	10	(32)
Deri View Primary	(86)	62	13	75	(11)
Gilwern Jnr & Infants	(41)	14	4	18	(23)
Goytre Fawr Jnr & Infants	(54)	34	(11)	22	(32)
Llanfair Kilgeddin CV Jnr & Infants	(67)	67	0	67	0
Llanfoist Fawr Primary	(94)	45	18	62	(32)
Llantillio Pertholey Jnr & Infants	(37)	42	(6)	37	(1)
Llanvihangel Crocorney Jnr & Infants	24	6	(0)	5	29
Our Lady and St Michael's RC Primary School	(31)	19	(14)	5	(25)
Ysgol Gymraeg Y Fenni Primary	(59)	21	2	23	(36)

Reserve b/fwd (Surplus)/ Deficit	In Year forecast at Month 2 (Surplus)/ Deficit	Difference reported from Month 6 to Month 2 (Surplus)/ Deficit	In Year forecast at Month 6 (Surplus)/ Deficit	Projected c/fwd at year end (Surplus)/ Deficit
£'000	£'000	£'000	£'000	£'000

Caldicot cluster

Caldicot Comprehensive	(209)	204	0	204	(5)
Archbishop Rowan Williams Primary	(84)	69	0	69	(16)
Castle Park Primary	21	23	3	26	48
Dewstow Primary	(113)	113	(41)	72	(40)
Durand Jnr & Infants	(61)	25	(6)	18	(42)
Magor Vol Aided Jnr & Infants	(56)	6	2	8	(48)
Rogiet Jnr & Infants	(60)	63	(11)	52	(8)
Undy Jnr & Infants	(17)	(33)	22	(11)	(28)
Ysgol Gymraeg Y Ffin Primary	(13)	60	(4)	56	43

Chepstow cluster

Chepstow Comprehensive	414	(257)	3	(254)	160
New Pembroke Primary	(36)	33	1	33	(3)
Shirenewton Jnr & Infants	(82)	6	(12)	(5)	(87)
St Mary's Chepstow RC Jnr & Infants	(25)	39	(6)	33	7
The Dell Jnr & Infants	(50)	45	(9)	36	(14)
Thornwell Jnr & Infants	(2)	24	(11)	13	11

Monmouth cluster

Monmouth Comprehensive	(46)	46	0	46	0
Cross Ash Jnr & Infants	(51)	26	1	27	(24)
Kymin View Primary	(19)	32	(8)	25	6
Llandogo Jnr & Infants	11	(1)	3	(4)	7
Osbaston Church In Wales Primary	(37)	8	18	26	(11)
Overmonnow Jnr & Infants	19	(39)	18	(21)	(2)
Raglan Jnr & Infants	(18)	14	4	18	0
Trellech Jnr & Infants	(86)	20	3	23	(63)
Usk CV Jnr & Infants	(71)	41	(3)	38	(33)

	(1,265)	1,130	(74)	1,055	(209)
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Special Schools

Mounton House	155	(50)	50	0	155
Pupil Referral Unit	(46)	0	0	0	(46)
	109	(50)	50	0	109
	(1,156)	1,080	(24)	1,056	(100)

3.2.2 6 schools exhibited a deficit position at the start of 2016/17. This is anticipated to rise to 10 by end of 2016-17, so effectively just over quarter of schools is anticipated to be in deficit by end of year. Significant volatility is particularly evident at Comprehensive school level, with Caldicot and Monmouth making significant use of their Reserves conversely Chepstow exhibits good forecast

progress against their exacting recovery plan targets for the year, and if their trajectory remains constant over the next 6 months, they will provide enhanced confidence that they will resolve their deficit position by end of 2017/18 as agreed between Governing Body and LEA.

3.2.3 Collectively school balances at the beginning of the financial year amounted to £1,156,000. The Schools anticipated draw upon balances is forecasted to be £1,056,000 for 2016/17, leaving £100,000 as forecasted closing reserve balances.

Financial Year-end	Net level of School Balances
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16	(1,156)
2016-17 Forecast	(100)

3.2.4. Anticipated reserve levels have featured as a concern in previous years monitoring, and this year is really no different. This hasn't yet manifested itself as a problem at past year ends due to the receipt of adhoc grants from Education Advisory Service (EAS) late in the year which mitigated the forecast decline in the year end position.

3.2.5 CYP colleagues continue to work with EAS to improve the communication process to reduce this volatility, but ironically that may have an adverse effect on level of reserves to be carried forward, so reserve levels remain a focus for review.

3.3 2016/17 Savings Progress

3.3.1 This section monitors the specific savings initiatives and the progress made in delivering them in full by the end of 2016/17 financial year as part of the MTFP budgeting process. .

In summary they are as follows,

Budgeted Service Savings Mandates Progress 2016/17						
DIRECTORATE	Saving included in 2016/17 Budget £'000	Savings reported achieved month 2 £'000	Savings reported achieved month 6 £'000	Percentage progress in achieving savings %	Delayed savings £'000	Savings not achievable £'000
Children & Young People	600	600	600	100%	0	0
Social Care & Health	640	640	12	2%	628	0
Enterprise	385	285	285	74%	0	100
Resources	469	318	299	64%	15	155
Chief Executive's	1,565	1,442	1,442	92%	63	60
Total Mandated Service Savings 2016-17	3,659	3,285	2,638	72%	706	315

3.3.2 Forecasted mandated savings are currently running at 72%, down from 92% at period 1, with currently £315,000 being deemed unachievable at the end of month 6, and a further £706,000 unlikely to crystallise in 2016-17.

- 3.3.3 The emphasis of reporting savings has changed from previously where savings were reported when they were manifest, however the judgement is now whether saving is forecast to be achieved.
- 3.3.4 Consequently the savings appendix also has a traffic light system to indicate whether savings are likely to be achieved or have justifiable reasons explaining delayed implementation. The following summary of savings mandates are still reported to be red or amber risk.

3.3.5 **Stronger Communities Select Portfolio**

Resources Directorate

- Mandate A5: Sustainable Energy Initiatives: Expected income targets of £34,000 are unachievable, alternative delivery plan of increased income on property rental portfolio and reduced expenditure on repairs and maintenance proposed
- Mandate B3: Training Services Consolidation: Consolidation of authorities existing training functions and increased revenue streams of £50,000 are unachievable. Alternative delivery plans are being considered.
- Mandate B5a: Community Asset Transfer £60,000: MCC still in discussions over transfer of Chepstow Drill Hall and Melville Theatre. £45,000 of the £60,000 savings contained within the mandate are forecast to be achieved.
- Mandate B16: Flexible Employment Options £50,000: Scheme exhibits little demand amongst staff.
- Mandate B18: Strategic Property Review: £21,000 shortfall identified as a failure to achieve Residential Letting Income and the Depot Rationalisation Programme which will take longer than expected.

Chief Executive's Office

- Mandate B11: Senior Leadership Structure Review: Currently £42,700 of the £315,000 mandated savings still to be found. Current structures under review in regard to achieving this further saving.
- Mandate 21: Town & Community Councils: The mandate is currently £80,000 short of the £400,000 in regard to the service collaboration for Tourism (£20k), Museums (£20k), Public Conveniences (£20k) and Community Hubs (£20k)

3.3.6 **Economy & Development Select Portfolio**

Enterprise (ENT) Directorate

- Mandate B5 b and c: Community Asset Transfer / Income Generation £100,000 relates to revised Leisure income targets and the commercialisation of assets. Neither is forecast to be achieved this year.

3.3.7 **Adult Select Portfolio**

Social Care & Health (SCH) Directorate

- Mandate A34. Whilst current year savings were anticipated to be delivered in full at period 1, a revised overspend of £822,000 within Adult Services at month 6, makes it unlikely that the practice change mandate of £628,000 will be delivered this financial year.

3.3.8 **Children and Young People Select Portfolio**

Children and Young People (CYP) Directorate

- Current year savings are anticipated to be delivered in full.

3.4 Capital Position

3.4.1 The summary Capital position as at month 6 is as follows

MCC CAPITAL BUDGET MONITORING 2016-17 AT MONTH 6 by SELECT COMMITTEE						
SELECT PORTFOLIO	Annual Forecast	Slippage Brought Forward	Total Approved Budget 2016/17	Provisional Capital Slippage to 2017/18	Revised Capital Budget 2016/17	Forecasted Capital Expenditure Variance
	£000	£000	£000	£000	£000	£000
Children & Young People	32,399	39,731	43,227	(10,829)	32,398	1
Adult	83	30	92	0	92	(9)
Economic & Development	707	680	825	0	825	(119)
Strong Communities	9,264	3,243	9,508	(265)	9,243	21
Capital Schemes Total	42,453	43,684	53,653	(11,094)	42,559	(106)

Proposed Slippage to 2017-18

3.4.2 Proposed slippage at month 6 mainly relates to Future Schools (£10.8 million), £165,000 within S106 schemes, £63,000 in relation to LDP sales at Coed Glas and Crick, £28,000 in respect of Rights of Way work, and £10,000 in respect of Revenues IT system enhancements

3.4.3 Commonly slippage volumes increase into the third quarter and outturn as service managers realise the impracticality of realising commitments by the end of the financial year. Only £12m capital expenditure has been incurred against a working capital budget of £42.5million at month 6.

Capital Outturn

3.4.4 Major revisions to the capital programme since month 2 include Cabinet approvals for the Solar Farm grid connection (£350K) and Linkages at Woodstock Way in Caldicot (£30k). Other changes to General Capital and S106 schemes are reported in the Select Committee appendices.

3.4.5 Whilst many schemes are commonly reported as being at break even with budget this early in the financial year, past year's activity suggests this prediction is unlikely to be the reality at outturn. The Future schools programme, which remains the most significant element of capital programme, has been delayed whilst colleagues have secured additional funding. Following a Council meeting of 20th October it is anticipated the pace of expenditure will pick up.

3.4.6 The capital programme forecast at month 6 results in a minor net underspend of £106,000, most of which relates to settlement of cattle market costs below anticipation and a specific Abergavenny town team initiative that isn't proposed to go ahead.

3.4.7 There is conversely a forecast net overspend amongst section 106 schemes relating predominantly to Caldicot 3g pitch expenditure. Unfortunately this overspend had gone unnoticed due to a mistake in interpreting Committee reports that meant the previous budget addition of £53,000 was double

counted until spotted and removed at month 6. A review is being undertaken to understand the additional costs incurred with the intention of reporting back the position separately to Members if further funding remains advocated.

Capital Financing and Receipts

3.4.8 Given the anticipated capital spending profile reported in para 3.1.1, the following financing mechanisms are expected to be utilised.

MCC CAPITAL FINANCING BUDGET MONITORING 2016-17 AT MONTH 6 By FINANCING CATEGORY						
CAPITAL FINANCING SCHEME	Annual Forecast Financing	Slippage Brought Forward	Total Approved Financing Budget 2016/17	Provisional Budget Slippage to 2017/18	Revised Financing Budget 2016/17	Forecast Capital Financing Variance 2016/17
	£000	£000	£000	£000	£000	£000
Supported Borrowing	2,400	0	2,400	0	2,400	0
General Capital Grant	1,461	0	1,461	0	1,461	0
Grants and Contributions	15,721	16,050	17,832	(2,111)	15,721	0
S106 Contributions	1,113	880	1,305	(165)	1,140	(27)
Unsupported borrowing	13,059	11,553	21,151	(8,092)	13,059	0
Earmarked reserve & Revenue Funding	1,091	590	1,100	(10)	1,091	0
Capital Receipts	7,457	14,500	8,292	(716)	7,576	(119)
Low cost home ownership receipts	112	112	112	0	112	0
Unfinanced	40	0	0	0	0	40
Capital Financing Total	42,453	43,684	53,653	(11,094)	42,559	(106)

Useable Capital Receipts Available

3.4.9 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments is shown. This is also compared to the balances forecast within the 2016/20 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

TOTAL RECEIPTS	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Balance b/f 1 st April	5,311	11,563	0	1,093
ADD				
Receipts received in YTD	14,041	0	0	0
Receipts forecast received	5,625	7,320	5,560	5,660
Deferred capital receipts	4	4	4	4
LESS				
Receipts to be applied	(7,457)	(18,887)	(4,471)	(509)
Set aside	(5,961)	0	0	0
Predicted Year end receipts balance	11,563	0	1,093	6,248
Financial Planning Assumption 2016/20 MTFP Capital Budget	18,151	6,452	3,985	3,481
Increase / (Decrease) compared to MTFP Capital Receipts Forecast	(6,588)	(6,452)	(2,892)	2,767

3.4.10 The above table indicates the anticipated receipts activity, but it should not be interpreted for instance that the Council will have £11.6 million unused receipts its bank account at the end of March 17. The Council utilises an active treasury management strategy, and borrowing decisions are based on daily cashflow considerations, so capital receipts received, together with cash income, grant receipts, and the effect of delayed expenditure will be utilised on a daily basis to avoid unnecessary borrowing. This concept is commonly a feature of Internal Borrowing, and is one of the reasons why interest charges can be favourably influenced to provide a net benefit to the revenue account above in para 3.1.2. Further consideration will be given to the balance of various funding streams at the outturn position to minimise the impact on the revenue account where possible.

3.4.11 The balances forecast to be held at the 31st March each year are lower than forecast in the MTFP, mainly due to the delayed LDP receipts. This difference is eradicated by March 2020 when all the LDP sites are forecast to have been sold.

3.4.12 The forecast / received receipt figure above for 2016/17 includes receipts from the old Abergavenny cattle market site, Coed Glas and the Old County Hall site. However there is an increasingly significant risk resulting from the need to utilise capital receipts in the same year that they come into the Council. This provides no tolerance or flexibility should the receipts be delayed, which isn't uncommon, and will necessitate compensatory temporary borrowing which is more costly than utilising capital receipts and will compromise the treasury team's success in outperforming the appropriations budget for the favourable benefit of the bottom line position.

3.5 Reserve Usage

3.5.1 Revenue and Capital monitoring reflects an approved use of reserves. Whilst commonly at this stage in the year, services assume full reserve usage of amounts previously approved, there are some likely deferrals in use identified together with an increased call upon reserves which account for the net difference in budgeted use of reserves against actuals in Appropriations section of financial monitoring. These variances are,

Reduced call upon reserves

- Innovations & marketing officer contribution £19k (deferral)
- Eisteddfod Community fundraising backstop £80k (no longer required)
- LDP expenditure contribution £100k (deferral)
- RDP expenditure contribution £63k (deferral)
- Elections expenditure contribution £100k (deferral)

Increased call upon reserves

- Pension strain costs (£98k)

3.5.2 The following predicted position reflects capital and revenue presumptions evident in period 2 monitoring.

Summary Earmarked Reserves Forecast 2016-17					
Earmarked Reserves	2015-16	Revenue Approved Usage		Capital Usage	2016-17
		Replenishment of Reserves	Draw on Reserves		
	C/FWD				c/fwd
Invest to Redesign	-1,298,155	-74,739	519,344	223,363	-630,187
IT Transformation	-826,835			238,862	-587,973
Insurance & Risk Management	-1,236,396				-1,236,396
Capital Receipt Regeneration	-322,361		95,376		-226,985
Treasury Equalisation	-990,024				-990,024
Redundancy & Pensions	-1,274,256		690,521		-583,735
Capital Investments	-1,264,599			628,236	-636,363
Priority Investments	-1,120,069		836,197		-283,872
Museum Acquisitions	-56,760				-56,760
Elections	-108,183	-25,000			-133,183
Grass Routes Buses	-139,702	-5,000			-144,702
Sub Total	-8,637,340	-104,739	2,141,438	1,090,461	-5,510,180
Restricted Use Reserves					0
Youth Offending Team	-325,000				-325,000
Building Control Trading	-12,008				-12,008
Outdoor Education Centres	-190,280				-190,280
CYP Maternity	-104,000				-104,000
Total Earmarked Reserves	-9,268,629	-104,739	2,141,438	1,090,461	-6,141,468

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

4 REASONS

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

5 RESOURCE IMPLICATIONS

- 5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

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

7 CONSULTEES

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

8 BACKGROUND PAPERS

- 8.1 Month 6 (period 2) monitoring reports, as per the hyperlinks provided

[Chief Executives Revenue Monitoring Month 6 201617](#)
[Children and Young People Revenue Monitoring Month 6 201617](#)
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Appendices

Appendix 1 Mandated Savings Progress Report

Budgeted Service Savings Mandates Progress 2016/17

DIRECTORATE	Saving included in 2016/17 Budget £'000	Savings reported achieved month 2 £'000	Savings reported achieved month 6 £'000	Percentage progress in achieving savings %	Delayed savings £'000	Savings not achievable £'000
Children & Young People	600	600	600	100%	0	0
Social Care & Health	640	640	12	2%	628	0
Enterprise	385	285	285	74%	0	100
Resources	469	318	299	64%	15	155
Chief Executive's	1,565	1,442	1,442	92%	63	60
Total Mandated Service Savings 2016-17	3,659	3,285	2,638	72%	706	315







2015/16 Budgeted Service Savings Mandates Progress





RESOURCES								
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress
RESOURCES								
Sustainable Energy Initiatives (Ben Winstanley)	A5	Investing in biomass boilers, solar farms and reduction in Carbon Commitment.	34,000	0	0		34,000	Unachievable
Rationalise Business Support (Tracy Harry)	B2	Review the business support functions across the whole Authority to identify savings.	50,000	28,000	50,000			On track and expected to be fully met
Training Services Consolidation (Peter Davies)	B3	Consolidation of the Authorities existing training functions.	50,000	-	-		50,000	Unachievable
Community Asset Transfer/ Income generation (Peter Davies / Deb Hill-Howells)	B5	Community Asset Transfer of two properties, includes optimisation of assets to generate income	60,000	45,000	45,000	15,000	-	£60k of £160 relates to Estates of which £45k has been found. £15k shortfall is due to delayed implementation on Melville theatre and ongoing discussion with Town Council over Drill Hall.
Flexible Employment Options (Peter Davies)	B16	Market to all staff the Authority's flexible benefits and employment packages.	50,000	50,000	-		50,000	Unachievable
Business rates evaluation - Appeals (Ruth Donovan)	B17	Rate refunds following Appeals by Cooke & Arkwright	140,000	140,000	140,000			On track and expected to be fully met
Strategic Property Review (Ben Winstanley - Deb Hill-Howells)	B18	Reduction in Corporate Building Maintenance, Purchase Card rebates , Facility Management Restructure and reductions in Transport Costs and Supplies and Services costs	60,000	30,000	39,000		21,000	Alternative delivery plan has not been possible due to pressures within the service
Discretionary Fees and Income (Joy Robson)	B23	Increased Discretionary Fees & Charges	25,000	25,000	25,000			Spread across authority, assume it has been achieved.
TOTAL			469,000	318,000	299,000	15,000	155,000	











CHIEF EXECUTIVE'S UNIT								
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress
Garden Waste (Rachel Jowitt)		Increase in charges for Garden Waste collection service.	40,000	40,000	40,000			On track
Home to School Transport (R Hoggins / Richard Cope)	A14	Continuation of 2014-15 mandate. Fundamental policy review to nearest school, and more zealous application of free school travel criteria.	30,000	30,000	30,000			This saving is forecast to be achieved but through the reduction in contract costs for home to school transport rather than the policy review initially included in the original mandate. There is no appetite for the nearest school policy to be reviewed at this moment in time but it is still being looked into.
Community Hubs (Will McClean)	A28	It's about delivering services in a different way and aligning them with the Whole Place philosophy. This will introduce major changes to how the library and one stop shop services are delivered. <i>We will create a hub in each</i>	25,000	25,000	25,000			Achievable through alternative Delivery Plan
Community Hubs (Rachel Jowitt)	A28	It's about delivering services in a different way and aligning them with the Whole Place philosophy. This will introduce major changes to how the library and one stop shop services are delivered. <i>We will create a hub in each town where face to face services will be delivered.</i> The contact centre will sustain a reliable and informed first point of contact for people contacting us other than face to face.	25,000	25,000	25,000			Achievable through alternative Delivery Plan. Contact Centre experiencing overspend exceeding mandate target





CHIEF EXECUTIVE'S UNIT									
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress	
Legal Services (Rob Trantor)	B7	Income generation by providing Legal Services to external organisations.	25,000	25,000	25,000			Currently staff resource is totally used up undertaking internal legal work so there is no spare capacity to generate income from outside of the organisation. This will not affect outturn in 16-17 as it has been offset by a grant windfall in Land Charges but will be a pressure from 17-18 onwards.	
Promoting Business Waste (Rachel Jowitt)	B8	Introduction of a new policy to charge for trade waste, and better control over the use of household waste recycling centres.	80,000	80,000	80,000			On Track	
Leadership Team Structure Review (Paul Matthews)	B11	Re-alignment of Senior Key Posts and Roles.	315,000	272,300	272,300	42,700		Waiting for update on the achievability, alternative delivery option	
Highways Infrastructure Income Generation (Roger Hoggins)	B13	Income generation from highway advertisements across Monmouthshire (£50k)	150,000	150,000	150,000			Planning approval delays means £25,000 relating to advertising income will be delayed. Shortfall will be managed within service budget.	
Grounds – Funding Review (Rachel Jowitt)	B14		75,000	75,000	75,000			on track	
Highways Maintenance (Roger Hoggins)	B15	Reducing the budgets within the highways section.	200,000	200,000	200,000			on track	

CHIEF EXECUTIVE'S UNIT									
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress	
Property Services and Facilities Management Review (Rob O'Dwyer)	B19	Reduction in corporate building maintenance budgets. Purchase rebates from the use of procurement cards. (£15k), Facility Management restructure (£35k)	100,000	100,000	100,000			The section is forecast to achieve the full mandate saving, shortfall from purchase rebates will be covered through general expenditure efficiencies.	
Town and Community Councils (Roger Hoggins)	B21	Restructuring of Services in collaboration with Town / Community Councils PCs	110,000	90,000	90,000	20,000		Public conveniences are forecast to achieve £90,000 of the £110,000k mandate saving due to delayed implementation of which £80k is a contribution from the Town Council.	
		Grounds	83,500	83,500	83,500			On Track	
		Waste	71,500	71,500	71,500			On Track	

CHIEF EXECUTIVE'S UNIT									
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress	
Town and Community Councils (Roger Hoggins)	B21	Restructuring of Services in collaboration with Town / Community Councils (Shortfalls) Museums (£0 out of £20k) Tourism (£5,000 out of £25k) Community Hubs (£70,000 out of £90K))	135,000	75,000	75,000		60,000	No contribution from Town council for museums. Only £5k received from Chepstow TC for TIC. £70k achieved from Hubs. So High Risk on Museums, Low Risk on Tourism and Community Hubs	
Collaboration and realigning structures in operations (Roger Hoggins)	B22		100,000	100,000	100,000			£70k of total saving related to Highways efficiencies from restructure, delay in implementation has meant staff savings have been delayed as well. Should not impact on outturn position as shortfall will be covered by managed efficiencies in expenditure.	
TOTAL			1,565,000	1,442,300	1,442,300	62,700	60,000		

ENTERPRISE									
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress	
Leisure Services Income Generation (Ian Saunders)	B1	Income generation/cost savings within the service.	120,000	120,000	120,000			On track and expected to be fully met	
Planning Services- Income Generation (Mark Hand)	B9	Reduce the net cost of planning services with the increase of income from planning applications received.	40,000	40,000	40,000			On track and expected to be fully met	
Community Asset Transfer/ Income generation (Peter Davies / Deb Hill-Howells)	B5	Income Generation Leisure	25,000	-	-		25,000	Won't be achieved this financial year	
		Optimisation of Assets - PD	75,000	-	-		75,000	Unachievable	
Extension Shared Lodgings Housing Scheme (Ian Bakewell)	B10	Increase the Shared Housing Scheme within Monmouthshire.	50,000	50,000	50,000			On track and expected to be fully met	
Second Phase Review of subsidies to 3rd Sector (Will Mclean)	B12	Consolidation and reduction of grants to 3rd sector providers.	75,000	75,000	75,000			On track and expected to be fully met	
			385,000	285,000	285,000	0	100,000		

SOCIAL CARE & HEALTH									
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress	
Transition - Bright New Futures (SC&H) (Julie Boothroyd)	A24	In 2014 we combined our Transitions Project Team within Bright New Futures Project. (based in Bridges)	12,000	12,000	12,000			On track and expected to be fully met	
Adult Social Care Transformation (Julie Boothroyd)	A34	The service is continuing its journey on practice change and restructuring itself to meet future mandate savings with community links and innovative approaches to domiciliary care, coupled with less reliance on admissions to residential care.	628,000	628,000	0	628,000		With an £822k Adults overspend identified at month 5, we are reviewing alternative courses of action to pursue alternative opinions to deliver the savings.	
			640,000	640,000	12,000	628,000	0		

CHILDREN & YOUNG PEOPLE								
Budget proposals 2016/17	Mandate No.	Savings Mandate Narrative	Saving included in 2016/17 Budget	Value of Saving Forecast at Month 2 £s	Value of Saving Forecast at Month 6 £'s	Delayed savings £'s	Savings not achievable £'s	Assessment of progress
Gwent Music (Nicki Wellington)	A20	Gwent Music is a joint service hosted by Newport. The plan is to refocus the service to make them more efficient.	50,000	50,000	50,000	-	-	On track and expected to be fully met
Phase 3 of Additional Learning Needs Review (Sharon Randall-Smith)	B20	Closure off Deri View SNRB (£50k), Placement costs for External pupils attending Mounton House (£250k). Implementation of new funding formula from April 2016. (£250k).	550,000	550,000	550,000	-	-	On track and expected to be fully met
			600,000	600,000	600,000	0	0	

