

**SUBJECT: MEDIUM TERM FINANCIAL PLAN 2018/19 to 2021/22 and DRAFT BUDGET PROPOSALS 2018/19 FOR CONSULTATION**

**MEETING: ECONOMY & DEVELOPMENT SELECT**

**DATE: 30th November 2017**

**DIVISION/WARDS AFFECTED: All**

**1. PURPOSE:**

- 1.1 To highlight the context within which the Medium Term Financial Plan (MTFP) will be developed for 2018/19 to 2021/22.
- 1.2 To agree the assumptions to be used to update the MTFP, and provide an early indication of the level of budget savings still to be found.
- 1.3 To update Members with the implications arising out of the provisional settlement announcement of Welsh Government.
- 1.4 To consider the 2018/19 budget within the context of the 4 year Medium Term Financial Plan (MTFP) to be incorporated within the emergent Corporate Plan
- 1.5 To provide detailed draft proposals on the budget savings required to meet the gap between available resources and need to spend in 2018/19, for consultation purposes.

**2 RECOMMENDATION (to be undertaken by Select Committee):**

- 2.1 To consider and provide feedback upon the budget assumptions, pressures and savings proformas affecting this Select portfolio area.

**2. RECOMMENDATIONS (presented to Cabinet 22<sup>nd</sup> Nov):**

- 2.2 That the budget assumptions outlined in paragraphs 3.11 to 3.16 in the report are agreed and updated during the budget process should better information become available.
- 2.3 That Cabinet acknowledges the draft response to the Welsh Government on the provisional settlement (Appendix 3).
- 2.4 That Cabinet approves that the consultation period and opportunity to present alternative proposals ends on 31<sup>st</sup> January 2018.
- 2.5 That the budget process (as outlined in paragraphs 3.6 onwards) is adopted including member budget scrutiny and consultation conducted with select Committees and consultation with JAG, schools budget forum and other relevant fora

- 2.6 That Cabinet approves the release of the draft budget savings proposals for 2018/19 for consultation purposes.
- 2.7 That Cabinet agrees to continue to work on the areas required to balance the 2018/19 budget and Medium Term Financial Plan (MTFP), through wider targeted activities that sit within the remit of Future Monmouthshire.
- 2.8 That Cabinet agrees to include the Future Monmouthshire budget of £200,000 as a base budget consideration from 2018/19 given the key role that Future Monmouthshire plays in facilitating a more sustainable and financially affordable future for Council activities.
- 2.9 To consider formal adoption of the Foundation Living wage as a financial planning assumption rather than Government Living wage. For 2018/19 the rates are £8.75 ph and £8.40 ph respectively. This would have a potential brought forward cost from 2019/20 pressures of £83.5k.

### **3 KEY ISSUES:**

#### **Background**

- 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 £19.1 million of savings from its service budgets, whilst additionally also taking advantage of the cashflow savings effect of revising its capital finance arrangements of circa £3.3million. 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 The *Future Monmouthshire* work programme 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 2016/17 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 for 2016/17 delivered a small surplus, and meant that there was a minor opportunity to replenish some of our reserves.
- 3.5 A review of the earmarked reserves position was undertaken in June 2016 and agreed by Cabinet on 6<sup>th</sup> 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.

### **Medium Term Financial Plan Context - Budget Assumptions**

- 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 there is still some way to go to establish the future operating model for the Authority. Therefore a one year approach has been taken albeit within the context of the MTFP, whilst the corporate plan including a more medium term approach can be adopted next year.
- 3.7 Initially the proposed budget setting process involved comparing MCC unit costs and performance with those of other Welsh Councils to understand where the greatest opportunity was to make further savings. The activity data used by Improvement colleagues indicated little correlation with the resourcing. Three challenge panels were held with specific services to share the provocations. Most challenged the activity data, but didn't actively hold any better quality of information, but highlighted their work in informing/improving the national benchmarking context, which appears an evolving consideration.
- 3.8 So in the short term SLT has reverted again to asking all services in the organisation to consider how their services would look within a 5% reduction 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.
- 3.9 In rolling forward the current MTFP, services have been provided with an opportunity to identify any material pressures anticipated during 2018-19 and beyond, and a review of all the existing assumptions 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.
- 3.10 For the purposes of modelling across the medium term, the MTFP had made initial provision for unidentified pressures of £2.5m in each of the years. This is seen as a prudent estimate based on pressures that have been incorporated into the budget process in recent years. Pressures have subsequently been updated, as shown in the table above, and will continue to be reviewed and updated as further information becomes available.

## Inflation Indicators

3.11 As a reminder the following assumptions have been used across the 4 year MTFP window.

- Council Tax – 4.95% increase 2018/19, 3.95% increase per annum thereafter
- AEF Central Government funding – 2.6% reduction 18/19, 1.8% reduction thereafter
- Other external income – 2.5% increase per annum
- Pay inflation – 1% increase per annum
- Non pay inflation – 0%
- Vacancy factor – 2% (except schools)
- Superannuation – 22.1% (increasing 1% per annum)
- Schools Budget – 0%

3.12 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.

3.13 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, review of capital receipts position and further approvals of schemes.

3.14 Other Corporate Costs, such as precepts and levies, will also be updated as information becomes available.

3.15 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 cumulative gap in the MTFP model:

Year	MTFP Gap £'000s
2018/19	4,804
2019/20	8,400
2020/21	11,724
2021/22	14,038

3.16 What is clearly shown in the table above is that there will be a significant gap in the MTFP to find. It should be noted that this is the gap at this moment in time and as further information comes to light, this will be taken into account and may alter the

figures. At the moment £14 million will be a working target until more information becomes available.

### Work to Balance the 4 Year MTFP and 2018/19 Specifically

3.17 After several years of taking significant resource out of the budget, the means of achieving further savings becomes increasingly more challenging. The work on Future Monmouthshire has meant some changes to the budget process for 17/18, and an increase of such benefit is anticipated for the 2018/19 budget process. Future Monmouthshire is about keeping the Council ‘going’ and ‘growing’ and whilst the pressure of 18/19 is immediate, a one-year process has been developed which aims to position short-term decisions in the context of a longer-term programme which aligns with the medium Term Financial Plan. A currently unquantified level of savings is proposed from Future Monmouthshire facilitating cross cutting savings. That amount will become more explicit through the budget setting process.

### Links to Vision and Priorities

3.18 During the budget process, it is usual to compare the MTFP plan with the Council strategic priorities and single integrated plan, to ensure resourcing remains directed to best effect. However the Single Integrated Plan is currently in the process of being replaced by the Public Service Board (PSB partnership) well-being plan and objectives for Monmouthshire when agreed in 2018. The detail of the plan is currently draft and subject to PSB approval next week a consultation will take place from 13<sup>th</sup> November. Below sets out the vision and objectives which in essence will replace the Single integrated plan priorities in 2018.

3.19 Given the incremental approach towards budget setting, the proposed budget is aligned with traditional core priorities, as identified within the Administration’s Mid Term Report and Continuance Agreement 2015-17, namely:

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

3.20 The following table demonstrates the links at a summary level that have been made with such 4 priorities, and the strategic risks:

Proposal	Link to Priority Areas	Link to Whole Authority Risk assessment
Schools budgets continue to have regard for cash flat line considerations	During the initial modelling it was noted that £288k pressure has been acknowledged in addressing new ALN responsibilities and school exam pressures. There are conversely £487k savings, resulting in a net saving from CYP of £199k. Cabinet have requested that	Budget proposals are mindful of the risk in the register around children not achieving their full potential

	MTFP modelling includes the effect of schools pay award (1%) with an anticipated cost of £387k, to model investments exceeding savings.	
Social care budgets will see additional resources going into the budget for Children's and adults social services to meet the pressures in these areas.	Services to protect vulnerable people Nobody is left behind	These proposals seeks to address the risks around more people becoming vulnerable and in need and the needs of children with additional learning needs not being met
The drive for service efficiencies savings has continued across all service areas in order to avoid more stringent cuts to frontline services.	Further reviews of management and support structures and streamlining of processes, contributes to the aims of creating a sustainable and resilient communities.	Addresses risks around the ability to sustain our priorities within the current financial climate
The need to think differently what income can be generated has been a clear imperative in working up the proposals.	Being able to generate further income streams responds to the consultation responses in previous years regarding a preference for this compared to services cuts and contributes to the aims of creating a sustainable and resilient communities.	

3.21 Whilst these strategic priorities may iteratively get reviewed and refreshed when incorporated into Single Integrated Plan, early sight of draft proposals suggests a potential continuing alignment.

<b>Purpose</b>	<b>Building Sustainable and Resilient Communities</b>	
<b>Our aspiration is to:</b>	Reduce inequalities between communities and within communities Support and protect vulnerable people Consider our impact on the environment	
<b>Our Well-being Objectives are:</b>	<i>People / Citizens</i>	<i>Place / Communities</i>
	Provide children and young people with the best possible start in life	Protect and enhance the resilience of our natural environment whilst mitigating and adapting

		to the impact of climate change
	Respond to the challenges associated with demographic change	Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county.

## Provisional settlement

- 3.22 The provisional settlement was announced on the 10<sup>th</sup> October 2017. The overall increase in the Welsh Government revenue budget is 0.2% and following decisions by the WG on its budget, the Local Government settlement was announced with an overall decrease across Wales of 0.5%. However, this includes additional funding for new responsibilities relating to homelessness prevention which in itself results in further unfunded pressures being placed on the Authority. The Welsh Government's statement makes reference to protecting key public services and that 'the settlement will allocate £62m for schools and £42m for social services'. However, there is no additional funding provided to protect these services or any explanation of how these figures have been arrived at. These should be regarded as being within the funding envelope announced which sees an overall reduction of 0.5%. The Minister has also provided an indicative settlement for 2019-20 which will see the local government settlement reduce by on average a further 1.5%. Our financial planning assumption for 2018/19 and thereafter remains at 1.8% reduction per annum, as it isn't common for MCC to derive funding at average levels.
- 3.23 For Monmouthshire the provisional settlement for 2018/19 has delivered a reduction in the Authority's Aggregate External Finance (AEF) of 1% after taking into account new responsibilities and transfers into and out of the settlement. The AEF across Wales ranged from a 0.2% increase in Cardiff to reduction of 1% in Monmouthshire, Blaenau Gwent, Caerphilly, Merthyr Tydfil, Powys and Conwy. All authorities suffering a 1% reduction have been benefitted from a funding floor. A table showing each authority's 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
- 3.24 There have been several known transfers of grant into the settlement, which in total amount to £2.14m for Monmouthshire. When the 1.0% reduction in the provisional AEF is compared to the 2.6% reduction modelled in the MTFP the Authority is better off by circa £1.4 million. A response to WG regarding the Provisional Settlement is attached as Appendix 3.
- 3.25 As mentioned above, in para 3.10, experience suggests that annual pressures experienced are of the order of £3.4 million, so a balancing item, known as unidentified pressures, has been used to bolster service identified pressures to this level. As pressures manifest themselves, unidentified pressures are reduced and replaced instead by specific aspects. Part of the strategy during the budget setting process will be to zealously consider and mitigate where possible identified pressures. This would allow any balance on "unidentified pressures" to be matched off against the deficit bottom line of the budget and avoid a need to generate additional savings.



3.26 Currently, summary identified pressures within the MTFP include,

Pressures by Directorate	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Children & Young People	675	66	0	0
Social Care & Health	1,108	1,124	857	70
Enterprise	699	0	0	0
Resources	161	0	0	0
Chief Executives Unit	135	72	75	62
Corporate Costs & Levies	286	29	0	0
Unidentified Pressures	392	2,145	2,276	2,368
<b>Totals</b>	<b>3,455</b>	<b>3,435</b>	<b>3,208</b>	<b>2,500</b>

Further detail is supplied in Appendix 4.

- 3.27 Other potential pressures which have not yet been factored in are currently being assessed. The budget is being prepared on an incremental basis, so it doesn't automatically presume continued funding of any initiative after its reserve funding has expired, or any new additions, so for instance currently it doesn't include any allowance yet for any net costs resulting from member consideration of Leisure, Culture and Tourism outsourcing proposals, any tranche B Future schools financing assumptions, or any borrowing presumption to continue to supplement capital DFG budget or afford waste services vehicle replacement, that in the main will be subject to separate reports of much greater detail. Other pressures can manifest themselves through introduction of new legislation. The above list includes statute introduced pressures known to date. Grant reductions are another common volatility during the budget process. 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.
- 3.28 Welsh Government has, subsequent to the provisional settlement, provided emerging details of the anticipated grants available nationally. Current national details are supplied in Appendix 1. Of note, are the significant reductions in Educational Improvement spending and Single Revenue Grant. The single Revenue Grant contains the funding that was traditionally supplied as the Sustainable Waste management Grant, part of that funding is anticipated to fall instead with RSG settlement figures, however the net decline in grant is greater than already anticipated within pressure forecasts. Also of note, Councils still do not have a comprehensive grant position regarding particular notable grants. Of particular interest to MCC, bus subsidy, concessionary fares and post 16 funding is unlikely to be available before December which continues to introduce an unfortunate element of volatility to the budget setting process.

**Savings Proposals for 2018/19**

- 3.29 Across the board, all service areas were asked to consider how their services would look within a range of reductions available to them, whilst simultaneously, looking

ahead and ensuring wherever possible, proposals support the medium term direction of travel. To in-build an additional element of review, all proposals have been considered and tested through an initial process of independent challenge by SLT and Cabinet members

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

#### Extent of Summary Savings Identified to Date

Disinvestment by Directorate	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Children & Young People	(309)	(23)	0	0
Social Care, Health & Housing	(751)	(725)	(189)	(189)
Enterprise	0	0	0	0
Resources	(376)	0	0	0
Chief Executives Units	(505)	40	0	0
Corporate Costs & Levies	0	0	0	0
Appropriations	(296)	63	113	(86)
Financing	(530)	0	0	0
<b>Totals</b>	<b>(2,767)</b>	<b>(645)</b>	<b>(76)</b>	<b>(275)</b>

Further detail is supplied in Appendix 5.

#### Treasury Impact

- 3.31 The Capital MTFP will be considered as a separate report but for the purposes of establishing the revenue impact of the capital MTFP, the current assumptions presume that the 2017/18 capital programme will be incurred in full other than an anticipated slippage of £6million to Future Schools spend, that should have no effect on 2018/19 Treasury budget as the funding source remains capital receipts rather than borrowing.
- 3.32 Last year Members subscribed to £500k Treasury Headroom to assist with 5 likely schemes that did not have cost certainty during the budget setting process. Whilst there is still uncertainty around elements of tendered costs for these schemes, the following cost predictions have been presumed in relationship to these schemes.
- £300k was added to DFG's as a one off contribution in 2017/18 to reduce backlog. The Executive would like a continuance of this £300k extra resource to be modelled in the Capital MTFP for 2018/19. Its revenue consequence will need to be added to the MTFP during the budget process.
  - Monmouthshire leisure centre cost circa £7.3m. After Future schools funding, section 106 usage and the service providing the majority of prudential borrowing from additional income, the core Treasury budget will absorb the remaining

annualised effect of £835k worth of funding afforded by unsupported borrowing (MRP starting 19/20).

- J & E block office costs. budget presumes £1.4million project, E block costs circa £400k, J block costs still to be confirmed (MRP starting 19/20). The intention is for such costs to be self financed from savings realised.
- Abergavenny Hub, budget presumes an indicative £2.3million (MRP starting 20/21).
- City deal contribution predicted to total £7.3million, with annual contributions increasing over 9 year duration, 2018/19 contribution expected to be £83k. (MRP presumed to start the full year after contribution made).

For MRP purposes all assets are presumed to have a 25 year life

- 3.33 Further work on the Treasury aspects of the budget are still being validated and include a review of the current year underspend, the profile of capital expenditure and potential slippage, a review of maturing debt over the medium term and the balance between the level of fixed and variable rate debt in the Council's portfolio. The balance of risk is an important consideration in this review as are the principles of security, liquidity and yield when considering any investment strategies.

### **Council Tax**

- 3.34 The Council Tax increase in the budget has been modelled as 3.95% per annum across the MTFP as a planning assumption. As part of the savings proposals, an assessment of collection rates and growth in properties has been undertaken. Anticipated recovery rates reflect very high recovery practice (99%), such that there is little scope to increase such further. However a growth in properties has been presumed to achieve (net of Council Tax reduction scheme) an extra £530k income per annum, and is including in the savings table.

### **Summary position**

- 3.35 In summary, the 2018/19 budget gap is now £243k, if all the pressures and savings proposals contained in the Appendix 4 are approved.

Services	Adjusted Base 2017/18 £000	Indicative Base 2018/19 £000	Indicative Base 2019/20 £000	Indicative Base 2020/21 £000	Indicative Base 2021/22 £000
Children & Young People	49,630	50,069	50,101	50,139	50,178
Social Care & Housing	42,953	44,780	45,448	46,428	46,626
Enterprise	8,495	9,959	9,475	9,518	9,580
Resources	7,687	7,606	7,626	7,706	7,787
Chief Executive's Unit	15,860	16,541	16,736	16,893	17,037
Corporate Costs & Levies	20,273	20,607	22,948	25,485	27,989
<b>Sub Total</b>	<b>144,897</b>	<b>149,561</b>	<b>152,333</b>	<b>156,170</b>	<b>159,196</b>
Transfers to reserves	167	201	162	70	30
Transfers from reserves	(504)	(1,009)	(127)	(96)	(188)
Treasury	7,883	7,792	7,670	7,783	7,697
<b>Appropriations Total</b>	<b>7,546</b>	<b>6,984</b>	<b>7,705</b>	<b>7,757</b>	<b>7,539</b>
<b>Total Expenditure Budget</b>	<b>152,444</b>	<b>156,546</b>	<b>160,038</b>	<b>163,927</b>	<b>166,735</b>
Aggregate External Financing (AEF)	(91,799)	(93,000)	(91,326)	(89,682)	(88,068)
Council Tax (MCC)	(47,744)	(50,637)	(52,617)	(54,674)	(56,813)
Council Tax (Gwent Police)	(10,421)	(10,186)	(10,369)	(10,556)	(10,746)
Council Tax (Community Councils)	(2,480)	(2,480)	(2,480)	(2,480)	(2,480)
<b>Sub Total Financing</b>	<b>(152,444)</b>	<b>(156,303)</b>	<b>(156,791)</b>	<b>(157,391)</b>	<b>(158,106)</b>
<b>(Headroom)/Shortfall</b>	<b>0</b>	<b>243</b>	<b>3,247</b>	<b>6,535</b>	<b>8,629</b>

Clearly there is a gap still to meet and further work is progressing through Future Monmouthshire to bring forward measures to balance to budget around the themes of services integration, commercialisation, adult care and procurement.

### Reserves strategy

- 3.36 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £6.2 million at end of 2017/18 to £5.2 million at the end of 2021/22.
- 3.37 The approved Reserves strategy has sought to ensure that earmarked reserves are not used to balance the budget for ongoing expenditure and that they are instead used to the best effect and impact on one off areas of spend to help the authority transform itself to the new resource levels available to it. Taking into account that some of these reserves are specific, for example relating to joint arrangements or to fund capital projects, this brings the usable balance down to £1.4 million by the end of this MTFP window.
- 3.38 The general fund reserve forecast for the end 2017/18 predicts £7.1 million balance, and remains within the 4-6% of net expenditure range considered as appropriate to maintain. This will be updated for anticipated outturn following month 7 monitoring activities within the next fortnight.
- 3.39 Deficit school balances haven't been factored into general fund balance, as the focus will be one of reintroducing a net surplus position.

### Next Steps

- 3.40 The information contained in this report constitutes the budget proposals that are now made available for formal consultation. Cabinet are interested in consultation views on the proposals and how the remaining gap may be closed. This is the opportunity for

Members, the public and community groups to consider the budget proposals and make comments on them. Cabinet will not however, be prepared to recommend anything to Council that has not been subject to a Future Generations Assessment and Equality Impact Assessment and therefore a deadline to receive alternative proposals has been set as 31<sup>st</sup> January 2018.

3.41 Public consultation (to include the formal requirement to consult businesses) and Select Committee Scrutiny of Budget proposals, will take place between the 1st December 2017 and the 31<sup>st</sup> January 2018. In the past four years we have undertaken extensive community engagement around the budget and the impact of any potential changes under the banner of #MonmouthshireEngages. The budget proposals contained within this report are extensions of previously agreed changes and in addition there has not been any substantive or material service developments; on this basis we will not be conducting another large scale public engagement. There will be opportunity for the community to provide consultation responses via public meetings to be held in Usk, meetings of the Schools budget forum, JAG, and other relevant fora and via the website and social media where details of the proposals will be published and a short film will be available.

3.42 The scrutiny of the budget proposals are key areas of this part of the budget process. The following dates have been set for Select committees:

Economy and Development – 30th November 2017

Children and Young People – 7th December 2017

Adults – 12th December 2017

Strong Communities – 4th January 2018

3.43 Deadline for the receipt of Community Council precepts is 31<sup>st</sup> January 2018

3.44 Consequently final budget proposals following consultation and receipt of the final settlement will go to a special Cabinet in mid Feb 2018 and Council Tax and budget setting will then take place at Full council on 1st March 2018.

#### **4 REASONS:**

4.1 To agree budget proposals for 2018/19 for consultation purposes

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

5.1 As identified in the report and appendices

#### **6. FUTURE GENERATIONS AND EQUALITY IMPLICATIONS:**

6.1 The Wellbeing of Future Generations initial evaluation for the emerging 18-19 budget proposals has been developed in narrative form in appendix 6, ahead of formalisation of proposals and the completion of the official assessment framework. This enables setting out of the backdrop to the emerging proposals, commentary on how the process has been developed; its various iterations and the picture it paints as a whole for the county of Monmouthshire. Presenting in this way at this stage provides an opportunity to demonstrate the dynamic and real-time nature of the approach. In addition, it helps to highlight application of continual learning and improvement.

6.2 In the past and notwithstanding the council's strong record on financial planning and delivery, achieving the goal of keeping frontline services going and strengthening

commitments to sustainability and resilience, the budget has tended to be developed through the setting of targets, directorate-led approaches and a relatively uneven smattering of proposals. Whilst under this budget round, individual directorate's have still put forward proposals – this process has been more in keeping with our Future Monmouthshire programme and the design principles that guide how we keep our county 'going' and 'growing'. It signals very clearly, that money should follow purpose and priorities and not precede them.

- 6.3 It must be borne in mind that this WFG evaluation is an early one, applying to budget *proposals* only at this pre-consultation, pre-decision stage. The aim of the narrative in appendix 6 is thus, to demonstrate the 'live' nature of the process and the application of robust and ongoing scrutiny and challenge as the proposals continue to be shaped and honed in line with what matters.
- 6.4 The emerging budget proposals for 18-19 are more than a standalone one-year budget. As a contributor to our wider Future Monmouthshire work, they help build a bridge between the present we have and the future we wish to see. With a blend of ongoing sustainable efficiencies; continued income generation and a focus on investing in areas such as education and social care – where returns in terms of service outcomes and financial benefits are starting to pay early dividends – the platform is building for the development of more targeted 'big ticket' interventions. We are not kicking the 'too difficult' problems into the long grass. As well as keep the Council 'going' – work is underway to keep it 'growing' – as these proposals clearly demonstrate. Proposals to review the development plan, as a means of addressing demographic and economic pressures is underway. Exploration of targeted procurement opportunities that save money and create local markets is taking shape. A 'challenge-driven' approach to tackling rural transport issues is being developed. Exploration of machine learning, artificial intelligence and automation are contributing to the ways in which we must re-imagine services and the positive impact they can have on the lives of people and communities in Monmouthshire - now and in the future.
- 6.5 Further to the narrative provided in appendix 6 the wellbeing of future generations impacts of the saving proposals have been initially identified per Directorate in Appendix 4. As the impact on services has been kept to a minimum, no significant negative impact has been identified. Further consultation requirements have been identified and are on going. As stated above further assessment of the total impact of the all the proposals will be undertaken for the final budget report.

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

## **7. CONSULTEES:**

SLT  
Cabinet  
Head of Legal Services

## **8. BACKGROUND PAPERS:**

Appendix 1: Welsh Government Provisional Settlement – National grant notification  
Appendix 2: Welsh Government Provisional Settlement – Aggregate External Funding

Appendix 3: Proposed letter in response  
Appendix 4: Details of pressures  
Appendix 5: Details of savings proposals  
Appendix 6: Future Generations Evaluation

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## Appendix 1 - Details of Welsh Local Government Provisional Revenue Settlement 2018-19

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

Existing Grant name	2017-18	2018-19
<b>Communities and Children</b>		
Supporting People	123.688	123.688
Flying Start Revenue Grant	76.052	76.052
Families First	38.352	38.352
Communities First	19.647	0.000
Childcare Offer	10.000	25.000
Communities for Work	7.120	7.199
Cardiff Bay Legacy	5.891	5.400
Promoting Positive Engagement for Young People	4.330	4.330
Out of School Childcare	2.300	2.300
Violence against Women, Domestic Abuse & Sexual Violence Grant	1.938	2.438
St David's Day Fund	1.000	1.000
Lift	0.990	0.000
National Approach to Advocacy	0.550	0.550
Community Cohesion	0.360	0.360
Maintaining the Delivery of the Wales Adoption Register	0.172	0.172
Armed Forces Day	0.035	0.100
Remploy Employment Support Grant	0.006	0.002
Communities First Legacy	0.000	6.000
Communities Work Plus	0.000	10.050
<b>Economy and Infrastructure</b>		
Concessionary Fares	60.466	NA
Bus Services Support Grant	25.000	NA



Bus Revenue Support Traws Cymru	3.057	NA
Road Safety Grant	2.000	2.000
Young Persons Discounted Bus Travel Scheme	1.000	NA
Bus Revenue Support	0.546	NA
New Developments	0.500	0.000
Enterprise Zones	0.271	0.064
Ports Development Fund	0.090	NA
Community Rail Partnership	0.065	NA
Travel Plan Co-ordinators	0.011	0.000

### **Education**

Education Improvement Grant	133.282	118.137
Pupil Development Grant	91.333	91.333
Pioneer Schools	7.895	NA
Youth Support Grant	3.856	3.470
Reducing infant class sizes grant	2.000	3.000
School Uniform Grant	0.700	0.000
Modern Foreign Languages	0.480	0.432
Senior Business Managers	0.200	0.200
Mentoring and Networking Support for Headteachers	0.150	NA
National Numeracy Tests - Supported Marking Grant to Consortia	0.020	0.020

### **Environment and Rural Affairs**

Single Revenue Grant - See note below	61.790	20.793
Waste Infrastructure Procurement Programme - Gate Fee Contributions	7.507	7.867
Animal Health & welfare Framework Funding	0.200	0.200
Renewal of Grant for the South Wales Regional Aggregate Working Party	0.050	0.050
Waste Planning Monitoring Report - North Wales and South East Wales	0.049	0.049
Waste Planning Monitoring Report - South West Wales	0.025	0.025

## Finance and Local Government

Cardiff Capital City Deal	20.000	10.000
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## Lifelong Learning and Welsh Language

Post-16 Provision in Schools	98.587	NA
Adult Community Learning	4.307	NA
Additional Learning Needs Innovation Fund	1.320	0.000
Learning in Digital Wales (Phase 2)	0.500	0.450
Promote and Facilitate the use of the Welsh language	0.314	0.314
Development of the Seren Network	0.120	0.250

## Social Services and Public Health

Welsh Independent Living Grant	27.000	RSG
Substance Misuse Action Fund	22.663	22.663
Social Care Workforce Grant	19.000	RSG
Expanding Edge of Care Services	5.000	RSG
Carer's Respite Care Grant	3.000	RSG
Support for Care Leavers	1.650	RSG
Reflect Project	0.850	RSG
Secure Estates	0.412	RSG
National Framework for Fostering	0.400	RSG
Development of Adoption Support Services in Wales	0.215	0.090

<b>All Grants</b>	<b>900.454</b>	<b>584.424</b>
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<b>All Grants excluding NA (for like-for like comparison)</b>	<b>606.861</b>	<b>584.424</b>
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1 The information shown above details the total amount of each grant. Some grants may be split between local authorities and other bodies

2 It is important to note that amounts for future years are indicative at this stage and are liable to change

3 Formal notification of grant allocations is a matter for the relevant policy area

NA = figures not available at time of publication

RSG = funding transferring to Revenue Support Grant

Single Revenue Grant - £35m of Waste Budget element transferred to Revenue Support Grant

## Provisional

Table 1c: Aggregate External Finance (AEF) plus top-up per capita, by Unitary Authority, 2018-19

Unitary Authority	2018-19 provisional Aggregate External Finance plus top-up funding (£'000s)	Provisional Aggregate External Finance per capita (£)*	Rank
Isle of Anglesey	94,924	1,353	11
Gwynedd	173,859	1,406	9
Conwy	152,770	1,307	15
Denbighshire	142,144	1,488	5
Flintshire	187,816	1,212	19
Wrexham	173,485	1,242	18
Powys	172,644	1,309	14
Ceredigion	99,905	1,309	13
Pembrokeshire	160,084	1,290	17
Carmarthenshire	257,960	1,386	10
Swansea	316,499	1,293	16
Neath Port Talbot	210,832	1,492	4
Bridgend	190,718	1,335	12
The Vale of Glamorgan	151,996	1,185	21
Rhondda Cynon Taf	362,219	1,519	2
Merthyr Tydfil	89,683	1,514	3
Caerphilly	265,600	1,467	6
Blaenau Gwent	109,761	1,581	1
Torfaen	130,800	1,422	8
Monmouthshire	93,000	1,001	22
Newport	211,682	1,423	7
Cardiff	437,867	1,193	20
<b>Total unitary authorities</b>	<b>4,186,247</b>	<b>1,339</b>	

\* Based upon 2014-based, 2018 population projections

## Appendix 3 – Proposed Response to Welsh Government on the Provisional Settlement

Simon Edwards  
Local Government Funding Policy 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 2018/19

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.

This is a disappointing settlement for local government across Wales and follows reductions that Councils have experienced in recent years. The Welsh Government has chosen to use additional money passed to it by the UK government in ways that don't best meet the needs of the people in Wales.

Monmouthshire has yet again received one of the worst settlements in Wales receiving 1% less than the previous year and the settlement continues an eight-year run of real terms reductions to local government funding in Wales. This does not take into account the current inflation rate of 2.7% and therefore represents a 3.7% real term reduction in funding. While the average cut to Welsh councils is 0.5%, Monmouthshire's 1% decrease, shared with five other counties, is the biggest in Wales.

The provisional settlement has done nothing to alleviate our position as the worst funded Council in Wales per head of population. The average per capita funding in Wales is £1,339 compared to Monmouthshire's £1,001.

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.

Monmouthshire welcomes the commitment to providing a funding floor to mitigate any volatility. Looking forward to 2019/20 and beyond, the prospect of continuing austerity remains and is set against very real pressures in already stretched services. Whilst Monmouthshire welcomes the provision of an indicative revenue settlement for 2019-20 the provision of indicative revenue settlements for the next three years would help Councils in planning for the future through these very difficult times.

As a rural authority Monmouthshire is confronted by particular challenges in offering services like social care, waste collection, transport and highways across a wide

area. Indeed, the council has recognised these difficulties by prioritising the maintenance of locally accessible services to combat rural isolation. Monmouthshire calls on the government to base funding on a fairer system, acknowledging the problems rural counties face when providing services. There are also a range of preventative services that will not survive unless the Welsh Government has a long hard look at the way it allocates money across the totality of public services.

Monmouthshire calls for more transparency around some of the figures in the provisional settlement announcement. The settlement suggests increases in funding in education and social services of £62m and £42m respectively. However, there is no additional resource to protect them or explanation of how these figures have been calculated. The all-wales settlement for local government has quite simply reduced been reduced by 0.5%.

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 21<sup>st</sup> 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**

## **Appendix 4 – Pressures Proformas**

Pressure	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Page Reference
ENT P1 Leisure Income - Extended Monmouth rebuild consequences	146				22
ENT P2 Housing Private leasing Pressure	288				37
ENT P3 Community Development Partnership	65				44

## ENTERPRISE PRESSURES

Pressure Mandate Proposal Number :ENT P1

Pressure Mandate Title : Monmouth Pool

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

<b>Mandate Completed by</b>	<i>Ian Saunders</i>
<b>Date</b>	<i>01<sup>st</sup> Nov 2017</i>

### **Why is this pressure required?**

As per the reprovision of Monmouth Swimming Pool agreed by members and the democratic process as part of the future schools/ Monmouth Leisure Centre projects.

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

146k

### **Directorate & Service Area responsible**

**Enterprise – Leisure Services**

### **Mandate lead(s)**

Richard Simpkins/Marie Bartlett



Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?		
Name	Organisation/ department	Date

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

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

<b>Final pressure approved by Cabinet</b>	<b>Date:</b>
---	--------------

## 1. Vision and Outcomes of the Pressure Mandate

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

<b>What are the outcomes of investing in the identified pressure?</b>
<b>Expected positive impacts</b>
<b>Expected negative impacts</b>

## 2. Pressure proposed

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

What is the evidence for the pressure? How has it been estimated?								
Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	Target year				Total pressure proposed
				17/18	18/19	19/20	20/21	

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

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

Action	Officer/ Service responsible	Timescale

### 4. Additional skills/ business needs

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

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

### 5. Measuring performance on the mandate

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

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2017/18	Target 2018/19	Target 2019/20

## 6. Key Risks and Issues

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

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

## 7. Assumptions

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

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


### 8. Options

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

Options	Reason why Option was not progressed	Decision Maker

## 9. Monitoring the pressure mandate

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

### SUBJECT: Investment Proposal Monmouth Leisure Centre

<b>MEETING:</b>	<b>County Council</b>
<b>DATE:</b>	<b>27<sup>th</sup> July 2017</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>Monmouth</b>

#### 1. PURPOSE:

- 1.1 The purpose of this report is to re-present the Business Case for the replacement pool and the significant redesign of Monmouth Leisure Centre, following cabinet approval to spend £204,000 to identify cost certainty in January 2017. Cost certainty has now been established at £6,989,109 for the main build.
- 1.2 To provide the school and community with a temporary structure and negate the loss of the sports hall facility during the build. The building costs including the temporary structure increase to a maximum of £7,404,539 depending on site logistics on known information. However the most likely scenario is the total cost would be £7,276,704. **The additional site closure will result in the loss of a net revenue figure of £146,486.**
- 1.3 To consider the four options volunteered as a way to progress the project, listed in 3.5, recommending the most pragmatic (option 2) for approval.

#### 2. RECOMMENDATIONS:

- 2.1 To approve the overall funding envelop of £7,404,539 to deliver the new pool and building re-design as indicated in the resources section. This includes the following:

- Additional funding from the S106 agreement has been confirmed at £985,000 from the Wonastow Road Development.
- There is also £1,928,000 that has been confirmed by Welsh Government, which is committed to the project.
- The income assumptions from having new and different facilities is anticipated to be sufficient to support £3,580,000 of the capital expenditure necessary.
- The council will borrow the remainder, appreciating an allowance was made by Members during budget setting process 2017-18 to create £500k headroom in Council's treasury budget, to support 5 particular policy commitments, of which this was one.
- There could be potential of further funding depending on developments from section 106 in the local area (but this is not included in the calculations).

For this investment the community will be benefiting from a state of the art facility in response to the Well-being and Future Generations (Wales) Act 2015 including:

- A 5 lane 25 metre swimming pool
- 50-60 station fitness facility and additional studios
- A large adventure play facility with café

Please refer to page 7 of the Final Business Case for further information on facilities included.

2.2 To approve option 2 with the installation of a temporary structure of 700 metre squared to replace the existing sports hall whilst the works are being completed at a minimum cost of £287,595 and a maximum cost of £415,430 pending suitable planning and a flood consequences survey.

### **3. KEY ISSUES:**

3.1 Cost certainty on the Leisure facility has resulted in an increased figure to £6,989,109 through price inflation and a client risk contingency sum, which identified a number of additional costs associated with the scheme in liaison with our Property Services and the Contractors. Such areas as ground conditions, IT requirements and out of hour's security all contributed to this figure.

3.2 Following the demolition of the swimming pool in March 2016 Council agreed to re-provide the facility and the community continue to engage with Leisure Services on the proposed date for completion. Expectations are high from within the community but the improved offer should more than satisfy demand for future generations.

3.3 Following consultation with the school it has been identified that the closure of the Sports Hall will lead to on-site PE provision no longer being available. Furthermore, disruption to exam timetabling due to lack of suitable on-site amenities could have a detrimental impact on student attainment and safeguarding. This could impact on students' future career pathways and the continued improvement of outcomes in Monmouth Comprehensive School.

3.4 Planning has since been granted for the building proposal as mentioned in the Cabinet report presented in January 2017.

3.5 As a result four options have been identified to mitigate any issues this may cause:

- **Option One** – Reinstatement refurbishment of Leisure Centre and new pool, leaving the school without any Sports Hall provision (cost certainty option);
- **Option Two** – Reinstatement refurbishment of Leisure Centre and new pool with temporary sports hall type structure with a caveat that the Sports Hall in the Leisure Centre will remain open until the temporary structure is in place;
- **Option Three** – Delay whole Leisure Centre build project until school site is complete;
- **Option Four** – Build Leisure Centre now resulting in Sports Hall remaining open until School build is complete and then convert the existing sports hall into a swimming pool.

3.6 The table below outlines the 'Pros and Cons' of each of the four options:

**Table One – Situational Analysis of Four Options**

<b>Analysis</b>	<b>Option One</b>	<b>Option Two</b>	<b>Option Three</b>	<b>Option Four</b>
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Honours decision to return pool facility;</li> </ul>	<ul style="list-style-type: none"> <li>• As per option one;</li> <li>• Provides on-site Sports Hall like facility to</li> </ul>	<ul style="list-style-type: none"> <li>• School retains Sports Hall facility.</li> </ul>	<ul style="list-style-type: none"> <li>• School retains Sports Hall facility;</li> <li>• Community benefits from</li> </ul>



	<ul style="list-style-type: none"> <li>• Maintains leisure centre staff morale;</li> <li>• Keeps leisure centre build project on financial target.</li> </ul>	address school issues.		new leisure facilities.
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Fails to address school concerns as leaves school without Sports Hall provision;</li> <li>• Plan are already in place to mitigate impact, school will therefore be compromised and will need review issues at a very late stage in proceedings.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional costs for structure;</li> <li>• Potential Impact on school safeguarding; health &amp; safety; timetabling;</li> <li>• Will take time to address site issues e.g. flood assessment surveys, safety concerns, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional financial costs due to inflation and additional loss of income;</li> <li>• Continuing lack of leisure facilities, impact on community well-being;</li> <li>• Broken promise to the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional financial costs due to inflation and additional loss of income;</li> <li>• Doesn't solve pool delay, still no facilities for three and a half years, so still broken promise.</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Disruption to school management;</li> <li>• Overall safety and well-being of students could be compromised</li> </ul>	<ul style="list-style-type: none"> <li>• Siting of temporary structure within timeframe proves to be impractical</li> </ul>	<ul style="list-style-type: none"> <li>• Increased impact on already constrained budgets;</li> <li>• Reputational risk to the Authority.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased impact on already constrained budgets;</li> <li>• Reputational risk to the Authority.</li> </ul>

3.7 Table Two below provides a detailed financial analysis of the four options:

Options for the Redevelopment of Monmouth Leisure Centre	Option 1	Option 2	Option 3	Option 4
	Refurbish Leisure Centre and New Pool £	Refurbish Leisure Centre and New pool with temporary structure £	Delay whole project until School build is complete £	Refurbish Leisure Centre now, build pool when school build complete £
<b>Cost of Project</b>				
Cost of Works	5,379,557	5,379,557	5,379,557	5,379,557
Contingency & risk allowance	290,250	290,250	290,250	290,250
Additional costs from phasing	0	0	0	371,137
Extra Inflation on works delay	0	0	375,000	50,000
Equipment etc.	1,319,302	1,319,302	1,319,302	1,319,302
Inflation on Equipment delay	0	0	98,000	0
Facility Costs Sub total	6,989,109	6,989,109	7,462,109	7,410,246
Temporary structure	0	287,595	0	0
If temporary structure needs to raised above 450mm		127,835		
<b>Total Costs</b>	<b>6,989,109</b>	<b>7,404,539</b>	<b>7,462,109</b>	<b>7,410,246</b>
<b>Revenue impact</b>				
Costs of Site Closure	146,486	146,486	146,486	133,157
Loss of additional surplus - 1 year	0	172,000	172,000	112,000
School Disruption Risk				76,000
<b>Total</b>	<b>7,135,595</b>	<b>7,723,025</b>	<b>7,780,595</b>	<b>7,731,403</b>

<b>Net Additional Cost from option 1</b>	<b>0</b>	<b>459,595</b>	<b>645,000</b>	<b>595,808</b>
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<b>Completion</b>	Oct 2018	Dec 2018	July 2019	Other: May 2018
				Pool: April 2019
<b>Planning delay</b>		Jan 2019		

**Based on 450mm**

**Based on 6 week delay risk should the programme be frustrated through school programming**

**Worked through from existing budgets and best assumptions on projected lost income**

3.8 Based on the above table and all considerations option two is the preferred option because it allows the school curriculum to continue whilst ensuring the Monmouth build is not further delayed impacting upon the community.

3.9 The project is expected to take 55 weeks and as it's on a dual use site that is also undertaking a school rebuild, it is anticipated an initial 31 week shut down. Week 32 could see part of the centre re-opened (play, cafe, health & fitness) with the exception of the pool that would open at the end of the build programme. Significant health and safety issues have been identified which would indicate that it may be in the best interests of MCC and the community to close the site for the whole period of the development.

#### **4. REASONS:**

- 4.1 The service has provided sound reasons for the Monmouth project in the attached business case. These are summarised below;
- To meet the requirements of the Well-being and Future Generations (Wales) Act 2015 which seeks to improve the social, economic, environmental and cultural well-being of Wales. This project will play a fundamental role in ensuring we improve people's lives through health and well-being. The learning to swim programmes fit with Sport Wales strategic aspirations, which is that 'Every Child is Hooked on Sport for Life and every child a swimmer' and the second is for a 'Nation of Champions'.
  - The project also aims to react to the flat lining levels of sport participation and high levels of inactivity and to create a more physically active population where children and young people enjoy the best sporting opportunities available and people of all ages and backgrounds can enjoy the many benefits that sport and physical activity bring, at every stage in their lives.
  - It is recognised that 'sport' is no longer delivered solely for 'sport' sake and that increasing participation in sport and physical activity and reducing levels of inactivity are key to both local and national government to achieve outcomes in public health (physical and mental), adult social care and education.
- 4.2 The new facility would meet current Amateur Swimming Association (ASA), Sport Wales, Curriculum and club requirements. It will also be DDA compliant, the revenue costs will be reduced and changing facilities would meet current requirements.

## **5. RESOURCE IMPLICATIONS:**

- 5.1 The full business case confirms the cost certainty for building a new 25m five lane swimming pool, removing the sports hall and adding and enhancing more commercial leisure activities such as adventure play, fitness suites, toning and spinning studio has been established at £6,989,000. This is the cost associated with commencing the project once the temporary structure is in place. The new temporary structure allows the school to best deliver its curriculum whilst balancing this against the need to re-provide the leisure facilities to the communities of Monmouth.
- 5.2 Option two in table 3.7 is the preferred option and details are provided for financial analysis. All proposals include an enhanced leisure provision to increase the capacity to generate income. The main difference in costs arise from the fact that inflation accrues if there are delays in starting the construction works.
- 5.3 Funding for the capital investment is as follows:

- Extra income through additional usage of the new facilities by year 3 would improve the revenue position by £287,000, this extra income could fund £3.58m of the initial investment through prudential borrowing.(as per the Full Business case)
- S106 funding Wonastow Road (£0.985m)
- Funding released from the 21<sup>st</sup> century schools programme £1,928,000 less £204,000 cost of feasibility work previously agreed by Members. Written confirmation received from WG to indicate their endorsement to earmark this money to the pool re-provision.
- The remaining gap, depending on which option is chosen, will need to be facilitated by additional borrowing funded by MCC, indicatively this would be capped at £1,115,539 for option 2 reflective of a worse case that the temporary structure needs to be raised and contingency and risk allowance is utilised in full.

5.4 In terms of this balance of funding - the current revenue budget for 2017/18 contains headroom in the Treasury budgets for additional borrowing to enable schemes that have been given political commitment to proceed. Indicatively of the £500k set aside for these particular commitments, the borrowing costs associated with this borrowing are circa £60k per annum. Opportunities to seek out alternative sources of funding will continue including any additional Section 106 monies should they arise which would offset the additional borrowing costs for the authority.

5.5 Currently provision is made within the Leisure budget for the loss of income resulting from the period during which the pool is decommissioned and not operational. In the light of this revised proposal, there will now be a likely gap in provision arising from the re-location and re-operation of the Sports Hall. The estimated financial loss to leisure during this interim period is estimated at £146,000 and it is proposed that the impact of this is built into the MTFP for the period required.

## **6 SUSTAINABILITY AND EQUALITIES IMPLICATIONS:**

6.1 The significant equality impacts identified in the Equality Impact Assessment appendix.

### **SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS**

6.2 There have been regular meetings between construction colleagues and Property Services to ensure any health and safety and safeguarding issues are identified and the risk managed appropriately.

## **7 CONSULTEES:**

Strategic Leadership Team

Cabinet Members  
Head of Legal Services  
Head of Finance  
Assistant Head of Finance  
Head of Planning  
21<sup>st</sup> Century Programme Manager  
Procurement Manager  
Headteacher and Chair of Governors, Monmouth Comprehensive School

**8 BACKGROUND PAPERS:**

Business Case – Monmouth Pool Build (Appendix A)

**9 AUTHORS:**

Ian Saunders, Head of Tourism, Leisure, Culture and Youth  
Marie Bartlett, Finance Manager  
Richard Simpkins, Business Manager Tourism, Leisure, Culture and Youth

**10 CONTACT DETAILS:**

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Phone number 01633 644285 Mob 07884061183

Pressure Mandate Proposal Number :ENT P2  
Pressure Mandate Title : Housing Private Leasing

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

<b>Mandate Completed by</b>	Ian Bakewell
<b>Date</b>	06.11.17

**Why is this pressure required?**

Through Welfare Reform changes, the Temporary Accommodation Management Fee Subsidy payable through housing benefit for homeless related accommodation has been removed from 1<sup>st</sup> April 2017 by the Dept. for Work & Pensions. The value to Monmouthshire was approximately £380,000 in April 2017. Welsh Government have replaced this with additional RSG of £148,000. The reduction in funding is insufficient to run the Council's Shared Housing and the Melin Private Leasing scheme. There is a risk the number of units may have to be reduced which will impact upon the Council's homeless prevention performance. It would also create a pressure if there was a need to re-house existing applicants.

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

At September 2017 it was £228,000 for 2018/19. The pressure is subject to a number of variables, such as the outcome of negotiations with individual landlords or landlords withdrawing from the scheme.

On-going work will continue in respect of reviewing and refreshing the components that make up this pressure.

<b>Directorate &amp; Service Area responsible</b>		
Housing & Communities, Enterprise.		
<b>Mandate lead(s)</b>		
Ian Bakewell and Karen Durrant		

<b>Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?</b>		
Name	Organisation/ department	Date
Justin Wigmore	Melin Homes	25.01.17
Joy Robson & Mark Howcroft	MCC	On-going
Kellie Beirne & Mark Hand	MCC	On-going
Ceri Breeze	Welsh Government	24.01.17
Childrens & Communities Minister	Welsh Government	21.09.17

<b>Has the specific budget pressure been consulted on?</b>		
Function	Date	Details of any changes made?
Department Management Team		
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee	12.09.17	None.
Public or other stakeholders		
Cabinet (sign off to proceed)		

<b>Will any further consultation be needed?</b>		
Name	Organisation/ department	Date
Adult Select Committee	MCC	Dec or Jan 18



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

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

<b>What are the outcomes of investing in the identified pressure?</b>
There is a need to decide about the future of private leasing and the associated implications. The options include cease operating or reducing the scale of the scheme; increase the available funding or try and identify an alternative provider. (An alternative provider will still need funding).
<b>Background Paper Adult Select 12.09.2017 Homelessness &amp; Prevention - Future of Private Leasing Scheme</b>
<b>Expected positive impacts</b>
<b>Expected negative impacts</b>

## 2. Pressure proposed

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

What is the evidence for the pressure? How has it been estimated?								
Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	Target year				Total pressure proposed
				17/18	18/19	19/20	20/21	

## 3. Actions to required to minimise the pressure

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

Action	Officer/ Service responsible	Timescale

## 4. Additional skills/ business needs

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

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

### 5. Measuring performance on the mandate

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

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2017/18	Target 2018/19	Target 2019/20

### 6. Key Risks and Issues

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

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

## 7. Assumptions

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

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

## 8. Options

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

Options	Reason why Option was not progressed	Decision Maker

## 9. Monitoring the pressure mandate

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

Pressure Mandate Proposal Number :ENT P3

Pressure Mandate Title : Whole Place and Community Development Partnership

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

<b>Mandate Completed by</b>	<i>Cath Fallon, Head of Enterprise and Community Development</i>
<b>Date</b>	<i>6<sup>th</sup> November 2017</i>

<b>Why is this pressure required?</b>
<b>How much pressure is there and over what period?</b>
Prior to the completion of the Community Engagement Review a £100k saving was built into the 17-18 MTFP to reflect anticipated efficiencies from the restructuring of both the Whole Place and Partnerships teams. However a complete review of the staffing structure identified a need for re-evaluation of posts which has resulted in only £35k saving being realised. This has left a £65k pressure that needs to be returned to the base budget in order for the service to be fully funded.
<b>Directorate &amp; Service Area responsible</b>
Enterprise and Social Care
<b>Mandate lead(s)</b>
Cath Fallon

<b>Have you undertaken any initial consultation on the need for this pressure to be included in the MTFP?</b>		
Name: Kellie Beirne & Claire Marchant	Organisation/ department: Enterprise/Social Care	Date September/October 2017

<b>Has the specific budget pressure been consulted on?</b>		
<b>Function</b>	<b>Date</b>	<b>Details of any changes made?</b>
Department Management Team	<b>24.10.17</b>	
Other Service Contributing to / impacted		
Senior leadership team	<b>27.06.17</b>	
Select Committee		
Public or other stakeholders		
Cabinet (sign off to proceed)	<b>06.09.17</b>	

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

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

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

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

The Well-being of Future Generations Act requires co-delivery with partners. To enable this an identified disconnect between the Public Service Board (PSB), the Authority and the local community needed to be addressed by repositioning community engagement within a more centralised role. In addition, a lack of specialist support in strategic PSB areas such as health, isolation and ageing well is also required whilst providing whole Authority support for Cluster Area activities and town/community council liaison with a view to identifying and addressing community needs and priorities.

The restructure of the Whole Place and Partnerships Teams into a new Community & Partnership Development Team enables cross directorate working to tackle future challenges by identifying and delivering tangible outcomes to ensure the county's future sustainability. Strategic working with the Community Well-Being and Enterprise Development Leads will also maximise funding resources and reduce the potential for service duplication.

**Expected positive impacts**

- The team will act as enablers, working with communities and partners to enable them to realise their full potential through the identification and achievement of common goals;
- Use of collective, asset and place based methodologies to improve well-being within our communities and reduce demand on public services;
- Targeting pockets of inequality between and within communities to address issues of isolation and poverty through a programme of sustainable regeneration activities.

**Expected negative impacts**

None anticipated.

**2. Pressure proposed**

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

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



	Original £100k MTFP saving not achievable – restructure savings after merger only realised £35k as additional funding was required to support the job re-evaluation exercise and the match funding required for a project manager post. £65k needs to be built back into base in 18-19.							
Service area	Current Budget £	Proposed Cash Pressure £	Proposed non cash efficiencies – non £	Target year				Total pressure proposed
				17/18	18/19	19/20	20/21	
Community and Partnership Development	278024	65			65			65

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

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

Action	Officer/ Service responsible	Timescale
Additional Grant funding opportunities will be sought in order to reduce the pressure	Cath Fallon	On going
Staff savings on vacant posts	Cath Fallon	On going

### 4. Additional skills/ business needs

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

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

## 5. Measuring performance on the mandate

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

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2017/18	Target 2018/19	Target 2019/20
Delivery of the team's action plan	As detailed in 'Way Forward' document which can be found <a href="#">here</a>						

## 6. Key Risks and Issues

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

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Level (High, Medium or Low) Based on a score assessing the probability & impact	Mitigating Actions
None anticipated				

## 7. Assumptions

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

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

## 8. Options

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

Options	Reason why Option was not progressed	Decision Maker
Community Engagement Review	Full assessment can be found <a href="#">here</a>	Cabinet 6.9.17

## 9. Monitoring the pressure mandate

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

## **Appendix 5 – Savings Proposals**

Ref	Saving Proposal	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Page Reference
ENT S1	Cross cutting list to be populated during budget process					

## Appendix 6 – Future Generations Assessment

### Wellbeing of Future Generations Assessment – Budget Proposals for 18-19

#### Introduction

The Wellbeing of Future Generations initial evaluation for the emerging 18-19 budget proposals has been developed in narrative form, ahead of formalisation of proposals and the completion of the official assessment framework. This enables setting out of the backdrop to the emerging proposals, commentary on how the process has been developed; its various iterations and the picture it paints as a whole for the county of Monmouthshire. Presenting in this way at this stage provides an opportunity to demonstrate the dynamic and real-time nature of the approach. In addition, it helps to highlight application of continual learning and improvement.

In the past and notwithstanding the council's strong record on financial planning and delivery, achieving the goal of keeping frontline services going and strengthening commitments to sustainability and resilience, the budget has tended to be developed through the setting of targets, directorate-led approaches and a relatively uneven smattering of proposals. Whilst under this budget round, individual directorate's have still put forward proposals – this process has been more in keeping with our Future Monmouthshire programme and the design principles that guide how we keep our county 'going' and 'growing'. It signals very clearly, that money should follow purpose and priorities and not precede them.

It must be borne in mind that this WFG evaluation is an early one, applying to budget *proposals* only at this pre-consultation, pre-decision stage. The aim of the narrative is thus, to demonstrate the 'live' nature of the process and the application of robust and ongoing scrutiny and challenge as the proposals continue to be shaped and honed in line with what matters.

#### The process

Set within the policy mandate of the council and the emerging priorities and commitments framing the beginnings of a new Corporate Plan, features of the 18/19 budget shaping process have included:

- **Data driven approach.** Using data analytics, we have looked closely at the economy of our service provision as benchmarked against other councils. This has enabled the identification of areas where cost efficiency might be improved; where there is potential for

knowledge transfer; and, how we might go about it. This has been accompanied by informal ‘challenge’ sessions - in which services give account of their development journeys and the work they are doing to sustain efficiencies whilst improving and advancing.

- **A more crosscutting** approach has been applied to understanding the intended and unintended consequences of proposals and their whole-authority impact.
- **An evidence based** approach has been taken, drawing heavily on information, data and responses from Our Monmouthshire and the Wellbeing Assessment; the work of the Public Services Board, future trends analysis, public events such as the Usk Show, pre-election doorstep surveys undertaken by Members and the wider direction being set by the new administration.
- **A focus on challenge-led approaches** including exemplars such as photocopying, that, as well as resulting in a new more cost-efficient contract, has stimulated different behaviours and practices; travel and transport, which again, has resulted in a successful submission to the Rural Development Fund to secure investment for innovative solutions to rural transport problems.
- **A new way of engaging Members and Select Committees** in shaping the priorities and projects, that will inform Future Monmouthshire. The Economy and Development Select Committee hosted a participative ‘challenge-based’ workshop in October 2017. The format was open and engaging and led to new opportunities and potential being highlighted. The E&D Select Committee has prioritised Procurement/ local supply chain development and cross-border working as the areas in which they believe they can make a developmental contribution to getting to a new sustainable future state.
- **Targeted ‘horizontal’ service reviews.** In areas where it has not been possible to develop credible savings proposals – such as Enterprise – given the scale of the budget and the extent of past efficiencies – work has been carried out to identify the cross-cutting areas where focussed attention could make a big impact. Rather than the continual eking out of minor efficiencies for limited impact, the focus of these services and departments will be on big crosscutting transformational pieces. Areas of potential such as Democracy, Customer Service, Transport, Procurement and others have been identified. This work will include considering the impact of automation and artificial intelligence, future trends, the future of work and skills and will make a wider contribution to public service reform.
- **Alignment with the whole-authority Risk Register and the direction of Service Improvement.** This ensures that proposals are developed with regard to key levels of risk and ensuring opportunity costs are considered and embedded within more robust ‘options appraisal’ work. Budget proposals should not be ‘new’ – they should follow the natural course of service development and improvement – as already set out in Service Improvement Plans.

## Our objectives

Aligned to the four enduring priorities set by the last Council, around the protecting the vulnerable, education, enterprise and maintaining frontline services, our published Wellbeing Objectives developed in response to some of the big issues identified from the Wellbeing Assessment work, are:

Provide children and young people with the best possible start in life to help them achieve better outcomes

Maximise the benefits of the natural and built environment for the well-being of current and future generations

Maximise the potential in our communities to improve well-being for people throughout their life course

Develop opportunities for communities and businesses to ensure a well-connected and thriving county

Our purpose and mission remains one of *building sustainable and resilient communities that can support the wellbeing of current and future generations*. We share this core purpose with our Public Service Board and it is our guiding force in working towards the Seven Wellbeing Goals:

- Globally Responsible
- Vibrant Culture and Thriving Welsh Language
- Cohesive Communities
- Equality
- Health
- Resilience
- Prosperous

## The proposals

The proposals in the main, present a picture of continuing small efforts and endeavours that can be made in delivering a one-year budget as the Council moves into gear with a newly emerging Corporate Plan, into which the medium Term Financial Plan will be incorporated. At a high level, provision has been made to afford some safeguards to priority areas and to ensure we continually mitigate risks identified in the whole-authority Risk Register. These are:

- School budgets continue to have regard for cash flat line consideration – acknowledging specific pressures around Additional Learning Needs and ensuring our children are equipped to achieve their potential
- Additional resources into aspects of social care budgets – particularly in high-pressure areas of Children’s Services in supporting a significant service development and transition and in supporting transformational activity in parts of Adult Social Care. This ensures we continue to protect our vulnerable
- Ongoing drives for savings and efficiencies through programmes of review, challenge-led approaches, data-driven exercises and unit cost data investigations and a focus on income generation – to ensure we have the resources to sustain what matters



- The need to think differently and identify targeted areas for intervention and transformational work – to ensure we create the conditions for true sustainability and resilience

In addition to these headlines, specific provision has been made, to mitigating further pressures around: national living wage, safeguarding, supporting a new fit for future leisure facility in Monmouth, private leasing for effective homelessness prevention, place-based community development approaches, home to school transport and support through housing benefit. These emphasise commitments to making direct local investments in wellbeing and culture whilst at the same time enabling communities to invest in building their own resilience. Direct intervention is necessary to support examples of cases such as the withdrawal of the private sector homeless leasing subsidy. However, the service area has indicated that this will be a time-limited intervention that will enable the time and space to develop a sustainable and long-term solution.

In relation to budget proposals, key features include:

*Children and Young People* – in the context of the above cash flat-line commitment, the quest for greater efficiency where it can reasonably be found, continues. There is an emphasis on moving towards shared resources and systems to build greater resilience and integrated back office models – building upon cluster working and beginning the move towards federated alliances. This is key if our school system is to compete not just with the rest of Wales or the UK but also in the world. Demonstrating enterprise aptitude through some moderate-income generation, procurement efficiencies through achieving collective purchasing and economies of scale and strong financial management demonstrate a clear commitment to building resilience in the schooling system whilst ensuring that the learning experience and outcomes for young people grows stronger, setting them on a path for prosperous lives.

*Social Care and Health* – notwithstanding the above investments to allow for growth and developmental opportunities, the potential to consolidate processes, focus more on local ‘in county’ provision and make for a better health and wellbeing experience for service users - has been identified within Adult Disability services. This builds upon place-based partnerships and assets and is a demonstration of how community-wide resources can make a difference. In relation to Children’s Service, investments in transitional and critical development work are paying off with progress being made around high-cost placements, fostering and early intervention. This is a medium-to-long term piece of work with a whole emphasis on better outcomes for vulnerable children, young people and families. Cross-departmental working features strongly with a mix of professions working to bring about the expertise such as the marketing campaign around fostering – required to make change that delivers a better outcome for the young person and a positive impact on the system.

*Resources/ Enterprise and Operations* – features in this area include in the main, continuation of small-scale ongoing efficiencies and back office improvements. In Resources, the emphasis is on smart support services, mainly brought about through the more targeted use of new technology and leveraging some of the benefits of lower cost IT infrastructure provision. In Operations, the focus continues to be on income

generation where it is deemed viable and is in keeping with other Councils, moderate rationalisation of maintenance, improved cost recovery and continued efforts around route optimisation. It is important to note that in terms of staying ahead, seeking out global best practice, and, new ways of working – this work will be complemented by assessments of the latest technological developments – automation, use of machine learning, new methods of real-time data capture and challenge driven approaches. Significant challenge has already been applied to this area. Initially it was felt potential existed to withdraw a small number of very poorly used bus rural bus services. However, given the big priority the community attaches to wider rural transport issues and solving the problem of poor rural infrastructure and connectivity – it is proposed that these funds are retained and re-directed to the areas where greatest impact might be made.

In relation to Enterprise – successive efficiencies and income generation have seen just staffing budgets remain in many areas. Given we need people resource to deliver on the big ideas and big impact projects – cutting posts would be counter-productive. Instead, the efforts of the service will be targeted at driving forward the Future Monmouthshire programme – demonstrating the new opportunities for public service reinvention and taking forward targeted pieces of work where potential is demonstrated: automation and AI, transport, procurement, back office and support services, democracy and transactional services such as customer care.

### **Resonance with Wellbeing Objectives**

**A Prosperous Wales** – our budget proposals stem from and are embedded in development and delivery of our Future Monmouthshire programme. This asks the big and searching questions about what our county will look and feel like over the next 5, 10, 15 and 20 years and more and advises on how the Council can best enable the right changes to take shape. Beyond increasing economic productivity and growth, our goal is prosperity for all and a system that promotes radical inclusion and delivery of social justice. An example of this – and one, which demonstrates the ‘going’ and ‘growing’ balance to our work, is Housing. Currently, efforts in 18/19 are targeted towards direct support to maintain provision of privately leased properties through which to prevent homelessness, given that the critical subsidy once in place has now been withdrawn. However, this interim mitigation is in itself not a sustainable approach. A sustainable approach will be in addressing the fundamental mismatch between housing supply and demand. This leads in to wider work we are starting now, to develop proposals to review and re-create the Local Development Plan. This will ensure long-term sustainable solutions providing economic growth and homes for all – addressing the needs of an ageing demographic and positive retention of our young people. One intervention sets the course for the next.

**A resilient Wales** – our continual investments in areas such as Social Care are not ‘bail outs’ – they are targeted investments which create the conditions for transformational pieces of work that enable us to think differently about demand-side management. As this budget process shows, returns on such investments are already being demonstrated. Our clear goal is to enable communities by investing in building their own resilience. The introduction of a new cabinet brief focussed on Social Justice and Community Development reinforces the potential

around unlocking the significant social capital that exists in Monmouthshire and enabling people everywhere to make a difference. Our direct funding may be declining – but local assets, resources, ideas, social capital and social action is fast growing. Our role is to optimise and channel this to greatest effect.

**A healthier Wales** – one of the ‘pressures’ these budget proposals mitigates is the temporary loss of provision and income resulting from the replacement of Monmouth Pool and the re-creation of brand new leisure facilities. Rather than lose the existing facilities because of the comprehensive redevelopment of Monmouth Comprehensive School – an £8m investment has been made in creating new facilities that will help keep our people, children and communities, well.

**A more equal Wales** - enterprise, economic development and wealth creation is key to giving people the means by which to get on and provide for themselves and their families. No cuts are levelled against the Enterprise service area in this budget because we recognise that without continued investment in wealth and job creation at all levels – from the foundational economy through to the big disruptive technologies – the call on public services grows greater and societal divisions proliferate.

**A Wales of Thriving Culture** – Monmouthshire has a distinctive cultural offer and boasts country parks, castles, museums, theatres and attractions in every major town and settlement. This budget supports maintaining investment in these areas as a means promoting our identity, cultural distinctiveness and building upon the Abergavenny 2016 Eisteddfod Welsh Language legacy.

**A Wales of Cohesive Communities** – this budget provides for investment in the development of a new social justice agenda and the creation of a Community Partnerships Team that is rapidly developing the place-based approaches needed to unlock and inspire social action, volunteering and community resilience.

**A Globally Responsible Wales** – the cash flat-line proposal for schools as part of this emergent set of budget proposals, maintains a commitment to direct investment in our future generations. Beyond ‘playing our part’ for the county, Wales and the UK, our focus on Future Schools, Improvement, safeguarding and excellent learning outcomes, is on finding our place in the world. This means continuing investment to ensure our young people are equipped to engage and compete in industries of the future wherever they might emerge.

## Summary

The emerging budget proposals for 18-19 are more than a standalone one-year budget. As a contributor to our wider Future Monmouthshire work, they help build a bridge between the present we have and the future we wish to see. With a blend of ongoing sustainable efficiencies; continued income generation and a focus on investing in areas such as education and social care – where returns in terms of service outcomes and financial benefits are starting to pay early dividends – the platform is building for the development of more targeted ‘big ticket’ interventions. We are not kicking the ‘too difficult’ problems into the long grass. As well as keep the Council ‘going’ – work is underway to keep it ‘growing’ – as these proposals clearly demonstrate. Proposals to review the development plan, as a means of addressing demographic and economic pressures is underway. Exploration of targeted procurement opportunities that save money and create local markets is taking shape. A ‘challenge-driven’ approach to tackling rural transport issues is being developed. Exploration of machine learning, artificial intelligence and automation are contributing to the ways in which we must re-imagine services and the positive impact they can have on the lives of people and communities in Monmouthshire - now and in the future.