

## Budget Pressures

<a href="#">CYP1</a>	Non pay - SENcom contract inflation
<a href="#">CYP2</a>	Additional learning needs
<a href="#">CYP3</a>	Monmouth Comprehensive rates
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## 2022/23 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	SENCOM	Senior Responsible Officer:	Will McLean
Your Ref No:	CYP1	Operational Lead Officer:	Jacky Elias
Version No:	1	Directorate:	CYP
Date:	12 <sup>th</sup> November 2021	Section:	ALN

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**1. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

**SENCOM is a shared service for Hearing and Visually impaired pupils and it is hosted by Torfaen. In recent years the contribution paid by local authorities has not covered the full costs of inflation for the service.**

**2. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

**Accounts and information from Torfaen. Discussions with directors and finance managers.**

**3. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Identified Service Area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	
SENCOM	285	37	0	37				37

**4. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)
Nil		

**5. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	
Has an initial Wellbeing & Future Generation Assessment being undertaken?	N	
Will an option appraisal be required?	N	
Will this proposal require any amendments to MCC policy?	N	

**6. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?
None		

**7. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

**For future years the contribution will include inflation.**

**8. Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	N	
Will this project have any legal implication for the authority?	N	

### 9. Up-front Investment Requirement

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

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

### 10. Consultation

Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)
Chief Officers	Meeting to discuss service	Sept 2021
Finance Managers	Meetings to discuss service	Sept 2021

### 11. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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

### 12. Assumptions

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

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

### 13. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25

#### 14. Additional considerations:

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services or works?	N	
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	N	
Will this project benefit from digital intervention?	N	

## 2022/23 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Additional Learning Needs	Senior Responsible Officer:	Will McLean
Your Ref No:	CYP2	Operational Lead Officer:	Jacky Elias
Version No:	0.1	Directorate:	CYP
Date:	10-11-2021	Section:	ALN

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**15. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

The budget for Additional Learning Needs has seen a substantial pressure in demand for support for pupils. This demand includes requests to support pupils from an early age and pupils continuing their education into post 16.

The pressure are detailed below:

	2021-22 Budget	2022-23	Pressure
<b>Independents</b>	<b>£1,849,551</b>	<b>£2,126,244</b>	<b>£276,693</b>
<b>Out of County</b>	<b>£1,381,403</b>	<b>£1,519,780</b>	<b>£138,377</b>
<b>Recoupment</b>	<b>(£945,699)</b>	<b>(£701,757)</b>	<b>£243,942</b>
<b>School Action Plus</b>	<b>£5,439,632</b>	<b>£5,737,634</b>	<b>£298,002</b>
<b>Total</b>	<b>£7,724,887</b>	<b>£8,681,899</b>	<b>£957,017</b>

None of the above budgets include inflation which could be as high as 5%.

The pressure for independent schools is a combination of increases in placement costs and the number of pupils attending these settings. While the majority relates to compulsory years there are a number of pupils that have remained in post 16 education.

Placemen costs for the other Local Authority schools have also increased and again this pressure relates to both pupil numbers and an increase in costs. As with the independent provision a number of these pupils are remaining in school for post 16 education.

ALN colleagues have worked with Monmouthshire schools to look at the resources available and the provision, examples of this is a small group provision as opposed to one to one support where appropriate. School are already required to use 5% of their delegated budgets to support pupils with additional learning needs and this pressure is in addition to this.

ALN related transport is also facing a pressure of £14,892 due to an expected increase in direct recharge for transport costs due to increased cost of provision.

**16. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

The pupil numbers are discussed monthly at DMT, increase in placement costs are circulated to be relevant colleagues to review and build into future forecasts. In addition a clear forecasting model has been developed and this has been used to forecast the budgets above.

Currently there is a working group looking at the School Action Plus budget with an aim to delegate this to schools to allow them more flexibility to support pupils with ALN. This is due to go out for consultation with the aim to gain Cabinet approval prior to implementation in April 2022.

**17. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Identified Service Area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	
Independents	1,850	277	0		277			277
Out of County	1,381	138	0		138			138
Recoupment	(946)	244	0		244			244
School action Plus	5,440	298			298			298
ALN related transport		15			15			15

**18. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified? N/A

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)

**19. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	
Has an initial Wellbeing & Future Generation Assessment being undertaken?	N	
Will an option appraisal be required?	N	
Will this proposal require any amendments to MCC policy?	N	

**20. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?

**21. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

All applications for additional funding in our schools are subject to a panel review to discuss the costs and any alternative savings that can be made to reduce the cost burden.

The panel also considers the placement for pupils attending out of other LA schools and independent schools. This is to ensure that the placements can meet the need of the pupils and to consider any costs involved.

The proposal to delegate the school action plus funding will allow the schools to have more flexibility around the support and funding for pupils and this will allow schools to better support the needs of the pupils.

**22. Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	Y	More staff could be employed to support pupils.
Will this project have any legal implication for the authority?	N	

**23. Up-front Investment Requirement**

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

Any additional capability required	Where will this come from	Any other resource/ business need (non-financial)
None		

**24. Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)
None		

## 25. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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
Risk costs will continue to increase.	Operational	Budget pressure in recent years	high	Challenge of budget pressures. Working with schools to maintain support in schools. Train and up skill staff to provide that support. Working with schools to look at greater delegation to give flexibility and stability.

## 26. Assumptions

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

Assumption	Reason why assumption is being made (evidence)	Decision Maker
Pupil Numbers	This assumes that the pupil numbers in the forecast model do not change significantly with pupils moving in or out of county.	
Placement costs	No increase for inflation has been factored in and this could be 5%.	

## 27. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25

## 28. Additional considerations:

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services or works?	N	
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	N	



Will this project benefit from digital intervention?	N	
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## 2022/23 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Rates for Monmouth Comprehensive School	Senior Responsible Officer:	Will McLean
Your Ref No:	CYP3	Operational Lead Officer:	Nikki Wellington
Version No:	1	Directorate:	CYP
Date:	07-12-2021	Section:	ISB

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**29. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

Monmouth Comprehensive School is a brand new build school which was built under the Band A future schools programme from Welsh Government. The school opened in September 2018. The final rates assessment was not received for the school until the current financial year, this had been complicated as during the build there was a period of time that there were a number of temporary buildings on the site which actually resulted in a lower assessment for rates. The assessment for rates for the new build is £299,600 with the previous school being £143,920. During 2019-20 a pressure of £85,000 was added to the budget but this has been exceeded with the current valuation.

**30. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

**Rates assessment for the previous and current school.**

**31. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Identified Service Area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	
Rates	271	29			29			29

**32. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)
N/A		

**33. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	
Has an initial Wellbeing & Future Generation Assessment being undertaken?	N	
Will an option appraisal be required?	N	
Will this proposal require any amendments to MCC policy?	N	

**34. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?
N/A		

**35. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

None
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**36. Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	N	
Will this project have any legal implication for the authority?	N	

**37. Up-front Investment Requirement**

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

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

**38. Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)
N/A		

**39. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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
N/A				

**40. Assumptions**

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

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

N/A		

**41. Measuring and monitoring performance**

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
N/A					

**42. Additional considerations:**

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services or works?	N	
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	N	
Will this project benefit from digital intervention?	N	

## 2022/23 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Children's Services Pressures	Senior Responsible Officer:	Jane Rodgers
Your Ref No:	SCH1 - Children's Services	Operational Lead Officer:	Jane Rodgers
Version No:	1	Directorate:	SCH
Date:	3 <sup>rd</sup> Nov 2021	Section:	Children's Services

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**43. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

A pressure of £1,305,000 within children's services is being proposed comprising:

Placements: £500,000  
Kinship Carers: £272,000  
Legal Fees: £238,000  
Agency Staffing £295,000

**44. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

### PLACEMENTS

There has been a slight decrease in overall numbers for Children Looked After. To date the majority of children leaving care have done so from less costly placements. At the same time, children entering care have required more costly placements due to the complex nature of their needs. In the current year to date 6 children have entered residential care, creating a pressure within the system of £500,000.

### KINSHIP CARERS

A recent legal case in another Local Authority has resulted in the requirement to pay foster kinship carers on an equal footing to generic foster carers. This has created a pressure of £272,000 base on the current cohort of kinship carers.

### LEGAL FEES

The cost of legal fees and expenses, including barrister costs remains a significant pressure for children's services at £238,000. This includes a previous budget mandate saving of £100,000 which was not achieved.

### AGENCY STAFFING

Increased referrals and volume of preventative cases within children's services, together with maternity and sickness leave have created staffing pressures. Added to this is a national shortage of qualified child-care social workers meaning that there are often delays in being able to recruit to vacancies that arise through normal staff turn-over. In order to ensure that the LA's statutory responsibilities are fulfilled agency social workers are employed. These factors have created a pressure of £295,000

**45. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Service area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	
Children's Services	£16,500	£1,305		£1,305				£1,305

**46. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)

**47. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	Best possible start in life Lifelong wellbeing
Has an initial Wellbeing & Future Generation Assessment being undertaken?	Y	
Will an option appraisal be required?	Y	
Will this proposal require any amendments to MCC policy?	N	

**48. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?
Provision of placements that meet need children's needs	Children and families	positive
Kinship carers are paid at the required level	Children and families	positive
Costs of care proceedings are met	Children and families	positive
Permanent workforce establishment is aligned with need and additional workforce resilience is created	Children and families	positive

**49. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

<p><b>PLACEMENTS</b> Further expansion of MyST to deliver step down from residential services Implementation of the fostering recruitment strategy under the auspices of Foster Wales On-going development of preventative services</p> <p><b>KINSHIP CARERS</b> Further work to convert kinship carers to special guardians where this is safe to do so Further work to increase SGO as outcome from Care proceedings</p> <p><b>LEGAL</b> On-going implementation of preventative approaches to divert from care proceedings Embedding DPS for the procurement of independent assessments within care proceedings</p> <p><b>WORKFORCE</b> Review of establishment to reduce agency usage where directly employing under Monmouthshire County Council would be better value for money, and to ensure sufficiency within the workforce to meet demand and remain resilient.</p>
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**50. Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	Y	Recruitment to MCC staff rather than agency
Will this project have any legal implication for the authority?	Y	Will ensure that the LA meets its statutory responsibilities for children looked after, safeguarding and prevention under the SSWBA Wales 2014

**51. Up-front Investment Requirement**

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

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

**52. Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)

**53. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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

The underlying upward trend within CLA continues or accelerates	Op	Data shows a recent decline but an underlying upward trend.	<b>MEDIUM</b>	Well developed preventative services are in place  Foster Wales is launched to drive forward recruitment of foster carers
A new cohort of children with complex needs continue to require placements	Op	There are at least 6 children with complex and escalating needs whom we are attempting to maintain within current placements through intensive support and increased support plans	<b>HIGH</b>	MyST is in place to increase opportunities for step down and develop specialist fostering provision
A permanent workforce at the required level cannot be achieved	Op	There is a nation shortage of child care social workers	<b>MEDIUM</b>	Recruitment strategy and workforce planning is embedded within the operations of the service

#### 54. Assumptions

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

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

#### 55. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2020/21	Target 2021/22	Target 2022/23	Target 2023/24
Customer	Numbers of children looked after and distribution of placements				

#### 56. Additional considerations:

Question	Y/N	Comments/Impact



Will this proposal require procurement of goods, services or works?	N	Not new
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	N	
Will this project benefit from digital intervention?	N	

### **Full Cost budget adjustment explanations**

In addition to specific service pressure and savings mandates, the budget has the potential to also move year on year due to corporate changes. The following briefing note provides details of those revisions.

SCH8	Budget provision and contingency to support fragility in care sector	1,903
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Welsh Government have confirmed that the settlement includes funding to enable authorities to meet the additional costs of starting to pay the Real Living Wage (RLW) of £9.90 an hour to social care workers from April 2022. The Council already commits to paying its paid workforce at the RLW. For commissioned care it is anticipated that market providers are already having to pay staff above RLW and in light of the well publicised challenges with recruitment and retention and at a time when Welsh Government is removing the funding support through its COVID hardship fund. The funding included in the settlement remains unhypothecated within the settlement and therefore assists the Council in making further budget provision and contingency that allow the Council to suitably respond to challenges brought about by the fragility of the care sector and the current levels of unmet need.

## 2022/23 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Passenger Transport Unit – Service budget pressures	Senior Responsible Officer:	Frances O'Brien
Your Ref No:	ENT2	Operational Lead Officer:	Deb Hill-Howells
Version No:	2	Directorate:	ENT
Date:	14.12.21	Section:	Passenger Transport

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**57. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

### Passenger Transport – Service Demand Pressures £306k

The Passenger Transport Service is responsible for the provision of Home to School transport, our community demand responsive service, Grass Routes and 3 scheduled services that are not commercially viable. The Service manages 192 external home to school contracts and undertakes 34 school runs, transporting up to 2,916 passengers daily (up from 2,667 in 2020). The demand on the service has increased in recent years resulting in a projected pressure on the base budget of £306k for 22-23.

**58. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

There are varied reasons for the fluctuations in expenditure and income but the budget pressure can be attribute to 3 main areas :-

	Indicative Budget 22-23	Projected service cost 22-23	Budget Pressure
	£	£	£
Internal Operations Employee Costs	1,561,085	1,619,476	58,391
Internal Operations Vehicle Costs	855,340	890,000	34,660
External Operators Costs	3,441,709	3,654,618	212,909
<b>Total Service Pressure</b>			<b>305,960</b>

#### **Internal Operations Employee Costs**

- The cost of the in-house operations arm has increased this year as we have had to increase the workforce to deal with increasing school runs due to external contractor hand backs. This is expected to impact on next year's budget by £58k.

#### **Internal Operations Vehicle Costs**

- Vehicle costs are projected to be above available budget in 22-23 by £35k, the pressure includes inflation for fuel and spare parts but it also includes increases in borrowing costs for replacement vehicles and the costs of maintaining a larger service.

#### **External Operator Costs**

- External operator costs are projected to increase by £213k. The increase in passenger numbers results in the need for additional contracts, this not only causes a cost pressure, but also reduces our ability to generate an income through concessionary and Post 16 passengers (107 in 2021, 149 in 2020). The majority of the contracts are due to be re-tendered next summer and we anticipate that rates will increase due to fuel and manpower inflation, we have built in a £100k contingency into the pressure to cover this but members need to be aware that we won't know the outcome of this exercise until September 2023 and there is a risk that actual pricing could exceed this.

Other factors contributing to net pressure :-

- BES ramp up funding will cease in July 2022, which will result in a loss of grant funding, albeit that the services will continue to be provided.
- Changes to legislation have resulted in a reduction in our ability to generate private hire income and moving forward we will no longer be able to undertake any work for third parties that does not fall within the permitted rules of S19 and S22 permits, this has impacted on external body income but we are projecting to increase our internal income base in 22-23 as school trips and activities re-commence following the pandemic.

**59. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Service area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
Passenger Transport	5,003	306		306				306
<b>Total</b>	<b>5,003</b>	<b>306</b>		<b>306</b>				<b>306</b>

**60. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)
We are seeking grant funding to support the replacement of vehicles with ULEV alternatives	Welsh Government	Awaiting details of the funding available and the financial viability of business cases.

**61. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	Providing home to school transport to enable young people to access learning. Providing community demand responsive and public bus routes to provide transport for community members that do not have access to a car.
Has an initial Wellbeing & Future Generation Assessment being undertaken?	N	
Will an option appraisal be required?	N	
Will this proposal require any amendments to MCC policy?	N	It is proposed that a review of the Councils current home to school transport policy is undertaken post May 2022.

**62. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is affected?	Is this impact positive or negative?
It will enable the service to be undertaken in a cost neutral manner and manage external	Users of the home to school and Grass routes services, external	The funding of the pressure will be largely neutral, however the

pressures arising from increased operator costs, changing passenger numbers and the loss of grant as well as internal pressures from increased fuel, vehicle and staff costs.	operators, and internal service providers.	replacement of vehicles with ULEV alternatives will be positive.

**63. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

Opportunities to generate income in alignment with our permits will be sought and it is forecast that this will increase from the current year's budget target.

We will continue to identify grant funding opportunities for replacement fleet and to mitigate operating costs.

The PTU operations team is being re-structured to align working patterns with service demands.

**64. Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	N	If the pressure is agreed.
Will this project have any legal implication for the authority?	N	

**65. Up-front Investment Requirement**

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

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

**66. Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)

**67. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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

When tenders are undertaken next summer, external operator costs will be higher than forecast.	Operational	Running costs continue to increase which operators will seek to recover.	High	When tenders are undertaken, PTU operations are asked to provide the costs for them operating the contract. This gives us a baseline figure and if the tendered costs are higher, the PTU will be asked to undertake the route, subject to capacity and resources.
Income projections are lower than forecast	Operational	School activities are slowly resuming following the pandemic	Medium	Colleagues are working with schools and ensuring all covid mitigation measures are in place.
Fuel and vehicle costs continue to escalate	Operational	The costs of fuel have seen a significant rise in the last few months	Medium	Conversion to electric & hydrogen fuelled vehicles will assist in the longer term. Reducing journeys and maximising the use of bulk purchasing.

### 68. Assumptions

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

Assumption	Reason why assumption is being made (evidence)	Decision Maker
Statutory passenger numbers remain constant or increase	Passenger transport data evidences an increase in demand for statutory home to school transport	CYP/PTU

### 69. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
Budgets	The service is delivered within budget				

### 70. Additional considerations:

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services, or works?	N	
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	N	
Will this project benefit from digital intervention?	N	

## 2022/23 Initial Saving and Pressure Proposal Form

The Senior Responsible Officer (SRO) for the proposal should complete forms

Proposal Title	Schools Catering – Operational Pressures	Senior Responsible Officer:	Frances O'Brien
Your Ref No:	ENT6	Operational Lead Officer:	Deb Hill Howells
Version No:	1	Directorate:	ENT
Date:	12.11.21	Section:	Schools Catering

**Note: The Senior Responsible Officer is expected to be a Chief Officer or Head of Service in most circumstances. The operational lead officer is the lead officer responsible for bringing the proposal together and who would ultimately be held accountable for operational delivery.**

**71. Proposal Scope and Description** Please include a brief description of the proposal being explored and the core objectives.

Schools Catering are anticipating a budget pressure in 22-23, this is due to 2 main issues :-

- 1. Reduction in Paid Meal uptake (£71,553)** – Turnover is expected to be down due to a reduction in paid meals, this is attributed to an increase in Free School Meal eligibility and an increase in pupils choosing to have a packed lunch. The impact of Covid is a major factor in the drop off in paid meals, the limited menu affected uptake and we anticipate it will take some time for meal numbers to return to pre-pandemic levels. Our estimates have been based on a 7.5% reduction on 19-20 meal numbers. We have however now reverted back to a full-menu and take up is increasing in line with expectations.
- 2. Ingredient Price increase (£67,637)** – Early estimates predict a 20% uplift in material prices for next year.

The service will not be increasing the price of school meals this year and so will remain at £2.50. This price hold will affect the ability to recover an element of the operational pressures above.

**72. Supporting Data and Evidence:** Please confirm supporting evidence for the identified saving and/or pressure. Or to discount any saving being available. Append any further information as necessary.

### 1. School Meal Income Reduction.

	£
Meal Income Received 2019-20	- 954,034
Estimated 22-23 Income @ 92.5%	- 882,481
<b>Estimated Reduction in Income</b>	<b>71,553</b>

### 2. Ingredient Price Increase

	£
Number of Meals Served 2019-20	478,948
Assume 7.5% Reduction for 2022-23	443,027
Cost Per Meal including 20% uplift	1.20
<b>Estimated Total Cost 22-23</b>	<b>531,632</b>
<b>Available Budget 22-23</b>	<b>463,995</b>
<b>Variance to Budget</b>	<b>67,637</b>

**73. Budget Impact** In this section please include the savings and pressures identified and the overall budget impact resulting from this proposal. This must cover each year implicated.

Service area	Current Budget £'000	Proposed Cash Pressure £'000	Proposed Cash Saving £'000	Target year				Total Budget Change Proposed £'000
				2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
Catering Income Pressure		72		72				72
Catering Expenditure Pressure		68		68				68
<b>Total</b>		<b>140</b>		<b>140</b>				<b>140</b>

**74. External Funding:** Has this proposal considered the opportunities for external funding? If yes, what funding avenues have been identified?

Funding Identified	Source	Current status (i.e. confirmed, in application, etc)
N/A		

**75. Corporate Alignment:** How does this proposal contribute and align with the current Corporate Plan objectives and have the relevant evaluations been considered and completed? Please consider any implications this proposal may have on our current policies.

Question	Y/N	Comments/Impact
Does this proposal align with the MCC <a href="#">Corporate Plan</a> ?	Y	
Has an initial Wellbeing & Future Generation Assessment being undertaken?	N	
Will an option appraisal be required?	N	
Will this proposal require any amendments to MCC policy?	N	

**76. Additional Impacts** What are the expected impacts of implementing this proposal? Please include the potential impact on other service areas

Description	Who is effected?	Is this impact positive or negative?
None		



**77. Mitigation (for budget pressures only)** – What mitigation has been identified to reduce the budget pressure proposed? What further steps could be taken to mitigate the pressure further and what are the consequences of this action?

Meal prices could be increased to counteract inflationary increases. A 10p increase in meal price would bring in circa £40,000 in extra income, although any price increases will affect uptake and may place additional financial burdens on households.

**78. Additional Considerations:**

Question	Y/N	Comments/Impact
Will this proposal have any staffing implications?	N	
Will this project have any legal implication for the authority?	N	

**79. Up-front Investment Requirement**

Describe any additional skills, resource and capability needed in order to carry out the proposal successfully. For example, new/additional expertise that will require additional investment etc.

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

**80. Consultation** Describe any initial consultation that has been or needs to be undertaken in order to inform this proposal and any further consultation that will be required throughout proposal delivery

Consultee	Description	Date (delivered/planned)
N/A		

**81. 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 or recognising the pressure identified, including any negative impacts identified in section 6 that need to be accounted for. Also, set out the steps that will be taken to mitigate these risks.

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
The uptake of school meals does not increase in line with expectations	Operational	The changes to the operation of the service during the pandemic have had a negative impact on take up and families who have now started providing packed lunch, may consider this	Medium	The service is marketing its service and menu's. All meals are scratch cooked on a daily basis and comply with the healthy eating agenda.

		a more suitable and affordable alternative, so pre-pandemic levels are not achieved.		
The supply chain continues to struggle to meet commitments and material costs escalate	Operational	We have already experienced problems with supplies which is impacting on menus and has required centralised delivery with supplies then being disaggregated and delivered to venues by non catering and catering staff.	Medium	We are working with suppliers to mitigate the problems in the supply chain including lack of drivers and raw materials. We are developing alternative solutions in the event of shortages of specific products
Proposed changes to free school meal entitlement will increase the need for supplies and increase capital and revenue expenditure	Operational	WG have advised that they will be making a statement in December regarding increasing access to fsms.	High	Until the announcement is made we are unable to mitigate the risk as we are unaware how many more children will become eligible, the resulting uptake, resources required to deliver it or implementation dates.

## 82. Assumptions

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

Assumption	Reason why assumption is being made (evidence)	Decision Maker
That the take up of school meals increases and represents only a 7.5% reduction on pre-pandemic levels.	Meal take has increased since the full menus were introduced in October.	Pauline Batty

## 83. Measuring and monitoring performance

How do you intend to measure the impact of this proposal? 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 proposal where appropriate.

Focus - Budget/Process/Staff/Customer	Indicator	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
Budget	Budget is cost neutral				

## 84. Additional considerations:

Question	Y/N	Comments/Impact
Will this proposal require procurement of goods, services or works?	N	
Will this proposal impact on the authorities built assets?	N	
Will this proposal present any collaboration opportunities?	N	
Will this project benefit from digital intervention?	N	