



CABINET – 13TH NOVEMBER 2019

SUBJECT: DRAFT BUDGET PROPOSALS FOR 2020/21

REPORT BY: DIRECTOR OF EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To present Cabinet with details of draft budget proposals for the 2020/21 financial year to allow for a period of consultation prior to a final decision by Council on the 20th February 2020.

2. SUMMARY

- 2.1 The report provides details of draft budget proposals based on a range of assumptions in the absence of details of the Welsh Government (WG) Provisional Local Government Financial Settlement for 2020/21.
- 2.2 The report also provides details of draft savings proposals, along with a proposed increase of 6.95% in council tax to enable the Authority to set a balanced budget for the 2020/21 financial year.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to: -
- 3.1.1 Endorse the draft 2020/21 budget proposals including the proposed savings totalling £8.485m (inclusive of the proposed use of £800k of Social Services service reserves).
- 3.1.2 Support the proposal to increase Council Tax by 6.95% for the 2020/21 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,209.83).
- 3.1.3 Agree that the draft budget proposals should now be subject to consultation prior to final 2020/21 budget proposals being presented to Cabinet and Council in February 2020.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 Council is required annually to approve proposals to set a balanced budget and agree a Council Tax rate.
- 4.2 Council is required to put in place a sound and prudent financial framework to support service delivery.

5. THE REPORT

5.1 Welsh Government (WG) Provisional Local Government Financial Settlement for 2020/21

- 5.1.1 The Local Government Financial Settlement received from WG on an annual basis is referred to as Aggregate External Finance (AEF). This consists of a Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates (business rates). Details of the Provisional Local Government Financial Settlement are normally announced by WG in early October each year. However, due to a combination of the continuing uncertainty around Brexit along with the delay in undertaking the UK Government spending review; the announcement of the Provisional Local Government Financial Settlement for 2020/21 is not expected until the 26th November 2019.
- 5.1.2 To ensure that sufficient time is allocated to consult on the Council's draft budget proposals for 2020/21 Cabinet will need to endorse the draft budget and associated savings proposals in advance of the announcement of the Provisional Local Government Financial Settlement.
- 5.1.3 The draft budget proposals in this report use a start point based on the Medium-Term Financial Plan (MTFP) presented to Council on the 21st February 2019. This showed a projected 2020/21 savings requirement of £15.658m based on information available at that time.
- 5.1.4 The projected position for 2020/21 has since been reviewed based on updated information and a revised set of assumptions. This results in an updated projected savings requirement of £8.485m as shown in Appendix 1, which is a reduction of £7.173m on the position reported in February 2019. Details of the changes and revised assumptions are provided in subsequent sections of this report.

5.2 2020/21 Draft Budget Proposals

- 5.2.1 The proposals contained within this report will deliver a balanced budget for 2020/21 on the basis that Council Tax is increased by 6.95%. Table 1 provides a summary: -

Table 1 – Summary

Paragraph	Description	£m	£m
5.2.2	Aggregate External Finance (cash flat)	-	-
5.2.3	Assumed full-year funding for Teachers Pensions		4.173
5.2.4 – 5.2.11	Schools cost pressures	5.648	
5.2.14 – 5.2.19	General Fund Services inflationary cost pressures	5.315	
5.2.20 – 5.2.26	General Fund inescapable service pressures	3.446	
5.2.27	Reinstatement of 2019/20 temporary savings	3.272	
5.3.1 – 5.3.2	Draft savings proposals 2020/21		8.485
5.4.1 – 5.4.2	Council Tax uplift (6.95%)		5.023
	TOTAL: -	17.681	17.681

- 5.2.2 As already mentioned, details of the Provisional Local Government Financial Settlement for 2020/21 will not be announced by WG until the 26th November 2019. The MTFP presented to Council in February 2019 assumed a 0.5% reduction in the Financial Settlement for 2020/21, which would have resulted in a reduction in funding of £1.343m. This has been reviewed based on the latest information available and a cash flat position is now assumed for 2020/21.
- 5.2.3 For the 2019/20 financial year there was a significant new cost pressure for Local Government in relation to increases in employer contributions to the Teachers' Pension Scheme from September 2019. There was no funding included in the Final Local Government

Financial Settlement for 2019/20 to meet this additional cost, albeit that the part-year impact has subsequently been funded through an in-year grant from WG. It is currently assumed that the full-year impact of the increase in employer contributions to the Teachers' Pension Scheme will be fully funded by WG in 2020/21 and for subsequent financial years.

5.2.4 The Schools cost pressures totalling £5.648m are set out in Table 2 below -

Table 2 – Schools Cost Pressures

	£m
Teachers Pay at 2.75%	2.064
Living Wage	0.016
Teachers Employer's Pension Contributions at 7.12%	2.288
APT&C Pay at 2%	0.261
APT&C Employer's Pension Contributions at 1%	0.133
Non-Pay Inflation at 1.7%	0.337
Schools Service Pressures	0.505
Trinity Fields Transport Costs (Demographic Growth)	0.044
TOTAL: -	5.648

5.2.5 **Teachers Pay at 2.75%** - Teachers pay has increased across the majority of the scale ranges by 2.75% with effect from September 2019. It is anticipated that a one-off grant will be made available by WG to assist with the part-year additional cost of the pay award for the 2019/20 financial year. However, there is currently no confirmation in respect of funding from 2020/21 onwards. For financial planning purposes it is currently assumed that there will be a further 2% uplift in teachers pay from September 2020.

5.2.6 **Foundation Living Wage** – Caerphilly CBC is a Living Wage Foundation employer so a sum is included in the draft budget proposals in respect of relevant school staff to allow for annual increases in the Foundation Living Wage hourly rate.

5.2.7 **Teachers Employer's Pension Contributions** – As already mentioned in paragraph 5.2.3, there is a significant new cost pressure for schools in relation to increases in employer contributions to the Teachers' Pension Scheme from September 2019. There will be an additional cost pressure of £2.288m in 2020/21 to meet the full-year impact of the increase in employer contributions.

5.2.8 **APT&C Pay at 2%** - A pay award of 2% is assumed for schools based APT&C staff from April 2020. This is not confirmed and is subject to ongoing negotiation.

5.2.9 **Non-pay inflation at 1.7%** - This is based on the current Consumer Prices Index (CPI) inflation rate. This will be kept under review during the coming months prior to final 2020/21 budget proposals being presented to Cabinet and Council in February 2020.

5.2.10 **Schools Service Pressures** – This includes the following: -

- Funding formula revisions;
- Floor area and National Non-Domestic Rates (NNDR) changes;
- Demographic growth linked to Trinity Fields pupil numbers;
- Additional costs linked to Free School Meals in respect of social needs funding and secondary school costs.

5.2.11 **Trinity Fields Transport Costs** – This is directly related to an increase in pupil numbers and costs can also vary based on pupil needs.

5.2.12 Cabinet should note that the draft budget proposals include a proposed reduction of 2% in the budgets that are delegated to schools. This totals £2.112m and consists of a reduction in the

Individual Schools Budget (£2.060m), a reduction of £30k in the Former Key Stage 2 Grant and a reduction of £22k in the Secondary Additional Funding budget. This means that the net growth for schools in 2020/21 would be £3.536m i.e. £5.648m in Table 2 above, less the proposed savings of £2.112m.

- 5.2.13 The remaining savings requirement for 2020/21 of £6.373m (i.e. total savings of £8.485m less £2.112m allocated to schools) will be applied to General Fund budgets. This results in a net savings requirement of 2.7% for all other services which does provide some relative protection to schools.
- 5.2.14 The General Fund Services inflationary cost pressures totalling £5.315m are set out in Table 3 below: -

Table 3 – General Fund Services Inflationary Cost Pressures

	£m
Pay at 2% (APT&C staff)	2.467
Living Wage (APT&C staff)	0.049
Employer pension contributions at 1% (APT&C staff).	0.894
Non-pay inflation at 1.7%	2.169
Non-pay inflation (Fees and Charges) at 1.7%	(0.264)
TOTAL: -	5.315

- 5.2.15 **Pay at 2% (APT&C) staff** - A pay award of 2% is assumed for non-schools based APT&C staff from April 2020. This is not confirmed and is subject to ongoing negotiation.
- 5.2.16 **Foundation Living Wage** – Caerphilly CBC is a Living Wage Foundation employer so a sum is included in the draft budget proposals in respect of APT&C staff to allow for annual increases in the Foundation Living Wage hourly rate.
- 5.2.17 **Employer pension contributions (APT&C staff)** – The Greater Gwent (Torfaen) Pension Fund is subject to an independent triennial valuation of its assets and liabilities. The results of the latest valuation are expected to be available in January 2020 and these will stipulate whether an increase is required in employer contributions. Whilst confirmation of these results is awaited, an increase in the contribution rate of 1% is assumed for 2020/21 in line with the previous three financial years.
- 5.2.18 **Non-pay inflation at 1.7%** - This is in line with the current Consumer Prices Index (CPI) inflation rate.
- 5.2.19 **Non-pay inflation (Fees and Charges) at 1.7%** - A generic increase of 1.7% is assumed for Fees and Charges. Increases in excess of this are proposed in some areas and details of these are provided in Appendix 2.
- 5.2.20 It is incumbent upon the Council to set a realistic budget each year. Table 4 provides details of the 2020/21 General Fund inescapable service pressures that have been identified and require consideration in respect of funding: -

Table 4 – General Fund Inescapable Service Pressures

	£m
Council Tax Reduction Scheme (CTRS) additional liability	1.025
Dry Recycling	0.000
Social Services cost pressures	0.800
Education & Lifelong Learning cost pressures	0.726
City Deal (Partnership revenue contribution)	0.002
City Deal (debt charges)	0.044
Private Finance Initiative (PFI) Review	0.849
TOTAL: -	3.446

5.2.21 **CTRS Additional Liability** – The Authority is required to fund a Council Tax Reduction Scheme (CTRS). This replaced Council Tax Benefit a few years ago and is a means-tested benefit that assists in full or part towards a resident’s Council Tax bills. The additional liability arises from the proposal to increase Council Tax by 6.95% in 2020/21.

5.2.22 **Dry Recycling** – The approved budget for 2019/20 included growth of £400k in respect of increased costs associated with contracts to recycle dry tonnage. In addition to this further growth of £400k was anticipated for 2020/21, and this was included in the MTFP presented to Council in February 2019. Savings in the current financial year on disposal and treatment costs (due to reduced tonnages following the introduction of proof of residency checks at Household Waste Recycling Centres (HWRCs)), means that the service is now projecting a balanced budget at current market prices. As a consequence, the planned growth of £400k is no longer required for 2020/21.

5.2.23 **Social Services cost pressures** – The MTFP presented to Council in February 2019 included further anticipated Social Services growth of £1.5m for 2020/21. Based on current information the projected 2020/21 growth requirement is now £800k. For 2020/21 only it is proposed that this anticipated growth requirement will be met through a one-off contribution of £800k from Social Services reserves. This is proposed on the basis that there are a number of initiatives currently underway that will reduce costs in the medium to long-term and therefore mitigate the current cost pressures in the system. These initiatives include the following: -

- Ty Isaf is expected to be fully operational from the summer of 2020 providing four placements, which will be offered to children placed out of area in the first instance.
- Integrated Care Fund (ICF) capital has been confirmed for 2019/20 to purchase another house to convert into a residential children’s home, which will also offer four beds at some point during 2020/21.
- The Multi-disciplinary Intervention Support Team (MyST) is currently working with eight children in residential care with a view to stepping down to foster care or returning to their families.
- A Specialist Health Visitor is being employed to support teams with pre-birth assessments to reduce the numbers of babies being removed and placed in care at birth.
- Using ICF funding, the Intensive Support Team is expanding to include a full-time Child Psychologist, an Education Worker and a Community Connector with the aim of supporting children to remain within their families.
- There is an ongoing recruitment drive for in-house foster carers, which is reducing the reliance on more expensive independent fostering agency placements.

5.2.24 **Education and Lifelong Learning cost pressures** – There are a range of cost pressures within this service area. The most significant relate to further demands for our most vulnerable

learners, in particular in relation to Education Other Than At School (EOTAS) provision (£800k growth was allocated to this service area for 2019/20), and anticipated additional costs associated with preparing for and implementing Additional Learning Needs (ALN) reform. Work is underway to review the service model for EOTAS provision and the full financial implications of ALN reform still need to be finalised. With this in mind, it is proposed that the anticipated growth requirement of £726k for 2020/21 will be held centrally in the first instance and released to respective service areas once the specific funding requirement has been determined and evidenced.

5.2.25 **City Deal partnership revenue contribution and City Deal Debt Charges** – There is a small increase of £2k required for 2020/21 in respect of the revenue contribution for the City Deal Partnership. The City Deal includes a borrowing requirement of £120m for the ten partner Local Authorities and an additional £44k is required for 2020/21 to meet the current anticipated cost for Caerphilly CBC’s share of potential borrowing that may be undertaken during the year.

5.2.26 **Private Finance Initiative (PFI) review** – A review of the Council’s schools PFI contracts is currently being undertaken. These contracts relate to Fleur de Lys (Ysgol Gyfun Cwm Rhymni) and Pengam (Lewis School) Secondary Schools. To assist with this review the services of a company called Local Partnerships have been commissioned. This organisation has a proven track record in relation to supporting public sector bodies through reviews of operational PFI contracts and was recommended by WG Officers. To date the review has focussed on contract management arrangements, benchmarking and affordability and will now progress to reviewing options for the future. It is currently anticipated that an options appraisal will be presented to Cabinet in spring 2020. In the meantime, there is an estimated growth requirement of £849k that will need to be recognised in the draft budget proposals for 2020/21, pending the outcome of the review and agreement on the way forward for these contracts.

5.2.27 The Final 2019/20 Budget Proposals approved by Council on the 21st February 2019 included temporary savings totalling £3.272m. In determining the budget proposals for 2020/21 the budgets for these temporary savings were reinstated, albeit that some have now been proposed as savings for 2020/21.

5.3 2020/21 Draft Savings Proposals

5.3.1 Draft savings proposals have been identified for the 2020/21 financial year totalling £8.485m. Details of the proposed savings are provided in Appendix 2 and are summarised into “themes” in Table 5 below: -

Table 5 – Draft Savings Proposals 2020/21

Description	2020/21 Proposed Savings £m
Being more efficient	1.195
Doing things differently	1.328
Services reductions/cuts	3.703
# TeamCaerphilly – Better Together Transformation Strategy: -	
• Increases in fees and charges	0.366
• Efficiency savings through process reviews and automation	0.200
• Review of investment strategy	0.718
Temporary reduction in debt charges budget	0.500
2019/20 savings in advance	0.475
TOTAL: -	8.485

5.3.2 The proposed savings totalling £8.485m along with the proposed Council Tax increase of 6.95% will provide a balanced budget position for 2020/21.

5.4 Council Tax Implications 2020/21

5.4.1 The draft budget proposals within this report include a proposed increase of 6.95% in Council Tax for the 2020/21 financial year. This will increase the Caerphilly CBC Band D precept from £1,131.21 to £1,209.83 i.e. an annual increase of £78.62 or weekly increase of £1.51.

5.4.2 The proposed increase of 6.95% for 2020/21 will result in the following totals for the Caerphilly CBC element of the Council Tax (the Police & Crime Commissioner and Town/Community Council precepts would be added to these totals when confirmed at a later date): -

Table 5 – 2020/21 Council Tax (CCBC Element) at 6.95% Increase

Band	Council Tax (CCBC Element) £	Weekly Increase £
A	806.55	1.01
B	940.98	1.18
C	1,075.40	1.34
D	1,209.83	1.51
E	1,478.68	1.85
F	1,747.53	2.18
G	2,016.38	2.52
H	2,419.66	3.02
I	2,822.93	3.53

5.5 Financial Outlook for Future Years

5.5.1 Due to the ongoing programme of austerity and increasing demand for a number of services, the financial position for Local Government has been very challenging in recent years. During the period 2008/09 to 2019/20 Caerphilly CBC has already delivered savings of £103m to address reductions in funding and inescapable cost pressures. In addition to this, further savings of £8.5m are proposed in this report for the 2020/21 financial year.

5.5.2 The Medium-Term Financial Plan (MTFP) presented to Council in February 2019 showed a potential savings requirement of £44m for the four-year period 2020/21 to 2023/24. At that time there was no indicative allocation provided by WG for 2020/21 or subsequent years so a reduction of 0.5% per annum was assumed for planning purposes. As already mentioned the Provisional Local Government Financial Settlement for 2020/21 will not be announced until 26th November 2019 and based on the latest information available, a cash flat position is currently assumed for 2020/21 (albeit that additional funding is anticipated for increased costs in respect of Teachers' Pensions).

5.5.3 There is considerable uncertainty surrounding the funding position moving forward due to a combination of Brexit and the forthcoming General Election. The UK Government has undertaken a spending review for 2020/21 only at this stage, so there is no indication of likely funding levels in the medium to long-term. With this in mind the MTFP has been updated based on information that is currently available and this results in an anticipated savings requirement of £27m for the four-year period 2021/22 to 2024/25. Details of this updated position are provided in Appendix 3 and the following is a summary of the key assumptions: -

- A cash flat position year-on-year in respect of WG funding.
- An increase of 4.52% per annum for Council Tax.
- 2% per annum for pay inflation.
- 1% per annum for APT&C employer pension contributions.

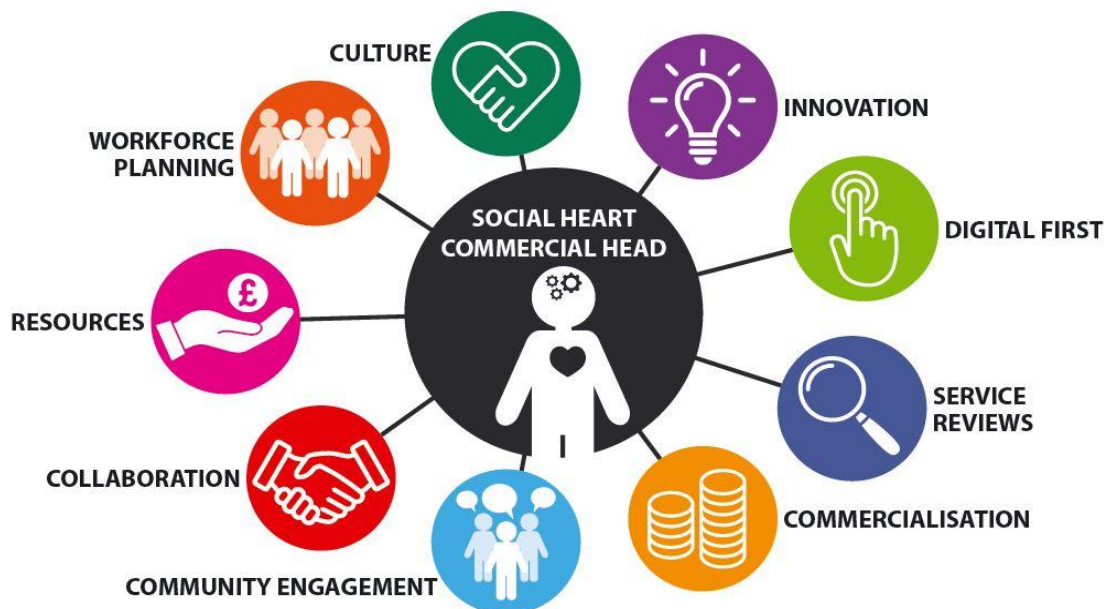
- 1.7% per annum for non-pay inflation.
- A total of £1.2m over the four-year period for schools service pressures.
- £750k per annum for anticipated increased demand for Social Services.

5.5.4 The Council has strived to limit the impact of savings on front-line services. However, due to the scale of the ongoing financial challenge this is becoming increasingly difficult and in recent years savings have been required in a number of areas that have impacted on the public.

5.5.5 In looking to develop proposals to address the significant financial challenges going forward it is widely accepted that the Council cannot continue as it is. There is a need to examine the way in which we use our resources to deliver services required by our communities across the county borough.

5.5.6 At its meeting on 12th June 2019, Cabinet approved the Future Caerphilly Transformation Strategy, which is being launched as **#TeamCaerphilly – Better Together**. This Strategy sets out details of a major transformation programme to examine how services are prioritised, how they can become more business efficient, to explore opportunities for greater customer focus and digital delivery, and to consider alternative delivery models and seek out commercial opportunities. Furthermore, to enable the Council to continue providing high quality value for money services in an environment that will require new approaches and new skills, a new relationship will need to be built with staff and communities.

5.5.7 The Strategy is multi-faceted and at the core of this programme of change is the new mantra of *Social Heart and Commercial Head*. This recognises a commitment to public service and the needs of citizens, but also demonstrates a commitment to explore commercial and investment opportunities, where appropriate, to generate income that can be reinvested in services to help them remain resilient in the current challenging financial climate. The strategic programme of “whole-authority” work is being delivered through the following key themes, which underpin the new operating model of the Council: -



5.5.8 Underpinning this new model of delivery will be an integrated programme of social, economic and environmental regeneration projects that will begin to reshape the county borough. These are: -

- The completion of a £261m physical improvement programme to our housing stock by 2020, through the delivery of the Welsh Housing Quality Standard (WHQS). Using Phase 2 of the emergent WHQS programme we will continue to invest in our existing housing

stock to provide high quality, energy efficient, affordable homes for life. This will be further enhanced with an exciting and innovative new build programme.

- Implementing the Shared Ambitions Strategy to raise standards and ensure our learners are healthy, confident, proud and ambitious and can benefit from high quality educational opportunities, settings and experiences.
- The commencement of the second phase of the 21st Century Schools programme, providing £110m of new educational facilities.
- Delivering the Council's emerging Digital Strategy by opening the 'Digital Front Door' and introducing a wide ranging digital transformation programme that transforms every aspect of service delivery.
- The provision of a new Children's Centre, which will be a "state of the art" centre of excellence providing respite care and therapeutic services for our vulnerable children and their families.
- Continuing the delivery of the Sports and Active Recreation Strategy, providing a sustainable approach to leisure and physical activity provision.
- The introduction of an integrated "one-stop shop" public service offer located within the heart of our communities, through the provision of strategically located integrated hubs, enhancing our engagement and service offer to the public.
- An exciting programme of economic, social and environmental investments to enable inclusive growth and opportunity across the county borough, that aligns and positions us firmly with the City Region's economic ambitions. This will also include maximising our green energy credentials through effective and innovative use of our assets.
- Making best use of our financial resources through a managed "risk-based" investment approach to enable delivery of the programme.

5.5.9 Through this cohesive, whole-authority programme we are aiming: -

- To have strong working relationships with our communities and partners to maximise the use of our collective resources to ensure a resilient county borough for the future.
- To embed a new operating model that will encourage innovative approaches to service delivery and ensure that we are making the best use of our resources.
- To help close the gap between poverty and prosperity through improving educational attainment and stimulating the local economy to create high quality jobs.
- To make Caerphilly County Borough a better place to live, work and visit.

5.5.10 Whilst the **#TeamCaerphilly – Better Together** strategy has been approved, much work remains in order to engage each and every member of staff and all Elected Members. As such, staff engagement sessions and a Members' Seminar have been scheduled over the forthcoming months. It is important to understand that the strategy provides the framework for a whole organisation cultural shift that resets our relationship with our citizens and staff, which in turn will re-shape our county borough. However, this can only happen if everyone unites and is bound by the shared purpose and vision of **#TeamCaerphilly – Better Together**.

Conclusion

- 5.5.11 This report provides details of the Draft Budget Proposals for 2020/21 based on information currently available and a broad set of assumptions.
- 5.5.12 The draft budget proposals, including the proposed savings of £8.485m, will be subject to a period of consultation prior to a final decision by Council on the 20th February 2020.
- 5.5.13 The report also provides details of the updated Medium-Term Financial Plan (MTFP), which indicates that further savings of circa £27m are anticipated for the four-year period 2021/22 to 2024/25.

6. ASSUMPTIONS

- 6.1 The draft budget proposals as set out in this report assume a cash flat position in terms of WG Aggregate External Finance (AEF) for the 2020/21 financial year. Details of the Provisional Financial Settlement will not be announced by WG until 26th November 2019.
- 6.2 It is currently assumed that additional funding of £4.173m will be provided by WG to meet the full-year cost of increases in employer contributions to the Teachers' Pension Scheme.
- 6.3 A range of other assumptions have been made throughout the report in respect of pay and non-pay inflationary increases and inescapable service pressures moving forward.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The budget setting process encompasses all the resources used by the Council to deliver services and meet priorities.
- 7.2 Effective financial planning and the setting of a balanced budget support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
- A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial planning is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 Equalities Impact Screenings have been undertaken for all of the draft 2020/21 savings proposals and Equalities Impact Assessments (EIA's) will be completed where they are required. This is to ensure that decisions that affect different individuals and groups with protected characteristics are assessed at an appropriate and relevant level and at the correct stage in the process. Completed EIA's will be available on the Council's website.
- 9.2 Consultation with residents, when done in accordance with the Council's Communications &

Engagement Strategy and the Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision-making process.

10. FINANCIAL IMPLICATIONS

10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

11.1 Where staff reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through 'natural wastage' and not filling vacancies. However, where this is not possible the Council will utilise agreed HR policies and compulsory redundancies will only be considered when all other options have been fully exhausted.

11.2 The Trade Unions will be fully consulted on the 2020/21 draft budget proposals.

12. CONSULTATIONS

12.1 Cabinet is asked to agree that the draft budget proposals for 2020/21 should now be subject to a period of consultation prior to final budget proposals being presented to Cabinet on 12th February 2020 and then Council on 20th February 2020. The consultation process will run from 18th November 2019 to 13th January 2020. Consultation and engagement methods to be used will include: -

- Online and hard copy consultation – a survey and supporting documentation.
- A dedicated 'pull-out' in the December edition of Newline.
- Enhanced use of digital media – including question and answer sessions, other digital engagement and signposting to the online survey.
- Consultation/engagement with local members/AMs/MPs.
- Face to face engagement including: -
 - Drop in sessions at locations across the county borough.
 - Engagement with the Viewpoint Panel, 50+ Forum, Youth Forum, Caerphilly Business Forum, Parent Network etc.
 - Engagement with affected staff groups and Trade Unions.
- Consultation with the Voluntary Sector.
- Consultation with Town and Community Councils.
- Targeted consultation with Equalities Network contacts – Menter Iaith, Caerphilly County Borough Access Group, Action Hearing Loss Cymru etc.
- Consultation with council staff.
- Posters displayed at affected establishments.
- Consultation with partner organisations and other targeted stakeholder engagement as appropriate.

12.2 As part of the consultation process there will also be a series of Special Scrutiny Committee meetings to focus on the savings proposals. In addition to considering the content of this Cabinet report the Scrutiny Committees will receive further reports providing more detail on the savings proposals. The dates of these meetings are as follows: -

- 03/12/19 – Social Services.
- 05/12/19 – Housing & Regeneration.
- 09/12/19 – Education.
- 10/12/19 – Environment & Sustainability.
- 11/12/19 – Policy & Resources.

13. STATUTORY POWER

13.1 The Local Government Acts 1998 and 2003.

Author: Stephen Harris, Interim Head of Business Improvement Services and Acting S151 Officer.

E-mail: harrisr@caerphilly.gov.uk
Tel: 01443 863022

Consultees: Corporate Management Team
Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services and Monitoring Officer
Andrew Southcombe, Finance Manager, Corporate Finance
Cllr Barbara Jones, Interim Leader & Cabinet Member for Finance, Performance and Governance

Appendices:

Appendix 1 2020/21 Updated Projected Savings Requirement
Appendix 2 2020/21 Draft Savings Proposals
Appendix 3 Updated Medium-Term Financial Plan (MTFP) 2020/21 to 2024/25

Background Papers:

Council 21/02/19

Budget Proposals for 2019/20 and Medium-Term Financial Plan 2019/20 to 2023/24.

Cabinet 12/06/19

Future Caerphilly Transformation Strategy - #TeamCaerphilly – Better Together.

2020/21 Updated Projected Savings Requirement

Description	Updated Projection (Cabinet 13/11/19)	Original Projection (Council 21/02/19)	Movement
	2020/21 £000s	2020/21 £000s	2020/21 £000s
Welsh Government Funding: -			
Aggregate External Finance (AEF) - Assumes cash flat	0	(1,343)	1,343
Assumed full-year funding for increase in Teachers pension costs	4,173	0	4,173
Total Welsh Government Funding available	4,173	(1,343)	5,516
Council Tax (Proposed increase of 6.95%)	5,023	3,077	1,946
Total Funding to Support Budget	9,196	1,734	7,462
Schools Cost Pressures: -			
Teachers Pay at 2.75%	2,064	1,502	562
Living Wage	16	16	0
Teachers Employer's Pension Contributions at 7.12%	2,288	2,272	16
APT&C Pay at 2%	261	262	(1)
APT&C Employers Pension Contributions at 1%	133	133	0
Non-Pay Inflation at 1.7%	337	439	(102)
Schools Service Pressures	505	181	324
Trinity Fields Transport Costs	44	0	44
Total Schools Cost Pressures	5,648	4,805	843
General Fund Services Inflationary Cost Pressures: -			
Pay @ 2%	2,467	2,249	218
Living Wage	49	49	0
Employer Pension Contributions at 1% (APT&C staff)	894	890	4
Non-Pay Inflation at 1.7%	2,169	2,809	(640)
Non-Pay Inflation (Fees and Charges) at 1.7%	(264)	0	(264)
Total General Fund Services Inflationary Cost Pressures	5,315	5,997	(682)
General Fund Inescapable Service Pressures: -			
Council Tax Reduction Scheme (CTRS) additional liability at 6.95%	1,025	667	358
Dry Recycling	0	400	(400)
Social Services Cost Pressures	800	1,500	(700)
Education and Lifelong Learning Cost Pressures Contingency	726	0	726
City Deal (Partnership Revenue Contribution)	2	7	(5)
City Deal (Debt Charges)	44	44	0
PFI Review	849	700	149
Total General Fund Inescapable Service Pressures	3,446	3,318	128
Reinstatement of 2019/20 Temporary Budget Reductions	3,272	3,272	0
2020/21 Savings Requirement	8,485	15,658	(7,173)

Ref.	Proposed Saving	£000's	Comments	Public Impact
	A) BEING MORE EFFICIENT			
	Education & Lifelong Learning: -			
A01	Adult Education - Delete vacant Manager's post.	42	Service review and restructure.	Nil
A02	14 to 19 Initiative Transport Costs - Budget realignment.	25	Proposal based on recent spend profile.	Nil
A03	Support Services and Resources - Delete vacant post.	15	Service review / vacant post not filled.	Nil
A04	Library Service - Delete Library Manager post.	50	Service review and restructure. Displaced postholder now part of the 21st Century Schools Team.	Nil
A05	Education Welfare Service - Restructure of service.	28	Restructure within the Team at the end of March 2019 allowed a review of the structure with a subsequent saving.	Nil
A06	Music Service - Curriculum Leader - Vacant post.	59	Vacant post not filled following review.	Nil
A07	Music Service - Delete Music Teacher post but some hours retained.	26	Vacant post not filled following review.	Nil
A08	Music Service - Delete Music Teacher post.	53	Vacant post not filled following review.	Nil
A09	Language Support Primary - Delete vacant post.	33	Vacant post not filled following review.	Minor
A10	Library Service - Back office efficiencies & transport related savings.	18	Budget realignment based on trends and review.	Nil
A11	Youth Service - 1 Caretaker at Crumlin Institute not replaced (vacant post).	11	Vacant post not filled following review.	Nil
A12	Youth Service - Deletion of admin post.	21	Vacant post not filled following review.	Nil
A13	Youth Service - Duty Officer/Caretaker post not to be replaced when the postholder leaves in the Autumn.	25	Vacant post not filled following review.	Nil
A14	Youth Service - Deletion of part-time Grade 10 vacant post.	28	Vacant post not filled following review.	Nil
A15	Early Years Team.	15	Savings identified following a general spend review. No impact on staff.	Nil
A16	Education Achievement Service (EAS) - 1.5% reduction in contribution.	15	As advised by EAS.	Nil
A17	Gwent Sensory & Communication Support Unit (SenCom) - 1% reduction.	7	Savings target for Sensory Service hosted by Torfaen CBC for 5 LA's. £7k relates to CCBC saving only.	Nil
	Social Services & Housing: -			
A18	Private Housing - Minor restructure.	27	Will result in the deletion of 1 post.	
	Communities: -			
A19	Business Support & Funding - Budget realignments	40	In addition to budget realignments in previous years, budgets can be reduced in further budget headings in 2020/21. The most significant savings are Cleaning (£3.5k), Oakdale Joint Venture (£27k), Telephone Recharges (£2k), Postage (£4k) and Subscriptions (£2k). This totals £38.5k and the remaining £1.5k will be taken in small amounts from other budget headings.	Nil
A20	Business Support & Funding - Increased rental income from Lowry Plaza Unit Shops.	5	Lowry Plaza currently has one shop unit unlet, unit 6A. It is anticipated that this unit will be let by the 2020/21 financial year. The income from the unit will generate circa £5k.	Nil
A21	Urban Renewal - Reduction in Publicity & Promotion budget.	2	Budget realignment.	Nil
A22	Urban Renewal - Reduction in mileage, printing and miscellaneous expenditure budgets.	2	Budget realignment.	Nil
A23	Tourism - Blackwood Miners Institute - Reduced Box Office opening hours.	8	As a consequence of the purchase of a new cloud based box office system complemented by a revamped website, the ticket booking process has become more user friendly and appealing thus increasing the number of users booking online and supporting the Council's Customer & Digital Strategy.	Nil
A24	Tourism - Blackwood Miners Institute - Staffing restructure.	20	Staff restructure to reduce the number of management hours required and reorganise duties amongst existing staff.	Nil
A25	Tourism - Winding House - Budget realignment and reduction in staffing budget.	30	The staffing element can be achieved following changes to the service in recent years where the venue has closed on a Sunday and Monday and through an integration of staff resource at Llancaich Fawr Manor.	Nil
A26	Tourism - Marketing and Events - Reduction in marketing spend.	8	Budget realignment to marketing and administrative budgets to reflect a reduction in paid for advertising and reduced postage as use of digital and social media increases as a marketing tool.	Nil
A27	Tourism - Additional budget efficiencies across all venues.	21	To be achieved through efficiency savings across the Tourism Venues expenditure budgets	Nil
A28	Infrastructure Division - Minor restructure.	31	A minor restructure will be undertaken to better align staff resources to service provision maximising efficiency opportunities in service delivery within Highway inspection.	Minor
A29	Community & Leisure Services - Deletion of Admin post.	25	Deletion of 1 of 8 posts.	Nil
A30	Community & Leisure Services - Budget realignment.	56	Includes realignment of Green Spaces (£30k) and Pavilion Attendant budget (£10k), reduction in overhead, materials, vehicle costs and shrinking contractor payments (£10k), and savings on Environmental works linked to reservoirs in Upper RV (£6k).	Nil
A31	Registrars - Vacancy Management.	10	A minor restructure has resulted in unfilled staffing hours.	Nil
A32	Public Protection - Budget realignment.	39	Includes a £20k reduction in electricity recharges in CCTV.	Nil
A33	Corporate Property - Penmaen House - Running costs to be met by new tenant.	33	Costs to be met by new tenant who has occupied the premises from June 2019.	Nil
A34	Corporate Property - Ty Penallta - Reduction in building cleaning.	25	Reduced hours were introduced from June 2019.	Nil

A35	Corporate Property - Other Offices - Reduction in building cleaning.	20	Based on a reduction of 15% on the current budget of £130k.	Nil
A36	Corporate Property - Reduction in utility costs.	15	Budget realignment.	Nil
Corporate Services: -				
A37	Corporate Finance - Vacancy management.	208	Vacant posts to be reviewed as they arise.	Nil
A38	Building Cleaning - Reduction in printing costs.	4	Budget realignment.	Nil
A39	Building Cleaning - Reduction in subscriptions.	4	No longer subscribe to BICS.	Nil
A40	Building Cleaning - Reduction in training budget	4		Nil
A41	Building Cleaning - Reduction in fleet costs.	5	Downsizing fleet by 1 van.	
A42	Legal & Governance - Deletion of vacant solicitor post.	12	Some of the saving is being retained to fund a new part-time Committee Services Officer.	Nil
A43	Legal & Governance - Reduction in supplies and services expenditure.	20	Budget realignment.	Nil
A44	Legal & Governance - Reduction in Counsel Fees budget	50	Budget realignment.	Nil
Sub-Total: -		1,195		
B) DOING THINGS DIFFERENTLY				
Education & Lifelong Learning: -				
B01	Library Service - Deletion of 2 Community Librarian posts (Grade 8).	80	6 Community Librarians reduced to 4, with each taking a share of the sites (currently split 6 ways). Not anticipated that compulsory redundancies will be required as alternative roles within a two grade level will become available following recent expressions of interest by staff.	Minor
B02	Library Service - Full-year effect of workforce remodelling savings approved as part of the 2019/20 budget.	32	Full-year effect of approved 2019/20 savings.	Nil
Social Services & Housing: -				
B03	Social Services - Temporary use of reserves to underpin alternative ways of working.	800	Based on current information the projected 2020/21 growth requirement for Social Services is £800k. For 2020/21 only it is proposed that this anticipated growth requirement will be met through a one-off contribution of £800k from Social Services reserves. This is proposed on the basis that there are a number of initiatives currently underway that will reduce costs in the medium to long-term and therefore mitigate the current cost pressures in the system.	Nil
Communities: -				
B04	Infrastructure - Reduction in Street Lighting maintenance budget.	40	Reducing maintenance costs by undertaking a reactive response to outages rather than a proactive replacement strategy. Further savings will also be achieved from the ongoing rollout of new LED Lighting.	Minor
B05	Community & Leisure Services - Bowling Green Rationalisation.	10	Ongoing phased removal of the grants to Bowls Clubs as previously agreed by Cabinet; reduction from £1,500 to £1,000.	Nil
B06	Community & Leisure Services - Closure and sale or lease of Ynys Hywel Farm.	40	Release Farm Manager and relocate Farm Hand with remaining livestock to Aberbargoed. Environmental Health will need to make alternative arrangements for impounded straying animals. Potential to lease the farm for grazing.	Nil
B07	Community & Leisure Services - Closure of Penallta Parks Depot.	24	Close 1 of 3 Parks Depots and relocate operations into Tir-y-Berth Depot.	Nil
B08	Community & Leisure Services - Closure of Trehir Household Waste Recycling Centre (HWRC).	15	There are Health & Safety issues that will need to be addressed if a service is maintained at the Trehir site. The proposed closure of Trehir is underpinned by a proposed expansion of Penallta HWRC into the vacated adjacent Parks Depot (see above). There is a part-year saving of £15k in 2020/21 (full-year £30k) to allow the necessary works to take place. A capital allocation will be required to fund the expansion of Penallta HWRC. The proposed expansion at Penallta also includes the provision of a recycling shop.	Moderate
B09	Public Protection - Merge Community Safety Wardens with the Environmental Health General Enforcement Team.	160	3 of 6 CSW posts are on fixed-term contracts to 31/3/2020 and 1 is vacant. Proposal is to delete 4 CSW posts and incorporate the remaining 2 into the General Enforcement Team in Environmental Health to provide a streamlined service.	Significant
B10	Corporate Property - All leaseholders to discharge maintenance obligations.	20	Historically the maintenance of some community centres and pavilions has been funded by Corporate Property despite the lease making the tenant responsible for these costs. Currently we fund circa £60k of works per annum that are not our responsibility. Assumes transition over 3 years.	Minor
Corporate Services: -				
B11	Corporate Policy - Reduction in external Welsh Language Translation budget.	15	This can be achieved due to the in-house Translation Team now being fully staffed.	Nil
B12	Customer Services - Service redesign	68	Rationalisation of existing service provision. This is a part-year saving, full-year is £136k.	Moderate
B13	Central Services - Service redesign in Mail Room.	24	Rationalisation of existing service provision. This is a part-year saving, full-year is £48k.	Low
Sub-Total: -		1,328		
C) SERVICE REDUCTIONS/CUTS				
Education & Lifelong Learning: -				

C01	2% reduction in Individual Schools Budget.	2,060	The Individual Schools Budgets (ISB) of £103m equates to circa 30% of the Authority's total net budget. We are currently working with schools to monitor the potential impact of a 2% reduction and early projections indicate that posts will need to be reduced in circa 20 to 25 Schools.	Moderate
C02	2% reduction in Former Key Stage 2 Grant	30	Budget in 2019/20 is £1.5m. Impact across Primary Foundation Phase.	Minor
C03	2% reduction in Secondary Additional Funding	22	Budget in 2019/20 is £1.08m. Impact across Secondary Schools.	Minor
C04	Youth Service - Reduction in top-up to grant funded projects.	15	Funds sessional staff hours, vehicle and venue hire and other youth work delivery costs. Supports engagement in a timely manner with approximately 45 of the most vulnerable young people. Budget reduction may result in greater demand on other teams within the Youth Service.	Moderate
C05	Youth Service - Withdrawal of service from Bedwas High School.	6	Premises related saving. Service will be provided from an alternative venue at a reduced cost.	Nil
Social Services & Housing: -				
C06	Housing - Withdrawal of General Fund Housing contribution to Community Environmental Warden Service.	45	Review of the service to achieve efficiencies in conjunction with Refuse and Cleansing.	Moderate
Communities: -				
C07	Business Support & Funding - Reduction in the revenue budget for the Community Enterprise Fund.	50	The revenue budget for grants previously administered by the Business Support & Funding Team has reduced from £232k (Community Regeneration Fund) and £62K (Business Development Grants) in 2015/16 to a combined revenue budget for the new Caerphilly Enterprise Fund of £101k. It is proposed that this be reduced by a further £50k in 2020/21. It should be noted that there is a separate capital allocation for the Fund of £149k that will be retained.	Minor
C08	Urban Renewal - Reduction in Town Centre/Community Projects budget.	8	The total budget is £41k and it is used to deliver small capital improvements in our town and village centres, mainly concentrating on the public realm.	Minor
C09	Community Regeneration - Reduction in Community Projects budget.	35	Due to the reduction of Community Regeneration Co-ordinator posts and the phasing out of the Communities First Programme, a number of community partnerships have ceased across the borough. This budget helped support the partnerships with annual running costs including liability insurance for events, marketing, administration fees etc.	Minor
C10	Infrastructure - Withdraw the School Crossing Patrol sites that no longer meet the national standards criteria.	158	The provision of School Crossing Patrols is a non-statutory service. There are currently 55 sites and this proposal will reduce this to 22. 17 of the existing sites already have vacancies.	Moderate
C11	Infrastructure - Blackwood to Ystrad Link - Withdrawal of subsidy.	80	Termination of the Blackwood to Ystrad Mynach Raillinc contract as this has the highest subsidy per passenger. Requires a minimum of 12 weeks notice to be served on the contract. An alternative service is available albeit that this is less frequent.	Moderate
C12	Infrastructure - Reduction in Carriageway maintenance budget.	514	The reduction in the resurfacing budget will increase demand and resources on the reactive maintenance budget (pot holes) and will put pressure on the Infrastructure Division's statutory duty to maintain the Highway in a safe condition to road users. However, in recent years one-off grants have been made available by the Welsh Government and internal capital resources will be reviewed to establish whether sums can be released to support the programme of works on highways.	Significant
C13	Infrastructure - Reduction in other Highway maintenance budgets.	95	This is an overall reduction of circa 3% in other Highway maintenance budgets covering 3 main areas i.e. structures maintenance (£40k), footway maintenance (£35k) and reactive repairs (£20k).	Moderate
C14	Infrastructure - Reduction in Traffic Management maintenance budget.	10	This is a combination of reduced spend on traffic management (e.g. speed bumps etc.) and the fact that it is hoped Civil Parking Enforcement (CPE) will cover line markings and signage in future.	Moderate
C15	Infrastructure - Reduction in Risca Canal budget.	40	This is a 42% reduction in the revenue budget but the capital budget of circa £200k per annum will be retained.	Moderate
C16	Community & Leisure Services - Reduction in playground maintenance budget.	10	A further 3.6% reduction in this budget which has been cut in successive years. This will reduce the ability to replace play equipment and ultimately could lead to the closure / removal of facilities.	Minor
C17	Community & Leisure Services - 50% Reduction in maintenance of land budget.	16	This was a temporary saving in Countryside in 2019/20 and it is now proposed to make this permanent.	Minor
C18	Community & Leisure Services 50% Reduction in Public Rights of Way budget.	32	This was a temporary saving in 2019/20 and it is now proposed to make this permanent.	Minor
C19	Community & Leisure Services - Reduction in Cemeteries Maintenance budget.	20	A further reduction in this budget which has been cut in successive years. This will reduce the ability to improve or repair cemetery infrastructure.	Minor
C20	Community & Leisure Services - Reduction in War Memorial Maintenance budget.	5	A further reduction in this budget which has been cut in successive years. This will reduce the ability to maintain war memorials across the county borough	Minor
C21	Community & Leisure Services - Reduction in Allotment budget	2	Reduction in service area budget to undertake maintenance works.	Nil

C22	Community Centres - Withdrawal of funding for 2 Centres not in CCBC ownership (Rudry and Glan-y-Nant).	13	Removal of subsidy.	Minor
C23	Community Centres - Reduction of 1 hour Caretaker support across all Centres.	18	Removal of a further 1 of 11 hours caretaker subsidy; community centre management committees can choose to fund. Future of ongoing subsidy to be considered as part of a service review of Community Centres.	Minor
C24	Waste Management - Reduction in Cleansing staff numbers (6 posts).	145	A reduction in cleansing staff numbers by 6 posts. Cleansing staff numbers have been reduced in successive years. The proposed reduction in the Housing contribution to the Community Environmental Warden Service will also have an impact on Cleansing. Cleansing schedules will need to be adjusted as part of the wider service review that is currently being undertaken within the Refuse & Cleansing service.	Moderate
C25	Public Protection - Decommission all BT line rental cameras.	24	Decommission all 26 Public Open Space CCTV cameras. 2 cameras in Nelson, 3 in Cefn Forest, 2 in Llanbradach, 2 in Senghenydd, 4 in Abertridwr, 1 in Graig-Y-Rhacca, 1 in Oakdale, 6 at Pengam Train Station, 1 in Trinant and 4 in Crescent Rd Car Park Caerphilly. Need to give BT 3 months notice so assume part year 20/21 saving of 10 months with £5k to follow in 21/22.	Moderate
C26	Corporate Property - Reduction in DDA budget.	30	A reduction of 50% is proposed. There have been significant investments in recent years to ensure DDA compliance and this reduced budget will be sufficient to address any residual issues moving forward.	Nil
C27	Corporate Property - 7% reduction in building maintenance budgets.	106	Whilst Health & Safety and statutory maintenance works will be delivered, some discretionary projects will be subject to delays.	Minor
Corporate Services: -				
C28	Corporate Policy - Reduction in Voluntary Sector budget.	80	This saving will be achieved through a further reduction in the current Service Level Agreement (SLA) funding allocated to three voluntary sector organisations (Citizen's Advice, GAVO and Groundwork). The total remaining budget available to fund the SLAs will be £129k.	Significant
C29	Corporate Policy - Delete remaining Technical Assistance budget.	11	The Technical Assistance budget is currently available to the voluntary and community sector on an application basis to enable obtaining professional and technical reports to support grant applications e.g. surveyors, architects, plans and drawings, CCBC legal fees etc.	Moderate
C30	Corporate Policy - Further reduction in the Well-being budget.	6	The well-being budget has supported work in communities to deliver well-being initiatives that promote local economic, environmental, social and cultural well-being e.g. environmental projects, community clean-up projects, projects that support the 50+ partnership and projects to support pollinators (local bee population). A residual budget of £10k will remain.	Moderate
C31	Corporate Policy - Further reduction in publicity and promotion budgets.	2	Budget realignment.	Nil
Miscellaneous Finance: -				
C32	Miscellaneous Finance - Deletion of Match Funding for Community Schemes budget.	15	This will result in the withdrawal of CCBC's contribution to the Bargoed Ice Rink (£12k) and the Senghenydd Splash Pad (£3k)	Minor
Sub-Total: -		3,703		
D) #TEAMCAERPHILLY - BETTER TOGETHER				
Fees and Charges				
Social Services & Housing: -				
D01	Housing - Increase in Housing Revenue Account (HRA) recharges - Minor works of adaptation.	25	An increased recharge to the HRA to support the minor works of adaptation work currently managed by Social Services and commissioned to Private Sector Housing.	Nil
Communities: -				
D02	Planning - Income from charging for advice.	6	This consists of increasing the current charges for non-statutory planning advice and introducing a new charge for discretionary pre-application advice in respect of Conservation/Built Heritage applications to bring them in line with other applications.	Minor
D03	Urban Renewal - Increased staff fee income from project management on grant funded projects.	2	Increase in fee income from Urban Renewal project management of externally funded projects, predominantly European Regional Development Fund (ERDF) schemes.	Nil
D04	Tourism - Cwmcarn Visitor Centre - Additional income.	10	Additional income arising from a number of investments that have developed on site aimed at attracting more visitors. Recent investments include the installation of an adventure park aimed at family audiences and 6 new accommodation units that provide a greater yield per pitch compared to the camping pitches they have replaced.	Nil
D05	Tourism - Caerphilly Visitor Centre - Additional catering income.	5	As a consequence of an investment in new furniture at the site the number of café 'covers' have increased and a more appealing café offer has been created.	Nil
D06	Tourism - Blackwood Miners Institute - Additional income.	5	A focus on secondary spend through the provision of a mobile bar and confectionery unit aims to improve sales to customers by taking items into the auditorium during shows.	Nil

D07	Tourism - Marketing and Events - Additional income from review of Pitch Fees.	12	Further income generation can be achieved through an increase in pitch fees and sponsorship where there is commercial demand for the more popular events.	Nil
D08	Waste - Increase charges for bulky collections (from £16 to £25 for 1 to 3 items).	25	A new charging policy for all bulky items (with no items being collected free of charge) was introduced in 2019/20 based on charging £16 for 1-3 items. Proposed increase to £25 for 1-3 items would generate £38k extra income at budgeted levels, but assume £25k for prudent budgeting purposes.	Minor
D09	Public Protection - Review Pest Control Fees and Charges and introduce a charge for rat treatments.	20	Introduce a revised schedule of pest control fees and charges to ensure consistency for the various services offered.	Moderate
D10	Corporate Property - Ty Duffryn rental income.	69	Phased increase in rental income from tenant.	Nil
D11	Corporate Property - Penmaen House rental income.	31	Rental income from new tenant who occupied the premises from June 2019.	
Corporate Services: -				
D12	Meals Direct - Increase price of meals by 25p from April 2020.	5	Increase from £3.30 to £3.55	Minor
D13	Catering - Increase price of primary school meals by 10p from April 2020.	28	Increase from £2.10 to £2.20	Minor
D14	Catering - Increase price of secondary school meals by 10p from April 2020.	54	Increase £2.35 to £2.45	Minor
D15	Catering - Increased income in Secondary Schools (budget realignment).	12	Budget realignment.	Nil
D16	Catering - Increase price of meals in the staff canteen by 3%.	6		Nil
D17	Building Cleaning - Increase in income.	12	Budget realignment.	Nil
D18	Building Cleaning - Increase income from window cleaning.	4	Combination of new marketing strategy and price increases.	Nil
D19	Building Cleaning - Increase charges for Portable Appliance Testing.	3	Impact on internal customers - an extra 2p an item.	Nil
D20	Building Cleaning - Increase in charges for Trinity Fields.	14	Previously undercharged.	Nil
D21	Building Cleaning - New contract with Morrison Utilities	5		Nil
D22	Procurement - Income generation through collaboration.	10	A number of collaborative opportunities are being explored that will generate income for the Procurement Team.	Nil
D23	Catering - Introduce a charge for providing current free provisions to meeting rooms i.e. water.	3		Nil
D24	Corporate Services - Digital Services - Efficiency savings through process reviews and automation.	200	£600k has been invested in the Abavus and Thoughtonomy software products. Payback is assumed over a period of three years through savings arising from an ongoing process of system reviews and automation to digitise routine procedures.	Nil
D25	Review of Investment Strategy	718	It is proposed to redirect £20m of our current investments into long-term investment funds. This would be split across various funds in order to smooth out any volatility that can be associated with such investments. The funds that are to be considered are a property fund; an equity fund and a bond fund. The £20m investment will be locked in for a minimum of 3-5 years but there would be a significant improvement on returns. We will only invest in funds that have been screened by our Treasury Advisors, Arlingclose.	Nil
Sub-Total: -		1,284		
E) OTHER				
E1	Miscellaneous Finance - Temporary reduction in Debt Charges budget.	500	This temporary reduction was applied in 2019/20 and can also be repeated temporarily for 2020/21. This is due to approved borrowing not being required at present through the use of short-term cash balances.	Nil
E2	Miscellaneous Finance - 2019/20 savings in advance.	475	These are savings in advance that were achieved for 2019/20 that can now be released to support the budget moving forward.	
Sub-Total: -		975		
TOTAL: -		8,485		

Updated Medium-Term Financial Plan (MTFP) 2020/21 to 2024/25

Description	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s
Welsh Government Funding: -					
Aggregate External Finance (AEF) - Assumes cash flat each year	0	0	0	0	0
Assumed full-year funding for increase in Teachers pension costs	4,173	0	0	0	0
Total Welsh Government Funding available	4,173	0	0	0	0
Council Tax (6.95% then 4.52% each year)	5,023	3,304	3,454	3,610	3,773
Total Funding to Support Budget	9,196	3,304	3,454	3,610	3,773
Schools Cost Pressures: -					
Teachers Pay (2.75% then 2% each year)	2,064	1,586	1,618	1,650	1,683
Living Wage	16	16	16	16	16
Teachers Employer's Pension Contributions at 7.12%	2,288	0	0	0	0
APT&C Pay at 2%	261	269	277	285	293
APT&C Employer's Pension Contributions at 1%	133	137	141	145	149
Non-Pay Inflation at 1.7%	337	343	349	355	362
Schools Service Pressures	505	437	455	318	(3)
Trinity Fields Transport Costs	44	32	0	0	0
Total Schools Cost Pressures	5,648	2,820	2,856	2,769	2,500
General Fund Services Inflationary Cost Pressures: -					
Pay @ 2%	2,467	2,523	2,574	2,625	2,678
Living Wage	49	49	49	49	49
Employer Pension Contributions at 1% (APT&C staff)	894	903	912	921	930
Non-Pay Inflation at 1.7%	2,169	2,319	2,414	2,514	2,618
Non-Pay Inflation (Fees and Charges) at 1.7%	(264)	(268)	(273)	(278)	(282)
Total General Fund Services Inflationary Cost Pressures	5,315	5,526	5,676	5,831	5,993
General Fund Inescapable Service Pressures: -					
Council Tax Reduction Scheme (CTRS) additional liability at 6.95%	1,025	713	745	779	814
Social Services Cost Pressures	800	750	750	750	750
Education and Lifelong Learning Cost Pressures Contingency	726	0	0	0	0
City Deal (Partnership Revenue Contribution)	2	2	2	2	2
City Deal (Debt Charges)	44	89	122	171	218
PFI Review	849	0	0	0	0
Total General Fund Inescapable Service Pressures	3,446	1,554	1,619	1,702	1,784
Reinstatement of 2019/20 Temporary Budget Reductions	3,272	-	-	-	-
Reinstatement of 2020/21 Temporary Budget Reductions	-	500	-	-	-
ANNUAL SHORTFALL	8,485	7,096	6,697	6,692	6,504
CUMULATIVE SHORTFALL	8,485	15,581	22,278	28,970	35,474

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