

**Neath Port Talbot County Borough Council
Cyngor Bwrdeistref Sirol Castell-nedd**

**Democratic Services
Gwasanaethau Democrataidd**

Chief Executive: K.Jones

Date: 19.01.2023

Dear Member,

**ENVIRONMENT, REGENERATION AND STREETSCENE SERVICES
SCRUTINY COMMITTEE - FRIDAY, 20TH JANUARY, 2023**

Please find attached the following documents for consideration at the next meeting of the **Environment, Regeneration and Streetscene Services Scrutiny Committee - Friday, 20th January, 2023.**

Item

3. **Consultation on 2023/24 Budget Proposals (Report to Follow)
(Pages 3 - 62)**

Yours sincerely

p.p Chief Executive

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Neath Port Talbot County Borough Council

Cabinet

Report of the Corporate Directors Group

19th January 2023

Matter for decision

Wards affected – All

2023/24 Budget proposals for consultation

Purpose of Report

To seek Cabinet approval to consult on the draft budget proposals for 2023/24.

To confirm that due to the timing of the provisional local government settlement, a short consultation will take place to the 10th February 2023. Responses provided will be reviewed prior to presenting a final budget for 2023/24 at Cabinet and Council on 1st and 2nd March respectively.

Introduction

Today's report does not seek final decisions from the Executive. The aim of this report is to seek approval to go out to consultation and listen to the views of stakeholders in relation to the issues set out in this report. Final decisions on setting the Council's 2023/24 Budget will be required to be taken on 1st and 2nd March 2023.

Background

The Public Sector has faced a sustained period of real term reductions in funding levels for over ten years with Neath Port Talbot Council securing reductions in the revenue budget of circa £90 million in real terms since 2008. As well as finding genuine efficiencies and economies in the cost of services and functions, as has been the case in other

councils, the scale of austerity measures imposed by the UK Government has also seen deep cuts in services and jobs, particularly in those services delivered under discretionary powers.

When the Council set its budget for 2022/23 it appeared that the immediate future looked more settled. An increase in funding through the Local Government Settlement of 8.8% for 2022/23 followed by indicative allocations of 3.5% for 2023/24 and 2.4% for 2024/25 meant that for the first time in a long time the Council had an idea of the resources available to it for a three year period and could plan with a greater degree of certainty.

As a result of the 8.8% settlement, the Council was able to target investment at the recovery plans that were developed in 2021-22 and did not consider it necessary to increase council tax in 2022-23 to fund Council services. The Council was also able to allocate £2 million into a specific reserve to address the developing concerns at the time around cost of living.

However, within weeks of agreeing the 2022/23 budget, Russia invaded Ukraine and what has unfolded since has materially changed our operating environment.

Energy prices and energy security are having major impacts across Europe and more widely. We estimate energy costs for the Council to rise by 162% in 2023/24 (circa. £8.5 million). Inflation has already reached levels not seen since the 1980's which is feeding through in terms of contract and other costs as well as contributing to a cost of living crisis across all of our communities. The UK Government has increased the National Living Wage (NLW) by 10% and is set to increase the NLW by a similar degree in 2023-24. The Welsh Government has, additionally, committed to providing funding to enable at least the Real Living Wage to be paid to care workers across Wales.

The combined impact of the pandemic and Brexit has also had a mixed impact across our local economy. Ongoing supply chain disruptions are adding to cost pressures.

Income levels have been impacted by the pandemic too with many residents having made significant changes to their lifestyles during the pandemic period – this is particularly affecting theatres, car parks and leisure services where the number of paying customers is yet to return to pre-pandemic levels.

Furthermore, the labour market is far more competitive with post-pandemic unemployment rates at very low levels and more employers seeking to fill jobs than there are people looking for work. This is placing pressure on recruitment and retention with consequential implications for pay and our wider employment offer.

On a positive note, the county borough is also seeing an unprecedented level of investor interest from existing and new investors. Whilst the level of investor interest is very welcome, this is placing considerable pressure on Planning, Economic Development and other regulatory services.

To complete the general overview, good progress has been made in implementing various policy initiatives set out in the Programme for Government and the associated Plaid Cymru/Labour Co-operation Agreement this year. For example, the roll out of free school meals in primary schools; and the expansion of the free childcare offer. Good progress has also been made in progressing priorities established by the Rainbow Coalition including: the allocation of additional capital funds to improve the public realm; commencing a review of the decision to re-organise education in the Swansea Valley; the submission of four substantial bids to the Levelling Up and Shared Prosperity funds; supporting the progress of major inward investment interests at Afan Valley and Dulais Valley; and submitting a collaborative bid for a Freeport.

It is in the context of the above that the Council is consulting on these draft budget proposals.

2023/24 Estimated budget gap

The table on page 5 shows the estimated amount of funding needed to run council services in 2023/24 and the funding available

The 2022/23 pay award added £12.5m to the Council's paybill which equated to an average increase of 6%. With only 4% included notionally within this year's local government settlement this left a gap of c£4.3m.

During the current financial year managers have been asked to maintain a tight financial discipline to mitigate any overspend arising from the unfunded pay award. Specific measures taken include:

- All vacant posts have been assessed as to when the posts realistically will be filled or if they even need to be filled until the next financial year
- Additional income generation has been built in where considered deliverable
- Identifying posts where the pay award can be offset e.g. against grants/consultancy works
- Identifying hybrid working savings e.g. Car allowances

In addition to the unfunded pay award from 2022/23 the Council is also predicting pay and inflationary costs of £25.905m for 2023/24. Taken collectively the above items will increase the cost of running Council services by £30.205m. These cost increases represent the cost of providing existing Council services i.e. the increase in cost just to stand still.

In addition, there are unavoidable service pressures which will also increase the estimated cost of running council services by £11.984m as detailed in Appendix 2.

In addition there are £10.879m of budget pressures identified which may materialise during 2023/24, these are set out in detail in Appendix 3. If they do materialise they will need to be funded by Council reserves or alternative resources in the first instance and then built into the base budget as unavoidable pressures in subsequent financial years. These are collectively referred to as 'pressures to be monitored'.

The provisional local government settlement received on 14th December 2022 details an increase in funding of £18.323m or 7.1%. This is greater than the indicative 3.5% previously outlined but is still wholly inadequate in relation to funding the increased costs the Council will incur next year.

The settlement also includes details of some specific grants at an all Wales level. There are several grants which have been kept at 2022/23 levels which in real terms is a cut in funding due to the effect of pay awards and inflation. For these grants activity will need to be curtailed to remain within the amount of funding available. A number of grants have also been reduced or are referenced as 'TBC' in the settlement papers, it is important that WG clarify the position regarding these grants before the final settlement so the Council has a full picture in relation to funding for 2023/24.

2023/24 Budget gap summary

	£'000	£'000
2022/23 net budget		338,020
Unavoidable cost increases		
Unfunded pay award from 2022/23	4,300	
Inflation and pay awards (appendix 1)	25,905	
Unavoidable pressures (appendix 2)	11,984	
Total unavoidable cost increases	42,189	
Total estimated cost of Council services 2023/24		380,209
Funding available		
Council tax -2022/23 level		80,334
Welsh Government (WG) funding 2022/23 level		258,072
Increase in WG funding for 2023/24		18,323
Discretionary rate relief		-387
Total Funding Available		356,342
Budget Gap		23,867

The budget gap detailed above is greater than any single year gap faced through the recent period of austerity.

Proposed strategy for closing the budget gap

Since it became apparent that the financial outlook had deteriorated significantly Council officers have been working on proposals to close the budget gap. This work has been multi-faceted and has included early engagement with staff, trade unions, all members of Council, representatives of the school community and other interested stakeholders.

The starting point in relation to the 2023/24 budget strategy has been the work undertaken during the current financial year to drive down the projected overspend as already referenced on pages 3 and 4 of this report. However despite this work there remains a structural pressure requiring a permanent solution which needs to be addressed as part of the budget strategy detailed below.

The budget strategy for 2023-24 is based on the following key objectives:

Maintaining a clear focus on recovery from Covid-19

There are exceptional pressures across the Council as the impact of policies pursued during the Covid-19 response period emerge. In particular, there are much higher volumes of demand/need presenting in social services, housing and education together with an increase in the complexity of need. It is not yet clear when the rise in demand/need will peak. As the Council has many statutory duties to fulfil in relation to the people impacted, it is crucial that we can remain focused on our recovery work to avoid more cases escalating to a point of crisis when much more expensive solutions would need to be found.

In Environment Directorate, there are some backlogs of work and pent up demand that needs attention as part of recovery. Where there are performance pressures, these are almost exclusively a result of the impact of actions taken during Covid-19 response where the Council was asked to re-purpose staff, facilities and other resources to support the governments' objectives to protect the NHS and to save lives. We need to maintain our focus on addressing the consequences of these policies throughout 2023-24.

Supporting our communities through the cost of living crisis

At the beginning of the 2022-23 financial year we were already seeing signs of financial hardship across communities. The energy crisis and huge increase in inflation has seen many more residents and businesses experience financial hardship as the year has unfolded. The Council has played a significant role in making sure that financial support from government reaches those eligible for that support; and the Council has now mobilised a partnership with Warm Wales, unlocking the £2million set aside at budget setting time to assist those experiencing the greatest hardship but who are unable to seek help from other sources. Additional practical support is being provided through the re-purposing of over 30 council buildings to help people access a warm place and support; we are working with partners to promote all other forms of help and support available to those who need it; and putting an increased focus at community level to seek out those most

vulnerable and to connect these to help and support near where they live. The NPT Safe and Well Partnership has been re-purposed to co-ordinate the Council's work with partners and with the wider community action taking place. The immediate outlook in 2023-24 is one of continuing hardship for residents and the Council will need to continue to play its part in supporting residents over this period.

Facilitating and Enabling Economic Growth

There has been a mixed impact across the local economy as the pandemic cost of living crisis have taken their course. The Council has been responsible for administering significant financial support to businesses on behalf of government and providing other practical support where possible.

We are also dealing with a growing portfolio of major economic development initiatives. These include: a £250 million proposed investment in an adventure resort in the Afan Valley; a £200 million proposed investment in a Global Centre for Rail Excellence in the Dulais Valley; a potential Freeport covering the port of Port Talbot and the Port of Milford Haven which would attract seed capital of £25 million and potentially £0.5 billion in retained business rates for investment in hard and soft infrastructure over the programme life cycle; a £28 million investment programme over the remainder of this financial year and the next two financial years through the Shared Prosperity Fund; the ongoing delivery of the City Deal programme; together with the potential to draw down significant capital funds to support innovation and housing developments and the prospect of some success with our three Levelling Up Fund bids. The Council has performed well in supporting these initiatives thus far but will need to increase investment in its economic growth functions to secure the successful delivery of this portfolio and to maximise the benefits to local people and local supply chains.

Delivering local and Welsh Government policy priorities

We are in the second year of the current Senedd term and in the first year of the local government term. The Welsh Government has set out an extensive programme of policy commitments that will impact on councils. The Rainbow Coalition also has its own policy priorities which are being implemented and which will feature in an updated Corporate Plan that will be presented to Council in March 2023.

Ensuring a sustainable Council

There has been a material change to the Council's operating environment over this financial year. The much changed budget outlook, the workforce constraints and the pace of change combine to challenge the existing operating model.

Over the medium term, the Council will need to pursue a robust strategy that will transform the way services and functions are delivered within a clearly defined framework of priorities, whilst also ensuring financial sustainability and good governance. The key elements of the financial strategy includes:

Economy and efficiency measures including budget re-basing

An exercise has been undertaken to systematically 're-base' budgets. This is to reflect the fact that the Council is now working in a very different way post-pandemic and therefore budgets are no longer necessarily aligned to where activity is now being delivered.

A review of all expenditure headings is also underway to identify where more efficient ways of working can deliver a reduction in cost.

Accommodation

This workstream is part of a strategy to reduce the fixed costs of the organisation. The first phase of the strategy is to reduce the number of smaller satellite office buildings occupied by the Council. The second phase of the review will be to look at the wider buildings portfolio, including use of the three civic centres given that most of the Council's office-based staff are now working in a hybrid manner.

Energy

Energy costs are anticipated to rise by 162% in 2023/24. This is not affordable and consequently an increase of 50% has been allowed for in departmental budgets in 2023/24.

Immediate actions to reduce energy consumption in buildings have been taken however, it will be necessary to accelerate the deployment of renewable energy sources to a reduced buildings portfolio to bring about a step change in costs at pace. This work will start in 2022/23 to deliver cost benefits in future financial years.

Alongside buildings, street lighting is a significant consumer of energy. Proposals will be brought forward to reduce consumption, including the targeted dimming and switching off of parts of the infrastructure on a risk-assessed basis.

Transport

In the immediate term, an external review has been commissioned to determine whether there is any scope for reducing the operational costs of

home to school transport, social services transport and other transport activities such as pooled cars.

Additionally, a strategic review to establish an optimal size of the fleet is underway which will additionally consider how quickly the Council can move to electric and hydrogen powered vehicles.

Grant maximisation

The Council receives circa £55m of specific grant funding. Officers are examining the extent to which grant funding is being optimised to reflect the Council's priorities and the opportunity to fully recover the costs of resourcing the related activities. The Council needs to maximise the opportunities to second core funded staff to work on specific grant funded programmes to avoid increasing its headcount at a time of such significant financial challenges, supported by clear exit strategies that do not place the security of employment of any seconded staff at risk.

Fees and charges including subsidy removal

The Council operate a number of discretionary services which currently run on a subsidised basis. It is very unlikely that there will be sufficient funding to resource these services on the current basis in future years and consequently different funding models will need to evolve if we are to sustain these services over the medium and longer term. This is likely to involve a significant increase in commercialisation to remove the core funding subsidy on a phased basis, recognising that this cannot be achieved within one year. There will be opportunities for capital investment to help deliver reduced cost or generate additional income.

All fees and charges will also be reviewed in line with inflation as the Council is not able to absorb the additional costs of the associated services.

Procurement

The Council currently procures goods and services to the value of circa £205m per annum. An initial review of expenditure suggests that a more forensic review of this spend would enable further value for money actions to be developed. A series of procurement reviews led by heads of service will take place in early 2023/24 to generate additional savings solutions. There will also need to be a focus on ensuring the Council's procurement activity supports the local economy. A procurement policy will be developed which addresses this issue and work will be progressed through the Public Services Board to strengthen the foundational and circular economies.

Service remodelling

Even with the measures identified above, it is likely that the net cost of services and functions will exceed resources available. Consequently, all directors have been asked to bring forward proposals to re-model services during 2023/24 for implementation over the subsequent years.

Should service remodelling be insufficient, the Council would then need to review service priorities and service levels and make targeted cuts to balance the budget.

Indoor Leisure

The Council determined in February 2022 to return indoor leisure services currently operated by Celtic Leisure to the Council's direct management. Since that decision was taken costs have sharply escalated increasing the funding gap beyond that reported at the point of Member decision. A number of options for addressing this position are being developed as part of the budget setting process.

Reserves position

As part of the budget strategy for 2023/24 it is proposed to use £3.5m of the Council's general reserve balance to underpin the budget. The rationale for this is articulated through the objectives set out above. We expect the growth in demand for services to reach a peak in 2023/24, all other things being equal. We hope to also be able to make a clearer assessment as to whether the increased demand and need we are currently responding to will return to pre-pandemic levels and the timescale over which this might occur, or alternatively, whether we will experience a (semi)permanent increase in the activity and cost base.

The Council agreed a general reserves policy which states that the general reserve balance should be kept at c4% of the net revenue budget. The 2022/23 net revenue budget is currently £338m meaning that the general reserve should be held at c£13.5m. The above proposal would see the general reserve balance held at £16.5m which exceeds the 4% target.

In addition it is proposed to utilise £1.4m from specific reserves to help meet the cost of running indoor leisure services whilst the further options referred to above are developed.

Proposals for council tax in 2023/24

Under the Local Government Finance Act 1992 Council are required to set a balanced budget with regard to the advice of the Chief Finance Officer (Section 151). A budget can be legitimately balanced through the use of reserves however Council must be mindful that once spent reserves are no longer available to balance future years' budgets.

In setting out his Autumn Statement, the Chancellor of the Exchequer made clear that he has based his spending plans on councils raising council tax by 5%.

Even with all of the measures set out above fully realised and after the use of £4.9m reserves there still remains a budget gap for 2023/24. This includes an increase equivalent to the value of 1.8% council tax to cover the uplift in cost of the Mid and West Wales Fire and Rescue Authority levy over which the Council has no control; an increase equivalent to the value of 2% council tax required to begin to address the budget gap required to keep indoor leisure facilities open in 2023/24. There is also a requirement to increase council tax as the cost of providing placements for children with additional learning needs increases.

As part of this consultation process it is proposed that the council tax needed to run Council services will therefore need to increase by 4.5% next year.

Funding of budget gap

The following table summarises the proposed funding of the 2023/24 budget gap:

	£'000
Total budget gap	23,867
<u>Funded by:</u>	
Savings solutions identified	15,352
Use of reserves to fund indoor leisure costs	1,400
Use of general reserves re: Covid demands	3,500
Council tax increase @ 4.5%	3,615
Total funding	23,867

Medium term financial outlook

The medium term financial outlook over the next five years is challenging. With inflation currently running at 11.1% (CPI October 2022) and the national living wage rising by 9.7% in 2023/24 there looks to be no let up in the cost increases facing the Council

The current medium term financial plan (MTFP) to 2027/28 includes pay and inflationary pressures over the five year period amounting to £85m; unavoidable service pressures of £17m and local growth pressures arising from changing demographics of £16m.

After taking account of assumed Welsh Government funding of £47m over the period 2023-2028 **there still remains a funding gap of £48m** which represents 20% of the Council's overall net revenue budget (excluding schools).

Work is ongoing in relation to developing a number of strategies to close this gap. These strategies will require existing services to be significantly remodelled.

If the savings required cannot be delivered through re-modelling of services then it is likely that there will need to be a prioritisation of service delivery going forward with a focus on the complying on the Council's legal requirement to deliver statutory services.

Overview of Services

Education, Leisure and Lifelong Learning including Schools

This budget supports the Council's ambition to increase the number of welsh speakers through funding the opening of a new welsh medium starter school. The new school is one of 3 which are planned through the life of our Welsh Education Strategic Plan, (WESP) over the next 10 years. Improving access to welsh medium education is a key strategic goal of the Council in delivering against our targets identified within the WESP.

Following the decision of Members to bring indoor leisure services back in house the budget delivers against the Councils ambition to support the health and wellbeing of its citizens and its staff. The new Neath Leisure Centre will open its doors at the end of January 2023 and will deliver state of the art facilities for its members and the wider public.

Additional funding is proposed to support some of our most vulnerable learners to deliver specialist places in purpose built facilities to improve the education and wellbeing outcomes for young people. There is significant additional demand for these specialist places which has grown since Covid.

Social Services, Health and Housing

In 2023-24 the Social Services Health and Housing Directorate will continue to provide services to the most vulnerable children, young people, adults and older people in Neath Port Talbot. Alongside meeting legal duties to safeguard and protect children and adults at risk the Directorate provides statutory support for residents (and their carer's) in the County Borough with a disability and/or mental health issues including mental illness and Dementia.

In relation to Children and Young People Services the Directorate will continue to support the 266 children currently in its care and more than 1000 children that have been assessed as needing services.

The Housing Options Team ensures that the Council meets its legal requirements to accommodate the homeless and in the 2022 calendar year dealt with 2,745 requests for support. Similar numbers are expected in 2023/24. The wider Housing Support Service will be ensuring that there are robust strategies in place regarding Rapid Rehousing and tackling the wider general Housing need across Neath Port Talbot.

Adult Services, amongst many other duties, will continue to support older people who are frail and unable to care for themselves. Currently 545 people are being provided with Residential Care and 680 are receiving the Domiciliary care that allows them to stay in their own homes with the care that they need.

Environment Directorate

This directorate delivers a diverse range of services ranging from the more visible services including the, maintenance of our highways, drainage and street lighting infrastructure, the collection of waste and the management of our parks and green/open spaces to the less visible services including the planning, economic development, and regeneration teams.

The council has recently invested in the enhancement of a number of these services so that we are more able to respond to the increasingly challenging demands we are faced with. Unfortunately climate change is resulting in more frequent heavy bursts of rain which is in turn increasing the number of localised flooding incidents. Investment in our drainage team is enabling us to apply for more grant funding when available, which will in turn enable us to increase the capacity of our drainage network and reduce such incidents in the future.

Despite the current economic climate and cost of living crisis, we are seeing signs of increasing economic interest in Neath Port Talbot with many businesses and investors seeking to explore and deliver further opportunities. In order to assist these ambitions we have invested in boosting the strength of our planning and economic development teams which will ensure that we can guide them through the complicated regulatory frameworks but also support them with advice and financial assistance when necessary. This partnership working will enable us to deliver well paid jobs for our growing green economy.

Chief Executives

The Chief Executives Directorate will continue to provide the support services which underpin the delivery of the Council's frontline services, support the Council's democratic processes and ensure the Council has robust governance arrangements in place.

The Directorate will deliver the Enabling Programme, set out in the Corporate Plan, a programme of organisational development which will develop the capacity and capability of the council over a 3-5 year period, across people, digital, assets, financial stability, governance and engagement.

The budget proposals include additional investment in digital services to ensure that the Council is adequately resourced with the skills and knowledge needed to support a number of major service transformation programmes which will take place over the forthcoming years.

Through our new Digital Services Target Operating Model, we have developed a roadmap to transform our delivery of digital, data and technology services to residents, businesses, and visitors. It's not about more tech, more platforms, more solutions to problems we think exist, it's about real user centred design, placing our residents, businesses and visitors at the heart of our service delivery.

We will join up and use the data we hold to improve our understanding of what matters to our service users, and explore how technology such as Robotics and Automation can transform labour intensive processes.

Crime and Disorder Impact

The Council has a legal duty under Section 17 of the Crime and Disorder Act 1998 to carry out all its various functions with “due regard to the need to prevent Crime and Disorder in its area”.

Individual proposals are being assessed as to their impact on crime and disorder and should any specific impact be identified these will be identified against individual proposals and summarised in final proposals.

Integrated Impact Assessment

The Equality Act 2010 requires public bodies to “pay due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristics and persons who do not share it.”

An integrated impact assessment (IIA) is appended to this report.

Sustainable Development

The Well-being of Future Generations Act 2015 (“the 2015 Act”) requires the Council to think about the long-term impact of their decisions, to work better with people, communities and each other and to prevent persistent problems such as poverty, health inequalities and climate change. The 2015 Act imposes a duty on all public bodies in Wales to carry out “sustainable development”, defined as being, “The process of improving the economic, social, environmental and cultural wellbeing of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the wellbeing goals.” The action that a public body takes in carrying out sustainable development includes

setting and publishing wellbeing objectives, and taking all reasonable steps in exercising its functions to meet those objectives.

As part of the sustainable development principle the Council has a duty to set a balanced budget. Stakeholder consultation on these draft proposals will enable the Council to take account of responses and other relevant information to assist it to finalise its allocation of resources in March 2023.

Workforce Impacts

We remain committed to securing the employment of our staff and have well developed policies in relation to supporting people to move to greater priority work which will be utilised as we continuously shape our operating model. The draft proposals within this report have been subject to early and ongoing engagement we have had with trade unions

Consultation

We have previously undertaken an extensive ‘let’s talk’ consultation exercise. As part of the process to develop these draft budget proposals there has also been extensive engagement already undertaken with staff and residents. A schedule of all suggestions received as part of the pre-consultation engagement process is included in Appendix 6 of this report.

The formal consultation is now the opportunity to take further soundings while proposals are at formative stage.

Members will note the consultation will commence immediately following Cabinet today and close on 10th February 2023 prior to final decisions being made in March 2023.

Risks

There are a number of substantial risks contained within these proposals which, if approved at final budget setting stage, will need to be monitored and managed during 2023/24. The following is not an exhaustive list but represents the most significant at this stage:

- Energy costs – there is a risk that by only funding energy inflation at 50% and relying on an energy review which has not commenced yet

that we do not contain energy costs within budget. In order to mitigate against this risk £2.8m has been set aside as a renewable energy transition fund.

- Vacancy factor – if there are insufficient vacancy savings achieved in year and Corporate Directors are not able to identify other savings to make up any shortfall then there is a risk of an in-year overspend
- Fees and charges – there is a risk that by increasing fees and charges in line with inflation that demand drops and subsequently income targets are not met
- Removal of subsidies – the removal of subsidies over the course of the MTFP period represents a risk that if not achieved there will be a budget pressure

The tables included in Appendix 4 of this report provide additional information regarding the risk/impact of each savings proposal.

Recommendation

It is recommended that the Cabinet:

- Authorise the Chief Executive to consult with the public on the draft budget proposals contained in this report.

Reason for Proposed Decision

To fulfil the statutory requirement to consult on the 2023/24 draft budget proposals.

Implementation of Decision

The decision is proposed for implementation immediately after consultation with the chair of the Cabinet Scrutiny Committee.

Appendices

- Appendix 1 – Inflation assumptions
- Appendix 2 – Unavoidable service pressures
- Appendix 3 – Pressures to be monitored
- Appendix 4 – Budget solutions workstreams

Appendix 5 – Integrated Impact Assessment
Appendix 6 – Schedule of pre-consultation suggestions

Background Papers

Budget working files

Officer Contact

For further information on this report item, please contact:

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Appendix 1

Expenditure Category	Base Budget 2022/23	Inflation assumption					Estimated cost				
		2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28
<u>Selected headings</u>											
Pay	231,000	4.00%	4.00%	3.00%	3.00%	3.00%	9,240	9,610	7,495	7,720	7,952
Additional pay contingency	231,000	2.00%					4,620				
Employee other	5,000	0.00%	0.00%	0.00%	0.00%	0.00%	0	0	0	0	0
Energy - gas and electricity	5,562	50.00%	5.00%	5.00%	5.00%	5.00%	2,781	417	438	460	483
MNR	3,855	0.00%	1.00%	2.00%	2.00%	2.00%	0	39	78	79	81
Other premises	8,023	2.00%	2.00%	2.00%	2.00%	2.00%	160	164	167	170	174
Home to school transport	7,650	9.00%	5.00%	3.00%	2.50%	2.50%	689	417	263	225	231
Other transport	3,380	3.00%	2.00%	2.00%	2.00%	2.00%	101	70	71	72	74
Concessionary Fares	3,600	0.00%	0.00%	0.00%	0.00%	0.00%	0	0	0	0	0
Materials	9,111	10.00%	3.00%	3.00%	3.00%	3.00%	911	301	310	319	329

Appendix 1

Expenditure Category	Base Budget 2022/23	Inflation assumption					Estimated cost				
		2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28
External waste contracts	6,512	5.00%	5.00%	3.00%	3.00%	3.00%	326	342	215	222	229
Childrens services	11,500	10.00%	5.00%	4.00%	3.00%	3.00%	1,150	633	531	414	427
Adult services	61,000	12.28%	5.00%	5.00%	3.00%	3.00%	7,492	3,425	3,596	2,265	2,333
Other payments to thrid parties	16,000	2.00%	2.00%	2.00%	2.00%	2.00%	320	326	333	340	346
Fire Service Levy	8,503	13.00%	5.00%	5.00%	5.00%	5.00%	1,105	480	504	530	556
Council Tax Reduction Scheme (linked to Ctax)	19,621	4.60%					903	0	0	0	0
Capital Financing	20,496	2.00%	2.00%	2.00%	2.00%	2.00%	410	418	426	435	444

Appendix 1

Income Category	Base Budget 2022/23	Inflation assumption					Estimated income				
		2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28
Grant Income	-55,500	3.00%	3.00%	3.00%	3.00%	3.00%	-1,665	-1,715	-1,766	-1,819	-1,874
Sales, fees and chagres	-22,000	10.00%	2.00%	2.00%	2.00%	2.00%	-2,068	-481	-491	-501	-511
Rent	-4,000	2.00%	2.00%	2.00%	2.00%	2.00%	-80	-82	-83	-85	-87
Contributions towards service costs	-15,000	1.00%	1.00%	1.00%	1.00%	1.00%	-150	-152	-153	-155	-156
Other income	-16,000	2.00%	2.00%	2.00%	2.00%	2.00%	-320	-326	-333	-340	-346
Total Pay & Inflation							25,905	13,884	11,601	10,354	10,684

Appendix 2

Funded unavoidable service pressures							
Directorate	Service Area	Detail	£'000	£'000	£'000	£'000	£'000
			2023/24	2024/25	2025/26	2026/27	2027/28
Schools		Welsh Medium Starter School Neath Abbey	300	300	350		
Education, Leisure & Lifelong Learning	Leisure	Increased cost of operating indoor leisure	2,870	1,400			
Education, Leisure & Lifelong Learning	Home to school transport	Increase in contract price due to number of factors including cost of fuel, shortage of drivers	1,276				
Education, Leisure & Lifelong Learning	Additional learning needs	Increase in planned places for children with additional learning needs	350	250			
Environment		Core fund posts funded from service resilience reserve		500	500		
Environment	Civic Buildings	Quays and BBIC increase cost of electricity due to change in supplier	188				
Environment	Transport	Increased cost of current bus subsidies on valley routes	368				
Chief Executives	Digital Services	Increase in digital services budget to agreed target operating model (agreed during 21/22)	100				
Social Services, Health and Housing	Adult Services	Actual growth in placements	1,532	1,500			
Social Services, Health and Housing	Childrens services	Actual growth in residential care placements	1,200				
All services including schools		Renewable energy transition fund	2,800				
All services including schools		Specific grant equalisation	1,000				
Total funded unavoidable service pressures			11,984	3,950	850	0	0

Appendix 3

Directorate	Service Area	Pressure	To be monitored		Risk if not supported	Additional comment
			High Risk	Med / Low Risk		
			£'000	£'000		
Social Services And Housing	Adult Services	Market Pay supplement for Social workers	£ 1,100		Social workers leaving NPT to work for other LA's who are currently paying more-meaning more work for those remaining, less time to do more detailed assessments of clients and clients potentially being placed into high cost placements as a first resort	
Social Services And Housing	Adult Services	2022/23 base budget funded from reserves - anticipation that late notification of grants will offset		£ 1,827	Reserves will run out leaving base budget gap	
Social Services And Housing	Adult Services	Homelessness	£ 600		Failure of statutory duty, people will be forced to live back on the streets	
Social Services And Housing	Childrens services	Residential Care increase in placements	£ 900		Failure of statutory duty	Actual growth of 7 places funded - potential 4 others to monitor
Social Services And Housing	Childrens services	Permanent funding of 23 temporary staff	£ 420		Increased workload for remaining social workers, potentially staff leave to work in other LA's, ill health of existing staff	
Chief Executives	Legal Services	Cost of additional Welsh language translation of Council minutes and attendance by the Translator at Council meetings. I		£ 10	Non compliance with Welsh language standards	
Chief Executives	Legal Services	Social Services Directorate indicated to the Safeguarding Team that they wished that they wished an experienced lawyer dedicated primarily to adult legal work, following the intended retirement of the current service Manager at some point in 2023/2024.		£ 30	Expertise required	

Appendix 3

			To be monitored			
			High Risk	Med / Low Risk	Risk if not supported	Additional comment
Education, Leisure & Lifelong Learning	Schools delegated budget	Correct funding for teaching assistant hours		£ 4,500	Pressure on schools budget	
Education, Leisure & Lifelong Learning	Vulnerable learners	Cease of home office grant-funding needed to support reugee and asylum children		£ 180	Should be funded from central government	
Education, Leisure & Lifelong Learning	Cynnydd	End of grant		£ 600	Seeking alternative grant funding	
Environment	Waste	Increase to contract price over rate of inflation	£ 140		Potential in year pressure	
Environment	Waste	Fuel increase over rate of inflation	£ 200		Will not be able to operate the fleet to current level-service delivery may have to change	Part of waste strategy
Environment	Assets	National underground asset register		£ 180	Not a legal requirement	Paper copies of all utilities below ground in LA, need to digitise them in order with national policy changes-non compliance
Environment	Environmental Health and Trading standards	Increase budget to reflect true costs of barrister/QC costs		£ 75	Possible reputational damage	
Environment	Environmental Health and Trading standards	Reduction to crime act income budget-unachievable		£ 43	Overspend on budget in year	
Environment	Travel	Increase hours and grade of vacant bus support officer-currently 3 days and grade 3, upgrade to grade 5 and full time		£ 24	More admin onto officers and prevents them from carrying out their statutory duties	
Environment	Retaining walls	Additional funding for retaining wall inspections	£ 50		Retaining wall deficiencies not identified	
TOTAL			£ 3,410	£ 7,469		
			TOTAL	£ 10,879		

Neath Port Talbot Council							
Budget solution work streams 2023/24 to 2027/28							
Workstream	Estimated Saving	2023/24	2024/25	2025/26	2026/27	2027/28	
Efficiency/Economy	£ 1,060,888	£ 810,888	£ 250,000	£ -	£ -	£ -	
Accommodation	£ 575,702	£ 158,000	£ 95,702	£ 322,000	£ -	£ -	
Grants	£ 961,190	£ 611,190	£ 350,000	£ -	£ -	£ -	
Fees and Charges	£ 2,308,316	£ 574,157	£ 923,391	£ 625,261	£ 185,507	£ -	
Service remodelling	£ 162,188	£ 150,000	£ 12,188	£ -	£ -	£ -	
Other	£ 13,898,000	£ 13,048,000	£ 250,000	£ 250,000	£ 350,000	£ -	
	£ 18,966,284	£ 15,352,235	£ 1,881,281	£ 1,197,261	£ 535,507	£ -	

Appendix 4

Workstream	Budget	Saving	2023/24	2024/25	2025/26	2026/27	2027/28	Risk/Impact	Lead officer	Relevant Cabinet Board
Efficiency/Economy measures identified										
Car Allowances	£ 1,028,960	£ 400,000	£ 400,000					Low risk. Based on post covid working practices	C Owen	Cabinet
CRB Checks	£ 78,000	£ 10,000	£ 10,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Eye tests	£ 11,348	£ 7,000	£ 7,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Water	£ 272,049	£ 52,000	£ 52,000					Low risk. Based on post covid working practices	C Owen	Cabinet
General office expenses, books and subscriptions	£ 300,000	£ 125,000	£ 125,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Pat testing	£ 31,000	£ 10,000	£ 10,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Periodicals, municipal journals etc.	£ 3,535	£ 2,500	£ 2,500					Low risk. Based on post covid working practices	C Owen	Cabinet
Window cleaning	£ 21,000	£ 10,000	£ 10,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Carpassing	£ 49,206	£ 10,000	£ 10,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Stationery	£ 85,135	£ 75,000	£ 75,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Conference fees - overnight travel etc.	£ 12,000	£ 5,000	£ 5,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Furniture purchasing	£ 10,500	£ 10,500	£ 10,500					Low risk. Based on post covid working practices	C Owen	Cabinet
Postages	£ 167,000	£ 3,000	£ 3,000					Low risk. Based on post covid working practices	C Owen	Cabinet
Medical Fees	£ 155,000	£ 40,000	£ 40,000					Low risk. Based on post covid working practices	C Owen	Cabinet
External printing	£ 133,888	£ 33,888	£ 33,888					Low risk. Based on post covid working practices	C Owen	Cabinet
Grants to external agencies	£ 565,580	£ 200,000		£ 200,000				Possible risk to sustainability	H Jones	Cabinet
Hire of room	£ 187,000	£ 17,000	£ 17,000					Low risk. Based on post covid working practices	S Brennan	Cabinet
		£ 1,010,888	£ 810,888	£ 200,000	£ -	£ -	£ -			

Appendix 4

Neath Port Talbot Council										
Budget solution work streams 2023/24 to 2027/28										
Workstream	Budget	Saving	2023/24	2024/25	2025/26	2026/27	2027/28	Risk/Impact	Lead officer	Relevant Cabinet Board
Accommodation										
Buildings to be vacated	£ 450,000	£ 293,000	£ 158,000		£ 135,000			Low risk - sufficient capacity in other buildings	S Brennan	Cabinet
Phase 1 Buildings to be retained	£ 2,045,126	£ 100,000			£ 100,000			Low risk - sufficient capacity in other buildings	S Brennan	Cabinet
Lonlas archive close it 24/25	£ 35,702	£ 35,702		£ 35,702				Potential insufficient storage facility	S Brennan	Cabinet
Buildings for further consideration	£ 1,371,106	£ 87,000			£ 87,000			Low risk - sufficient capacity in other buildings	S Brennan	Cabinet
Depots		£ 60,000		£ 60,000				Low risk - alternatives available	S Brennan	Cabinet
	£ 3,901,934	£ 575,702	£ 158,000	£ 95,702	£ 322,000	£ -	£ -			

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Appendix 4

<u>Neath Port Talbot Council</u>									
<u>Budget solution work streams 2023/24 to 2027/28</u>									
Workstream	Saving	2023/24	2024/25	2025/26	2026/27	2027/28	Risk/Impact	Lead officer	Relevant Cabinet Board
<u>Grants</u>									
Maximisation of external grant funding	£ 850,000	£ 500,000	£ 350,000				Compliance with grant terms and conditions	S Brennan	Cabinet
Offset ALN post against existing grant	£ 63,190	£ 63,190					Grant ceases and no base budget	A D Thomas	Cabinet
Caring business administrative post against grant	£ 48,000	£ 48,000					Grant ceases and no base budget	A D Thomas	Cabinet
	£ 961,190	£ 611,190	£ 350,000	£ -	£ -	£ -			

Appendix 4

Neath Port Talbot Council															
Budget solution work streams 2023/24 to 2027/28															
Workstream	Budget		Saving		2023/24	2024/25	2025/26	2026/27	2027/28	Risk/Impact	Lead officer	Relevant Cabinet Board			
Cost recovery of services															
Margam Park	£	556,526	£	556,526	£	100,000	£	200,000	£	256,526		Risk that subsidy cannot be removed	A D Thomas	ES&W	
Increased income at skills and training unit	£	-	£	25,000	£	25,000						Low risk - should be deliverable	A D Thomas	ES&W	
Full cost recovery of school cleaning service	£	167,275	£	167,275	£	167,275						Low risk. Schools to fund	A D Thomas	ES&W	
Great County Park	£	85,344	£	85,344	£	30,000	£	30,000	£	25,344		Risk that subsidy cannot be removed	M Roberts	ES&W	
Princess Royal theatre	£	117,879	£	117,880			£	58,940	£	58,940		Risk that subsidy cannot be removed	A D Thomas	ES&W	
Afan forest park	£	1,882	£	1,882	£	1,882						Risk that subsidy cannot be removed	S Brennan	ES&W	
Metal box	£	556,520	£	556,521			£	185,507	£	185,507	£	185,507	Risk that subsidy cannot be removed	S Brennan	ER&S
Pontardawe Arts Centre	£	197,888	£	197,888			£	98,944	£	98,944		Risk that subsidy cannot be removed	A D Thomas	ES&W	
Leisure Services	£	4,000,000	£	600,000	£	250,000	£	350,000				Risk that subsidy cannot be removed	A D Thomas	ES&W	
			£	2,308,316	£	574,157	£	923,391	£	625,261	£	185,507	£	-	

Appendix 4

<u>Neath Port Talbot Council</u>									
<u>Budget solution work streams 2023/24 to 2027/28</u>									
Workstream	Budget	Saving	2023/24	2024/25	2025/26	2026/27	2027/28	Lead officer	Relevant Cabinet Board
<u>Service Remodelling and integration</u>									
Digital Savings (Mobile and Photocopier contracts)	£ 568,000	£ 150,000	£ 150,000					C Owen	Cabinet
Resource Centre (ELRS)	£ 12,188	£ 12,188		£ 12,188				A D Thomas	ES&W
		£ 162,188	£ 150,000	£ 12,188	£ -	£ -	£ -		

Appendix 4

<u>Neath Port Talbot Council</u>										
<u>Budget solution work streams 2023/24 to 2027/28</u>										
Workstream	Budget	Saving	2023/24	2024/25	2025/26	2026/27	2027/28	Risk/Impact	Lead officer	Relevant Cabinet Board
Other										
Pension Recharges	£ 1,639,916	£ 67,000	£ 67,000					None. Annual recharges from Swansea pension which reduces annually	H Jones	Cabinet
Treasury Management	£ 20,513,500	£ 500,000	£ 500,000					Low risk-Potential interest rates drop	H Jones	Cabinet
Management of change recharge	£ 200,000	£ 200,000	£ 200,000					No risk. Schools based ER/VR costs will be met from corporate reserves as one off costs	H Jones	Cabinet
Fund pupil numbers as per settlement	£ 96,174,000	£ 733,000	£ 733,000					Low risk - funding follows pupils	H Jones	Cabinet
Pension revaluation		£ 5,109,000	£ 5,109,000					Low risk - based on actuarial valuation	H Jones	Cabinet
Reversal of Social Care Levy	£ 1,364,000	£ 1,364,000	£ 1,364,000					Low risk - government policy	H Jones	Cabinet
Vacancy management target 5% (exc schools)	£ 58,300,000	£ 2,915,000	£ 2,915,000					Risk that there are insufficient vacant posts - will lead to in year overspend	H Jones	Cabinet
Council tax reduction scheme	£ 19,621,000	£ 750,000	£ 750,000					Low risk - based on number of claimants	H Jones	Cabinet
Council tax collection rate	£ 80,334,000	£ 1,000,000	£ 1,000,000					Risk that historical collection rates not achieved	H Jones	Cabinet
Offset costs against capital programme	£ 260,000	£ 260,000	£ 260,000					Low risk - costs eligible to be capitalised	H Jones	Cabinet
Corporate savings-Cex Budget	£ 20,403,000	£ 1,000,000	£ 150,000	£ 250,000	£ 250,000	£ 350,000		Risk that proposals are not delivered within requisite timescales - will lead to in year overspend	H Jones	Cabinet
		£ 13,898,000	£ 13,048,000	£ 250,000	£ 250,000	£ 350,000	£ -			

This Integrated Impact Assessment considers the duties and requirements of the following legislation in order to inform and ensure effective decision making and compliance:

- **Equality Act 2010**
- **Welsh Language Standards (No.1) Regulations 2015**
- **Well-being of Future Generations (Wales) Act 2015**
- **Environment (Wales) Act 2016**

1. Details of the initiative

	Title of the Initiative: Draft budget proposals 2023/24
1a	Service Area: Services as identified across the directorates
1b	Directorate: All
1c	<p>Summary of the initiative:</p> <p>This Integrated Impact Assessment relates to the Council’s budget proposals for 2023/24.</p> <p>The Draft Budget proposals include:</p> <ul style="list-style-type: none"> ➤ Investment of £11.9m in additional service pressures over and above cost increases arising as a result of inflationary pressures. ➤ Savings of £15.352m none of which relate to cuts to services ➤ Use of reserves of £4.9m (£1.4m specific & £3.5m general) to assist in balancing the budget ➤ An increase in Council tax of 4.5%

	<p>The Council is legally required to produce a balance budget. In setting its budget the Council utilises funding received via the financial settlement from the Welsh Government including share of Non Domestic Rates, additional grants for specific service areas along with income from council tax.</p>
1d	<p>Who will be directly affected by this initiative? Residents of Neath Port Talbot.</p>
1e	<p>When and how were people consulted?</p> <p>As part of drawing up the draft proposals an all Member seminar has already taken place; briefings have been held virtually and face to face with staff; primary and secondary headteacher representatives have been briefed as well as Schools Forum; Members of the Cabinet have also held twelve engagement sessions across the County Borough to explain the financial position the Council is facing to residents</p> <p>The formal consultation period will commence on 19th January and conclude on 10th February.</p> <p>Separate briefings will be held with Trade Unions, Town and Community Councils and the Voluntary Sector liaison forum.</p> <p>There will be an on-line consultation form as well as physical paper questionnaires which be available at multiple locations across the County Borough. The already established 'Community of Practice' will also be utilised in order to extend the reach of the consultation as far as possible.</p>

	<p>The short timescale for the consultation has arisen due to the fact that the Welsh Government provisional local government settlement was not received until 14th December 2022.</p> <p>.</p>
1f	<p>What were the outcomes of the consultation?</p> <p>This report is seeking approval from the Executive to start the formal consultation process.</p> <p><u>Changes to original proposals</u></p> <p>None at present.</p>

2. Evidence

What evidence was used in assessing the initiative?

Service areas collect and more importantly utilise data on service users as part of the ongoing development and delivery of individual services. In addition to the number of people using the service other relevant information such as age, sex, disability, etc., is also collected which in turn informs policy development and service provision.

Information is collected through a variety of methods ranging from application forms and reviews, to satisfaction surveys and consultations.

3. Equalities

a) How does the initiative impact on people who share a protected characteristic?

Protected Characteristic	Why will it have this impact?
Age Disability Gender reassignment Marriage & civil partnership	The Council is committed to prioritising investment in schools and educating children by increasing its investment in schools as demonstrated by a 6% increase in the Delegated Budgets for Schools. An increase in funding for other Education Leisure and Lifelong Learning Services will help to protect services to vulnerable families and children through the provision of

<p>Pregnancy and maternity Race Religion or belief Sex Sexual orientation</p>	<p>additional support for learners as well as funding increased capacity following the roll out of the Additional Learning Needs Legislation.</p> <p>Investment in children’s and adult social services will continue to support people with learning disabilities and general provision towards care package costs. This investment will improve service provision to children and the elderly. Any specific changes to services will be the subject of separate impact assessments.</p> <p><u>Post Consultation</u></p>
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<p>What action will be taken to improve positive or mitigate negative impacts?</p>
<p>Officers will monitor the response to the proposals.</p>

b) How will the initiative assist or inhibit the ability to meet the Public Sector Equality Duty?

Public Sector Equality Duty (PSED)	Why will it have this impact?
<p>To eliminate discrimination, harassment and victimisation</p> <p>To advance equality of opportunity between different groups</p> <p>To foster good relations between different groups</p>	<p>The Council continues to be aware of its position as employer, provider and commissioner of services and to this end strives to ensure its ability to meet its legal obligations.</p>

What action will be taken to improve positive or mitigate negative impacts?
<p>Officers will monitor the response to the proposals.</p>

4. Community Cohesion/Social Exclusion/Poverty

	Why will it have this impact?
Community Cohesion	Whilst it is unlikely that the proposals will in themselves have significant impact on community cohesion in the short term there is a likelihood that long term impacts could be possible.
Social Exclusion	Whilst it is unlikely that the proposals will in themselves have significant impact on social exclusion in the short term there is a likelihood that long term impacts could be possible.
Poverty	<p>Research studies previously conducted by Sheffield Hallam University demonstrate that areas within the county borough are disproportionately and negatively affected by the UK Government’s welfare benefits changes and this continues to be the case.</p> <p>The Council continues to work in partnership to mitigate the impact of the welfare benefit changes and ongoing budgetary uncertainty.</p> <p>The Council continues to work on an anti-poverty agenda including:</p> <p>Anti-poverty strategy -development of a multi-agency strategy to outline what needs to be done to improve the lives of those living on a low income in Neath Port Talbot.</p>

	Free School Meals payments to families – Throughout school closures during the Coronavirus pandemic the Council has -paid £19.50 per week directly into the bank accounts of parents with children eligible for free school meals.
What action will be taken to improve positive or mitigate negative impacts?	
Officers will monitor the response to the proposals.	

5. Welsh

	+	-	+/-	Why will it have this effect?
What effect does the initiative have on: – people’s opportunities to use the Welsh language		✓		The Council currently has relatively small numbers of staff with Welsh language skills. Opportunities for staff to use their language skills will continue to be promoted and training will continue to be made available.
– treating the Welsh and English languages equally	✓			The Council is committed to the principles as embodied in the Welsh Language Measure (2015) and the standards in particular will

				continue so that the Welsh language is treated no less favourably than the English language
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What action will be taken to improve positive or mitigate negative impacts?

Officers will monitor the response to the proposals.

6. Biodiversity

How will the initiative assist or inhibit the ability to meet the **Biodiversity Duty**?

Biodiversity Duty	+	-	+/-	Why will it have this impact?
To maintain and enhance biodiversity				Unknown. There is no clear route to demonstrate either positive or negative impact on biodiversity.
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment,				Unknown. There is no clear route to demonstrate either positive or negative impact on the resilience of ecosystems.

such as air quality, flood alleviation, etc.				
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What action will be taken to improve positive or mitigate negative impacts?
Future impacts assessment will benefit from the biodiversity service assessments which are currently being undertaken to help determine what, if any, impacts service areas have on biodiversity. The assessments will help inform where services areas will be required to undertake specific assessments when appropriate to determine the extent and any mitigating actions of future changes to service/policy, etc. as part of delivery of the Biodiversity Duty Plan

7. Wellbeing of Future Generations

How have the five ways of working been applied in the development of the initiative?

Ways of Working	Details
i. Long term – looking at least 10 years (and up to 25 years) ahead	Work has commenced on developing a medium term financial plan to cover the period 2023-2028. This plan highlights that there is a significant financial gap between the estimated funding available and the cost of running Council services over that period. Work will continue during 2023/24 financial year in relation to closing this budget gap.

<p>ii. Prevention – preventing problems occurring or getting worse</p>	<p>Proposals have been developed to help prevent intensifying current financial issues in the future. By preparing a medium term budget outlook the Council is mindful of the need to deliver statutory functions as well as considering its wider service provision which contribute to the wellbeing of its citizens.</p> <p>Proposals include protection for some services that enable early intervention and prevention activities that reduce demand on public services whilst promoting wellbeing, for example in social services.</p>
<p>iii. Collaboration – working with other services internal or external</p>	<p>Preparation of a new Corporate Plan and Medium Term Financial plan will include collaboration with partners. During the Coronavirus pandemic the Council has effectively partnered with a wide variety of organisations and future plans will build on these relationships.</p>
<p>iv. Involvement – involving people, ensuring they reflect the diversity of the population</p>	<p>The consultation will be communicated as widely as possible and a significant amount of pre-consultation engagement has taken place.</p>
<p>v. Integration – making connections to maximise contribution to:</p> <p>Council’s wellbeing objectives</p>	<p>The financial settlement and the specific grants that underpin Council services are key to the delivery of the Council’s wellbeing objectives thereby having a positive impact.</p> <p>The proposals will help ensure the business of the Council is managed to maximise the long term benefit for the citizens of Neath Port Talbot (the crosscutting objective relating to governance and resources).</p>

<p>Other public bodies objectives</p>	<p>It is possible to demonstrate the alignment between the Council’s Corporate Plan, the Public Services Board Plan and other key planning arrangements which will ensure a more holistic approach to improving outcomes over the lifetime of all plans.</p>
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9. Monitoring Arrangements

Provide information on the monitoring arrangements to:

Monitor the impact of the initiative on Equalities, Community Cohesion, the Welsh Measure, Biodiversity Duty and the Wellbeing Objectives.

Officers will monitor the response to the proposals.

10. Assessment Conclusions

Please provide details of the conclusions reached in relation to each element of the assessment:

	Conclusion
Equalities	There are positive impacts in relation to the early intervention and prevention work in social services predominantly for older and disabled people. There are also positive impacts arising from an increase to the schools delegated budget of 6%

Welsh	The budget proposals do not include any reductions in staff numbers so there should be limited impact on the Welsh language. Opportunities remain for staff to use their language skills will and further training will be made available and promoted.
Bio	There is no clear route to demonstrate either positive or negative impact on biodiversity or the resilience of ecosystems.
WBFG	<p>The Council has worked hard to strike the right balance in its budget proposals for 2023/24 including the use of £4.9m from reserves to mitigate the impact of council tax rises as much as possible.</p> <p>This has included increases in funding for some services that enable early intervention and prevention activities that reduce demand on public services whilst promoting wellbeing; protection for integrated services that have been established to deliver more joined up services for citizens; protection for services that have a long term impact on sustainability; and protection for key collaborative arrangements. The areas that have received additional funding are reflected in the four Well-being objectives that the Council has set.</p>

Overall Conclusion

An overall conclusion will be drawn once consultation responses have been received and considered.

11. Actions

What actions are required in relation to obtaining further data/information, to reduce or remove negative impacts or improve positive impacts?

Action	Who will be responsible for seeing it is done?	When will it be done by?	How will we know we have achieved our objective?
Undertake public consultation on draft budget proposals	Chief Finance Officer	Between 19th January 2023 and 10 th February 2023	<ul style="list-style-type: none"> • Consultation responses received
Consider consultation responses and amend proposals where appropriate	Senior Management Teams	During and at the conclusion of the consultation	<ul style="list-style-type: none"> • Revised budget report, including any proposed amendments, for consideration at Cabinet, Cabinet Scrutiny and Council

Public Engagement Sessions Meetings – Summary of Suggestions

- Can we get a campaign together and instead of going to Welsh Government with 10k signatures go with 10k voices? Hard times are coming. Compared to other parts in Wales our jobs are lower paid
- We have specialist occupations in NPT council. We could draw the plans up ourselves and sell the buildings on to generate much more money by taking this approach. Let's try to lift the land value
- Review of assets – make use of building such as the Quays, for example setting up office space for private rental.
- When people retire their posts to be assessed in respect of value for money.
- If you sell the buildings long term that might not be the best approach, but if you develop them you would have an income
- A number of offices are empty, has the Council considered closing certain buildings and bringing everyone into one building?
- In respect of cost of energy has the Council considered installing solar panels and provision of wind turbines?
- Data centres that we hold – could the council hand the cost off to other organisations?
- Talked about the number of processes people had to deal with (5,000 forms). An automated bot could do this overnight. 6,500 Free School Meals forms - why are we not using more efficient systems?
- YDT (registered as a warm space) - with regard land at the back of the building, we asked if we can buy the land – it would be an opportunity for the council to raise money. Also, have you thought about solar panels on buildings?
- What about solar PV panels and private financing arrangements? I work for that company and would welcome contacts to put forward some ideas. I can you give some help on looking at your estate to see where you can save money.
- Reference was made to a review of hybrid working having been undertaken and reduced levels of staff working in the Quays. Should decision be taken to close the Quays this could be turned into a positive with investment and this being part of a bigger project

Appendix 6 – Pre-consultation suggestions

- I am sure there are some services that people would be prepared to pay more for. Is there anything the council provides for free where a small charge might maintain it? I appreciate that some communities are deprived, but there are some people who could easily afford more.
- Are there any plans to increase the council tax on second homes in the county borough – not just holiday homes, but for people who are buying up properties and pushing local people out of the property market?
- Can we go and speak to the bigger companies to see if they will be more forthcoming? / Could we look at some sort of corporate fund from these big companies?
- Regarding the Third Sector we should mention to Rebecca Evans if a sector is struggling so that it is flagged up and so that the Welsh Government can fight for these services with Westminster.
- Advised of links with local renewable energy association and had contacted the previous administration regarding solar panel initiative but had been turned down. Authorities, such as Newport, had made huge savings and asked whether the new administration would work with the organisation on installation at certain sites.
- We have a lot of heritage and culture in NPT, surely organisations can work together to promote these facilities to get people into the town centres.
- I know we can't come out of the tendering system, but we need to look at the tendering system. It's not just the Ukraine that has caused the energy crisis. It's our greedy energy companies. If we were just allowed to get on the phone and get the best prices we could save money.
- The tendering list needs to be looked at it is causing problems
- Can offer free services to NPT There must be a system within NPT where you have the golden thread, where each individual has touched NPT
- We work for CIRCA Resolution – a community system that would create electricity for 60 homes – Could be something to do with data centres – cut and paste projects. Any organic matter – dog poo – started 8 years ago – dog poo powering lights – Cube – do a lot of testing. Why do we send waste elsewhere?

Appendix 6 – Pre-consultation suggestions

- There are countless homes empty. Why can't you put CPO's on them – do them up – help communities. Wheels are turning too slowly. Not received displacement payment.
- It is not statutory to provide free car parking when most people could pay a nominal fee. Is there anything we are offering it for free that we could charge for? It comes down to choices that politicians make – I would rather pay £1 to park at Christmas.
- Given the Welsh Government's view on environmental and climate matters then that might be an option to get some more money
- In order to bring costs down, is it possible to hold dialogue with Town Councils to ask them to reduce their budgets?
- Council employees take a pay cut to bring wages in-line with private wages, reference was made to a recent advertisement for a barrister.
- The number of councillors could be reduced from 60 to 50
- In my current role the Welsh Government are talking about underspends from local authorities in the millions. Are there things that you would like to do that could utilise this underspend

Appendix 6 – Pre-consultation suggestions

Pre Consultation – staff suggestions

Number	Suggestion
1	Further promote Hybrid working , less staff in buildings means less power consumed at the building, and also saves staff expenditure on car journeys
2	Current older council buildings should be reviewed and possibly sold and staff moved to newer buildings. i.e. Ffrwydwyllt House
3	Promote reduced hours for staff, if someone is getting closer to retirement age , might be a saving if activities could be shared with junior staff
4	Review of ER / VR- but not sure this is viable as most services are now stretched
5	Possible review of higher tier management and enhance / empower staff to take on more responsibilities
6	Let the staff choose hybrid, rather than management telling them to come in. If there is no need to be in a building especially if they can function / operate perfectly fine from home
7	Reduce the use of building floor plates in current civic building, move staff to lower floors and shut /reduce power on other floors. Inform staff only to attend and populate rooms if necessary , from ground floor up
8	Use of new Innovation centre in Baglan, as a drop in centre for staff, currently the buildings are modern and have reduced energy consumption. Possibly Quays staff could work there, other buildings could also be adapted for use like the Milland road building
9	Reduce out of borough traveling for meetings and training , when Video conferencing is perfect
10	Potential for PTCC building to be removed,, and a first stop shop solution for the area with a hall for theatre use / Council Chamber. The building is the oldest and probably the worst for energy

Appendix 6 – Pre-consultation suggestions

11	Offer the use of floors / rooms to Welsh assembly staff or other government bodies at a contracted amount. I believe staff from WAG will be moving from Penllergaer and there was talk they might share with Swansea council
12	Enhancement of current buildings with energy efficient technologies, Solar panelling to reduce energy costs, spend to save
13	Further enhancement to the work car pools and move to electrical charging. Maybe use of solar panelling and car ports to help reduce electrical costs
14	Filming – While we currently offer a number of locations for filming, including Margam Park, there doesn't appear to be a consistent approach to speaking to successful production firms and monetising this opportunity. We regularly receive emails to film in NPT without any requirement for a permit or additional charge and often just respond with an "Ok yes this is ok with us". This would be an easy opportunity to raise additional revenue and could be better managed by an additional employed role, or brought within a department. London for example has made £300k alone from filming in the past 2 years
15	Lighting – A number of residents have suggested many of the lights at our closed car parks at night (Neath Multi story) have lights on when not in use and closed to the public. Similarly, the Christmas lights in some parts including the tree outside the civic centre in Port Talbot are on throughout the day. Can there be a review of evening lighting and the implementation of timers for when these lights are not required. This could include public buildings at the weekend for example.
16	Coffee/Vending Machine – While there is no Canteen facility in many of our buildings following the pandemic, there is also a missed opportunity to capture income from staff wanting tea/coffee and snacks. An individual vending machine can make more than £300 per week and similarly better coffee machines than those currently on offer could provide a regular source of income from staff who simply wish to pop downstairs during a busy day rather than have to go in to town to get something to eat or drink. Likewise, a well-placed Costa Coffee machine can deliver over 500 barista-quality hot & iced drinks a day with scope for the authority to earn commission from such a vending machine which can generate around £100 a day

Appendix 6 – Pre-consultation suggestions

17	Dog Fouling – As an authority we have issues with dog fouling in the county borough in locations such as Aberavon Sea Front. A huge number of local residents often take to social media to complain that we rarely take action. This is backed up with the statistics which suggest just two people have received fines in the last 12 months for not picking up after their pets at just £200. Therefore, while Dog fouling is a nuisance it is also an opportunity to better manage the cleanliness of the area, improve feedback and raise revenue at the same time.
18	Fast Track opportunities – A number of organisations and businesses offer a fast track opportunity. While an obvious example might be skipping the line in a theme park, even the UK Government charge £500 for a chance to get a faster decision on a visa or settlement application. The same could be applied to our building control requests, planning applications, or even having a bulky item collected the same day
19	Further reduction in buildings – An obvious one and no doubt under discussion but there are many buildings owned by the Council that simply aren't used to their full capacity. For example much of the civic building remains empty, while having recently had meetings in the Baglan energy centre, the site is almost empty. To reduce costs why not simply move everyone in to one building or look at the leasing costs to business to make these more attractive. We could also consider the sale of property.
20	Generate savings and income – This might include additional opportunity's not just confined to roundabouts but sponsored council vehicles or from the commercial estate such as providing a business lease to run specific activity within Margam castle. For example, Hasbro recently brought the family favourite board game, Cluedo to life just in time for Halloween – but with a modern, escape room twist. With Brits gearing up to celebrate the spooky season, the classic murder mystery game has been brought up to date for a new generation of players as Cluedo Escape: Treachery at Tudor Mansion. This featured the familiar characters and story of the original by adding the fun to a real life building in other parts of the UK. This is something that could easily be replicated at Margam. There should also be greater involvement in decision making across the authority, especially when the now annual and lucrative 'In It Together Festival' was turned away

Appendix 6 – Pre-consultation suggestions

	from Margam when this was such a missed revenue opportunity. We might also which to seek a large sponsor for a bonfire night display or Christmas light switch-on event or boost funds through a major roadside advertising contract.
21	On request' paid collection – During winter months and late autumn when fewer people are doing gardening, we could make additional green bin collections, or during specific events such as Christmas. For example, As the count borough winds down from the festive period, thousands of households and businesses will be looking to take down and dispose of their real trees. However, while real Christmas trees are recyclable and can be easily shredded into chippings, many do not want the hassle of putting these in their cars and having to take them to the recycling centre. Instead, many private firms offer to do this collection disposal for £10, this is a service which could easily be adopted by our authority
22	Plant Sale – Other LA's such as Swansea generate income from plant nursery sales. This includes hanging baskets during the summer months which are planted up, delivered to a residents/business door and fixed in place for £44. I am not aware we offer such as service would many residents would gladly welcome. I believe we already have a relationship with a nursery for some of our parks meaning this could be outsourced for a fee with an easy income generation opportunity
23	Reduce external translation – Currently we spend a great deal of money outsourcing translation. It would be far more cost effective and efficient to employ a full time staff member to translate these words across the authority
24	Review Lord Mayor's events and streamline resources – We currently see our Lord Mayor attend events to simply celebrate someone specific birthday and we chauffer drive that person to an event. Why is there a need for this person to be driven when they could simply drive themselves. We have recently also seen 3 members of the communications and marketing team assist with charitable events such as the Margam Park 10K, Canal Run and Afternoon tea event when really this responsibly would be better managed by the Mayors secretary or within a specific events team

Appendix 6 – Pre-consultation suggestions

25	Shared Media services – A number of council directorates and teams often create and outsource expensive websites, video production, or even create new logos without any input from the marketing and communications team. There is an opportunity to save money by sharing resources and manpower to deliver these services or even by creating a relationship with one overall firm at an agreed fee. In some cases, this content can also be delivered in-house by an already capable team and with additional resources would avoid having to use costly PR and marketing agencies. Likewise, we should include a cost associated with marketing in a client contract such as 'Kier Group' on the Neath Leisure centre or The Plaza to pay for final and post marketing purposes which include video creation on social media and their logo/brand
26	Freedom to purchase stock elsewhere to place ourselves in a stronger position

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Reserve Schedule as per 19th October 2022 report to Cabinet

Description	Reserve Balance at 1st April 2022 £	Original budget reserves 2022/23	Additional movements to September 2022 £	Committed	Uncommitted reserves
Education, Leisure and Lifelong Learning					
<u>Delegated Schools Reserves</u>					
ERVR Primary	Cr8,161	0	0		Cr8,161
Primary Schools	Cr6,888,981	4,989,213	0		Cr1,899,768
Secondary Schools	Cr3,525,205	1,687,049	0		Cr1,838,156
Special Schools	Cr734,244	152,222	0		Cr582,022
Middle School	Cr1,471,681	962,076	0		Cr509,605
Repair & Maintenance	Cr161,160	0	0	0	Cr161,160
	Cr12,789,433	7,790,560	0	0	Cr4,998,873
<u>Education, Leisure and Lifelong Learning Other</u>					
Additional learning needs reserve	Cr1,051,000	0	0		Cr1,051,000
Equalisation Account-Education	Cr2,409,500	25,000	150,000	462,462	Cr1,772,038
Home to School Transport	Cr290,570	38,000	252,570		0
	Cr3,751,070	63,000	402,570	462,462	Cr2,823,038
Total Education Leisure & Lifelong Learning	Cr16,540,503	7,853,560	402,570	462,462	Cr7,821,911
<u>Social Services, Health and Housing</u>					
Homecare ECM Equipment reserve	Cr96,756	0	0		Cr96,756
Community Care Transformation Reserve	Cr4,206,561	66,000	2,640,900		Cr1,499,661
Children's Residential Placements	Cr276,000	0	276,000		0
SSHH IT Renewals Fund	Cr1,900,000	0	0		Cr1,900,000
Social Services Equalisation	Cr5,700,114	2,330,000	0		Cr3,370,114
Community Resilience Fund	Cr1,750,000	0	0		Cr1,750,000

Description	Reserve Balance at 1st April 2022 £	Original budget reserves 2022/23	Additional movements to September 2022 £	Committed	Uncommitted reserves
Housing Warranties Reserve	Cr220,000	0	0		Cr220,000
Hillside General Reserve	Cr581,098	0	150,000		Cr431,098
Ring fenced homecare funding	Cr450,000	0	216,000		Cr234,000
Youth Offending Team Reserve	Cr167,897	0	0		Cr167,897
Adoption Service	Cr500,000	0	0		Cr500,000
Total Social Services, Health and Housing	Cr15,848,426	2,396,000	3,282,900	0	Cr10,169,526
<u>Environment</u>					
Transport Reserve	Cr281,541	60,000	0		Cr221,541
Asset Recovery Incentive Scheme	Cr125,894	81,301	0		Cr44,593
Swansea Bay City Deal	Cr333,786	112,786	0		Cr221,000
Local Development Plan	Cr365,014	31,890	0		Cr333,124
Parking improvement	Cr190,000	0	47,000	80,000	Cr63,000
DARE Reserve	Cr2,000,000	0	0		Cr2,000,000
Waste Reserve	Cr898,152	0	Cr90,000		Cr988,152
Winter Maintenance Reserve	Cr604,429	0	0		Cr604,429
Neath Market	Cr253,107	0	0		Cr253,107
Baglan Bay Innovation centre - dilapidation reserve	Cr177,517	100,000	0		Cr77,517
Renewable Energy Reserve	Cr17,959	0	0		Cr17,959
Environmental Health - Housing Equalisation	Cr130,000	35,000	0		Cr95,000
LAWDC Contingency Reserve	Cr815,177	0	0		Cr815,177
Workways - NPT	Cr290,435	0	0		Cr290,435
Environment Equalization Reserve	Cr1,065,291	287,278	221,500		Cr556,513
Metal box Reserve	Cr930,327	776,418	Cr626,000		Cr779,909

Description	Reserve Balance at 1st April 2022 £	Original budget reserves 2022/23	Additional movements to September 2022 £	Committed	Uncommitted reserves
Pantteg Landslip Reserve	Cr500,000	0	0		Cr500,000
<u>Trading Account</u>					0
Operating Account -Equalisation	Cr36,043	0	0		Cr36,043
Vehicle Tracking	Cr92,186	0	0		Cr92,186
Vehicle Renewals	Cr2,330,047	Cr1,196,081	Cr177,600		Cr3,703,728
Total Environment	Cr11,436,905	288,592	Cr625,100	80,000	Cr11,693,413
<u>Chief Executives</u>					
Elections Equalisation Fund	Cr350,139	Cr15,000	0		Cr365,139
Health & Safety/Occupational Health	Cr40,501	0	0		Cr40,501
Digital Transformation Reserve	Cr1,170,000	0	0		Cr1,170,000
Schools IT Equalisation (HWB)	Cr600,000	0	330,000		Cr270,000
Development Fund for Modernisation	Cr76,032	0	0		Cr76,032
IT Renewals Fund	Cr1,233,394	400,000	0		Cr833,394
Chief Executives Equalisation Reserve	Cr164,236	50,500	0	80,000	Cr33,736
Organisational development reserve	Cr5,020,936	0	0	1,500,000	Cr3,520,936
Building Capacity	Cr155,295	138,000	Cr10,000		Cr27,295
Voluntary Organisation Reserve	Cr86,430	0	0		Cr86,430
Total Corporate Services	Cr8,896,963	573,500	320,000	1,580,000	Cr6,423,463
<u>Corporate Other</u>					
Insurance Reserve	Cr4,725,382	280,000	0		Cr4,445,382
Covid recovery	Cr2,800,000	0	0	2,317,000	Cr483,000
Income Generation Reserve	Cr1,713,230	0	0		Cr1,713,230

Description	Reserve Balance at 1st April 2022 £	Original budget reserves 2022/23	Additional movements to September 2022 £	Committed	Uncommitted reserves
Members Community Fund Reserve	Cr513,633	0		513,633	0
Capital support reserve	Cr683,447	0	0		Cr683,447
Hardship relief scheme	Cr2,000,000	0	0	2,000,000	0
Service resilience	Cr2,000,000	1,435,722	Cr148,294	564,278	Cr148,294
Discretionary fund	Cr1,401,836	0	0	1,401,836	0
Corporate Contingency	Cr4,567,000	702,000	201,685	746,887	Cr2,916,428
Treasury Management Equalisation Reserve	Cr8,594,046	325,000	500,000	Cr325,000	Cr8,094,046
Accommodation Strategy	Cr2,273,580	0	0		Cr2,273,580
Total Corporate Other	Cr31,272,154	2,742,722	553,391	7,218,634	Cr20,757,407
<u>Joint Committee</u>					
Margam Discovery Centre - Building	Cr59,774	Cr57,333	0		Cr117,107
- Maintenance Reserve					
Workways - Regional Reserve	Cr167,991	0	0		Cr167,991
Environment Legacy Reserve (SWTRA)	Cr59,728	0	0		Cr59,728
Substance Misuse Area Planning Board	Cr34,847	0	0		Cr34,847
WB Safeguarding Board Reserve	Cr113,265	0	0		Cr113,265
Intermediate Care pooled fund	Cr192,925	0	192,926		1
Total Joint Committee	Cr628,530	Cr57,333	192,926	0	Cr492,937
Total All Earmarked Reserves	Cr84,623,481	13,797,041	4,126,687	9,341,096	Cr57,358,657
General Reserve	Cr20,150,693	0	0	400,000	Cr19,750,693
TOTAL ALL REVENUE RESERVES	Cr104,774,174	13,797,041	4,126,687	9,741,096	Cr77,109,350

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