



GŴYS Y CYNGOR

At holl aelodau'r cyngor

Rydych dan wŷs trwy hyn i ddod i

GYFARFOD Y CYNGOR

i'w gynnal am 2.00 pm

Dydd Iau, 14 Chwefror 2019

yn

SIAMBR Y CYNGOR - CANOLFAN DDINESIG PORT TALBOT

Bydd Caplan y Maer yn dweud gweddi cyn i'r cyfarfod ddechrau.

--- A G E N D A ---

RHAN A

1. *Cyhoeddiadau'r Maer.*
2. *Derbyn unrhyw ddatganiadau o fuddiant gan aelodau*

RHAN B

3. *Rhaglen Gyfalaf 2019/20 (Tudalennau 3 - 24)
Adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol*
4. *Cyllideb Refeniw 2019/20 (Tudalennau 25 - 138)
Adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol*

5. *Strategaeth Rheoli'r Trysorlys 2019-20* (Tudalennau 139 - 164)

Adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol

6. *Rhaglen Gyfalaf 2018/19 - Monitro Chwarterol* (Tudalennau 165 - 170)

Adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol

7. *Cyllideb Refeniw 2018/19 - Monitro Chwarterol* (Tudalennau 171 - 198)

Adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol

8. *Rheoli'r Trysorlys 2018-19* (Tudalennau 199 - 202)

Adroddiad y Cyfarwyddwr Cyllid a Gwasanaethau Corfforaethol

9. *Unrhyw eitemau brys (cyhoeddus neu wedi'u heithrio) yn ôl disgresiwn y Maer yn unol ag Adran 100B (4) (B) Deddf Llywodraeth Leol 1972.*

S. P.

Prif Weithredwr

**CANOLFAN DDINESIG,
PORT TALBOT**

Dydd Gwener, 8 Chwefror 2019

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

13th FEBRUARY 2019

REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

HYWEL JENKINS

MATTER FOR DECISION

WARDS AFFECTED: ALL

CAPITAL PROGRAMME 2019/20 TO 2021/22

Purpose of report

- 1 The purpose of this report is to set out the capital programme for 2019/20 to 2021/22.

Updated Capital Programme for 2018/19

- 2 The original capital programme totalled £43.608m, the updated programme for 2018/19 currently stands at £44.821m with the major variations having been reported to Cabinet and Council as part of the ongoing budget monitoring arrangements.

Welsh Government Capital Settlement

- 3 The Welsh Government have announced as part of the Final Local Government Settlement a substantial increase in un-hypothecated capital funding (referred to as General Capital Funding or GCF). On an all Wales basis this equates to an additional £50m for this financial year (2018/19); an additional £30m for 2019/20 and a further £20m for 2020/21.

- 4 Details of the original and revised funding totals including the additional amounts for this Council are shown in the following table:

| | All Wales Capital Total £m | All Wales GCF £m | NPT GCF Base Allocation £m | NPT GCF Additional £m |
|-------------------------|-------------------------------------|------------------------|-------------------------------------|-----------------------------|
| 2018/19 Original | 493.946 | 142.837 | 7.125 | |
| 2018/19 Adjusted | 537.899 | 192.837 | 7.125 | 2.494 |
| 2019/20 Final | 542.867 | 172.837 | 7.215 | 1.516 |
| 2020/21 Estimate | 532.867 | 162.837 | 7.215 | 1.000 |
| Total Additional | | | | 5.010 |

- 5 In relation to the additional funding for 2018/19 this does not have any time limitations, it does not need to be spent by 31st March 2019 and will therefore be spent over the next two years.

Neath Port Talbot – General Capital Funding

- 6 The Council's share of the additional amount of General Capital Funding for 2018/19 is estimated to be £2.5m, it is proposed that this amount is carried forward to be spent in 2019/20 and 2020/21.
- 7 The amount of funding included in the 2019/20 settlement is £8.731m with £4.245m paid as a capital grant and the remaining £4.486m treated as supported borrowing with an allowance included in the revenue settlement to pay for the debt charges. This includes an additional £1.516m when compared to the Provisional Settlement announced in October 2018.
- 8 In addition to the funding provided by the WG the Council also assumes the use of £1.3m per annum to underpin the Capital Programme which will be made available as a result of the sale of council assets (capital receipts).

9 The Council has also built into its revenue budget funding to support £2m per annum of prudential borrowing recognising the importance of continued capital investment within the County Borough.

10 The following table sets out the amount of funding available to the Council to distribute to capital projects.

Projected Capital Programme Funding for NPT Capital Programme

| | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 £'000 |
|---------------------------|------------------|------------------|------------------|------------------|
| WG Base Funding | 7,125 | 7,215 | 7,215 | 7,215 |
| Capital Receipts | 1,300 | 1,300 | 1,300 | 1,300 |
| Prudential Borrowing | 2,000 | 2,000 | 2,000 | 2,000 |
| Total Base Funding | 10,425 | 10,515 | 10,515 | 10,515 |
| | | | | |
| WG Additional Funding | | 2,630 | 2,380 | |
| | | | | |
| Grand Total | 10,425 | 13,145 | 12,895 | 10,515 |

11 The table below sets out the distribution of the above mentioned funding to service areas:

Budget Allocations

| Service | 2018/19 £'000 | 2019/20 £'000 | 2020/21 '000 | 2021/22 £'000 |
|---|------------------|------------------|-----------------|------------------|
| | | | | |
| Education | 1,100 | 1,100 | 1,100 | 1,100 |
| Leisure | 150 | 150 | 150 | 150 |
| Highways and Engineering Maintenance | 1,625 | 1,625 | 1,625 | 1,625 |
| Additional Engineering Projects | 495 | 500 | | |
| Neighbourhood Improvements | 150 | 150 | 150 | 150 |
| Pavilions | 100 | 100 | 100 | 100 |
| Regeneration | 2,275 | 2,275 | 2,275 | 2,275 |
| Disability Access | 150 | 150 | 150 | 150 |
| Health & Safety | 850 | 850 | 850 | 850 |

| Service | 2018/19 £'000 | 2019/20 £'000 | 2020/21 '000 | 2021/22 £'000 |
|---------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| Social Services | 150 | 150 | 150 | 150 |
| Disabled Facilities Grants | 3,000 | 3,000 | 3,000 | 3,000 |
| Contingency | 380 | 465 | 965 | 965 |
| Additional Projects (See Below) | | 2,630 | 2,380 | |
| Total | 10,425 | 13,145 | 12,895 | 10,515 |

12 The current budget allocations to Education, Leisure and Social Services provide important investment to maintain buildings infrastructure including roofs, heating, lighting etc. The investment in Highways and Neighbourhood improvements will maintain transport, bridges and other structures.

13 The largest single budget continues to be Disabled Facilities Grants to enable people to live independently in their own homes with some £70m being invested by the Council in the last fifteen years.

Additional Welsh Government Funding

14 The Welsh Government has provided additional capital funding of £5.010m as set out earlier in this report. It is proposed to utilise this funding as follows:

15 It is proposed to allocate £4m evenly split over two areas:

- £2m allocated to deliver Council priorities, in particular relating to Cabinet's response to the findings of the Valleys Task and Finish Group, Tourism Strategy and Town Centres. Particular emphasis will be placed on utilising this funding as leverage for drawing in additional grant funding.
- £2m to deal with some of the Council's most urgent maintenance and improvement issues.

16 Details of individual project proposals are as follows:

17 Projects - £2m Allocation

- Cefn Coed Valleys Landscape Park - £250k
Valleys Regional Park (VRP) is considering Cefn Coed Colliery Museum as one of its new Discovery Gateways. The announcement has been made with a view for the Welsh Government to work with the Council to develop the site. A master planning exercise is currently being undertaken for the proposals. This allocation will be used lever in additional funding to deliver Phase 1 development on site.
- Employment Space - £500k
The Authority is looking to expand the offer of start-up business space in the valley communities.
- Community Self Build Housing – £150k
The Council is seeking to provide opportunities for self-build housing schemes across the County Borough but, particularly within valley communities, to increase the variety of housing available and to assist with improving economic activity in the area.
- Neath Strategic Hub - £250k
An action plan of projects has been developed for Neath under the Valleys Strategic Hub initiative. The additional allocation will facilitate the development and delivery of these projects and help bring forward the programme. Match funding will be sought from the Welsh Government and partners to maximise the impact of the additional funding.
- Pontardawe, Resolven, Glynneath, Afan Forest Park and Gnoll Country Park - £150k
This allocation will fund/match fund the delivery of prioritised Destination Management Plan Projects including; Resolven Canal Car Park development (to include refurbished toilets and a café for which £128,000 Visit Wales funding has already been secured). Brown signage destination schemes for Pontardawe and Glynneath, and ongoing investment in visitor infrastructure in Afan Forest Park. This budget will also provide some additional investment to improve the offer at the Gnoll Country Park.

- Aberafan Seafront Aquasplash - £350k
The Authority is looking to replace the existing Aquasplash at Aberafan Seafront in order to provide an upgraded facility at this extremely popular visitor attraction.
- Town Centres - £290k
This fund will be utilised to provide match funding to Town Centre Projects and deliver transformational activities to protect and enhance three town centres.
- Bus Shelter Renewal Programme - £60k.

18 Maintenance and Improvement Works £2m

- Structures and Council owned Tips - £500k
The Council has a number of structures and tips under its ownership which require investment to ensure they remain safe. A number of the highest priorities will be dealt with through this funding allocation.
- Additional Maintenance and Improvements - £1.5m
A schedule of the most urgent projects will be delivered including investment in schools, leisure facilities and other properties.

Information Technology and Agile Working - £500k

- 19 The Council's new agile working arrangements are due to be rolled out over the next two years. Investment in infrastructure and new technology will facilitate this roll out and help deliver the benefits of these arrangements including dealing with the relocation of social care and making other staff groups more mobile.

Contingency - £510k

- 20 It is proposed to ring-fence £510k of this additional funding as a contingency, for unforeseen works and additional projects identified over the two years.

Roads and Highways

- 21 The Council has been allocated £748k per annum of additional funding from the Public Highways Refurbishment grant over the two years to March 2020 which will be invested to improve our roads.

Additional Capital Funding

22 In addition to the funding provided by WG the Council's capital programme is supplemented by projects funded from other sources which include:

- Prudential Borrowing
The Council only enters into prudential borrowing arrangements when it can demonstrate that it is prudent, sustainable and affordable to do so. In order to minimise the revenue costs associated with prudential borrowing the Council will look to first utilise other available sources of funding such as capital receipts
- Specific Grants
Funding provided for specific projects from various sources such as European Funding, Welsh Government Departmental Budgets, Heritage Lottery fund etc. As is the nature of this type of funding there is less availability and certainty for the latter years of the Capital Programme. The Final Settlement includes a £40m (all Wales) specific capital grant for Public Highways Refurbishment. The Council's allocation is £748k for 2018/19 and 2019/20 with the 2018/19 allocation being carried forward to 2019/20.
- Other sources
Various other smaller sources including specific reserves, private sector investment etc.

Major Investment Initiatives

23 The following paragraphs detail some of the major investment initiatives being delivered across the County Borough.

21st Century Schools

24 During 2018/19 the Council completed the first phase (Band A) of its 21st Century Schools Investment programme. This programme has seen c£123m invested in school modernisation and new buildings which will provide 21st Century Education for thousands of learners.

25 The Council is currently progressing with the second phase of 21st Century Schools investment known as Band B, this phase will see a further c£67m invested in new schools. The proposals are currently subject to the Welsh Government's business case scrutiny process

and as each business case is approved projects will be added to the Capital Programme. To date the only element of the Band B proposals included in the Programme is £1m in relation to the development of the replacement Comprehensive School at Cefn Saeson in Neath.

Welsh Medium Education

- 26 The Council has been successful in obtaining grant funding of £3.4m to improve facilities for Welsh Medium education over 3 years. At Ysgol Gynradd Gymraeg Pontardawe £1.6m is to be invested to provide three extra classrooms and additional child care spaces. Ysgol Gynradd Gymraeg Tyler Ynn will benefit from a £1.1m investment to provide two extra classrooms and childcare facilities. Also, Ysgol Gynradd Gymraeg Cwmllynfell will see £0.7m invested to provide one additional classroom and an improved childcare offer.

27 Childcare Offer Funding

The Council has been awarded £3.795m to facilitate and support the delivery of additional childcare facilities across the County Borough. Facilities will be developed at seven schools (YGG Castell Nedd, YGG Blaendulais, Abbey Primary, Baglan Primary, Blaen Baglan Primary, Rhos Primary and Wauncierch Primary). Included within the £3.795m allocation is £0.510m to provide grants to other smaller childcare providers to undertake minor Capital adaptations.

County Borough Regeneration

- 28 The Council continues to invest significantly in regeneration projects across the County Borough. The next phase of the re-development of Neath Town Centre has commenced with highway modification works underway. The re-development will provide a new shopping complex with space for up to eight medium to larger units on the site of the former multi storey car park.
- 29 Also included in the programme is the purchase and redevelopment of the property formerly known as Crown Foods, Carnaud Metal Box. This proposal will deliver significant investment and job creation within the County Borough. This project is being developed as a Strategic Hub for the Valleys and is benefiting from £3.5m of Welsh Government Funding.

- 30 Successful grant applications have allowed regeneration projects to progress across the County Borough including, amongst other, the redevelopment of the former Plaza Cinema and Harbourside infrastructure projects in Port Talbot and the provision of 43 additional off street car parking spaces at Pontneddfechan waterfalls.

Impact of future developments and schemes

- 31 The capital programme as outlined in this report reflects known planned expenditure and financing. It is clear however that there are significant potential developments which are currently under consideration which may have a significant effect on the Council's capital programme and capital expenditure during the period covered by this report. Other investments and projects such as those arising from the City Deal will also be considered when further information becomes available. There will be a requirement in future years to make specific financial provision in the Council's Revenue Budget and Capital Programme to fund such investments.
- 32 The capital programme is updated and approved as part of the quarterly budget monitoring process and any additional commitment approved by Council will be incorporated as approved.

Summary

- 33 The Council places great emphasis on the importance of capital investment as a means of regenerating our Communities and providing modern and safe buildings and infrastructure. Capital investment does not only lead to improved facilities and services but creates jobs and economic benefits for the citizens of Neath Port Talbot.
- 34 Members will note that in these austere times the Council will invest c£45m in 2019/20 and when additional external funding from 21st Century Schools and other sources are included it is projected that the total investment over the next three years will be over £120m. Details of the individual projects being delivered can be found in Appendix 1 of this report.

Financial Impact

- 35 All financial impacts are detailed within the body of the report. Additional revenue and capital funding provision will need to be built into future years' budgets once project confirmation and external grant funding are confirmed.

Integrated Impact Assessment

- 36 There is no requirement for an integrated impact assessment for this report.

Workforce Impacts

- 37 The capital funding meets the cost of a number of posts across the Council.

Legal Impacts

There are no legal impacts arising from this report.

Risk Management

Many of the works included in the capital programme alleviate/mitigate risks faced by the Council. The capital programme is seen as an important part of the Council's risk management processes. There are significant risks which may require a future revision of the capital programme. In particular due to:-

- Urgent capital maintenance requirements
- Additional costs arising from any additions to the capital programme
- Capital financing charges arising from additional unsupported borrowing which cannot be met from existing revenue budgets
- A reduction in the availability of external grants to supplement the Council's own funding of the capital programme

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendations

It is recommended that Members commend to Council the approval of:

- The Capital Programme for 2019/20 to 2021/22 as detailed in Appendix 1 to this report.
- That the Programme be kept under review and updated over the coming year.

Reasons for proposed decision

To approve the Authority's Capital Programme in line with the Constitution.

Implementation of decision

The decision is proposed for implementation after consideration and approval by Council

Appendices

Capital Programme 2019/20 to 2021/22.

List of background papers

Local Government Settlement 2019/20
Capital Programme Working Papers

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Capital Programme 2019/20 to 2021/22

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| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|--|------------------|---------------------------|-------------------|-----------------|---------------------------|-------------------|------------------|---------------------------|-------------------|------------------|---------------------------|-------------------|------------------|---------------------------|-------------------|
| | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 |
| Service | | | | | | | | | | | | | | | |
| Education, Leisure and Lifelong Learning | 21,326 | 12,430 | 8,896 | 23,836 | 14,699 | 9,137 | 6,751 | 3,310 | 3,441 | 6,615 | 2,000 | 4,615 | 2,200 | 1,250 | 950 |
| Environment Social Services, Health and Housing | 17,898 | 14,556 | 3,342 | 16,205 | 11,036 | 5,169 | 32,484 | 17,622 | 14,862 | 16,638 | 9,151 | 7,487 | 6,962 | 5,603 | 1,359 |
| Corporate Services | 3,364 | 3,364 | | 3,982 | 3,376 | 606 | 4,026 | 3,375 | 651 | 4,026 | 3,375 | 651 | 3,150 | 3,150 | |
| Contingency | 640 | 640 | | 520 | 520 | | 890 | 890 | | 890 | 890 | | 640 | 640 | |
| | 380 | 380 | | 278 | 278 | | 665 | 665 | | 1,275 | 1,275 | | 965 | 965 | |
| Total | 43,608 | 31,370 | 12,238 | 44,821 | 29,909 | 14,912 | 44,816 | 25,862 | 18,954 | 29,444 | 16,691 | 12,753 | 13,917 | 11,608 | 2,309 |
| Funded by | | | | | | | | | | | | | | | |
| WG - General Capital Funding | 7,125 | 7,125 | | 7,125 | 7,125 | | 9,845 | 9,845 | | 9,595 | 9,595 | | 7,215 | 7,215 | |
| Capital Receipts | 2,069 | 2,069 | | 1,069 | 1,069 | | 4,800 | 4,800 | | 1,300 | 1,300 | | 1,300 | 1,300 | |
| Prudential Borrowing | 19,467 | 19,467 | | 17,058 | 17,058 | | 9,873 | 9,873 | | 5,571 | 5,571 | | 3,093 | 3,093 | |
| Specific Reserves / Revenue | 2,709 | 2,709 | | 4,657 | 4,657 | | 1,344 | 1,344 | | 225 | 225 | | | | |
| External Grants and Private Investment | 12,238 | | 12,238 | 14,912 | | 14,912 | 18,954 | | 18,954 | 12,753 | | 12,753 | 2,309 | | 2,309 |
| Total | 43,608 | 31,370 | 12,238 | 44,821 | 29,909 | 14,912 | 44,816 | 25,862 | 18,954 | 29,444 | 16,691 | 12,753 | 13,917 | 11,608 | 2,309 |

Capital Programme 2019/20 to 2021/22

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|--|------------------|--------------|-------------------|-----------------|--------------|-------------------|------------------|--------------|-------------------|------------------|--------------|-------------------|------------------|--------------|-------------------|
| | Budget £'000 | Funded by | | Budget £'000 | Funded by | | Budget £'000 | Funded by | | Budget £'000 | Funded by | | Budget £'000 | Funded by | |
| | | NPT £'000 | External £'000 | | NPT £'000 | External £'000 | | NPT £'000 | External £'000 | | NPT £'000 | External £'000 | | NPT £'000 | External £'000 |
| <u>Education, Leisure and Lifelong Learning</u> | | | | | | | | | | | | | | | |
| Capital Maintenance | 1,100 | 1,100 | | 1,220 | 1,220 | | 1,100 | 1,100 | | 1,100 | 1,100 | | 1,100 | 1,100 | |
| Additional Special Needs Provision | 150 | 150 | | 126 | 126 | | | | | | | | | | |
| <u>21st Century Schools - Band A</u> | | | | | | | | | | | | | | | |
| Ysgol Bae Baglan | | | | | | | | | | | | | | | |
| Ysgol Gymraeg Ystalyfera (North Campus) | 217 | 217 | | 930 | 930 | | | | | | | | | | |
| Ysgol Carreg Hir | 2,000 | 2,000 | | 3,396 | 3,396 | | 100 | 100 | | | | | | | |
| Ysgol Cwm Brombil | 12,549 | 6,468 | 6,081 | 12,598 | 6,517 | 6,081 | 450 | 450 | | | | | | | |
| Ysgol Gymraeg Bro Dur (South Campus) | 5,000 | 2,313 | 2,687 | 4,772 | 2,085 | 2,687 | 250 | 250 | | | | | | | |
| <u>21st Century Schools - Band B</u> | | | | | | | | | | | | | | | |
| Cefn Saeson Comprehensive - New Build | | | | | | | 1,000 | 350 | 650 | | | | | | |
| <u>Welsh Medium Provision Classrooms and Childcare</u> | | | | | | | | | | | | | | | |
| YGG Pontardawe | | | | 20 | | 20 | 780 | | 780 | 820 | | 820 | | | |
| YGG Tyler'Ynn | | | | | | | 20 | | 20 | 570 | | 570 | 550 | | 550 |

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Capital Programme 2019/20 to 2021/22

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|--|------------------|---------------------------|-------------------|-----------------|---------------------------|-------------------|------------------|---------------------------|-------------------|------------------|---------------------------|-------------------|------------------|---------------------------|-------------------|
| | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 |
| Gnoll Country Park - Solar Panel | | | | 49 | 49 | | | | | | | | | | |
| Furzmill Pond Margam - Safety Works | | | | 45 | 45 | | | | | | | | | | |
| Additional Maintenance and Improvements - Schools and Leisure | | | | | | | 750 | 750 | | 750 | 750 | | | | |
| Total | 21,326 | 12,430 | 8,896 | 23,836 | 14,699 | 9,137 | 6,751 | 3,310 | 3,441 | 6,615 | 2,000 | 4,615 | 2,200 | 1,250 | 950 |
| <u>Environment</u> | | | | | | | | | | | | | | | |
| Highways and Engineering Maintenance | 1,625 | 1,625 | | 2,104 | 2,104 | | 1,625 | 1,625 | | 1,625 | 1,625 | | 1,625 | 1,625 | |
| Highways Infrastructure Investment | 769 | 769 | | 807 | 807 | | | | | | | | | | |
| Public Highways Refurbishment Grant | | | | | | | 1,496 | | 1,496 | | | | | | |
| Safe Routes / Road Safety Works | | | | 653 | | 653 | | | | | | | | | |
| Active Travel Fund - Cycleway Improvements | | | | 540 | | 540 | | | | | | | | | |
| Active Travel Fund - Design development funding | | | | 235 | | 235 | | | | | | | | | |
| Public Transport Junction Improvements | | | | 210 | | 210 | | | | | | | | | |

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Capital Programme 2019/20 to 2021/22

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|---------------------------------------|------------------|---------------------------|-------------------|-----------------|---------------------------|-------------------|------------------|---------------------------|-------------------|------------------|---------------------------|-------------------|------------------|---------------------------|-------------------|
| | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 | Budget £'000 | Funded by NPT £'000 | External £'000 |
| PDR Land | | | | 40 | | 40 | | | | | | | | | |
| Compensation Claims | | | | | | | | | | | | | | | |
| Integrated Transport Hub | | | | 365 | 201 | 164 | | | | | | | | | |
| Other Environment Projects | | | | 55 | 55 | | | | | | | | | | |
| <u>Major Bridge Strengthening</u> | | | | | | | | | | | | | | | |
| Bont Fawr Aqueduct | | | | | | | | | | | | | | | |
| Alltwen Hill | | | | | | | | | | | | | | | |
| A474 Vale of Neath Bridge | 350 | 350 | | 147 | 147 | | 800 | 800 | | | | | | | |
| Cymmer Viaduct Design Work | | | | 30 | 30 | | | | | | | | | | |
| Cwmafan Road Retaining Wall | | | | 191 | 191 | | | | | | | | | | |
| Briton Ferry - Retaining Wall | | | | 110 | 110 | | | | | | | | | | |
| Llangy Footbridge Demolition | | | | 90 | 90 | | | | | | | | | | |

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Capital Programme 2019/20 to 2021/22

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|--|------------------|--------------|-------------------|-----------------|--------------|-------------------|------------------|--------------|-------------------|------------------|--------------|-------------------|------------------|--------------|-------------------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 |
| Neath Multi Storey Car Park - External Works | | | | 70 | 70 | | | | | | | | | | |
| 6 Station Road, Port Talbot - Re-roofing | | | | 31 | 31 | | | | | | | | | | |
| Highways Signage | | | | 64 | 64 | | | | | | | | | | |
| Pontardawe and Neath Paving Repairs | | | | 143 | 143 | | | | | | | | | | |
| Craig y Fan Terrace, Cymmer - Retaining Wall | | | | 14 | 14 | | | | | | | | | | |
| <u>Flood and Coastal Risk Projects</u> | | | | | | | | | | | | | | | |
| Design Work | | | | | | | | | | | | | | | |
| Match Funding Commitment | 1,300 | 1,300 | | | | | | | | | | | | | |
| Aberafan Promenade | | | | 118 | 57 | 61 | 3,220 | 805 | 2,415 | 2,019 | 505 | 1,514 | | | |
| Briton Ferry Dock | | | | | | | 396 | 99 | 297 | 1,800 | 450 | 1,350 | 1,812 | 453 | 1,359 |
| Neighbourhood Improvements | 150 | 150 | | 150 | 150 | | 150 | 150 | | 150 | 150 | | 150 | 150 | |
| Pavilions | 100 | 100 | | 100 | 100 | | 100 | 100 | | 100 | 100 | | 100 | 100 | |
| Disability Access | 150 | 150 | | 150 | 150 | | 150 | 150 | | 150 | 150 | | 150 | 150 | |
| Health and Safety | 850 | 850 | | 850 | 850 | | 850 | 850 | | 850 | 850 | | 850 | 850 | |
| Street Lighting | | | | 422 | 422 | | | | | | | | | | |
| Vehicle Replacement Programme | 1,463 | 1,463 | | 1,660 | 1,660 | | 1,119 | 1,119 | | | | | | | |

Tudalen19

Capital Programme 2019/20 to 2021/22

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|--|------------------|--------------|-------------------|-----------------|--------------|-------------------|------------------|--------------|-------------------|------------------|--------------|-------------------|------------------|--------------|-------------------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 | £'000 | NPT £'000 | External £'000 |
| Cefn Coed Valleys Landscape Park | | | | | | | 125 | 125 | | 125 | 125 | | | | |
| Employment and Business Start Up Space | | | | | | | 250 | 250 | | 250 | 250 | | | | |
| Community Self Build Housing | | | | | | | 75 | 75 | | 75 | 75 | | | | |
| Neath Strategic Hub | | | | | | | 125 | 125 | | 125 | 125 | | | | |
| Destination Management Plan Match Funding and Gnoll Country Park | | | | | | | 75 | 75 | | 75 | 75 | | | | |
| Aberafan Seafront Aquasplash Upgrade | | | | | | | 325 | 325 | | 25 | 25 | | | | |
| Town Centre Transformation - Match Funding | | | | | | | 145 | 145 | | 145 | 145 | | | | |
| Bus Shelter Renewal Programme | | | | | | | 60 | 60 | | | | | | | |
| Maintenance - Structures and Council Owned Tips | | | | | | | 250 | 250 | | 250 | 250 | | | | |

Tudalen20

Capital Programme 2019/20 to 2021/22

Tudalen22

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|---|------------------|---------------|--------------|-----------------|---------------|--------------|------------------|---------------|---------------|------------------|--------------|--------------|------------------|--------------|--------------|
| | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | | Budget | Funded by | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Margam Park - Turbine House | | | | 200 | 163 | 37 | 77 | 62 | 15 | | | | | | |
| 8 Wind Street Neath - Conversion to offices | | | | | | | 757 | 442 | 315 | | | | | | |
| Commercial Property Grant | | | | | | | 300 | 150 | 150 | 150 | 75 | 75 | | | |
| Property Enhancement Grant | | | | | | | 770 | | 770 | 1,205 | | 1,205 | | | |
| Other regeneration projects | | | | 513 | 218 | 295 | 1,582 | 1,107 | 475 | 710 | 325 | 385 | | | |
| Total | 17,898 | 14,556 | 3,342 | 16,205 | 11,036 | 5,169 | 32,484 | 17,622 | 14,862 | 16,638 | 9,151 | 7,487 | 6,962 | 5,603 | 1,359 |
| Social Services, Health and Housing | | | | | | | | | | | | | | | |
| Capital Maintenance | 364 | 364 | | 375 | 325 | 50 | 150 | 150 | | 150 | 150 | | 150 | 150 | |
| Disabled Facilities Grants | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | |
| Housing Energy Efficiency & Warm Homes Projects | | | | 257 | 51 | 206 | 876 | 225 | 651 | 876 | 225 | 651 | | | |
| <u>Integrated Care Fund (ICF) Projects</u> | | | | | | | | | | | | | | | |
| Rapid Adaptations Grant | | | | 350 | | 350 | | | | | | | | | |
| Total | 3,364 | 3,364 | 0 | 3,982 | 3,376 | 606 | 4,026 | 3,375 | 651 | 4,026 | 3,375 | 651 | 3,150 | 3,150 | 0 |

Capital Programme 2019/20 to 2021/22

Tudalen23

| | Original 2018/19 | | | Revised 2018/19 | | | Original 2019/20 | | | Original 2020/21 | | | Original 2021/22 | | |
|---|------------------|--|---------------|-----------------|--|---------------|------------------|--|---------------|------------------|--|---------------|------------------|--|--------------|
| | Budget £'000 | Funded by NPT External £'000 £'000 | | Budget £'000 | Funded by NPT External £'000 £'000 | | Budget £'000 | Funded by NPT External £'000 £'000 | | Budget £'000 | Funded by NPT External £'000 £'000 | | Budget £'000 | Funded by NPT External £'000 £'000 | |
| Other Services | | | | | | | | | | | | | | | |
| Schools and Vehicle Fleet - Asset Financing | 640 | 640 | | 350 | 350 | | 640 | 640 | | 640 | 640 | | 640 | 640 | |
| Port Talbot Civic Accommodation Works | | | | 50 | 50 | | | | | | | | | | |
| Neath County Court Improvements | | | | 120 | 120 | | | | | | | | | | |
| Information Technology and Agile Working | | | | | | | 250 | 250 | | 250 | 250 | | | | |
| Contingency | 380 | 380 | | 278 | 278 | | 665 | 665 | | 1,275 | 1,275 | | 965 | 965 | |
| Grand Total | 43,608 | 31,370 | 12,238 | 44,821 | 29,909 | 14,912 | 44,816 | 25,862 | 18,954 | 29,444 | 16,691 | 12,753 | 13,917 | 11,608 | 2,309 |

Mae'r dudalen hon yn fwiadol wag

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

13 FEBRUARY 2019

REPORT OF THE CORPORATE DIRECTORS GROUP

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

BUDGET 2019/20

1 Purpose of Report

1.1 The purpose of the report is to:

- Provide Cabinet with details of financial issues affecting the Budget and Forward Financial Plan.
- Review and confirm the latest position for 2018/19.
- Consider the Settlement Announcement made by Welsh Government in relation to Local Government funding and the prevailing financial environment.
- Consider Neath Port Talbot County Borough Council's 2019/20 Revenue budget including service pressures, savings solutions and integrated impact assessment.
- Agree the principles in relation to fees and charges for Council services.

2 Background

2.1 Neath Port Talbot County Borough Council's net budget requirement for 2018/19 totals £282.855m and when grants and income are taken into account this means the Council's Gross Budget invests £424m in services across the County Borough.

Every year the Council has a duty to consult and set a budget for the provision of services. This report sets out the 2019/20 Revenue Budget. A separate report setting out the Council's Capital Programme for 2019/20 to 2022/23 is also presented for members approval to today's meeting.

- 2.2 On the 31st October 2018 Cabinet approved to consult stakeholders on draft savings, cuts and income generation proposals required to set a Budget for 2019/20. The projected budget gap at that time was £12.262m for 2019/20 and circa £65m over the next 4 years. The draft savings set out in that report covering the 4 financial years amounted to £9.3m. These cuts being in addition to the £83m already delivered since 2010.
- 2.3 In setting the Budget, Members have to consider the requirement of delivering its statutory services, as well as those other services that the public and users have come to expect. The challenge has been to set a budget at activity levels that are sustainable and equitable. Members also have to consider the demand for services and changes to these services in light of the impact on:
- Service users
 - Employees
 - Legislation including the Equality Act 2010 and Wellbeing of Future Generations (Wales) Act 2015 considerations
 - Income generation
 - Council tax level

3 Executive summary

- 3.1 This report firstly identifies that based on the quarter 3 budget monitoring figures, it is currently anticipated that the Council's 2018/19 cash limit of £282.855m will be exceeded by £436k. However, members should note that this projected outturn for 2018/19 would be reduced by £654k if this amount of grant was not set aside and carried forward via reserve to underpin next year's Schools Budgets. As in previous years some of the ER/VR reserve will be utilised to fund the cost of the Council's early retirement/voluntary redundancy scheme with the balance

retained for use in subsequent years. The sum utilised will be firmed up at year end in the Council's statutory accounts.

- 3.2 Neath Port Talbot Council's gross revenue budget for 2019/20 will invest £433m in services across the County Borough. The budget includes specific grants of £97m, income from service users totalling £44m and the utilisation of £2.255m from general reserves. This results in a net budget for 2019/20 of £288.168m.
- 3.3 Following receipt of the final settlement on the 19th December 2018 and listening to the feedback from the public consultation the Council is able to confirm that it has made various amendments to the original draft proposals as set out in the report of the 31st October 2018. These include withdrawing the proposals for reducing the funding for the music service and welfare rights, identifying alternative service savings for libraries together with new investment as set out later in this report. This Budget proposes an increase in Delegated Schools Budget by 4.5% with the commitment of providing additional resources if received from the Welsh Government to fund the increased costs of Teachers' pension due from September 2019. As this increase was determined by the UK Government the WG and all 22 Council Leaders have signed a joint letter to the Treasury requesting them to provide the additional funding to meet this cost pressure. Members will note that in setting the net budget at £288.168m Directorate savings, cuts and income generation totalling £5.8m together with a Council Tax increase of 4% are required to ensure that the Council sets a balanced budget for the 2019/20 financial year. For the first time in many years it is planned that the Council will use £2.255m of General Reserves to balance its budget for next year. General Reserves are projected for 31st March 2020 at £17.8m and Specific Reserves at £34.2m.
- 3.4 The Welsh Government has published budget plans for next year only as they await the outcome of the UK Government Spending Review, due to be published later in 2019, before they are able to confirm the funding available for future years. The UK Government has stated that austerity has come to an end but with

the uncertainty of Brexit and the outcome of the spending review we will have to wait until Autumn 2019 before we receive any further clarity on future years funding. In the meantime we are planning for annual cuts of 2% in WG funding which means that the Forward Financial Plan for the next 3 years shows a funding shortfall of some £53m. Further work will be required to update the Forward Financial Plan to 2022/23 and to identify additional income/savings in order to balance the annual budgets over that period.

4 Latest Budget Position 2018/19

- 4.1 The Revised Budget position for 2018/19 has been updated to reflect the latest projected income and expenditure in the current year.
- 4.2 Variations to net expenditure levels are considered as part of the regular budget monitoring reports to Cabinet, and are included in this latest position. The most recent budget monitoring report shows a projected net overspend of some £436k on the Net Budget of £282.855m. The final actual position will be reported to Members before the end of June 2019.
- 4.3 Full details of pressures and savings have been considered by Cabinet and scrutinised throughout the year.
- 4.4 The Revised Budget is included in the budget summary shown at Appendix 1.

5 Welsh Government Budget

- 5.1. The Final Welsh Government Budget was announced on 18th December showing the Total Welsh Government Budget as £18.411bn. Of this £15.712bn is spent on Revenue and £2.699bn on capital.

6 Welsh Government Settlement Announcement

- 6.1 The provisional settlement, announced on 9th October, showed Welsh Government funding at £4.214bn which represented an average reduction of -0.3%, and was inclusive of £7m new funding for Free School Meals, £13.7m for Teachers Pay above 1% and £20m for Social Services. Funding for Neath Port Talbot County Borough Council was £213.406m, a slight increase of +0.2%.
- 6.2 The Final Local Government Settlement was published on 19th December and confirmed Welsh Government funding for 2019/20 at £4.237bn. This includes an additional £13m in order to provide a cash flat settlement. It also provides an extra £7m to compensate for reduced income arising from the increase to residential care user capital limits from £40,000 to £50,000 and £2.4m for Discretionary Rates Relief. The consequence of this and other data changes resulted in an increase for this Council of £1.39m or +0.7% resulting in total Welsh Government funding of £214.796m.
- 6.3 The headline figures included within the final settlement are:

| | NPT | All Wales |
|--|------|-----------|
| 2019/20 increase in Aggregate External Finance (AEF) after adjustment for grants transferred into settlement | 0.7% | 0.2% |

- 6.4 The following former specific grants have been transferred into the settlement:

| | NPT | All Wales |
|--------------------------------|------------|---------------|
| | £'000 | £'000 |
| Education – Teachers Pay Grant | 377 | 8,069 |
| Education – Free School Meals | 253 | 5,000 |
| | 630 | 13,069 |

The following new monies have been provided in the settlement for new responsibilities:

| | NPT | All Wales |
|---|------------|--------------|
| | £'000 | £'000 |
| Discretionary Rates Relief | 112 | 2,400 |
| Capital limits for residential care charging (increase from £40k to £50k) | 354 | 7,000 |
| Total | 466 | 9,400 |

6.5 Specific Grants

Details of the All Wales funding for specific grants are included in Appendix 2. Members will note that the total amount of specific grants that has currently been announced totals £751.4m. There are a number of significant grants that have not yet been announced which underpin Council Services. They include:

- Sixth Form Funding at £92.9m.
- Raising School Standards £10m
- Pioneer Schools at £7.1m
- Adult Community Learning £4.3m
- Sustainable Waste Grant £18.2m

Members will note the following points in relation to individual grants:

- The Education Improvement Grant has not been cut by the £11m projected for 2019/20 and this is much welcomed.
- The Single Environment Grant has been replaced by the Sustainable Waste Grant but the grant quantum is not yet confirmed. This grant underpins the Council's waste recycling service and clarification on our share of this grant is being pursued.
- £2.4m has been made available for Coastal Risk Management Programme.

- £30m has been made available for Social Services. This authority expects circa £1.5m of this grant and this has been built into the Directorate Budget to deliver care and services to some of our most vulnerable service users.
- As members are aware the Welsh Government stated in December 2017 that they would allow from April 2018 some flexibility on the use of the following grants which total £254m - Supporting People, Flying Start, Families First, Communities First Legacy Fund and Employability Grants. However for 2019/20 the Welsh Government has split these grants into 2: namely – Children and Communities Grant (bringing together 7 existing programmes) with a grant allocation of £135.4m and a single Housing Grant (bringing together 3 existing programmes) totalling £126.7m. We are still awaiting details of the grant conditions and rules and hence maximising the opportunities for flexible use has not yet been confirmed and will be reviewed when the conditions are known.

7 The Council's Revenue Budget 2019/20

- 7.1 The Cabinet Board report of the 31st October 2018 received approval to commence consultation on the draft proposals for financial savings and income generation for 2019/20 and beyond.
- 7.2 The proposed final budget included at Appendix 1 sets out the expenditure and funding for 2019/20, which is summarised below.

| | 2018/19 | 2019/20 | Change |
|---|----------------|----------------|--------------|
| | Original | Original | |
| | £'000 | £'000 | £'000 |
| Education Leisure and Lifelong Learning | 105,524 | 109,091 | 3,567 |
| Social Services and Housing | 78,632 | 79,681 | 1,049 |
| Environment | 34,755 | 37,535 | 2,780 |
| Corporate Services | 17,433 | 18,076 | 643 |
| Precepts and Other | 46,511 | 46,040 | -471 |
| Contribution from General Reserve | 0 | -2,255 | -2,255 |
| Net Revenue Budget | 282,855 | 288,168 | 5,313 |

| | | | |
|---------------------------|----------------|----------------|--------------|
| Funded by: | | | |
| Revenue Support Grant | 166,733 | 168,695 | 1,962 |
| Non Domestic Rates | 45,608 | 46,100 | 492 |
| Discretionary Rate Relief | -216 | -330 | -114 |
| Council Tax Yield | 70,730 | 73,703 | 2,973 |
| Total Funding | 282,855 | 288,168 | 5,313 |

Members should note that in 2019/20 Council Tax payers will fund 25.5% (25% 2018/19) of the Council's Net expenditure. The majority of the funding at £214.8m or 74.5% is paid for by Government Grant and a share of the Non-Domestic Rates Pool.

8 Service Overview

8.1 Neath Port Talbot County Borough covers over 170 square miles. It is home to around 140,000 people living in more than 65,000 households in communities across the County Borough. The Council provides many different services to residents and businesses. We are responsible for maintaining approximately 860 kilometres of roads, 940 kilometres of footpaths and over 18,000 street lights across the County Borough.

8.2 The following are examples of the many varied services that the Council provides on a daily basis:

- Education and schools
- Adult education
- Youth services
- Libraries including supporting community libraries
- Theatres and leisure
- Social services including homecare, residential care, supporting children and other vulnerable people with disabilities
- Highways maintenance
- Street lighting
- Building control
- Planning and economic development

- Passenger and school transport
- Waste management including refuse and recycling collections and disposal
- Food hygiene and trading standards
- Pest control
- Cemeteries and crematoria
- Licensing of taxis, pubs and restaurants
- Margam and Gnoll Country Parks
- Homeless assistance
- Registration of births marriages and deaths
- Housing and Council Tax Support

The Council pays a precept of £7.5m to the Mid & West Wales Fire Authority who provides the local fire service.

Members will note that the Council Tax payers pay approximately 25.5% of the net costs of running all Council services.

8.3 The following paragraphs provide further information in relation to the service investments and budget savings arising from the 2019/20 Budget (savings proposals are further explained in Appendix 4).

8.4 Education Leisure & Lifelong Learning (ELLL)

The directorate has a net budget of £109.091m, of which £84.424m is delegated to schools, and £24.667m is allocated for other Education services. In addition, grant and income boosts the gross expenditure for schools and the rest of the directorate to £143.6m.

As part of this investment the Council provides

- Education to almost 21,000 pupils from nursery age to post 16
- Specialist support and education to over 5,000 pupils
- Over a million nutritious school meals and transports pupils to school buildings cleaned by our staff

- Investment in 21st century schools to improve learning environments and provide state of the art facilities for the benefit of pupils and the wider community
- Support and champion the needs of vulnerable pupils and families to enable them to become more resilient
- A library service that issues over 420,000 books to the citizens of the county borough and supports community libraries
- A youth service that engages with over 5,500 young people with a further 2,000 adults benefiting from our community learning provision
- Theatres that present over 200 cultural events per annum and host over a million visits to Margam Park. Our contract with Celtic Leisure also enables over a million visits per annum to leisure centres and swimming pools

Schools – The Council is committed to prioritising investment in schools and educating our children. Today’s Budget shows the council increasing its investment in Schools by an extra £3.673m to £85.381m. Members can see from the table in Appendix 1 an increase to their budget to £84.424m. However, in addition to this the Council will make available £348k of Welsh Government specific grant and a further £609k from a reserve, thus providing a 4.5% increase in the Delegated Budgets for Schools next year. Members should note that we are still awaiting confirmation from the UK and Welsh Governments in relation to funding the increased costs of Teachers Pensions which are due to increase costs by £1.8m next year (from 16.48% to 23.6% from 1st September 2019). The Council’s provision of £609k from reserves partly covers these extra costs but it is still projected that this leaves a shortfall of some £845k for next year and £3.1m in a full year that the Governments need to provide extra funding for. Should they announce additional grant funding then the relevant additional provision will be made available to schools in year. In addition, schools will also retain all income generated and receive specific grant funding provided for 6th Form Education, Pupil Deprivation and other grant sources. The projected gross budget for schools is circa £90m.

Other – The Council will be investing £24.7m in other Education Leisure and Lifelong Learning Services, a net increase of £85k from 2018/19 revised budget. This is inclusive of an additional £752k (Appendix 3) provided to cover pressures, helping to protect services to vulnerable families and children. A further £100k in addition to the £200k included in the base budget making a total of £300k for increasing capacity following the roll out of the Additional Learning Needs Legislation is funded from the new Corporate Contingency Reserve.

This investment is also net of the reductions and increased income generation of £942k for the Directorate services as set out in Appendix 4.

Members will recall that as at November the draft savings for consultation totalled £1.22m. Following consultation the following savings proposals for 2019/20 have been amended:

| Original Ref | Description | Original £'000 | Comment | Proposed £'000 |
|--------------|---|----------------|---|----------------|
| ELLL715 | Catering Service. Savings from implementing new pay scales. Will reduce pay of school catering staff. | 100 | Amended proposal following consultation to retain pay grades but reduce operating hours for School Breakfast Club to 30 minutes with 45 minute contracts and kitchen hours based upon number of meals provided. Pay protection will apply in 2019/20 with £50k saving the following year. | 0 |
| ELLL902 | Music Service reduce subsidy of £161k over 2 years. | 81 | Welsh Government Specific grant of circa £50k due 2018/19 and 2019/20 to be used to reduce subsidy cost | 0 |

| | | | | |
|---------|--|----|--|----|
| | | | over the next 2 years. | |
| ELLL904 | Croeserw Community Centre – transfer facility to community. | 45 | Savings target delayed to enable discussions to continue with community. To be saved over 2 years from 2020/21. | 0 |
| ELLL905 | Welsh Translation Subsidy to be reduced to zero over 3 years | 30 | Further work to ascertain income generation opportunity and savings in future years | 0 |
| ELLL912 | Libraries - | 75 | Savings of £50k to be obtained in 2019/20 from vehicle lease cost savings and vacant post. Further report to consider future years Community Library Service | 50 |

There have been a significant number of responses to the consultation in relation to review/amend Community Library provision re Baglan, Cwmafan, Glynneath and Skewen. This report confirms that the £50k saving in 2019/20 will not be realised from the closure of any of the aforementioned libraries. In relation to future years the savings amounts have been retained pending a comprehensive review and report on the activities and use of Libraries to be presented to members later in 2019.

8.5 Social Services Health & Housing

The directorate has a net budget of £79.7m of which £21.2m is invested in Children Services; £48.2m is allocated for adult and vulnerable people services, £9.8m in social work and management support and £374k in housing services. In addition, grant and

income boosts the total gross expenditure for social services health and housing to £109m.

As part of this investment the council provides

- Support for 318 looked after children. This has reduced significantly from a high of some 502 in 2012 and manages foster care placements and adoptions.
- Elderly services via home care to over 760 service users, and 600 residential care users
- Services to some 800 people with mental health and learning disabilities
- Social worker support work is being provided to over 4,200 adults or people with disabilities and a further 1,300 families through our children Social work team.
- Supporting people arrangements for some 1,050 clients.

Children Services – In 2019/20 the Council will continue to prioritise and make a significant investment of £21.2m in Children Services. The service continues to improve and has managed safely a reduction in the number of looked after children within the County Borough. This enables the service to make the £500k reduction in its budget.

Adult Services – The Council will be investing £48.2m in Adult Social Care Services, which includes the additional funding from the Welsh Government policy to increase capital limits for residential care charging (£354k) an extra £650k from the Council to support people with learning disabilities and general provision towards care package costs. The service will also benefit from receiving an additional £1.5m specific grant announced for social services by the Welsh Government.

Management support including social work costs - The Council is maintaining its investment in social workers in order to support clients across Children and Adult services with a budget of £9.8m.

Housing Services – The gross investment in Housing Services totals £7.2m of which Supporting People at £4.8m receives the largest budget share with further investment in renovation grants, housing advice and homeless services. Net of grants and income this budget totals £374k.

As members will note the budget provides new funding of £650k from the council and a further £970k covered by the new specific grant for pressures as set out in Appendix 3, to reflect the growth in demand for services.

Members should note that the Council is continuing to progress a significant change programme in Adult Services with associated savings of circa £2.085m being targeted. The original proposal to save £150k from the Welfare Rights Service has been withdrawn safeguarding 5 FTE roles. A review of welfare services provision by the Council and Third Sector organisations will be commissioned to be reported back during the coming year.

The Social Services and Wellbeing Act 2014 encourages all Councils to maximise people's independence by providing support to people to live independently at home, encourage the provision of respite opportunities and appropriate care packages. The Council is progressing this work, and various changes are being incrementally made to services and budget provision.

Community services continue to be developed in partnership with Health, in order to reduce the number of people requiring hospital, residential and nursing care. Work continues to be undertaken through the social work teams to review the needs of individuals to enable people to be as independent as possible.

Following consultation the following proposal for 2019/20 has been withdrawn:

| Original Ref | Description | Original £'000 | Comment | Proposed £'000 |
|--------------|-------------------------|----------------|---|----------------|
| SSHH909 | Non- Statutory Service. | 150 | Amended proposal following consultation to retain Welfare Rights Service. Review of welfare support service provided by Council and community groups to be undertaken in 2019 | 0 |

8.6 Environment

For 2019/20 the Council will be investing £37.535m in Environment Services, an increase of £1.808m on the current year revised budget. In addition, grant and income boosts the gross expenditure for Environment to £56.6m.

Members will also note that following consultation this final budget includes additional investment provided by this Council and not from WG Grants for Environment including:

- £1m for waste services following the decision to bring the service in-house with a further £77k for waste enforcement.
- £475k to cover new investment in services including a new team to carry out environmental clean-up work across the whole of the County Borough, mobile street parking enforcement, replacement of street signs and street furniture, bins, and maintenance of bus shelters and playground equipment, renewable infrastructure and EV charging, maintenance of verges and overhanging tress.
- £44k for the full year effect of reintroducing a Tourism service.
- £70k to cover increased cost of gypsy services.

As part of this investment the council provides various services including:

- 18,000 lighting units throughout the county borough
- 1.6m refuse collections per year
- 3.3m recycling collections per year
- Maintaining 860 kilometres of roads, 940 kilometres of footpaths and 15,000 road signs
- Repairs to 300 potholes per month
- Clean over 30,000 gullies a year
- Maintain 1,900 culverts, 1,800 retaining walls and 356 bridges
- Has secured £35m of investment for Port Talbot through the recent Vibrant and Viable Places programme
- Secured over £9m of European Funding to run the Workways+ programme across South West Wales until December 2020 taking unemployed people into employment and work experience
- Architectural design and manage the construction of five new schools which opened during 2018/19 with work starting in 2019 on Band B schools, Neath Town Centre, Plaza and various other projects
- Public protection via issuing Environmental Health statutory notices
- Assisted 51 unemployed people into work and 75 into work experience/placements. Engaging with 182 businesses (9 months to December 2018).
- Provide Business Support and Advice including 229 start-up enquiries, 35 new investment projects and created or safeguarded 255 jobs (9 months to December 2018).
- Property services management for industrial units and workshops across the county borough

The Directorate will be required to deliver savings of £524k as outlined in Appendix 4.

Members will recall that as at November the draft savings for consultation totalled £585k. Following consultation the savings proposals below have been reduced:-

| Original Ref | Description | Original £'000 | Comment | Proposed £'000 |
|--------------|--|----------------|---|----------------|
| ENVT903 | Staff savings via VR | 64 | The savings available have reduced by £15k | 49 |
| ENVT921 | Increase charges by 20% for School Grounds maintenance | 10 | Limit increase in charges to inflation | 0 |
| ENVT917 | Planning Services – biodiversity work | 36 | This proposal has been withdrawn to ensure that the Planning Service can meet its duty regarding biodiversity considerations. | 0 |

8.7 Corporate Services

For 2019/20 the Council will be investing £18.076m in Corporate Services. This includes an additional £250k to fund identified pressures, as outlined in Appendix 3. This includes an additional £100k for the Third Sector Grant Scheme, £100k to fund the increased costs of Microsoft licences, £30k for the Joint Coroner service and £20k for procurement systems. However the Directorate is also required to deliver savings of £407k which will be mainly achieved by reducing staff costs through the voluntary redundancy scheme, due to improved efficiencies and the move to increased digital services.

The investment here includes provision of frontline services at the Registrars, contribution to the joint Coroners Service operated with City and County of Swansea Council, provision of land charges information, licensing of taxis and various venues, housing benefit, council tax and business rates administration.

Corporate Services also consists of Finance, HR, Legal, ICT and telephony services for all schools and the whole of the Council. It also includes the costs of Democratic Services and Member costs.

8.8 Other Budget Provisions – A budget provision of £7.624m has been provided for levies and contributions to external bodies. This is an increase of £185k on 2018/19 with the largest amount being payable to the Mid and West Wales Fire Authority at £7.47m.

The capital financing budget is set at £19.274m to fund the repayment of debt borrowed by the Council to fund its capital programme. In addition, £18.108m has been provided to fund the Council Tax Support Scheme in line with Welsh Government requirements. This will provide financial support to some 17,500 of the most financially disadvantaged council tax payers in the county borough.

Following receipt of the final settlement and a review of the consultation responses the following adjustments have been made to central budgets which total £1.274m:

| Description | Impact | Saving £'000 |
|------------------------------|--|-----------------|
| Council Tax Increase | Increase at 4% rather than 5% as per consultation report | 581 |
| Council Tax Reduction Scheme | Saving due to projected reduced costs in 2019/20 | 500 |
| Pay and Pensions Provision | Reduction in provision to Zero. Will cover any further demands from new Corporate Contingency Reserve. | 193 |
| Total | | 1,274 |

9. Budget Analysis 2019/20

9.1 The annual change in the budget is summarised as follows:

| | £'000 | £'000 |
|--|--------|----------------|
| Revised Guideline Budget 2018/19 | | 282,855 |
| Inflation, Pay awards | | 9,422 |
| New Responsibilities (par 6.4) | | 466 |
| Net transfer into RSG (par 6.4) | | 630 |
| Service Pressures (par 9.7) | | 7,544 |
| Total Needed | | 300,917 |
| Directorate savings: | | |
| - Education, Leisure and Lifelong Learning | -1,787 | |
| - Social Services, Health and Housing | -2,585 | |
| - Environment | -524 | |
| - Corporate | -407 | |
| - Other | -500 | -5,803 |
| Corporate Savings (par 8.8) | | -1,274 |
| Use of General Reserve | | -2,255 |
| Use of Specific Reserves | | -3,417 |
| | | |
| Budget 2019/20 | | 288,168 |

9.2 The savings, reductions and income generation proposals have been identified as a result of a prolonged and intensive level of professional and Cabinet Member input, which has examined current service provision and then proposes changes in the way the Council operates and delivers services.

9.3 Proposals have been subject to consultation with the public, partners, staff and trade unions, and where appropriate with service users, have been scrutinised by the relevant committees, and prepared in the context of the Corporate Plan, based upon the following three Well-being objectives:

- To improve the well-being of children and young people giving “all of our children and young people the best start in life and helping them be the best they can be”
- To improve the well-being of all adults who live in the county borough so that “everyone participates fully in community life – socially and economically”
- To develop the local economy and environment so that the well-being of people can be improved resulting in “Neath, Port Talbot and Pontardawe will be a vibrant and healthy place to live, work and spend our recreational time”

9.4 Work will continue during 2019/20 to ensure that the savings identified are delivered and details are included in Appendix 4. Each individual Cabinet Board/Scrutiny Committee will meet throughout the year to scrutinise the implementation of the proposals and to monitor their achievement.

9.5 Pay award – the budget allows for a 2% pay award for all staff together with an additional £1.48m has been provided in the pay pressures schedule to fund the new pay spine for Green Book from April 2019 resulting in a higher pay award for lower graded staff.

9.6 Price & income inflation – price inflation has been allowed on a selective basis and total income receipts have been assumed to increase by 2%, as a result of changes in price and volume.

9.7 Service pressures – a review of service pressures has been undertaken and the following additional amounts have been included in the budget:

| Service Pressures & Investment | £'000 |
|---|--------------|
| Schools | 2,157 |
| Education Leisure and Lifelong Learning | 752 |
| Social Services and Housing | 650 |
| Environment | 1,808 |

| | |
|---|--------------|
| Corporate | 250 |
| Pay, Pensions and Contingency provision | 1,927 |
| Total | 7,544 |

Further details of these service pressures are included in Appendix 3.

9.8 £19.274m is included in the budget to meet the cost of capital financing charges/ prudential borrowing. A separate report setting out the Council's capital programme is included on the agenda for today.

9.9 External bodies - The following provisions have been made in respect of precepts, levies and contributions to external bodies:

| External Body | 2018/19 | 2019/20 | Change |
|--|----------------|----------------|---------------|
| | £'000 | £'000 | £'000 |
| Mid & West Wales Fire & Rescue Authority | 7,288 | 7,470 | 182 |
| Swansea Bay Port Health Authority | 46 | 47 | 1 |
| West Glamorgan Archive Service | 91 | 94 | 3 |
| Magistrates Court | 13 | 12 | -1 |
| Margam Joint Crematorium Committee | 1 | 1 | 0 |
| TOTAL | 7,439 | 7,624 | 185 |

9.10 Council Tax – The draft budget for consultation assumed that the council tax would increase by 5%. Following consultation and receipt of the final settlement this has been reduced for the final budget and it is now proposed that the Neath Port Talbot County Borough Council Tax element at Band D will increase by 4% or £59.88 to £1,556.59. Based on a council tax base of 47,348.79 Band D properties this will generate council tax proceeds of £73.703m or 25.5% of the Council's funding to meet its net Budget requirement.

Although the Council is required to state the Council Tax at Band D, approximately 84% of residents in Neath Port Talbot are charged below this level, with the majority seeing an increase of less than 15 pence per day.

Members should note that the Council Tax setting process for 2019/20 will be completed at the scheduled meeting on 27th February 2019. At that meeting Council will be required to set the total Council Tax for 2019/20 incorporating the amount payable for this County Borough, the Police and Crime Commissioner for South Wales and relevant Community Council.

- 10 **Standard Spending Assessment** – The Council’s budget for 2019/20 will be 4.54% or £12.505m above its Standard Spending Assessment of £275.663m, which is the Welsh Government’s assessment of the need to spend.
- 11 **Consultation** – The following extensive engagement and consultation activities have been undertaken following the approval of the Draft Report that started consultation on 1 November 2018 through to 11 January 2019.
- Overarching public consultation on the Council’s budget setting process (including an on questionnaire, email, corporate social media accounts and feedback via boxes in public buildings)
 - Specific consultation exercises with service users and wider stakeholders on proposals that required additional consultation
 - Internal consultation including Chief Executive Staff questions and answer sessions across the 3 main civic sites.
 - A copy of the Cabinet report and consultation packs were made available in 37 public buildings across the County Borough.
 - Stakeholder consultation (including elected members, forums, boards, scrutiny committees, trade unions and other stakeholders)
 - Written responses from external organisations.

Over 1,000 responses were received as part of the consultation. This is more than 3 times greater than in previous years. The main comments and responses received disagreed with cuts to libraries, music and the Welfare Rights services. Further analysis and a summary of the responses received are included at Appendix 8.

Changes to the draft savings proposals and other budget provisions incorporated into the 2019/20 Budget include:

Council tax has been reduced from a proposed increase 5% to 4% and, along with consideration of the comments received by respondents, the Council has amended various budget saving proposals as set out below.

- ELLL715 for £100k re catering service has been reduced to zero on the basis that the proposal has been amended to reflect that there will be no change in the pay grades for Cooks or Breakfast Club Cooks but there will be changes to working hours. Following 12 month pay protection savings of £50k have been included for 2020/21.
- ELLL902 Music Service. This proposal has been withdrawn following notification that WG will provide grant of some£50k for 2 years which will be used to reduce the cost of the service subsidy in 2019/20 and 2020/21.
- ELLL904 Croeserw Community Centre. The proposal of £45k savings per annum over two years has been delayed for 12 months to enable further discussions with parties to transfer from 2020/21.
- ELLL905 Welsh Translation service for £30k. This proposal has been withdrawn as most of the current income is internal but this will be further reviewed for income generation opportunities for future years.
- ELLL912 Libraries. The saving for 2019/20 has been reduced to £50k and can be achieved from vehicle leasing savings and a vacant post. A separate report is to be commissioned on future Library Service provision.

- SSHH909 Welfare Rights Service. This proposal to save £150k has been withdrawn and a review of welfare rights services across the County Borough is to be carried out.
- ENVT903 the staff savings has been reduced by £15k.
- ENVT917 Planning Service Biodiversity savings have been withdrawn.
- ENVT921 the proposed increase of charges for grounds maintenance to schools of 20% has been withdrawn. The increase will be at normal inflation.

12 Service Budget Information – the Authority’s plan to close the budget gap is through the following complimentary strategies:

- Ensuring that all the individual savings (included in Appendix 4) are delivered in full.
- Improved efficiency and the elimination of waste
- Reduction in some service levels will occur together with some negative consequential impacts
- A Council Tax increase of 4%
- Increased use of income generating opportunities and selective increases in fees & charges.

13. Income Generation

The budget assumes a general uplift of 2% in total income receipts, arising from a combination of variations in price and activity. The general principle applied is that price increases should reflect anticipated inflationary increases, but must also be set in the context of the service and budget pressures facing the Authority. Charges must be sustainable in the future, consider the social impact and meet equality requirements (see also paragraph 20).

The 2019/20 Budget proposals include new or additional income generation strategies totalling some £1m with work ongoing to generate further income in subsequent years. The proposals include additional income from car parking, school meals, Margam Park etc.

The income generation group chaired by the Deputy Leader continue to develop income opportunities which will assist future year budgets. Support is being provided by APSE to assist with developing and reviewing opportunities.

14. Reserves

Part of the overall budget preparation requirement is to undertake a review of the Authority's Reserves. Specific reserves are established for an identified purpose and are used to fund either one-off items, or to assist with equalisation costs. Consideration must be given to the impact that utilising reserves may have on future year budgets.

As members are aware there was a proposal in the draft Budget Report of 31 October 2018 to create a Corporate Contingency Reserve from release of £2.5m from the Insurance and Treasury Management Reserves. The creation of the reserve is confirmed in this report together with a commitment to fund £300k of investment as set out below:

| New Corporate Contingency Reserve | 2019/20 |
|---|----------------|
| | £000 |
| Transfer from Insurance Reserve | -2,000 |
| Transfer from Treasury Management Reserve | -500 |
| Total Opening Balance 1 April 2019 | -2,500 |
| | |
| Education ALN legislative requirements | 100 |
| 2 Data Protection Officers employed to 31 March 2020 - 1 paid from this reserve, the other from the Education Equalisation Reserve. | 45 |
| Digital Skills Strategy Funding | 50 |
| Domestic Violence Advise Service - Home Office cut in funding for worker (2018) - NPT provision for further year to March 2020. | 35 |

| | |
|--|---------------|
| School Catering Service - amount used to cover pay protection. | 70 |
| Total Use of Reserve | 300 |
| | |
| Estimated Balance 31 March 2020 | -2,200 |

The budget includes in total the net application of £3.4m from Specific Reserves, resulting in a projected closing balance of £34.2m at 31st March 2020. Details of all specific reserve movements and projected balances are included in Appendix 5.

It is projected that £2.255m from the General Reserves will be used to fund the 2019/20 Budget with the projected balance at 31 March 2020 being £17.8m as set out in Appendix 6. Given the projected budget shortfall gap of £53m for the period to 2022/23 it is proposed to only use the £2.255m next year and retain the General Reserve balance for any future funding requirements.

The Authority is required to retain a reasonable level of reserves. As at 31st March 2020 the general reserves are projected to equate to 6.2% of the Authority's net budget.

- 15. Section 151 Officer Responsibility and Risk Management –**
Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to Council on the “robustness of the estimates” used in calculating the budget requirement.

The Director of Finance has made the necessary enquiries and received assurances from officers that the estimates are prudent and achievable.

A contingency of £555k in the base budget has been set aside to fund any variations and the risks in delivering the savings included in the budget. Should the risks be higher than this then the General Reserves and new Corporate Contingency Reserve will be available to support any emergency calls.

Outlined below are a number of risk areas that will need to be actively managed during 2019/20

- Containment of expenditure within the cash limit in light of the significant additional savings strategies
- Continuous improvement in Children Services, including reductions in the number of looked after children
- Continuing to work with the Health Service to reduce delays in discharge from Health Care.
- Potential delays in implementing the savings strategies and decisions.
- Correct provision for budget pressures
- Correct provision of inflationary increases linked to CPI/RPI
- Changes in taxation
- Unplanned use of the general or specific reserves
- Diminishing capital receipts
- Late announcement and in-year reduction in specific grants
- Ability to deliver WG recycling targets to minimise financial penalties
- Loss of experience and knowledge due to staff leaving on ER/VR
- Guaranteed pension payment value
- Correct assessment of pressures arising from the proposed changes to the new pay and grading structure
- MREC, waste management and other contractual pressures
- Implementation of the requirement of the Social Services Wellbeing Act 2014
- Implementation of the Welsh Language Standards
- Additional costs of properties declared as surplus, prior to disposal
- Unfunded Teachers' pension costs pending the outcome of UK and Welsh Government funding decisions. For 2019/20 the Council has provided schools with £609k from reserves to part fund such costs but this remains £845k short of what is required. Further full year pressures of Teachers pension costs and Teachers pay award for September 2019 may arise in subsequent years.
- Variations to the number of claimants for Council Tax Support

- Identify future year savings proposals during a period of public sector funding cuts
- Future years funding requirements for capital investment including City Deal, 21st Century Schools and other projects.

15. Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage impact assessment has indicated that a more in-depth assessment was required.

An overview of the Integrated Impact Assessment has been included below in summary form only and it is essential that Members read the Integrated Impact Assessment, which is attached to the report at Appendix 7, for the purposes of the meeting.

As demand for services and the corresponding budget requirement exceed the funding available, there is an overall negative impact on the Council's ability to deliver services in 2019/20 at the same level as in 2018/19.

The budget report incorporates several service change proposals which, taken together, represent a significant change in the Council's service delivery arrangements and income generation. The Council has worked hard, with its partners to strike the right balance in its overall proposals. This has included: protection 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 been protected most are reflected in the three Well-being objectives that the Council has set.

Never the less, whilst the Council has afforded protection to a range of activities that embrace the sustainable development principle, the budget position has required the Council to make other proposals which translate into service reductions, income generation or in some instances the withdrawal of services. In other instances service areas are being rationalised and reorganised to mitigate the worst impacts of the related changes. Overall, the budget assumes that there will be a small number of staff leaving under ER/VR, the impact of which will reduce the number of jobs within the Council. Whilst the Council has made efforts to embrace the sustainable development principle in developing its budget proposals, it is inevitable, given the scale of changes that there will be some negative impacts arising from proposals.

Setting a balanced budget for 2019/20 will assist the Council in being able to demonstrate that it is managing its financial and operational statutory duties on a sustainable basis. Where there are budget reductions these are specifically identified within appendix 4 to the report.

16. 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”.

The Council will continue to monitor crime and disorder across the county borough with partners to ensure that the impact of these proposals is regularly reviewed.

17. Workforce Implications

During this financial year 73 teaching and other staff have left or have signed to leave the Council’s employment via ERVR by 31

March 2019. It is likely that this number will increase by probably another 10 employees by year end. It is projected that the redundancy and access to pension costs charged to this year's accounts will be circa £800k and these will be funded from the base budget provision of £500k and the ERVR Reserve.

Personnel committee has delegated authority to Corporate Directors for any staff changes arising from the ER/VR process by 31 March 2019. Given that this work is ongoing it is proposed that the outcome of relevant changes will be reported to members by the end of June 2019.

18. Legal Impacts

The Council has carried out both general and specific consultation on the Council's priorities and potential savings proposals as set out in the Cabinet report of 31st October 2018. Due regard is given to statutory service requirements and legislation in finalising changes to service delivery, budget reductions and their implications on service users. Members should consider carefully the responses to consultation and the Integrated Impact Assessment.

19. Medium Term Budget Forecast – The Local Government Act 2003 and the Prudential Code infer a statutory requirement to prepare 3 year budgets, and to show affordability and sustainability in the decision making process.

This is the first year that the Welsh Government has not provided any indicative funding announcements beyond the next financial year. Therefore, at this stage it is prudent for Budget proposals for future years to be based on the following assumptions:

| | 2020/21 | 2021/22 | 2022/23 |
|-------------------------|---------|---------|---------|
| WG funding | -2.0% | -2.0% | -2.0% |
| Pay & Pension Provision | 2.0% | 2.0% | 2.0% |
| Price inflation | 2.0% | 2.0% | 2.0% |

Service pressures and savings proposals have also been included in the budget forecast (see Appendices 3 and 4).

This report includes a balanced budget for 2019/20 following the use of reserves as set out in this report, but indicates that savings solutions of circa £53m are required over the following 3 years. This will be addressed as part of the ongoing Forward Financial Planning process.

- 20. Fees & Charges** – as mentioned in paragraph 13 the budget assumes a general uplift of 2% in total income receipts, arising from a combination of variations in price and activity. Income from services and respective fees and charges will form an integral part of future year budget proposals.

Due to the divergent timing of budget and fee setting, it is recommended that decisions are delegated to the appropriate Corporate Director together with:

- For Executive Functions - in consultation with the Leader, relevant Cabinet Member and Chair of the relevant Scrutiny Committee,
- For Non-Executive Functions - in consultation with the Leader, Deputy Leader and Chair of the appropriate committee

21. Recommendations

It is recommended that Members having due regard of the Integrated Impact Assessment information set out in this report (Appendix 7) and determine:

- a) That the following matters are delegated to the appropriate Corporate Director following consultation with the Council Leader, relevant Cabinet Member and Chair of the relevant Overview and Scrutiny committee:-

- Fees and charges applicable for the financial year 2019/20
 - Fees and Charges which are applicable in any subsequent financial year and which, in the opinion of the relevant Corporate Director, need to be set in advance of the financial year for operational reasons.
- b) After reviewing the content of this report Cabinet commends to Council the following:
- i) Latest budget position 2018/19 – approve the revised budget position and arrangements for 2018/19
 - ii) The Council’s Revenue Budget 2019/20
 - Take account of the Integrated Impact Assessment and Crime and Disorder impacts in setting the budget for 2019/20
 - Approve the Net Revenue Budget requirement of £288.168m for 2019/20, and the service plans for the delivery of the budgets
 - Approve the budget/forward financial plan savings (outlined in Appendix 4)
 - Instruct Corporate Directors to progress the savings and improvement programme for the Authority
 - iii) Fees and charges for non-executive functions – that the determination of the following matters be delegated to the appropriate Corporate Director following consultation with the Council Leader, Deputy Leader and Chair of the relevant Non Executive committee
 - Fees & charges applicable in 2019/20
 - Fees and charges applicable in any subsequent financial year and which, in the opinion of the Corporate Director, need to be set in advance of that financial year for operational reasons

- iv) Council Tax 2019/20 – That the 2019/20 Band D equivalent for Neath Port Talbot County Borough Council will be £1,556.59.

22. Reasons for Proposed Decisions

To fulfil the statutory requirement to determine the budget for 2019/20.

To seek support for the Council's Forward Financial Plan.

To agree arrangements for setting Fees and Charges.

23. Implementation of Decision

The decision is proposed for implementation after consideration and approval by Council.

24. Appendices

Appendix 1 – Revenue Budget Summary 2019/20

Appendix 2 – Welsh Government Grants

Appendix 3 – Service Plan Pressures and Investment

Appendix 4 – Budget Savings – Budget & Forward Financial Plan

Appendix 5 – Specific Reserves

Appendix 6 – General Reserve

Appendix 7 – Integrated Impact Assessment for Budget 2019/20

Appendix 8 – Consultation Summary

25. Background Papers

Cabinet Report of 31st October 2018

Budget working papers 2019/20

Welsh Government Guidance on Scrutiny of Local Authority holding and Utilising of Reserves

Local Government Settlement

Consultation Responses

Integrated Impact Assessments

26. Officer Contact

For further information on this report item, please contact:

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Mr Gareth Nutt – Director of Environment

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| REVENUE BUDGET SUMMARY | 2018/19 | 2018/19 | 2019/20 |
|--|------------------------|-----------------------|----------------|
| | Original Budget | Revised Budget | Budget |
| | £000 | £000 | £000 |
| Directly Controlled Expenditure | | | |
| Schools | 81,708 | 81,708 | 84,424 |
| Other Education | 23,816 | 24,582 | 24,667 |
| Total Education | 105,524 | 106,290 | 109,091 |
| Social Services and Health | 78,632 | 78,713 | 79,681 |
| Environment | 34,755 | 35,741 | 37,535 |
| Finance & Corporate Services | 17,433 | 17,471 | 18,076 |
| Total Directly Controlled Expenditure | 236,344 | 238,215 | 244,383 |
| | | | |
| Levies | | | |
| Swansea Port Health Authority | 46 | 46 | 47 |
| Fire Authority | 7,288 | 7,288 | 7,470 |
| Margam Crematorium | 1 | 1 | 1 |
| | | | |
| Contributions | | | |
| Archive Service | 91 | 91 | 94 |
| Magistrates Court | 13 | 13 | 12 |
| | | | |
| Other Expenditure | | | |
| Treasury Management / Capital Financing | 18,573 | 18,573 | 19,274 |
| Council Tax Support | 17,841 | 17,841 | 18,108 |
| Misc. (including pay & pensions) | 1,190 | 193 | 0 |
| Contingency | 989 | 115 | 555 |
| Contingency-Management of Change | 500 | 500 | 500 |
| | | | |
| Contributions/Reserves | | | |
| Contribution-from Fire Authority Reserve | -21 | -21 | -21 |
| Contribution from General Reserve | 0 | 0 | -2,255 |
| | | | |
| BUDGET REQUIREMENT | 282,855 | 282,855 | 288,168 |

Appendix 1

| REVENUE BUDGET SUMMARY | 2018/19 | 2018/19 | 2019/20 |
|-------------------------------------|----------------------------|---------------------------|----------------|
| | Original Budget | Revised Budget | Budget |
| | £000 | £000 | £000 |
| | | | |
| INCOME | | | |
| Revenue Support Grant | 166,733 | 166,733 | 168,695 |
| National Non Domestic Rates | 45,608 | 45,608 | 46,100 |
| Discretionary Rates Relief | -216 | -216 | -330 |
| Council Tax - Neath Port Talbot CBC | 70,730 | 70,730 | 73,703 |
| TOTAL INCOME | 282,855 | 282,855 | 288,168 |

Appendix 2

| WELSH LOCAL GOVERNMENT SETTLEMENT 2019/20 - List of Specific Grants | | |
|---|----------------|----------------|
| | | <i>£'000s</i> |
| Existing Grant name | 2018/19 | 2019/20 |
| <u>Education</u> | | |
| Education Improvement Grant | 118,137 | 118,137 |
| Sixth Form Funding | 92,918 | NA |
| Pupil Development Grant | 91,333 | 91,333 |
| Raising School Standards | 10,030 | NA |
| Additional Support for Ethnic, Minority, Gypsy Roma Traveller Learners | 8,700 | 8,700 |
| Teachers Pay Grant | 8,069 | RSG |
| Costs associated with Teachers Pay Grant | 7,500 | 7,500 |
| Pioneer Schools | 7,105 | NA |
| Free School Meals Grant | 5,000 | RSG |
| Adult Community Learning | 4,307 | NA |
| Youth Support Grant | 3,470 | 9,670 |
| Additional Learning Needs Transformation Grant | 3,200 | 3,200 |
| Reducing infant class sizes grant | 3,000 | 5,000 |
| Small and Rural Schools Grant | 2,500 | 2,500 |
| Sabbatical Scheme - Welsh in a Year | 1,834 | 2,752 |
| PDG Access | 1,770 | 3,554 |
| School-based Supply Cluster Trial | 1,349 | 460 |
| GCSE Support | 1,000 | 0 |
| The Learning in Digital Wales Continuing Professional Development Programme (Phase 2) | 450 | 500 |
| Modern Foreign Languages | 432 | 432 |
| Seren Network Hub Grant | 320 | 320 |
| Promote and Facilitate the use of the Welsh Language | 314 | 314 |
| Senior Business Managers | 200 | 200 |
| Mentoring and Networking Support for Head Teachers | 140 | 140 |
| Specialist Skills Development | 79 | 131 |
| National Numeracy Tests | 20 | 20 |
| Schools Funding Grant | 0 | 15,000 |
| Total | 373,177 | 269,862 |
| <u>Local Government and Public Services</u> | | |
| Supporting People | 123,688 | 0 |
| Flying Start Revenue Grant | 74,683 | 0 |
| Families First | 37,661 | 0 |
| Communities for Work Plus | 10,731 | 0 |
| Cardiff Capital City Deal | 10,000 | 10,000 |
| Communities for Work | 6,833 | 6,906 |

Appendix 2

| WELSH LOCAL GOVERNMENT SETTLEMENT 2019/20 - List of Specific Grants | | |
|--|----------------|----------------|
| | | <i>£'000s</i> |
| Existing Grant name | 2018/19 | 2019/20 |
| Legacy Fund | 6,000 | 0 |
| Cardiff Bay Regeneration | 5,400 | 5,400 |
| High Street Rate Relief | 5,000 | 23,600 |
| Promoting Positive Engagement for Young People At Risk of Offending | 4,330 | 0 |
| Homelessness Grant | 2,800 | 2,800 |
| Child Burials | 600 | 600 |
| Support for Public Services Boards | 400 | 400 |
| Delivery of Activities Related to Rent Smart Wales | 275 | NA |
| Armed Forces Day | 170 | 20 |
| Rural Housing Enabler Projects | 105 | 30 |
| Children and Communities Grant | 0 | 135,442 |
| Housing Support Grant | 0 | 126,763 |
| Total | 288,675 | 311,961 |
| <u>Economy and Transport</u> | | |
| Concessionary Fares | 57,986 | 60,133 |
| Bus Services Support Grant | 25,000 | 25,000 |
| Bus Revenue Support Traws Cymru | 3,400 | 3,387 |
| Road Safety Grant | 2,000 | 1,900 |
| Major Events Grant Support | 1,635 | 260 |
| Regional Tourism Engagement Fund | 976 | 750 |
| Anglesey Airport | 366 | NA |
| CYMAL | 268 | NA |
| Enterprise Zones | 105 | 50 |
| Specialist Service Grants | 65 | 65 |
| Total | 91,801 | 91,545 |
| <u>Health and Social Services</u> | | |
| Substance Misuse Action Fund | 22,663 | 25,063 |
| Supporting Sustainable Social Services | 14,000 | 0 |
| Out of School Childcare | 2,300 | 0 |
| NHS Funded Nursing Care Grant | 1,900 | 1,250 |
| St David's Day Fund | 1,000 | 0 |
| National Approach to Advocacy | 550 | 550 |
| Deprivation of Liberty Safeguard | 263 | NA |
| Maintaining the Delivery of the National Adoption Register | 172 | 172 |
| Development of Adoption Support Services in Wales | 90 | 90 |
| Take Home Naloxone | 80 | 80 |
| Substance Misuse Bursary Scheme | 35 | 0 |

Appendix 2

| WELSH LOCAL GOVERNMENT SETTLEMENT 2019/20 - List of Specific Grants | | |
|---|----------------|----------------|
| | | <i>£'000s</i> |
| Existing Grant name | 2018/19 | 2019/20 |
| Adoption Support | 0 | 2,300 |
| Social Services Grant | 0 | 30,000 |
| Total | 43,053 | 59,505 |
| <u>Energy, Planning and Rural Affairs</u> | | |
| Sustainable Waste Management Grant | 18,200 | NA |
| Waste Infrastructure Procurement Programme - Gate Fee Contributions | 13,300 | 10,170 |
| Single Revenue Grant | 2,548 | 0 |
| Flood and Coastal Erosion Risk Management | 1,730 | 1,730 |
| Air Quality Direction Feasibility Study | 554 | 554 |
| Sustainable Development Fund for Areas of Outstanding Natural Beauty | 275 | 275 |
| Animal Health & welfare Framework Funding | 200 | 200 |
| South Wales Regional Aggregate Working Party | 50 | 50 |
| Waste Planning Monitoring Report - North Wales and South East Wales. | 49 | 49 |
| North Wales Regional Aggregate Working Party | 25 | 25 |
| Waste Planning Monitoring Report - South West Wales | 17 | 17 |
| Non-Domestic (Business) Rates Support for Hydropower | 8 | NA |
| Coastal Risk Management Programme | 0 | 2,400 |
| Total | 36,956 | 15,469 |
| <u>Central Services and Administration</u> | | |
| Violence against Women, Domestic Abuse & Sexual Violence Grant | 1,938 | 1,938 |
| Assets Collaboration Programme Wales Phase 2 | 410 | 0 |
| Community Cohesion Grant | 360 | 1,120 |
| Assets Collaboration Programme Wales | 207 | 0 |
| Total | 2,914 | 3,058 |
| All Grants | 836,576 | 751,400 |
| All Grants excluding NA and RSG transfers (for like-for like comparison) | 689,767 | 751,400 |

NA – Grant amount not available

Revenue Pressures and Investments

| Ref | Service area | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---------|---|---------|---------|---------|---------|
| | | £'000 | £'000 | £'000 | £'000 |
| ELLL5 | Home to School Transport - Welsh Medium 2nd campus | 100 | 35 | 0 | 0 |
| ELLL6 | Ysgol Bae Baglan Pay Protection | -53 | 0 | 0 | 0 |
| ELLL9a | Teachers Increased Pension contributions from 16.48% to 23.6% - Centre | 95 | 72 | 0 | 0 |
| ELLL9b | Teachers Increased Pension contributions from 16.48% to 23.6% - Schools | 1,788 | 1,338 | 0 | 0 |
| ELLL11 | Additional Learning Needs Investment of £300k with £100k from Corporate Contingency Reserve | 200 | 500 | 500 | 500 |
| ELLL12a | Full year effect of Teachers pay award (Sept 18) - Centre | 10 | 0 | 0 | 0 |
| ELLL12b | Full year effect of Teachers pay award (Sept 18) - Schools | 100 | 0 | 0 | 0 |
| ELLL13 | Secondary Education ASD specialist provision (inc. transport) | 300 | 0 | 0 | 0 |
| ELLL14 | Schools - pupil number changes | 269 | 243 | 250 | 250 |
| ELLL16 | School Catering - additional Free School Meals provision from WG funding | 100 | 0 | 0 | 0 |
| | | | | | |
| SSHH51 | Residential care - additional provision above 2% increase | 270 | 280 | 280 | 280 |
| SSHH53 | National Living Wage - additional contracts costs | 0 | 250 | 250 | 250 |
| SSHH54 | Adult Services LD - transition growth | 700 | 200 | 200 | 200 |
| | Use of Social Care extra grant to fund above pressures in 2019/20 | -970 | 0 | 0 | 0 |
| SSHH56 | Full year effect of 2018 contract price increases | 150 | 0 | 0 | 0 |
| SSHH57 | Social Care Investment in lieu of 2018/19 overspend | 500 | 0 | 0 | 0 |
| | | | | | |
| ENVT20 | Provision for Single Environment Grant cut in 2020/21 | 0 | 50 | 0 | 0 |

Revenue Pressures and Investments

| Ref | Service area | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--------|--|---------|---------|---------|---------|
| | | £'000 | £'000 | £'000 | £'000 |
| ENVT21 | 2 additional Waste Enforcement Officers to enforce side waste policy and to educate residents and traders on recycling | 77 | 0 | 0 | 0 |
| ENVT23 | Additional Highways and Drainage Inspector to inspect the newly identified active travel cycle network and other currently uninspected non-highways public areas | 27 | 0 | 0 | 0 |
| ENVT25 | SUDS (Sustainable Urban Drainage Systems)- new statutory requirement which allows collection of income at pre-set rates which will leave £30k shortfall | 30 | 0 | 0 | 0 |
| ENVT26 | Additional funds for LDP review for the period 2020 to 2024 | 0 | 100 | 0 | 0 |
| ENVT29 | Provision to compensate loss of Rights of Way Improvement Plan grant | 35 | 0 | 0 | 0 |
| ENVT30 | Gypsy services - increased pressure on maintenance budgets associated with the 2 Gypsy sites and increased management of Gypsies not on designated sites. | 70 | 0 | 0 | 0 |
| ENVT33 | Waste - loss of MREC rent | 200 | 0 | 0 | 0 |
| ENVT34 | Waste - additional provision for providing service in house | 800 | 0 | 0 | 0 |
| ENVT35 | Tourism Unit - Full year effect | 44 | 0 | 0 | 0 |
| ENVT36 | Asset sponsorship income shortfall | 50 | 0 | 0 | 0 |
| ENVT37 | Additional funds for Deep Clean Team and other Environment Directorate initiatives. | 475 | 0 | 0 | 0 |
| | | | | | |
| CORP17 | Housing Benefit Admin Subsidy Grant reductions | 0 | 50 | 25 | 25 |
| CORP18 | Coroners Service - Contribution to enhanced cost of joint service following national pay review. | 30 | 0 | 0 | 0 |
| CORP19 | Procurement Online Resources - Sell to Wales and e-tendering services paid for by WG. Provision for Council to pay for contract ending late 2019. | 20 | 40 | 0 | 0 |

Revenue Pressures and Investments

| Ref | Service area | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--------|---|--------------|--------------|--------------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| CORP20 | Third Sector Grants - increase base budget for strategic partners | 100 | 0 | 0 | 0 |
| CORP21 | ICT Microsoft Licences | 100 | 50 | 50 | 0 |
| | | | | | |
| OTH008 | Living wage - other contracts | 0 | 250 | 250 | 250 |
| OTH009 | New Green Book pay scale additional costs | 1,480 | 250 | 250 | 250 |
| | | | | | |
| CONT1 | General Contingency | 447 | 2,000 | 2,000 | 2,000 |
| CONT7 | Capital financing costs re 21st Century Schools Band B investment | 0 | 0 | 0 | 800 |
| | Total | 7,544 | 5,708 | 4,055 | 4,805 |

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|---|---------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL704 | ES&C | Out of county placements | Andrew Thomas | No major impact, pupils will have reached school leaving age. Also savings in special school transport costs | 1,060 | 7% | 72 | 0 | 0 | 0 |
| ELLL707 | ES&C | Pontardawe Arts Centre - Reduce Subsidy | Andrew Thomas | 2nd year of proposal from 2018/19. This will place an imperative on realising increased income targets as identified in the facility's Business Plan and working towards establishing a Cinema via Arts Council for Wales grant funding. The cinema is unlikely to come to fruition until 2020/21 and we are then targeting additional income of £70k. Other possibilities linked to the cinema project are the further development of the licensed bar, and food and beverage offer which complement the Arts programme and cinema audience. | 203 | 54% | 40 | 70 | 0 | 0 |

Tudalen67

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|---------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL715 | ES&C | School Catering | Chris Millis | Standardising Breakfast Clubs to 45 minute contracts and School Catering hours based upon volume of meals delivered. Full year savings available from 2020/21 after pay protection ends. | 1,828 | 3% | 0 | 50 | 0 | 0 |
| ELLL801 | ES&C | Re-negotiate current contract to deliver outdoor education at the Discovery Centre, Margam Park. | Andrew Thomas | Negotiations nearing completion with Field Studies Council which involve a 100% reduction in management fee. However as part of the negotiations it will be necessary to establish an annual "sinking fund" to meet the landlord building maintenance obligations in the sum of £50k pa. This means the net reduction in management fee is £200k. Likely increased cost for NPT pupils - more in line with what other users pay. Every effort will be made to protect financially disadvantaged pupils from price increases. | 200 | 100% | 200 | 0 | 0 | 0 |

Tudalen68

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|---------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL802 | ES&C | Reduction in subsidy of Celtic Leisure Contract. | Andrew Thomas | More efficient management of Celtic Leisure Contract (including leisure centres, swimming pools and the Gwyn Hall Theatre). | 1,508 | 9% | 140 | 0 | 0 | 0 |
| ELLL808 | ES&C | Margam Park - income generation | Andrew Thomas | Targeted increase of 24 additional weddings/and other functions. It is expected that gross income will increase by over £200k with the net reduction in subsidy after catering costs being £75k. | 365 | 21% | 75 | 0 | 0 | 0 |
| ELLL810 | ES&C | Cefn Coed Museum - reduce subsidy | Chris Millis | Second year of strategy agreed in Feb 2018. Consult and work with Friends of Cefn Coed Museum to identify income generation opportunities and volunteer contributions, and support wider development of this facility including opportunities from Valleys Gateway proposal. | 50 | 10% | 5 | 0 | 0 | 0 |

Tudalen69

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|--------|-------|------------------|--------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ELL901 | ES&C | School Meals | Chris Millis | The current price of a school meal for pupils in primary and special schools is £2.30. From September 2019 it is proposed that this is increased to £2.35. | 1,828 | 2% | 30 | 0 | 0 | 0 |
| ELL903 | ES&C | Cleaning Service | Chris Millis | The current budget shortfall for the cleaning service to schools is £127k. It is proposed to increase the cost of the service to schools to generate an additional £50k. On the basis of the improved final budget provision for schools this proposal should be at less risk to schools deciding to outsource their cleaning service. | 50 | 100% | 50 | 0 | 0 | 0 |

Tudalen70

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|-------------------------------------|---------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL904 | ES&C | Croeserw Community Centre | Chris Millis | Croeserw Community Centre is the only community centre that the council continues to manage as all others have been transferred to community organisations or to individuals. This strategy in the main has worked well. It is proposed to engage with any interested parties who wish to take on the operation of the centre and seek transfer over 2 years. This proposal has been delayed for implementation from April 2020. | 90 | 100% | 0 | 45 | 45 | 0 |
| ELLL906 | ES&C | Education Learning Resource Service | Andrew Thomas | Increased income target to be achieved by reviewing the fees and charges for services currently provided and to pursue new customers. | -15 | -67% | 10 | 0 | 0 | 0 |

Tudalen71

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|--------|-------|---|---------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ELL907 | ES&C | Special Education Service - Out of County placement savings | Andrew Thomas | The Council has been pursuing a strategy of developing specialist provisions within county to prevent hugely expensive out of county placements over many years. This proposal is a continuation of that strategy whilst recognising there is a degree of risk associated with it as more and more children present with high levels of complex needs and therefore require placement in very specialist provisions out of county. The 2019/20 Budget also includes a proposal to open a new Secondary Education specialist provision for ASD to cater for the needs of pupils with challenging needs. | 1,059 | 5% | 58 | 0 | 0 | 0 |

Tudalen72

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|------------------------------|--------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL908 | ES&C | School uniform grant | Chris Millis | WG have confirmed funding to replace the former "school uniform grant" in the form of the PDG Access Grant, so this provision now will be funded wholly by WG grant. | 35 | 100% | 35 | 0 | 0 | 0 |
| ELLL909 | ES&C | SEN post 16 transport saving | Chris Millis | This is a non-statutory service. This budget is £228k and is projected to overspend in year (2018/19) by £73k. For all other students NPTC are responsible for transporting pupils who are registered pupils of the College. It is proposed to cut this budget and discuss with the college their funding arrangements. This proposal will require full consultation and Integrated Impact Assessment. | 228 | 100% | 0 | 228 | 0 | 0 |

Tudalen73

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|-----------------------|--------------------------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL910 | ES&C | SSIP Budget Reduction | Andrew Thomas | 21st Century Band B business cases, which are a requirement of WG to draw down capital funding, have been completed in the current financial year which means there are fewer to complete in 2019/20. | 468 | 9% | 40 | 0 | 0 | 0 |
| ELLL911 | ES&C | Vacancy management | Andrew Thomas/ Chris Millis | This reduces the number of jobs when staff leave or there may be some delay in appointments. | 0 | 0% | 50 | 0 | 0 | 0 |

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|--------|-------|---------------------------|---------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| ELL912 | ES&C | Library service reduction | Andrew Thomas | The 2019/20 savings will be delivered via vehicle contract savings upon expiry of mobile vehicle leases in October 2018 and November 2019 together with a staff vacancy saving. The final budget proposal for 2019/20 is reduced and has an alternative saving target of £50k down from £75k. The savings in subsequent years will be subject to a separate report on the future operation of the Library Service including those at Baglan, Cwmafan, Glynneath and Skewen. | 1,613 | 13% | 50 | 80 | 80 | 0 |
| ELL913 | ES&C | Youth service reduction | Chris Millis | This proposal has been amended as the service anticipates additional grant and income resulting in only minor service adjustments. It is not expected to impact on service delivery. | 492 | 4% | 20 | 0 | 0 | 0 |

Tudalen 75

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--------------------------|--------------------------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL914 | ES&C | Grant management | Andrew Thomas/ Chris Millis | To fund legitimate core costs from specific grants | 0 | 0% | 60 | 0 | 0 | 0 |
| ELLL915 | ES&C | Schools delegated budget | Andrew Thomas/ Chris Millis | This final Budget increases the Schools Budget by £3.673m to £85.381m with £957k being funded from specific grant and reserves. This is circa £845k short of what is needed as the UK and WG have not yet confirmed any funding for the increased cost of Teachers pensions for 2019/20. Should this be confirmed top up funding will be provided to Schools. WG will need to provide additional funding in year to cover the pension shortfall and into the base budget for subsequent years otherwise there will be significant cuts in future years. | 81,708 | 0.5% | 845 | 0 | 0 | 0 |

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|--------------------------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| ELLL916 | ES&C | Savings arising from the cessation of the Print Commissioning function | Andrew Thomas/ Chris Millis | Directorates will commission printing services direct from suppliers, and therefore no longer incur the cost of the overhead from the unit | 27 | 26% | 7 | 0 | 0 | 0 |
| SSHH901 | SCHWB | Children's services | Keri Warren | Ensure that only those children who need to be in care are admitted and remain, and that those in care have safe and stable placements. Safeguarding will always remain a top priority. | 21,506 | 2% | 500 | 0 | 0 | 0 |
| SSHH902 | SCHWB | Hillside | Alison Davies | Generate additional income from welfare bed placements by increasing the number of beds available | -255 | -78% | 200 | 0 | 0 | 0 |
| SSHH903 | SCHWB | Adult Social Care | Angela Thomas | Provide for assessed need in the most economical way across all of adult services. | 46,621 | 1% | 250 | 0 | 0 | 0 |
| SSHH904 | SCHWB | Maximise value for money across respite care services | Angela Thomas | Ensure that we fully utilise POBL bed provision. This will mean reducing the choice of residential provision in relation to respite care. | 26,489 | 1% | 150 | 0 | 0 | 0 |

Tudalen77

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|---------------------------------------|----------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| SSHH905 | SCHWB | Transport policy | Angela Thomas | Only provide free taxi transport for Adults to attend daily respite and college, if transport is an assessed need. The original proposal has been reduced from £215k to £115k. | 297 | 39% | 115 | 0 | 0 | 0 |
| SSHH906 | SCHWB | Homecare | Angela Thomas | Following the re-design of the in house homecare service, reduce management and support staffing via ER/VR. | 8,073 | 3% | 250 | 0 | 0 | 0 |
| SSHH907 | SCHWB | Homecare | Angela Thomas | Re-model the Extra Care Supported Living Schemes | 8,073 | 2% | 180 | 0 | 0 | 0 |
| SSHH908 | SCHWB | Western Bay | Angela Thomas | Jointly working with City & County of Swansea and ABMU to make procurement savings on the Deprivation of Liberty Assessments. | 0 | 0% | 50 | 0 | 0 | 0 |
| SSHH910 | SCHWB | Building Safe & Resilient Communities | Andrew Jarrett | Divert demand through earlier intervention & prevention by identifying sources of community provision which will meet people's needs | 0 | 0% | 200 | 0 | 0 | 0 |

Tudalen78

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|-------------------------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| SSHH911 | SCHWB | Staffing across the Directorate | Angela Thomas/ Keri Warren | Reduction in staffing via ER/VR | 37,164 | 1% | 525 | 0 | 0 | 0 |
| SSHH912 | SCHWB | Community Resource Team | Angela Thomas | Ongoing additional Intermediate Care Fund (ICF) grant | 2,576 | 2% | 60 | 0 | 0 | 0 |
| SSHH913 | SCHWB | Supporting People | Angela Thomas | Optimise the use of the SP grant in Learning Disability services | 4,795 | 2% | 100 | 0 | 0 | 0 |
| SSHH914 | SCHWB | Savings arising from the cessation of the Print Commissioning function | All | Directorates will commission printing services direct from suppliers, and therefore no longer incur the cost of the overhead from the unit | 17 | 29% | 5 | 0 | 0 | 0 |
| ENVT901 | S&E | Parking tariff increase | Dave Griffiths | Introduce increased prices by average of 30p for all Council run car parks in the 3 Town Centres from April 2019 | -372 | -8% | 30 | 0 | 0 | 0 |
| ENVT902 | S&E | Alternative car parking initiatives | Dave Griffiths | Increased income from Neath BID or usage. | -372 | -3% | 10 | 0 | 0 | 0 |
| ENVT903 | S&E | E&T cost saving | Dave Griffiths | Staff savings via ERVR | 27,915 | 0% | 49 | 0 | 0 | 0 |
| ENVT904 | S&E | Highways Development Control | Dave Griffiths | Income generation via permitting watercourses etc. | 247 | 4% | 10 | 0 | 0 | 0 |

Tudalen79

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--------------------------------------|----------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ENVT905 | S&E | Car Parking Permits | Dave Griffiths | Increased Income from sale of permits to police and schools in Neath | -372 | -1% | 4 | 0 | 0 | 0 |
| ENVT906 | S&E | Staff and Member Parking charges | Dave Griffiths | Increase charge by £3 per month for staff working more than 23 hours and £1.50 for other part time staff. These charges also apply to members. | -372 | -13% | 50 | 0 | 0 | 0 |
| ENVT907 | S&E | Road Safety and Business Performance | Dave Griffiths | Reduce budget for Supplies & Services | 234 | 4% | 9 | 0 | 0 | 0 |
| ENVT908 | R&SD | Increased Rental Income | Simon Brennan | Pontardawe One Stop Shop rental income | 2,415 | 1% | 14 | 0 | 0 | 0 |
| ENVT909 | R&SD | Employee cost savings | Simon Brennan | Reduce management capacity in Estates and Building Cleaning following non-replacement of staff vacancy | 562 | 4% | 25 | 0 | 0 | 0 |
| ENVT910 | R&SD | Port Talbot Civic Centre | Simon Brennan | Remove security at night in Civic Buildings | 2,415 | 2% | 50 | 0 | 0 | 0 |
| ENVT911 | R&SD | Estates section | Simon Brennan | Reduction in staff costs to cover Gypsy and Traveller Site | 603 | 3% | 20 | 0 | 0 | 0 |

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|----------------------|-----------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| ENVT912 | R&SD | Investment Income | Simon Brennan | Consolidate various income sources from filming, land fees etc. | -43 | -93% | 40 | 0 | 0 | 0 |
| ENVT913 | R&SD | Income generation | Nicola Pearce | Including: Environmental Monitoring at Giants Grave, Japanese Knotweed Remediation service and imposing charges for HHSRS Inspections prior to serving notices | 682 | 6% | 40 | 0 | 0 | 0 |
| ENVT914 | R&SD | Income generation | Nicola Pearce | Introduce Food Hygiene Income Target associated with food premises re-scores | 470 | 2% | 8 | 0 | 0 | 0 |
| ENVT915 | R&SD | Reduce Subscriptions | Nicola Pearce | Cancel TS Link subscription and rely instead on alternative means of intelligence gathering. | 508 | 1% | 4 | 0 | 0 | 0 |
| ENVT918 | S&E | Pest control | Michael Roberts | Increase fee levels to cover costs, which will still be much lower than market rates. In some instances this will result in the charge increasing by triple the fee e.g. treatment of rats from £40 for 3 visits to £120 for 3 visits. | 99 | 51% | 50 | 0 | 0 | 0 |

Tudalen81

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|-----------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| ENVT919 | S&E | Cemeteries | Michael Roberts | Move closer to full recovery with increases for a number of cemetery services. For example - burial fee increasing from £659 to £800. | 125 | 40% | 50 | 0 | 0 | 0 |
| ENVT920 | S&E | Bowling Greens/ sports fields | Michael Roberts | Cease to provide any maintenance services in relation to bowling greens. Ensure cost recovery of charges for work on sports fields - increase charges or stop work. | 1,065 | 5% | 50 | 0 | 0 | 0 |
| ENVT924 | S&E | Savings arising from the cessation of the Print Commissioning function | All | Directorates will commission printing services direct from suppliers, and therefore no longer incur the cost of the overhead from the unit | 42 | 26% | 11 | 0 | 0 | 0 |
| CORP577 | P&R | CCTV - cost savings | Karen Jones | Savings at the end of the current CCTV Maintenance contract period which reflects a lower number of cameras currently in use. | 244 | 12% | 30 | 0 | 0 | 0 |

Tudalen82

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|---|-------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| CORP702 | P&R | ICT Staff reductions | Karen Jones | Development capacity will fall and service requests will take longer to effect. Income generation and/or collaborative opportunities may offset some job losses/service issues. A number of posts are funded from reserves, which will be exhausted by March 2020. | 3,875 | 8% | 160 | 160 | 0 | 0 |
| CORP801 | P&R | Finance Division - Reduce number of staff | Huw Jones | This proposal will reduce the number of people working within the Finance Division, with posts being lost through the Voluntary Redundancy process. This will put more pressure on the staff remaining and reduce resilience within the Division. | 3,793 | 3% | 120 | 0 | 0 | 0 |
| CORP901 | P&R | Digital strategy - automation of one post following introduction of a new Corporate Performance Management System | Karen Jones | Employee has been re-deployed under the Council's Management of Change Scheme | 284 | 9% | 25 | 0 | 0 | 0 |

Tudalen83

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|---|-------------|---|----------------|----------|--------------|--------------|--------------|--------------|
| CORP902 | P&R | Reduce management cost | Karen Jones | Management review following staff turnover | 4,105 | 2% | 25 | 30 | 30 | 0 |
| CORP903 | P&R | Digital strategy - further transformation of customer services | Karen Jones | Digital strategy - Move to a position where there is one One Stop Shop. This will mean a gradual reduction in face to face services at Port Talbot Civic Centre. Automation of telephone calls at contact Centre Service leading to a reduction in the number of jobs | 711 | 9% | 0 | 36 | 30 | 0 |
| CORP904 | P&R | Income generation - info asset sponsorship - implementing the corporate communications and community relations strategy | Karen Jones | Income Generation and Digital Strategy - Introduce targeted sponsorship and advertising policy for the Council's information assets, based on ethically and commercially sound policy. The business case is being developed and is likely to require pump prime funding i.e. invest to save | 396 | 20% | 0 | 0 | 30 | 50 |

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|---------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| CORP905 | P&R | Income generation - working towards a self-financing CCTV service | Karen Jones | Revisit the 2015 options appraisal to identify a strategy that can reduce/eliminate the Council subsidy for this non-statutory service. Capital investment will be required to ensure the service can satisfy insurance, business continuity and service requirements. | 243 | 49% | 0 | 0 | 40 | 80 |
| CORP906 | P&R | Income generation - refocus the communications, community relations, customer services to promote Council services & functions | Karen Jones | Market the Council's services and functions to staff and the external customer base to increase participation in paid for services. | 396 | 30% | 0 | 20 | 40 | 60 |
| CORP907 | P&R | HR Non staff savings | Sheenagh Rees | Reduce expenditure on printing, postage, books, stationery, and conference fees, by moving to digital services and solutions. | 1,283 | 0% | 6 | 0 | 0 | 0 |

Tudalen85

Budget Savings, Cuts and Income Generation

| Ref | Board | Description | Lead | Main Impacts | Budget 2018/19 | % saving | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
|---------|-------|--|-----------------|--|----------------|----------|--------------|--------------|--------------|--------------|
| CORP908 | P&R | HR staff savings | Sheenagh Rees | Pilot project to automate tasks in the Employment support team, to enable deletion of vacant posts from the structure | 1,283 | 0% | 6 | 0 | 0 | 0 |
| CORP909 | P&R | Corporate services staff savings | Craig Griffiths | Savings following internal promotion of staff | 117 | 15% | 18 | 0 | 0 | 0 |
| CORP910 | P&R | Legal non-staff saving | Craig Griffiths | Reduction in Online Resource - contract end April 2019 | 2,083 | 0% | 6 | 0 | 0 | 0 |
| CORP911 | P&R | Remove annual contribution to Member Development Reserve | Karen Jones | The reserve balance of £115k is sufficient to meet anticipated future use. | 0 | 0% | 5 | 0 | 0 | 0 |
| CORP912 | P&R | Savings arising from the cessation of the Print Commissioning function | All | Directorates will commission printing services direct from suppliers, and therefore no longer incur the cost of the overhead from the unit | 24 | 25% | 6 | 0 | 0 | 0 |
| OTH | P&R | Insurance charge | All | Reduction in total cost of insurance management, premiums and claims. | N/A | N/A | 500 | 0 | 0 | 0 |
| | | Total | | | | | 5,803 | 719 | 295 | 190 |

SPECIFIC RESERVES

Appendix 5

| Description | Reserve at 1st April 2018 £000 | Reserve Movements 2018/19 | | Balance at 31 Mar 2019 £000 | Reserve Movements 2019/20 | | Balance at 31 Mar 2020 £000 |
|--|---|---------------------------------|--------------|--|---------------------------------|--------------|--|
| | | To £000 | From £000 | | To £000 | From £000 | |
| EDUCATION, LEISURE & LIFELONG LEARNING | | | | | | | |
| <i>Delegated Schools Cash Reserves</i> | | | | | | | |
| ERVR Primary | Cr 19 | Cr 1 | 0 | Cr 20 | Cr 1 | 0 | Cr 21 |
| Primary Schools Reserve A/C | Cr 2,433 | 0 | 0 | Cr 2,433 | 0 | 0 | Cr 2,433 |
| Secondary Schools Reserve A/C | Cr 274 | 0 | 0 | Cr 274 | 0 | 0 | Cr 274 |
| Special Schools Reserve A/C | Cr 161 | 0 | 0 | Cr 161 | 0 | 0 | Cr 161 |
| Repairs and Maintenance Reserve | Cr 161 | 0 | 0 | Cr 161 | 0 | 0 | Cr 161 |
| | Cr 3,048 | Cr 1 | 0 | Cr 3,049 | Cr 1 | 0 | Cr 3,050 |
| <i>Education, Leisure and Lifelong Learning</i> | | | | | | | |
| Equalisation Account-Education | Cr 96 | Cr 654 | 52 | Cr 698 | 0 | 693 | Cr 5 |
| Home to School Transport | Cr 60 | 0 | 60 | 0 | 0 | 0 | 0 |
| Margam Discovery Centre - Building Maintenance Reserve | 0 | 0 | 0 | 0 | Cr 50 | 0 | Cr 50 |
| | Cr 156 | Cr 654 | 112 | Cr 698 | Cr 50 | 693 | Cr 55 |
| Total Education Leisure & Lifelong Learning | Cr 3,204 | Cr 655 | 112 | Cr 3,747 | Cr 51 | 693 | Cr 3,105 |

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SPECIFIC RESERVES

Appendix 5

| Description | Reserve at 1st April 2018 | Reserve Movements 2018/19 | | Balance at 31 Mar 2019 | Reserve Movements 2019/20 | | Balance at 31 Mar 2020 |
|---|---------------------------|---------------------------|------------|------------------------|---------------------------|------------|------------------------|
| | £000 | To £000 | From £000 | | To £000 | From £000 | |
| SOCIAL SERVICES, HEALTH & HOUSING | | | | | | | |
| Homecare ECM Equipment Reserve | Cr 53 | Cr 10 | 0 | Cr 63 | Cr 10 | 0 | Cr 73 |
| Community Care Transformation Reserve | Cr 108 | 0 | 0 | Cr 108 | 0 | 0 | Cr 108 |
| Social Services Equalisation | Cr 540 | 0 | 0 | Cr 540 | 0 | 270 | Cr 270 |
| Hillside General Reserve | Cr 1,687 | Cr 143 | 738 | Cr 1,092 | Cr 148 | 266 | Cr 974 |
| Youth Offending Team - Equalization | Cr 153 | 0 | 0 | Cr 153 | 0 | 0 | Cr 153 |
| Adoption service | Cr 100 | 0 | 0 | Cr 100 | 0 | 0 | Cr 100 |
| Total Social Services Health & Housing | Cr 2,641 | Cr 153 | 738 | Cr 2,056 | Cr 158 | 536 | Cr 1,678 |

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SPECIFIC RESERVES

Appendix 5

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| Description | Reserve at 1st April 2018 £000 | Reserve Movements 2018/19 | | Balance at 31 Mar 2019 £000 | Reserve Movements 2019/20 | | Balance at 31 Mar 2020 £000 |
|---|---|---------------------------------|--------------|--|---------------------------------|--------------|--|
| | | To £000 | From £000 | | To £000 | From £000 | |
| ENVIRONMENT | | | | | | | |
| <i>Directorate</i> | | | | | | | |
| Concessionary Fare - Bus Pass Replacement Reserve | Cr 152 | 0 | 0 | Cr 152 | 0 | 0 | Cr 152 |
| Asset Recovery Incentive Scheme | Cr 126 | 0 | 0 | Cr 126 | 0 | 0 | Cr 126 |
| Local Development Plan | Cr 142 | Cr 11 | 0 | Cr 153 | 0 | 0 | Cr 153 |
| Economic Development | Cr 40 | Cr 200 | 240 | 0 | Cr 200 | 200 | 0 |
| Winter Maintenance Reserve | Cr 764 | 0 | 0 | Cr 764 | 0 | 0 | Cr 764 |
| Baglan Bay Innovation Centre - Dilapidation Reserve | Cr 78 | 0 | 0 | Cr 78 | 0 | 0 | Cr 78 |
| Environment Equalization Reserve | Cr 353 | 0 | 0 | Cr 353 | 0 | 132 | Cr 221 |
| BSSG grant reserve | Cr 128 | 0 | 128 | 0 | 0 | 0 | 0 |
| Renewable Energy Reserve | Cr 4 | 0 | 0 | Cr 4 | 0 | 0 | Cr 4 |
| Environmental Health - Housing Equalisation | Cr 20 | 0 | 0 | Cr 20 | 0 | 0 | Cr 20 |
| | Cr 1,807 | Cr 211 | 368 | Cr 1,650 | Cr 200 | 332 | Cr 1,518 |
| <i>Operating Accounts</i> | | | | | | | |
| Operating Accounts Equalization | Cr 36 | 0 | 0 | Cr 36 | 0 | 0 | Cr 36 |
| Vehicle Tracking | Cr 92 | 0 | 0 | Cr 92 | 0 | 0 | Cr 92 |
| Operating Accounts -Vehicle Renewals | Cr 1,465 | Cr 1,063 | 1,178 | Cr 1,350 | Cr 1,088 | 1,729 | Cr 709 |
| | Cr 1,593 | Cr 1,063 | 1,178 | Cr 1,478 | Cr 1,088 | 1,729 | Cr 837 |
| | | | | | | | |
| Total Environment | Cr 3,400 | Cr 1,274 | 1,546 | Cr 3,128 | Cr 1,288 | 2,061 | Cr 2,355 |

SPECIFIC RESERVES

Appendix 5

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| Description | Reserve at 1st April 2018 £000 | Reserve Movements 2018/19 | | Balance at 31 Mar 2019 £000 | Reserve Movements 2019/20 | | Balance at 31 Mar 2020 £000 |
|---|---|---------------------------------|--------------|--|---------------------------------|--------------|--|
| | | To £000 | From £000 | | To £000 | From £000 | |
| FINANCE AND CORPORATE SERVICES | | | | | | | |
| Elections Equalisation Fund | Cr 202 | Cr 15 | 0 | Cr 217 | Cr 15 | 0 | Cr 232 |
| Health & Safety / Occupational Health | Cr 94 | 0 | 54 | Cr 40 | 0 | 34 | Cr 6 |
| Development Fund for Modernisation | Cr 110 | Cr 5 | 0 | Cr 115 | 0 | 0 | Cr 115 |
| IT Renewals Fund | Cr 1,495 | Cr 225 | 421 | Cr 1,299 | 0 | 405 | Cr 894 |
| Corporate Equalisation Reserve | Cr 662 | Cr 232 | 424 | Cr 470 | 0 | 234 | Cr 236 |
| Building Capacity | Cr 80 | Cr 50 | 0 | Cr 130 | 0 | 0 | Cr 130 |
| Voluntary Organisation Reserve | Cr 23 | 0 | 16 | Cr 7 | 0 | 7 | 0 |
| Total Finance and Corporate Services | Cr 2,666 | Cr 527 | 915 | Cr 2,278 | Cr 15 | 680 | Cr 1,613 |
| COUNCIL RESERVES | | | | | | | |
| Insurance-Claims Reserve | Cr 6,618 | Cr 280 | 280 | Cr 6,618 | Cr 280 | 2,280 | Cr 4,618 |
| Swansea Bay city Deal | 0 | Cr 75 | 0 | Cr 75 | 0 | 0 | Cr 75 |
| Income Generation Reserve | Cr 750 | 0 | 34 | Cr 716 | 0 | 34 | Cr 682 |
| Member Community Fund | Cr 672 | 0 | 43 | Cr 629 | 0 | 600 | Cr 29 |
| Community Resilience fund | Cr 2,000 | 0 | 0 | Cr 2,000 | 0 | 0 | Cr 2,000 |
| Housing Warranties | Cr 220 | 0 | 0 | Cr 220 | 0 | 0 | Cr 220 |
| Fire Authority Reserve | Cr 31 | 0 | 0 | Cr 31 | 0 | 21 | Cr 10 |
| Pantteg Landslip Reserve | Cr 500 | 0 | 0 | Cr 500 | 0 | 0 | Cr 500 |
| Waste Reserve | Cr 393 | 0 | 0 | Cr 393 | 0 | 0 | Cr 393 |
| LAWDC Contingency Reserve | Cr 971 | 0 | 0 | Cr 971 | 0 | 0 | Cr 971 |
| Treasury Management Equalisation Reserve | Cr 5,755 | 0 | 0 | Cr 5,755 | 0 | 500 | Cr 5,255 |

SPECIFIC RESERVES

Appendix 5

| Description | Reserve at 1st April 2018 £000 | Reserve Movements 2018/19 | | Balance at 31 Mar 2019 £000 | Reserve Movements 2019/20 | | Balance at 31 Mar 2020 £000 |
|------------------------------------|---|---------------------------------|--------------|--|---------------------------------|--------------|--|
| | | To £000 | From £000 | | To £000 | From £000 | |
| ERVR - Transitional Reserve | Cr 6,074 | 0 | 73 | Cr 6,001 | 0 | 0 | Cr 6,001 |
| Accommodation Strategy | Cr 2,484 | Cr 50 | 260 | Cr 2,274 | Cr 50 | 50 | Cr 2,274 |
| Corporate contingency | 0 | 0 | 0 | 0 | Cr 2,500 | 300 | Cr 2,200 |
| Total Council Reserves | Cr 26,468 | Cr 405 | 690 | Cr 26,183 | Cr 2,830 | 3,785 | Cr 25,228 |
| JOINT COMMITTEES | | | | | | | |
| Environment Legacy Reserve (SWTRA) | Cr 60 | 0 | 0 | Cr 60 | 0 | 0 | Cr 60 |
| WB Safeguarding Board Reserve | Cr 99 | 0 | 0 | Cr 99 | 0 | 0 | Cr 99 |
| Substance Misuse Joint committee | Cr 27 | 0 | 0 | Cr 27 | 0 | 4 | Cr 23 |
| Intermediate Care Pooled Fund | Cr 14 | 0 | 0 | Cr 14 | 0 | 0 | Cr 14 |
| | Cr 200 | 0 | 0 | Cr 200 | 0 | 4 | Cr 196 |
| TOTAL ALL REVENUE RESERVES | Cr 38,579 | Cr 3,014 | 4,001 | Cr 37,592 | Cr 4,342 | 7,759 | Cr 34,175 |

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GENERAL RESERVE

| | Original 2018/19 | Revised 2018/19 | Estimate 2019/20 | Estimate 2020/21 | Estimate 2021/22 | Estimate 2022/23 |
|--|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening balance 1st April | Cr 20,613 | Cr 19,980 | Cr 19,714 | Cr 17,854 | Cr 18,259 | Cr 18,674 |
| | | | | | | |
| Council Tax increased income | Cr 1,000 | Cr 1,000 | Cr 1,000 | Cr 1,000 | Cr 1,000 | Cr 1,000 |
| Capital - Phase II Accommodation financing costs | 340 | 340 | 180 | 170 | 160 | 150 |
| Doubtful Debt Provision | 200 | 200 | 200 | 200 | 200 | 200 |
| Contributions to the Economic Development Fund | 200 | 160 | 200 | 200 | 200 | 200 |
| Community Councils Grant Scheme | 25 | 25 | 25 | 25 | 25 | 25 |
| Pantteg landslip - media officer | 40 | 0 | 0 | 0 | 0 | 0 |
| NPT works contract termination | 135 | 105 | 0 | 0 | 0 | 0 |
| Contribution to revenue | 0 | 436 | 2,255 | 0 | 0 | 0 |
| | | | | | | |
| Estimated Closing balance 31st March | Cr 20,673 | Cr 19,714 | Cr 17,854 | Cr 18,259 | Cr 18,674 | Cr 19,099 |

INTEGRATED IMPACT ASSESSMENT (IIA)

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: Budget 2019/2020 |
| 1a | Service Area: Services as identified across the directorates |
| 1b | Directorate: All |
| 1c | <p>Summary of the initiative:</p> <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> <p>Investing significantly in services which protect the most vulnerable within the county borough, as reflected in the Council's wellbeing objectives, has been a top priority for the Council over recent years and 2019/20 is no different. This continues to be challenging and requires ever greater consideration of what is possible to fund and to what level that funding is able to be made.</p> |

INTEGRATED IMPACT ASSESSMENT (IIA)

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| | |
|-----------|--|
| | <p>With the announcement of the provisional financial settlement along with a number of grants the Council identified a shortfall in its budget for 2019/20 of over £12m and £64m required up to and including the financial year 2022/23. However, with the announcement of a further 12 grants imminent it is likely that this will change before the budget is finalised. The draft proposals published on the 31 October 2018 included the council planning for the first time to use £4.2m from its reserves.</p> <p>For completeness, previous years' budget saving proposals (which are due to be realised in 2019/20) were included as part of the consultation but as these were assessed previously they do not form part of this current assessment.</p> <p>The final Budget report proposes a net Budget of £288.168m with some changes to the original draft proposals including a reduction in the council tax increase from 5% to 4%, withdrawal of the cuts in the music service, welfare rights, libraries, biodiversity, and a reduction in the proposed grounds maintenance charges to schools.</p> |
| 1d | <p>Who will be directly affected by this initiative?</p> <p>Residents of and visitors to Neath Port Talbot. Staff and service users of Neath Port Talbot County Borough Council.</p> |
| 1e | <p>When and how were people consulted?</p> <p>A wide range of engagement and consultation activities have taken place between 31 October 2018 and 11 January 2019.</p> <ul style="list-style-type: none"> • Overarching public consultation • Internal consultation • Stakeholder consultation • Written responses from external organisations. |

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| | |
|----|--|
| | <p>To help ensure that the consultation was as widely available as possible, there were 4 mechanisms by which people could submit their views:</p> <ul style="list-style-type: none"> • Online - a self-completion questionnaire was published on the Council’s website. • Paper Questionnaires in public buildings - consultation packs were made available in 37 public buildings across the county borough; including the One Stop Shops in Neath and Port Talbot, Community Centres and all Council run and community libraries. The questionnaire in these packs was a replica of the online version and responses were entered into ‘SNAP’ survey software for analysis. • Email – Respondents were also able to submit their views via email to nptbudget@npt.gov.uk, the Leader or to directors. • Corporate social media accounts – the Council’s corporate Facebook and Twitter accounts were monitored for feedback on the draft budget proposals. <p>Further detailed information on the consultation arrangements for the draft budget is attached as a separate appendix to the Budget 2019/20 report.</p> |
| 1f | <p>What were the outcomes of the consultation?</p> <p>Over 1000 respondents submitted comments and suggestions in relation to the Budget proposals for 2019/20 with the majority of comments received in relation to library services.</p> <p>Responses relating to individual proposals were referred to the relevant service areas for consideration as part of their specific individual consultation and assessment activities.</p> <p>A total of 922 completed questionnaires were received during the public consultation period. Of these 919 (99.7%) were completed in English and 3 (0.3%) in Welsh. 567(65.1%) of the responses were submitted online, with 355 (38.5%) paper questionnaires received. In addition to the questionnaires, letters, emails, formal responses from</p> |

INTEGRATED IMPACT ASSESSMENT (IIA)

Unison, NAASH, third sector organisations and Stephen Kinnock MP, amongst others, were received.

Of all respondents completing the equalities questions:

- **61% of respondents were women while 0.3% of respondents identified as transgender**
- **80.1% of respondents were from a White British background**
- **91.8% of respondents identified as being Welsh**
- **65% of respondents considered they had a disability**
- **48.8% of respondents stated they were Christian while 27.6% stated having no religion**
- **55% of respondents had little or no knowledge of Welsh while 19% were fluent/fairly fluent Welsh speakers/ writers/readers**

564(61%) respondents disagreed with all of the proposals while 785(85%) agreed with some proposals. The following proposals were the main focus of the responses:

- **Library Service**
- **Music service**
- **Welfare Rights Service**
- **Staff reductions**

Library service

The original proposal was a phased transfer into community operation or closure of e libraries. It was considered that there would be a different impact on communities and stakeholders depending upon which service option would be finally agreed. If the decision was to transfer a library to a community group then this would have some negative impact on the service and community etc. but as the service would continue to be available this would be less of an impact than should the libraries close. Closure is likely negative impact on current and potential services

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users particularly for children and young people, older people and disabled people, as well as those on reduced incomes. The lack of a library could affect some people's general well-being, limit opportunities to access support and information and curtail people's independence with limiting accessibility to alternative facilities. The loss of library services would inevitably impact negatively on staff, who are predominantly older females working part time.

These impacts were reflected by responses received during the consultation. Respondents considered the proposal to close the libraries would have negative impacts for those using the facilities particularly children and young people, older people, disabled people, those on low income and unemployed. Concerns were also raised that literacy standards and education would fall if the proposals went ahead. Closure of libraries could lead to social isolation, negatively affect people's wellbeing and community cohesion with the removal of a local 'hub'.

Respondents considered libraries as corner stones of the community, where lending of books was just a part of the service provided; homework clubs, job clubs, centres for social gatherings, community advice and support as well as an educational resource for all sections of the community.

While respondents recognised that savings were a necessity the closure of libraries was not favoured. A number of respondents suggested modifications which in their view would provide savings but also maintain a facility in the local areas. These modifications were:

- **reduced opening hours/days,**
- **the removal of CD/DVD provision,**
- **to concentrate on the educational and informative aspects of the service and**
- **change the location of the service to save costs.**

In the respondents' views the impacts would be positive for individuals accessing the facilities, the community generally, local businesses, and possibly even community councils (where appropriate).

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Music service

It was considered that there would likely be negative impacts for children and young people using the service, schools accessing the service and staff. As a result of proposed increases in the cost, school budgets could be reduced in other areas or the service withdrawn completely. In both scenarios there is likely to be a negative impact on pupils due to lack of opportunity, schools passing on costs to pupils or reducing budgets in other areas to compensate. There would be inevitable significant negative impacts for those staff affected by a reduced or complete withdrawal of service.

A number of respondents to the consultation highlighted various negative impacts for children and young people particularly on their:

- **musical, self-confidence and social skills**
- **academic studies**
- **future opportunities**
- **wellbeing.**

However, it was also identified during the consultation that there could be a potential positive impact for local businesses who would possibly be able to 'approach schools which currently are monopolised by the music service'.

Welfare Rights Service

It was considered that there would be negative impacts for staff and service users (both current and potential). Significant impacts are likely for people who share the characteristics of age, disability and sex and for those

INTEGRATED IMPACT ASSESSMENT (IIA)

financially disadvantaged (and who are more likely to share these characteristics).

Respondents to the consultation considered that the proposal would have a negative impact on:

- **People with a disability**
- **Those who are financially disadvantaged**
- **Children and young people**
- **'the most vulnerable within our communities'**

Staff reductions

As a result of the amalgamation and/or reduction of a number of grants received from Welsh Government, a range of services, and consequently staff, will be negatively affected. A reduction in or withdrawal of a service affects the service user, their families, communities as well as the staff providing the service. Among the services affected by withdrawal of funding is the Minority Ethnic Achievement Service and Traveller Education Service which affects some of the most vulnerable pupils, their families, schools and staff; potentially reducing opportunities, affecting educational achievement, reducing social interactions and wellbeing of pupils.

The redesign of services in light of budget constraints, for example in homecare, impact on service users and staff; reduced service provision to some of the most vulnerable in our communities as well as a reduction in staffing levels – impacting predominantly on female part time staff.

Respondents to the consultation commented on the reduction within the welfare rights team as well as more generally on staffing levels and vacancy management. Comments supported reductions in backroom staff, through early retirement and more effective management of staff. Few respondents explicitly identified impacts for staff

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but it was recognised that:

- A reduction in staffing levels would lead to an increase in work load and place extra stress on already overstretched staff.
- If not managed appropriately the attendance will be affected negatively due to the capacity of remaining staff
- potential risk of not being able to carry out its function as a public body if staff reduction continues
- Staff expertise is being lost through ER/VR
- reduced working hours could alleviate budget pressures; particularly pertinent to the education department where it was suggested that all staff should work 40 weeks per year

Taking into account comments received during the consultation, the final financial settlement received on 19 December 2018 and receipt of additional grant monies along with further consideration of the budget proposals throughout the consultation period the Council have reconsidered some aspects of the budget proposal for 2019/20. Consequently:

- the council tax increase will be reduced to 4% from a proposed 5%
- to mitigate further budgetary reductions the Council will use £2.255m of general reserves to balance its budget for 2019/20.
- savings proposals will be amended as follows:
 - ELLL902 - Music Service. This proposal has been withdrawn following notification of a Welsh Government grant which will be used to reduce the cost of the service subsidy for 2019/20.
 - ELLL904 - Croeserw Community Centre. The proposal has been delayed for 12 months to enable further discussions to take place regarding the possible transfer of the centre to the community in 2020/21.
 - ELLL905 - Welsh Translation Service. This proposal has been withdrawn with the service being

INTEGRATED IMPACT ASSESSMENT (IIA)

considered to further investigate income generation opportunities for future years.

- ELL912 - Libraries. The saving for 2019/20 has been reduced and will be achieved from vehicle leasing savings and a vacant post. A separate report is to be commissioned on future Library Service provision.
- SSH909 - Welfare Rights Service. This proposal has been withdrawn and a joint review of welfare service provision across the county borough will be undertaken by the Council and Third Sector Organisations during 2019.
- ENVT903 - Staff Savings. This has been amended with the savings reduced by £15k.
- ENVT917 - Planning Service Biodiversity savings. This proposal has been withdrawn.
- ENVT921 - School Ground Maintenance. This proposal has been withdrawn and any increase will be at normal inflation levels.

While not transforming the overall impact into a positive, these amendments have at least lessened the negative impact.

INTEGRATED IMPACT ASSESSMENT (IIA)

2. Evidence**What evidence was used in assessing the initiative?**

Service areas collect and more importantly utilise data on services 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.

Census 2011 information remains the most comprehensive data for Neath Port Talbot. Please see details attached.

INTEGRATED IMPACT ASSESSMENT (IIA)

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 Pregnancy and maternity Race Religion or belief Sex Sexual orientation | <p>The legal requirement to set a balanced budget has again been greatly tested. Although the provisional settlement for 2019/20 was considerably better than anticipated there remains a gap of £12m between funds available to the Council for 2019/20 and the estimates that the Council need to spend.</p> <p>Although the Council continues to look to protect those most vulnerable within the community it is becoming more challenging. The Council is committed to prioritising investment in schools and educating children by increasing its investment in schools and with additional funding in the form of specific grants and from Council reserves resulting in a 4.5% increase in the Delegated Budgets for Schools.</p> <p>An increase in funding for other Education Leisure and Lifelong Learning Services will help to protect services to vulnerable families and children 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, including additional monies from Welsh government specific grants will continue to support people with learning disabilities and general provision towards care package costs.</p> |

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However, even with this investment there is an anticipated shortfall which with the proposed budget savings identified for 2019/20 will result in an overall net negative impact on service users particularly those who share protected characteristics. However, within the savings proposals themselves there are mixed impacts with some positive and some neutral.

It is acknowledged that the budget proposals for 2019/20 will continue to have an overall negative impact on services provided across the whole of the county borough. As a result it is likely that people who share these protected characteristics will be affected; particularly older people, children and young people, disabled people, and those who are financially disadvantaged. This is clearly apparent in the proposals identified within social services; specifically in relation to adult services, homecare and the transport policy. However it also recognised that some potential positive impacts could be experienced by those service users who prefer to access services identified by them.

As a result of particular proposals, accessing services will become more difficult for a range of service users not only impacting on them but also their families and friends. The potential closure of libraries will result in many not being able to access facilities in other areas due to a lack of/difficulty in accessing transport as well as the associated additional costs, while the provision of free transport only to those where it is an assessed need could limit service users access to respite/college etc. Costs incurred in this latter instance are likely to inhibit access to service, place additional demand on families which could in turn be detrimental to their own situation.

Positive impacts are likely with timely and effective interventions in relation to social services allowing potential service users to identify and access community provision to meet their

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needs at an earlier stage. This could help prolong an individual's independence and reduce social isolation while delaying access to social services.

The proposed reduction to the Welfare Rights Team would inevitably impact negatively on those who are among the most vulnerable in the county borough, not only financially but also by virtue of their age and disability. With the draft proposed restriction of access to the service impact on potential users would be significant not only financially but also to their wellbeing.

It is likely that the proposal to increase charges and income across a number of services, e.g. car parking, pest control and cemeteries, will impact negatively on people from protected groups (children and young people, older and disabled people, women) as well as adding to the cumulative impact of proposals on these particular groups. Increases in car parking charges could also have a detrimental impact on those who use facilities; socially, educationally, to combat isolation, to improve mental health and wellbeing as well as for accessing essential services, such as health etc.

The cumulative impact on various protected characteristics of the budget proposals is likely to be overwhelmingly negative.

The proposals relating to primarily internal arrangements e.g. reductions in office expenditure, vacancy management, new digital systems, etc., are essentially considered to have a negligible impact on people from protected groups.

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|--|---|
| | <p>A number of proposals have direct or indirect implications for staff across a number of service areas. Staff will be negatively affected by some of the proposals particularly those involving loss of or reductions in employment/hours worked. These are predominantly in services such as catering, libraries and homecare, which are staffed mainly by women and on part time contracts.</p> <p>To assist with delivering these staff related budget savings the Council, with the support of trade unions, continues to make available an early retirement/voluntary redundancy scheme with the objective of minimising compulsory redundancies. Additionally, opportunities are being made available for some staff to be redeployed to alternative roles within the Council with a trial period and retraining.</p> <p>While the ER/VR scheme will potentially help reduce negative impacts it will not relieve the ongoing impact on those staff that remain; increased workloads, impact on their wellbeing, etc. Any consequential permanent job losses will also have a negative impact on the local community in terms of future employment opportunities with the Council. felt</p> <p>The impacts of the proposed council tax increase is likely to be felt by all households across the county borough but particularly by those experiencing cumulative negative impacts as a result of the budget saving proposals. However, the Council Tax support scheme will continue to provide support to over 17,000 of the most financially disadvantaged council tax payers so helping to alleviate any negative impacts.</p> <p>There are potential negative impacts in relation to some income generation proposals,</p> |
|--|---|

INTEGRATED IMPACT ASSESSMENT (IIA)

particularly those involving increased fees and charges; primarily indirect and cumulative impacts on people due to age, disability, sex and for those who experience financial hardship.

Following the final financial settlement

With the final financial settlement announced on 19 December 2018, as well as the announcement of additional grants further budget provisions have been identified which will have positive impacts and go some way to offset those negative impacts already identified; an additional £100k for the Third Sector Grant Scheme, £70k to cover increased costs in relation to gypsy services, a 4.5% increase in the delegated budgets for schools, £24.7m invested in other Education Leisure and Lifelong Learning Services inclusive of an additional £752k provided to cover pressures, helping to protect services to vulnerable families and children.

The council tax increase has been amended to 4% (from 5%) which along with the council tax support scheme will lessen the impact, both direct and cumulative, on those households affected.

INTEGRATED IMPACT ASSESSMENT (IIA)

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| What action will be taken to improve positive or mitigate negative impacts? |
| Officers will continue to monitor the budget savings proposals throughout the consultation process as well as any suggestions received from stakeholders/the public.to determine if amendments can be made to improve positive impacts or lessen negative impacts. |

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? |
|---|--|
| To eliminate discrimination, harassment and victimisation | <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 in a climate of imposed reduced budgets. However, this is not always possible; the reduction in the Welfare Rights Team and associated restrictions in accessing the service a case in point.</p> <p>To this end the identification of budget savings over the longer term as well as necessitating the need to work smarter has been incorporated into the Council’s day to day work as well as its long term plans and strategies, both on an individual basis and in partnership.</p> |

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| <p>To advance equality of opportunity between different groups</p> | <p>With ever decreasing budgets it is inevitable that these will continue to have significant impact on children and young people and those most vulnerable within our communities. Consequently the Council continues to prioritise its work to protect, and where ever possible to alleviate the impact of savings on, these groups.</p> <p>The proposed reduction in a range of services would inevitably impact negatively on those who are among the most vulnerable in the county borough, not only financially but also by virtue of their age and disability. Any restriction of access to services the impact on current and potential users would be significant not only financially but also on their wellbeing.</p> |
| <p>To foster good relations between different groups</p> | <p>An assessment of the impact of the proposals that affect the Council’s staff has been considered. To assist with delivering the budget savings the Council, with the support of trade unions, continues to make available an early retirement/voluntary redundancy scheme with the objective of minimising compulsory redundancies.</p> <p>The consequential permanent job losses will, though, have a negative impact on the local community in terms of future employment opportunities with the Council. Some service reconfiguration and restructuring is likely to ensure future service sustainability.</p> <p>Any completed impact assessments have been brought to the attention of Members as part of the reporting process to ensure these inform decisions and have had due regard to the Council’s legal obligations.</p> |

INTEGRATED IMPACT ASSESSMENT (IIA)

What action will be taken to improve positive or mitigate negative impacts?

Officers will continue to monitor the budget savings proposals throughout the consultation process as well as any suggestions received from stakeholders/the public to determine if amendments can be made to improve positive impacts or lessen negative impacts

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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 with changes to services. |
| Social Exclusion | Indirect implications as a result of withdrawal of services, increased charges (school meals, car parking, etc.) could see a longer term impact on people's ability to remain socially active. The potential financial implications of these and likely future proposals will inevitably lead to adverse impacts for service users and the wider community over the coming years. |
| Poverty | Research studies previously conducted by Sheffield Hallam University demonstrate that areas within the county borough are disproportionately and negatively affected by the UK |

INTEGRATED IMPACT ASSESSMENT (IIA)

| | |
|--|--|
| | <p>Government's welfare benefits changes and this continues to be the case.</p> <p>The Council's Wellbeing Objectives aim to help improve the wellbeing of children, young people and adults as well as the general wellbeing of the area by developing the local economy and environment and consequently the Council continues to work in partnership to mitigate the impact of the welfare benefit changes and ongoing budgetary uncertainty.</p> |
|--|--|

| | |
|---|--|
| <p>What action will be taken to improve positive or mitigate negative impacts?</p> | |
| | <p>Officers will continue to monitor the budget savings proposals throughout the consultation process as well as any suggestions received from stakeholders/the public.to determine if amendments can be made to improve positive impacts or lessen negative impacts</p> |

INTEGRATED IMPACT ASSESSMENT (IIA)

5. Welsh

Tudalen 112

| | + | - | +/- | 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. With the potential of reduced staff resources as a result of the various internal vacancy management, restructuring and continuing early retirement/voluntary redundancy proposals there is a strong possibility that the number of staff with Welsh language skills will be impacted upon. Consequently, this will impact on the Welsh language service available to the public. However, 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 | ✓ | | | Even with the various proposals the Council’s commitment 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 |

| What action will be taken to improve positive or mitigate negative impacts? |
|---|
| Officers will continue to monitor the budget savings proposals throughout the consultation process as well as any suggestions received from stakeholders/the public.to determine if amendments can be made to improve positive impacts or lessen negative impacts |

INTEGRATED IMPACT ASSESSMENT (IIA)

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; however, some savings have the potential to have knock on impacts on the biodiversity resource of the County Borough. |
| To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc. | | | | Unknown. There is no clear route to demonstrate either positive or negative impact on the resilience of ecosystems; however, some savings have the potential to have knock on impacts on the ecosystem resilience of the County Borough. |

INTEGRATED IMPACT ASSESSMENT (IIA)

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. The final budget has withdrawn the draft proposal to reduce the biodiversity budget.

Tudalen114

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 | The proposals themselves have been developed to address savings required to set a balanced budget for 2019/20 and to prepare a medium term budget to cover 2020/21 to 2022/23) to show affordability and sustainability in the decision making process. However, it is impossible to predict budgets for the longer term particularly with unknown National and Welsh Government funding arrangements. |
| ii. Prevention – preventing problems occurring or getting worse | Proposals have been developed to help prevent intensifying current financial issues in the future. By preparing a medium term budget 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. |

INTEGRATED IMPACT ASSESSMENT (IIA)

| | |
|--|--|
| | 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. |
| iii. Collaboration – working with other services internal or external | The Council has worked hard, with its partners, to strike the right balance in its overall proposals. Integrated services that have been established to deliver more joined up services have been protected. Further collaboration with partners, particularly with the review of welfare service provision will help deliver more effective services for those who are financially disadvantaged in the area. |
| iv. Involvement – involving people, ensuring they reflect the diversity of the population | There has been limited involvement of people in identifying the budget and savings proposals, although in some service areas staff have had key input into the process (for example planning and public protection). However, there has been greater involvement in subsequent engagement and consultation exercises in which staff, members, public, stakeholders and partners have participated. |
| v. Integration – making connections to maximise contribution to: Council’s wellbeing objectives | <p>There has been some protection given to a number of areas which are reflected in the Council’s well-being objectives; to improve the well-being of children and young people; to improve the well-being of all adults who live in the county borough and to develop the local economy and environment so that the well-being of people can be improved.</p> <p>The financial settlement and the specific grants that underpin Council services (relating to children and young people, adult learning and sustainable waste) are key to the delivery of the Council’s wellbeing objectives thereby having a positive impact. However, it has not been possible to eliminate all potential negative impacts of the budget and savings proposals on these groups.</p> |

INTEGRATED IMPACT ASSESSMENT (IIA)

| | |
|--|---|
| | <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. However it is acknowledged that there will be instances where budget proposals conflict with objectives but this will be monitored to ensure that appropriate actions to mitigate any negative impacts are considered.</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.

Monitoring will continue, to ensure any adverse impacts upon the general public, including service users, are acknowledged and acted upon appropriately.

INTEGRATED IMPACT ASSESSMENT (IIA)

10. Assessment Conclusions

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

| | Conclusion |
|-------------------|--|
| Equalities | It is acknowledged that there is a significant negative impact on various groups, predominantly children and young people, older and disabled people. The combined impact of a number of proposals will inevitably intensify the impact on these sections of our community. However following consideration of the consultation responses, the final settlement and receipt of additional grants from Welsh Government it has been possible to amend or withdraw some proposals thereby lessening the negative impact. |
| Welsh | With the reduction in the number of staff across various services there is a strong possibility the number of staff with Welsh language skills will be impacted upon. Consequently, this will impact on the Welsh language service available to the public. However, opportunities for remaining staff to use their language skills will continue to be promoted and training will continue to be made available. |
| Bio | There is no clear route to demonstrate either positive or negative impact on biodiversity or the resilience of ecosystems, however, some savings have the potential to have knock on impacts on the biodiversity resource of the County Borough. |
| WBFG | The Council has worked hard, with its partners to strike the right balance in its overall proposals. This has included: protection 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 been protected most are reflected in the three Well-being objectives that the Council has set. |

INTEGRATED IMPACT ASSESSMENT (IIA)

Overall Conclusion

The Council has ensured that its consultation has been available to the widest range of people and organisations.

A process has been undertaken whereby the potential impacts of the various budget proposals upon the general population and the various protected characteristics have been considered as part of the decision making process. This work will continue for proposals which are still under consideration and monitoring will also continue, to ensure any adverse impacts upon citizens are acknowledged and acted upon appropriately.

It is not always possible to mitigate adverse impacts totally for the whole population or protected characteristics. However, the budget and the savings proposals seek to take into account what is proportionate for the population, including the protected characteristics.

The Council will be investing £431m gross and £288m net in services across the County Borough in 2019/20. In order to balance the budget it has had to reduce its Service Budgets by £5.8m and is proposing to use £2.255m from General Reserves.

INTEGRATED IMPACT ASSESSMENT (IIA)

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 | Director of Finance and Corporate Services | Between 1 November 2018 and 11 January 2019 | Consultation responses received |
| Consider consultation responses and amend proposals where appropriate | Senior Management Teams | During and at the conclusion of the consultation | Revised budget report, including any proposed amendments, for consideration at Cabinet, Cabinet Scrutiny and Council |
| Monitoring will continue, to ensure any adverse impacts upon the general public, including service users, are acknowledged and acted upon appropriately | Head of Service/Service Managers | During 2019/20 | <ul style="list-style-type: none"> • Impacts have been identified and addressed where appropriate. • Monitoring will be reported, when necessary, to the appropriate Cabinet Board/Scrutiny Committee. • The Budget setting process for 2020/21 will be informed by these monitoring activities |

Neath Port Talbot 2011 Census Summary Factsheet



1 Resident population

| | |
|-----------------|---------|
| Total | 139,812 |
| Male | 68,450 |
| Female | 71,362 |
| Area (hectares) | 44,126 |
| Density* | 3.2 |

2 Resident population age structure

| | No. | % |
|-------------------|--------|------|
| 0 - 4 year olds | 7,599 | 5.4 |
| 5 - 15 year olds | 17,038 | 12.2 |
| 16 - 24 year olds | 14,930 | 10.7 |
| 25 - 44 year olds | 35,312 | 25.3 |
| 45 - 59 year olds | 29,399 | 21.0 |
| 60 - 64 year olds | 9,483 | 6.8 |
| 65 - 74 year olds | 13,862 | 9.9 |
| 75 - 89 year olds | 11,032 | 7.9 |
| 90+ year olds | 1,157 | 0.8 |

3 Ethnic group population

| | No. | % |
|------------------------|---------|------|
| White | 137,087 | 98.1 |
| Mixed | 910 | 0.7 |
| Asian or Asian British | 1,369 | 1.0 |
| Black or Black British | 299 | 0.2 |
| Other | 147 | 0.1 |

4 Religion

| | No. | % |
|-------------|--------|------|
| Christian | 80,646 | 57.7 |
| Buddhist | 312 | 0.2 |
| Hindu | 144 | 0.1 |
| Jewish | 39 | 0.0 |
| Muslim | 573 | 0.4 |
| Sikh | 113 | 0.1 |
| Other | 533 | 0.4 |
| No religion | 47,265 | 33.8 |
| Not stated | 10,187 | 7.3 |

5 Residents with limiting long-term illness (LLTI) & general health of all

| | No. | % |
|---------------------------------|---------|------|
| People with LLTI (Lot & little) | 39,112 | 28.0 |
| General Health | | |
| Very good/good | 102,543 | 73.4 |
| Fair | 22,640 | 16.2 |
| Very bad/bad | 14,629 | 10.5 |

6 Residents in communal establishments

| | No. | % |
|-------|-------|-----|
| Total | 1,130 | 0.8 |

7 Households

60,393

8 Central heating (households)

| | |
|--------------------|-----|
| No central heating | 674 |
|--------------------|-----|

9 Dwellings

| | |
|---------------------------|--------|
| Total number of dwellings | 63,978 |
|---------------------------|--------|

10 Household and family types %

| | |
|-----------------------------------|------|
| One person | 30.2 |
| One person (aged 65+) | 13.9 |
| One person (other) | 16.3 |
| Couple – no children | 16.8 |
| Couple & non-dependent children | 12.9 |
| Lone parent & non-dep. children | 4.6 |
| All households with dep. children | 28.3 |
| Couple & dependent children | 18.3 |
| Lone parent & dependent children | 7.7 |

11 Housing tenure

| | No. | % |
|------------------|--------|------|
| Owner occupied | 41,479 | 68.7 |
| Shared ownership | 111 | 0.2 |
| Social rented | 11,545 | 19.1 |
| Private rented | 6,186 | 10.2 |
| Other/Rent free | 1,072 | 1.8 |

12 Household spaces

| | |
|-----------------------------|--------|
| Household spaces | 64,017 |
| At least one usual resident | 60,393 |
| No usual residents | 3,624 |

13 Dwelling type %

| | |
|-------------------------------|------|
| Whole house or bungalow | 89.2 |
| Flat, maisonette or apartment | 10.6 |

14 Car ownership %

| | |
|------------------------------|------|
| Households with no car/van | 25.5 |
| Households with one car/van | 43.3 |
| Households with 2+ cars/vans | 31.1 |

15 Economic activity (% of all aged 16-74)

| | Male | Female |
|-----------------------|------|--------|
| Economically active** | 67.2 | 57.4 |
| Economically inactive | 32.8 | 42.6 |

**i.e. economic-activity rate

16 Economically active (% of all aged 16-74)

| | Male | Female |
|-------------------|------|--------|
| Working full-time | 45.5 | 26.5 |
| Working part-time | 5.6 | 22.1 |
| Self-employed | 8.4 | 3.1 |
| Unemployed | 5.9 | 3.1 |
| Full-time student | 1.8 | 2.6 |

17 Economically inactive (% of all aged 16-74)

| | Male | Female |
|---------------------------|------|--------|
| Perm. sick/disabled | 9.5 | 9.6 |
| Retired | 15.5 | 19.1 |
| Looking after home/family | 1.3 | 7.3 |
| Students | 4.5 | 4.1 |

18 Employed residents

| | |
|--------|--------|
| Total | 57,220 |
| Male | 30,365 |
| Female | 26,855 |

19 Weekly hours worked (main job) %

| | Male | Female |
|------------------|--------|--------|
| 15 hours & under | 1,445 | 3,243 |
| 16 - 30 hours | 2,736 | 9,923 |
| 31 - 48 hours | 22,351 | 13,683 |
| 49+ hours | 4,501 | 1,098 |

20 Self-employed

| | |
|--------|-------|
| Total | 5,908 |
| Male | 4,286 |
| Female | 1,622 |

21 Qualified residents (% of all aged 16+)

| | |
|--|------|
| Highest qualification attained level 4 | 18.8 |
| Highest qualification attained level 3 | 11.0 |
| Highest qualification attained level 1/2 | 30.4 |
| No qualifications | 30.9 |

22 National identity

| | |
|---------------------|------|
| Welsh only | 71.8 |
| Welsh & British | 8.2 |
| British only | 11.2 |
| No Welsh identity | 19.0 |
| No British identity | 79.6 |

23 Industries (% of all aged 16-74 in work)

| | |
|--|------|
| Energy, water, agriculture, fishing, mining & quarrying, etc | 2.7 |
| Manufacturing | 14.5 |
| Construction | 8.6 |
| Hotels & catering | 4.7 |
| Transport, storage & communication | 4.1 |
| Wholesale & retail, repair of motor vehicles | 14.7 |
| Financial intermediation | 3.1 |
| Real estate, renting & business activities | 1.2 |
| Public admin & defence | 9.8 |
| Education | 8.6 |
| Health & social work | 14.7 |
| Other | 4.3 |

24 Occupations (% of all aged 16-74 in work)

| | |
|------------------------------------|------|
| Managerial | 7.0 |
| Professional, technical | 13.7 |
| Admin & secretarial | 13.3 |
| Skilled trades | 12.9 |
| Services & sales | 10.4 |
| Process plant & machine operatives | 10.0 |
| Elementary occupations | 9.9 |

25 Welsh Language skills %

| | NPT | Wales |
|---|------|-------|
| No skills in Welsh | 75.2 | 73.3 |
| Can understand spoken Welsh only | 6.4 | 5.3 |
| Can speak Welsh | 15.3 | 19.0 |
| Can speak, but cannot read or write Welsh | 2.7 | 2.7 |
| Can speak and read but cannot write Welsh | 1.6 | 1.5 |
| Can speak, read and write Welsh | 10.8 | 14.6 |
| Can speak and other combinations of skills in Welsh | 3.3 | 2.5 |

Notes

All % rounded to 1 decimal place; not all will add to 100. Section 10 will usually add to more than 100%; percentages in other sections will be at most 100%, they may exclude some groups e.g. 'category unknown'. * Density is the number of people per hectare.

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CONSULTATION SUMMARY

PUBLIC CONSULTATION ON COUNCIL'S BUDGET SETTING PROCESS
2019/20**1.0 Background**

- 1.1 On 31st October 2018, Cabinet authorised officers to consult members of the public and other stakeholders on 74 proposals for budget savings, cuts and generating additional income. The report highlighted the need to make cuts of more than £12.2m for 2019/20 and an estimated £64 million of cuts to be made by 2023.

2.0 Introduction

- 2.1 A range of engagement and consultation activities have taken place in order to help inform the 2019/20 budget setting process, as follows:

- Public consultation
- Internal consultation with Neath Port Talbot County Borough Council staff
- Stakeholder consultation
- Formal written responses

2.2 Consultation objectives

- To provide a mechanism for people to contribute their views to the budget setting process
- To find out if people agree or disagree with the proposals and the reasons
- To provide a mechanism for people to make comments and suggestions linked to specific proposals
- To provide a mechanism for people to suggest alternative proposals for saving money to those already outlined by the Council
- To ensure that the consultation was available to as many residents and organisations as possible

- 2.3 This report summarises the main themes from the responses received during the consultation.

3.0 Public consultation – methodology

- 3.1 To help ensure that the consultation was as widely available as possible, there were 4 mechanisms by which people could submit their views:
- **Online** - a self-completion questionnaire was published on the Council's website. Respondents were not asked to identify themselves, but were asked to indicate why they were interested in the Council's

CONSULTATION SUMMARY – ANNEX 1

Budget setting process and their postcode. The questionnaire was live from Wednesday 31 October 2018 until Friday 11 January 2019.

- **Paper Questionnaires in public buildings** - consultation packs were made available in public buildings across the county borough. These included the One Stop Shops in Neath and Port Talbot, Community Centres and all Council run and community libraries, amongst others. The consultation packs included a supply of self-completion questionnaires, a post box for completed questionnaires, a poster and a copy of the report to Cabinet dated 31 October 2018, which outlined the proposals. The questionnaire was a replica of the online version and responses were entered into 'SNAP' survey software for analysis.
- **Email** – Respondents also submitted their views via email to the Leader, to Cabinet Members, to directors and/or to nptbudget@npt.gov.uk.
- **Corporate social media accounts** – during the consultation a number of posts were published on the Council's corporate Twitter (@NPTCouncil and @CyngorCnPT) and Facebook Neath (Port Talbot CBC and Cyngor Castell-nedd Port Talbot) accounts to raise awareness of the consultation and encourage people to respond. These posts were monitored for comments on the draft budget proposals.

3.2 The consultation was promoted via:

- The Council website homepage – via the 'top tasks' and 'top visited' areas and a dedicated web page
- Adverts/posters on TV screens in the Quays, Neath Civic Centre, Port Talbot Civic Centre and Neath and Port Talbot Bus Stations
- Posters in notice boards at Neath Civic Centre, Port Talbot Civic Centre, The Quays, libraries, community centres and other public buildings
- The Council's corporate social media accounts
- The Council's corporate staff newsletter 'In the Loop'
- Press coverage generated by cabinet reports and press releases

4.0 Public Consultation Responses - Questionnaires

A total of 926 completed questionnaires were received during the consultation period. Of these 923 (99.68%) were completed in English and 3 (0.32%) in Welsh. 567 (61.23%) of the responses were submitted online, with 359 (38.77%) paper questionnaires received.

All percentages shown in this section are relative to the total number of completed questionnaires (926).

4.1 About the respondents

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Of the 926 responses:

- 832 (89.85%) stated that they live in Neath Port Talbot
- 387 (41.79%) stated that they use services provided Neath Port Talbot Council
- 122 (13.17%) stated that they work in Neath Port Talbot
- 69 (7.45%) stated that they are a volunteer in Neath Port Talbot
- 65 (7.02%) stated that they work for Neath Port Talbot Council
- 50 (5.40%) stated that they are a carer
- 47 (5.08%) stated other reasons for being interested in the Council's budget setting process
- 42 (4.54%) stated that they run a business in Neath Port Talbot
- 13 (1.40%) stated that they work for a third sector or voluntary organisation in Neath Port Talbot

(NB. for this question respondents were asked to select all of the categories that applied to them, some selected more than one answer, therefore the percentages in brackets total more than 100%).

809 respondents (87.37%) gave their postcode, indicating that they lived in:

- Afan Valley (Abergwynfi, Blaengwynfi, Cwmavon, Cymmer Glyncorrgw, Pontrhydyfen) – 93 respondents (10.04%)
- Amman Valley (Ammanford, GCG, Glanamman, Lower Brynamman, Tairgwaith) – 10 respondents (1.08%)
- Dulais Valley (Crynant, Dyffryn Cellwen, Seven Sisters) – 9 respondents (0.97%)
- Neath (Briton Ferry, Bryncoch, Cadoxton, Cimla, Llandarcy, Neath, Neath Abbey, Skewen) – 209 respondents (22.57%)
- Neath Valley (Aberdulais, Cwmgwrach, Glynneath, Melincourt, Pontneddfechan, Resolven, Tonmawr, Tonna) – 192 respondents (20.73%)
- Port Talbot (Aberavon, Baglan, Margam, Port Talbot) – 250 respondents (26.98%)
- Swansea Valley (Alltwen, Pontardawe, Rhos, Trebanos) – 29 respondents (3.13%)
- Outside of the County Borough – 17 respondents (0.76%)

The highest number of respondents 225 (24.30%) were in the 60-74 years age group, 150 (16.20%) were aged 30-39 years, 133 (14.36%) were aged 50-59 years, 130 (14.04%) were aged 40-49 years, 95 (10.26%) were aged 75-85 years, 62 (6.70%) were aged 25-29 years, 38 (4.10%) were aged 16-24 years, 15 (1.62%) were aged 86+ and 10 (1.08%) were under 16. In addition, 22 (2.38%) indicated that they would prefer not to say their age and 50 (5.40%) did not answer this question.

4.2 Proposals respondents agree with

When asked 'do you agree with any of our proposals,' 89 (9.61%) said yes, 566 (61.12%) said no, 227 (24.51%) said they don't know. 44 (4.75%) chose not to respond.

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The most common theme for proposals that respondents said they agreed with were:

- Proposals linked to generating additional income
- Proposals linked to vacancy management or reducing staff costs
- Proposals linked to reducing subsidies, including those to the music service, Celtic Leisure, theatres and Arts Centre
- Libraries proposals
- Proposals linked to digital strategy
- Savings from the cessation of the Print Commissioning function
- Increased income from parking charges - to staff, councillors, general increase and to selling spaces to other organisations

4.3 Proposals respondents disagree with

When asked 'do you disagree with any of our proposals', 788 (85.10%) said yes, 36 (3.89%) said no and 76 (8.21%) said that they don't know.

The most common reason for respondents disagreeing with the proposals was in relation to ELLL912: Library service reduction – 648 respondents (69.98%) said they disagreed with this proposal. This included comments about closing or transferring libraries to be run by volunteers/the community or reducing the number of libraries

Other recurring themes for proposals that respondents disagreed with were:

- ELLL902: Music Service (increasing the charge to schools to generate additional income)
- Any proposals for Council staff reductions. This included people objecting to deletion of posts in Welfare Rights Service
- All of the proposals
- ELLL810: Cefn Coed Museum reduce subsidy
- ELLL715: School Catering savings from implementing new pay scales
- Council tax increases
- ENVT901: Parking tariff increase
- ELLL913: Youth service reduction
- ENVT920 Bowling Greens/sports fields: Cease to provide maintenance, cost recovery of charges, increase charges, stop work

4.5 The respondents were asked to indicate why they disagreed and what the impact would be on them if the proposals went ahead. The main themes were:

- Libraries – a negative impact on individuals (young and old) and the community, people would become more isolated as the libraries are a place to meet and socialise. Some stated that they would not be able to afford to read as many books without the libraries. The libraries offer more than just books; if they closed people would miss out on other

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activities. Respondents also stated that losing access to computers, printers and the internet would impact negatively, especially for people who can't afford their own equipment, do not have internet access or need help to go online and for people who are searching for jobs. Respondents were also worried about having to travel long distances to alternative libraries. Concerns were also raised that literacy standards and education would fall if the proposals went ahead. Some stated that the libraries are important to their health and wellbeing and that they need to be preserved for future generations.

- Music Service – concerns that this would impact on the most disadvantaged whose only opportunity to learn music is via the service. Concerns that removing the service would impact on children's confidence and welfare.
- Welfare Rights – concerns that this would affect the most vulnerable people in our communities, a feeling that the demand for this service is set to grow
- School Catering savings – concerns that this proposal would affect some of the lowest paid workers
- Bowling greens – concerns that players won't be able to afford to take on the maintenance themselves, negative impact on the wellbeing of players

4.6 Respondents were also asked to specify any services that they felt the Council should protect, reduce or stop altogether.

- **Protect:** 709 (76.57%) respondents suggested areas that the Council should protect. The most common themes were:
 - Libraries – 514 respondents (55.51%)
 - Social Services, Health and Care (incl. Adults/Older People Services and Children and Young people Services) – 103 respondents (11.12%)
 - Schools/education – 97 respondents (10.48%)
 - Bin collections / waste – 41 respondents (4.43%)
 - Music Service – 25 respondents (2.70%)
 - Streetcare services – 23 respondents (2.48%)
 - Leisure Centres/sports facilities – 22 respondents (2.38%)
 - Parks and Green spaces – 21 respondents (2.38%)
 - The arts (including Pontardawe Arts Centre and Museums) – 21 respondents (2.38%)
 - All – 17 respondents (1.84%)
 - Youth Services – 14 respondents (1.51%)
 - Community Centres – 12 respondents (1.30%)
 - Bus services/transport – 12 respondents (1.30%)
 - Welfare Rights – 11 respondents (1.19%)
- **Reduce:** 273 (29.486%) respondents suggested services that the Council should reduce. The most common themes were:
 - Costs associated with Council Staff – 74 respondents (7.99%)
 - Councillors / Councillors expenses – 57 respondents (6.16%)

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- Refuse collections/changes to rubbish collections – 19 respondents (2.05%)
- Nothing – 10 respondents (1.08%)
- Costs associated with council premises – 9 respondents (0.97%)
- Libraries – 7 respondents (0.76%)
- Mayor/Deputy – 6 respondents (0.65%)
- **Stop altogether:** 233 (25.16%) respondents suggested services that the Council should stop altogether. The most common themes were:
 - Mayor & associated costs – 44 respondents (4.75%)
 - Costs associated with staff: pay/number etc. – 29 respondents (3.13%)
 - Costs associated with Councillors: number/pay expenses/benefits – 23 respondents (2.48%)
 - Arts/theatre/leisure – 13 respondents (1.40%)
 - None/nothing – 13 respondents (1.40%)
 - Waste/wasting money – 12 respondents (1.30%)
 - Expenses in general – 5 respondents (0.54%)
 - Pay increases/bonuses – 4 respondents (0.43%)

5.0 Suggestions for saving money

5.1 491 (53.02%) respondents suggested how the Council could save money. Some of the most common themes included:

- Savings associated with council staff costs (pay – especially higher paid staff, grades, number of etc.)
- Reduce costs associated with councillors (expenses, pay, number of etc.)
- Cut expenses associated with mayor/deputy
- Bureaucracy/administration/cut down on waste
- Ideas for generating income/sponsorship
- Get the community more involved/volunteers
- Stop wasting money on refuse and recycling (changing kit, number of collections etc.)
- Increased enforcement/fines
- Close some of the civic buildings

5.2 298 (32.18%) respondents suggested ways in which the Council could generate income. Recurring themes included:

- Invest in/encourage more tourism
- Put on paid events and activities
- Make savings associated with council staff costs
- Rent/hire out council building that are empty or when not in use
- Enforcement/fines
- Reduce costs associated with councillors
- Fundraising activities
- Sell off assets

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- Cut expenses associated with mayor/civic functions
- Introduce a lottery
- Reduce business rates/rent
- Increase rates/council tax
- Introduce a small charge for library services and activities

6.0 **Public Consultation Responses – Letters and Emails**

In addition to the above questionnaires 80 letters (77 of these from school children in Glynneath) and 11 email responses were received.

The majority (87) raised concerns about any possible closure or transfer of Glynneath Library. One letter each related to concerns about the possible closure or transfer of Baglan or Skewen Libraries and one disagreed with the proposals around libraries in general.

The main themes as to why respondents were concerned and the likely impact on them if the libraries were to close or be transferred reflected those outlined in para 4.5. In addition, these responses stated that the proposals around libraries are inconsistent with the Local Development Plan, are “simplistic and misleading” and do not comply with the NPTCBC Well-being objectives.

The remaining email respondent gave feedback on a number of the proposals including:

- concerns about using reserves and suggesting that any future use of reserves should, be focused on increasing potential for generating income.
- Suggestion that income generating facilities develop "Zero Subsidy Plans" and similar reviews to take place in the library service to increase income.
- Suggested inclusive discussions with all stakeholders and the public about how the viability of places like town centres can be improved upon, including increasing footfall rather than parking charges
- Agreed that more services should be delivered online
- Suggested that the Council trial a Street Champion scheme to encourage individual, street based volunteering. I would be happy to discuss this idea further with anyone if there is interest.
- Suggested an "audit" of communities, identifying community and voluntary groups that contribute to wellbeing and work with them to strengthen their good work

7.0 **Public Consultation – Social Media Comments**

7.1 Of the comments made on posts about the budget consultation, the following issues were raised via Facebook:

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- Suggestions to save money by not cleaning Aberavon Beach every day of the year
- Comments and suggestions that savings associated with staff costs could be made (pay, grades, number of etc.)
- Disagree with closing libraries
- Stop outsourcing/sub-contracting
- Suggestion that the Council could save money by not advertising road safety on the radio
- Comment against increases in parking fees for towns because of the effect on traders
- A feeling that the Council won't listen to responses
- Negative comments about the amount of Council Tax people pay

7.2 In addition, a number of negative comments relating to the amount of Council Tax people pay or the potential for Council Tax increases were made on non-budget consultation posts.

8.0 Internal Consultation

8.1 In addition to feedback boxes at Council buildings, the Chief Executive held four staff engagement sessions to discuss the budget planning process. These were held in the three main civic buildings on 16, 17 and 18 October 2018. Almost 200 staff attended (Quays 80, Port Talbot 58, Neath 55)

8.2 The key themes from the staff engagement sessions included:

- The increased pressure on staff due to cuts and the number of staff that the authority has lost
- Concerns about cut in funding/removal of grant for Minority Ethnic Achievement Support (M.E.A.S.) service
- Concerns about losing non-British citizen colleagues after Brexit (especially the care sector)
- Concerns about delay in pilot scheme/funding from Welsh Government for the schools' music service
- ER/VR scheme formally re-opened on 16 October
- Discussed the need to generate more income. Been working with APSE on income generation. Also discussions took place regarding progress on plans to generate more income for Margam Park and Theatres
- Potential proposal to increase NPTCBC employees' parking fees
- Need to act more commercially to generate income – Council tax makes up only 25% of costs of running the Council.
- It is going to be a very difficult budget next year and gets more difficult each year, but the political Leadership will leave no stone unturned to protect services. Elected members, unions and staff are joined together in lobbying for fair funding.

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- Feeling that the Council needs to stop delivering services we aren't required to do, so that residents realise the consequences of Welsh Government's actions
- Feeling that we should stop outsourcing services that we can deliver more efficiently in-house
- Feel that the Council should get more money from health (in particular CHC) to pay for certain care services

9.0 **Consultation with other stakeholders**

9.1 To ensure that the consultation was accessible to as many stakeholders as possible, it was raised as an agenda item at a number of Council meetings, forums and groups, including:

- Cabinet scrutiny committee (special), 27 November 2018
- Education, Skills and Culture scrutiny committee (special), 30 November 2018
- Voluntary Sector Liaison Committee (Special), 11 December 2018
- Regeneration and Sustainable Development scrutiny committee (special), 3 December 2018
- Streetscene and Engineering scrutiny committee (special), 10 December 2018
- Social Care, Health & Wellbeing scrutiny committee (special), 12 December 2018

10.0 **Formal Responses**

10.1 Six formal response were received from groups and organisations. A full copy of each formal response can be found in Annex 1. A summary of the main points from each follows:

- **NAASH** (Neath Afan Association of Secondary Heads)
 - expressed that it has concerns in relation to:
 - the inability to sustain MEAS;
 - the treatment of pay grading of school cooks;
 - further cuts to the music service (though these may be mitigated via a WG grant).

These reductions will affect vulnerable pupils, staff morale and curtail accessibility.

- The biggest concern for NAASH members is the continued whole-scale reduction of funding. Head Teachers are increasingly worried about how they will be able to run their schools as we go forward. Reductions in school budgets will further increase the already significant pressures on school operations and will have the greatest impact on the most vulnerable learners.
- Whilst it is clear that NPTCBC is subject to reductions in its funding streams, NAASH members are perturbed by the fact that the average per-pupil funding for schools in NPT is significantly less than that for most local authorities in Wales.

CONSULTATION SUMMARY – ANNEX 1

- NAASH is also concerned that the draft budget offers no clarity on the funding for ALN reform or on the future of the PDG.
- **Neath Port Talbot CVS** - A Response from the Third Sector in Neath Port Talbot. In summary the Third Sector:-
 - raised concerns about the cuts in terms of their range; scale; impact on the community and third sector; and on future generations. They felt there is a lack of planning to deal with the cuts and that they undermine the Wellbeing Plans of both the Public Services Board (PSB) and the Council – contradicting and undermining the focus on developing safe and resilient communities.
 - commented on an expectation that the Sector will 'pick up the slack', but pointed out that it is becoming more challenging for organisations to apply for funding, with competition increasing. Longevity of funding is also an issue.
 - felt that there should be greater emphasis on Early Intervention
 - asked that there be more effective links to private sector to draw in expertise, support, money.
 - questioned why some Council spend is not apparently needed (e.g. to re-pave a pathway that does not require repairs) when the money could be more effectively spent elsewhere
 - felt that engagement is tokenistic.
 - stated the need to ensure legislation is addressed and the needs and rights of the population are met.
 - felt that there is a need to look at different models of service delivery, one suggestion being to reduce core staff hours from 37.5 hours to 36 hours per week to produce a significant saving.
 - stated that grants need to be protected and used for their specific purpose (not diluted).
 - felt the process for accessing Local Elected Member grant schemes funding is not easy.

Education, Learning and Lifelong Leisure:

- recognised that funding for education is much pressured, but felt strongly that the cuts are aimed at the easier targets.
- felt there is a need to be realistic about cuts to community arts and sports and look at all options, not simply close services.
- expressed concerns regarding the proposed transfer of Croeserw Community Centre and questioned whether there is capacity in the community to run another service, when they already run a number of services previously funded and run by the Local Authority, but acknowledged the Centre needs to be cost effective and run as a business.
- stated that the further proposed transfer and closure of libraries will remove learning opportunities for families, children and young people and questioned whether it will reach the point where the Council is no longer fulfilling its service requirements.
- felt the proposal for the Youth Service will result in it supporting even more of a niche group. Stated that The Sector already finds

CONSULTATION SUMMARY – ANNEX 1

it difficult to refer to existing Youth Service groups and a reduction will exacerbate this.

- expressed significant concern regarding SEN post-16 transport savings, but recognised that this is a huge cost to the Council and requires a more realistic approach.

Social Care, Health and Housing:-

- recognised the importance of supporting people to remain in their homes, but stated the need to consider what support services are in place to enable this to happen, as well as the impact on carers. Questioned if it will result in people feeling lonely and isolated
- raised concerns about the impact on carers of any cuts to transport for daily respite or college e.g. will people be able to afford it?
- noted the importance of ICF funding in supporting third sector delivery in social care, but felt that ICF funding is used for services which should become business as usual which prevents it being used to develop new services. The difficulty in demonstrating outcomes for early intervention and prevention projects funded through ICF was also noted.
- raised the additional costs of using agency staff compared to in-house staff.
- noted the role of Western Bay and the need for health and social services to work together.

Welfare Rights:-

- felt the proposed cuts will affect the most vulnerable and the amount of funding that is levered into the Borough
- felt it is a false economy to cut this service.
- raised concerns that the team will be unsustainable as soon as the legacy funding ends and what will happen following this. There was also concern that the current funding restricts the posts to working in specific geographic areas only and questioned if there a service that covers all areas of Neath Port Talbot.
- stated that the Sector has already experienced an increased demand for welfare rights and that it will not be able to meet the demand that this cut will produce. The Welfare Rights Team are currently relied upon manage appeals and representation around PIP, as it has a level of expertise that the Sector does not have.
- pointed out that the Sector's funding is short-term and organisations often can't reapply. There needs to be a core service available in communities.
- felt strongly that Welfare Rights should not be cut.

Environment:-

- expressed concerns that parks/playing/football fields will become no-go areas if not maintained and this will stop communities accessing green spaces
- raised concerns about the impact of price increased for Pest Control, suggested that it is means tested and that a location

CONSULTATION SUMMARY – ANNEX 1

assessment is undertaken into the source of the problem as it may not be the fault of the resident.

- stated that the proposed increase Cemeteries affects all and there is a need to have realistic conversations around death and funerals.
- pointed out that in terms of the Digital strategy, the need for some face-to-face services for certain groups of people.

- **Stephen Kinnock AM**

- Had been contacted by constituents who are concerned about the proposals in relation to the Welfare Rights Unit
- Acknowledged the budgetary pressures on the Council, but outlined the case for retaining the Welfare Rights Unit including:
 - helping the most vulnerable members in our community
 - providing an invaluable service in offering advice and assistance in claiming benefits, supporting individuals through the appeals process and specialising in representing people at appeals tribunal (with an 80% success rate of overturning decisions at appeal and raised £8.2m in 2017/18)
 - Universal Credit roll out and problems with Employment Support Allowance and Personal Independence Payments will see demand for Welfare Rights Increase
 - Loss of the service will lead to increased demand and pressures on other Council Services

- **Third Sector Anchor Organisations in NPT**

This response was compiled by Neath Port Talbot CVS on behalf of Canolfan Maerdy, NPT Shopmobility, DOVE, Glynneath Training Centre, DANSA, Citizens Advice Swansea, Neath Port Talbot CVS, Ystalyfera Development Trust and Melyncryddan Community Conference. In summary the response:-

- raised concerns about the proposal to delete 5 posts in the Welfare Rights Team including if particularly vulnerable people are likely to be at risk if the service does not continue.
- stated that Welfare Rights Team has heard that the Welfare Rights Team funding is going to them, but that their funding from the Council is nowhere near the levels required to deliver a 'like for like' Welfare Rights service.
- acknowledged that there is some duplication across organisations
- outlined the support they currently provide in terms of benefits and debt advice, PIP and training – (welfare benefits updates, Universal Credit and welfare reform)
- felt that the loss of 5 FTE posts is likely to have a significant impact on Tribunal Representation, albeit that there are housing associations and some other services who attend Tribunal services with individual clients.
- felt that the longer term use of legacy income from Communities First is likely to lead to longer term sustainability problems with the team also, as this funding is short term.

CONSULTATION SUMMARY – ANNEX 1

- highlighted historic evidence of the impact of raising money through welfare rights and the link to income generated going into the local economy.
 - outlined their experience of individuals wanting to get their benefit restored and their money sorted before addressing other issues such as debt, housing etc. and even employment.
 - outlined Citizens Advice bid for Third Sector Funding in the round for 2019/2020 onwards. An element of the proposal is based on supporting other organisations to increase their capacity to deliver advice locally - not just welfare benefits. There is a role for Citizens Advice in taking referrals from the organisations for complex issues and supporting a worker in another organisation to support individual(s) themselves.
 - stated that there is too much Welfare Benefits demand for there to be no direct replacement of any loss to the Welfare Rights Team. Early Retirement/Voluntary Redundancy has made an impact in recent years on the demand for other services.
 - stated that all third sector anchors listed agree the loss of Welfare Rights Team would be disastrous.
 - suggested a delivery model based on supporting others to deliver more welfare benefits advice in the community, training individuals and community workers to spread some of the expertise more widely, backed up by some available expertise either from Welfare Rights Team or Citizens Advice (sited the model of in-house Welfare Rights Team in Swansea as an example).
 - asked if the Council has considered Welfare Rights Team delivery being 'transferred' to the third sector as they believe it has the infrastructure to support the delivery of more advice in the community.
- **UNISON – response to consultation**
In summary, Unison:-
 - ELLL704 - suggests that when a child is recognised as needing to be placed out of county, then county provisions must adapt to meet these needs, e.g. Hillside
 - ELLL707 – is against any reduction in funding for Pontardawe Arts Centre and feels that income generation and grant funding must be explored further
 - ELLL715 - School Catering - asked that this proposal is withdrawn as its Fair Funding campaign has ensured extra funding is available to the Council via the funding formula
 - ELLL801 - expressed concerns that if there are any price increases due to re-negotiating the current contract to deliver outdoor education at the Margam Park Discovery Centre this will disadvantage young people who will be unable to afford to participate.
 - ELLL802 - Reduction in subsidy of Celtic Leisure Contract - believes that this service provision is income generating and should be returned in-house with the council

CONSULTATION SUMMARY – ANNEX 1

- ELLL810 - asks that subsidy to Cefn Coed Museum is protected and external funding sources are explored. To reduce the subsidy would potentially mean future closure with a negative impact on tourism, visitor numbers and income generation, also on children learning the importance of mining history.
- ELLL903 Cleaning service - proposes that this should be run by one management team leading to a reduction in costs.
- ELLL904 - believes that the council should run Croeserw Community Centre in-house due to the Valleys Task Force Initiative and asks that no expenditure is withdrawn. Outlines the cumulative impact of the closure of other facilities in the area. Asks the Council to look at external funding sources and develop a business case to explore business and community opportunities within the venue.
- ELLL907 - Special Education Service – Out of County placement savings. Suggests that when a child is recognised as needing to be placed out of county, then county provisions must adapt to meet these needs, e.g. Hillside
- ELLL911 - Vacancy management – feels that if not managed appropriately attendance will be affected negatively due to the capacity of remaining staff. Is opposed to staff reduction and deletion of posts and believes the council is at risk of not being able to carry out its function as a public body if staff reduction continues. States that all services are at breaking point and staff that remain are now under pressure. Staff expertise is being lost through ER/VR and UNISON believes that this cannot be sustained.
- ELLL912 – states that a public service library is a statutory duty under the Public Libraries and Museums Act (1964). Is concerned about the negative impact on communities if libraries close as they alleviate social isolation and loneliness, encourage people to retrain and upskill, returning them to employment and to contribute to their local communities.

States that libraries are central to the delivery of services (not just book lending) which are rapidly diminishing across Wales. Feels that the closure of libraries does not fit in with the Wellbeing of Future Generations Act Asks the Council to use the additional money from the Welsh Government settlement to protect libraries and Cefn Coed Museum.

Notes that neighbouring Authorities have not closed any libraries or Museums or made the range of cuts to services that NPT has experienced. States that staff are concerned that by the time of local government reorganisation, there will very few services or facilities left within the existing Authority and that NPT would be seen as a poor relation in any new Authority – it is highly unlikely that once a service is closed or transferred that it will ever be restored.

- ELLL913 – raises concerns that by reducing the Youth Service provision there will be less capacity to support young people

CONSULTATION SUMMARY – ANNEX 1

- which will have a detrimental effect on the staff that remain and may also put pressure on other council services. Does not agree with this saving. Youth provision is imperative in order to tackle anti-social behaviour within our communities.
- ELLL915 - Asks that the council increases the Schools delegated budget from the extra Welsh Government funding received as any cut will impact on staffing and affect the wellbeing of the pupils, the School curriculum and school qualifications.
 - SSHH901 Children services - concerns about potential safeguarding problems and that this proposal will lead to further pressures on the service
 - SSHH902 – states that Hillside has previously generated income, but is now top heavy with middle management. Encourages the council to retain the service but to future proof for income generation, and to ensure that it is fit for purpose to meet current CIW standards.
 - SSHH904 - Maximise value for money across respite care services - states that the impact of chronic underfunding for Social Care has been exacerbated by increasing demand. Believes that many of the needs of society's most vulnerable are not being met, and private care companies are exploiting care workers. Encourages the council to sign up to UNISON's Ethical Care Charter.
 - SSHH906 - encourages the council to reorganise Homecare, Rapid Response and Reablement Teams into one and to keep them in-house to ensure appropriate scrutiny.
 - SSHH907 Homecare As above.
 - SSHH909 - believes Welfare Rights is an essential service in communities and in times of austerity there is a greater reliance on the Welfare State. The Welfare Rights Service creates much needed wealth for service users. Citizens Advice does not have any capacity to pick up the lack of provision within NPTCBC. This service brings income to residents of NPT, which in turn brings monies into our economy. Without it finding the extra monies for these vulnerable clients, they will end up calling on social services which is already under pressure. Urges the Council to use the additional money from the Welsh Government settlement to keep this service for the most vulnerable people in our communities
 - SSHH910 - Building Safe & Resilient Communities - believes that without the appropriate staffing levels, service delivery will be impacted, which will result in the inability to meet community provision
 - SSHH911 - Staffing across the Directorate - believes this would lead to a loss of expertise and skills.
 - SSHH912 - Community Resource Team and SSHH913 Supporting People - as per previous community statements and concerns.
 - ENVT903 - E&T cost saving - believes this would lead to a loss of expertise and skills

CONSULTATION SUMMARY – ANNEX 1

- ENVT906 - Staff and Member Parking charges – states that staff have technically had a pay freeze for ten years and questions why staff in civic buildings are disadvantaged by their workplace. This also raises concerns for parking around surrounding areas
- ENVT910 - Port Talbot Civic Centre – agrees with utilising CCTV as with other premises. Also believes that concierge should cover all main buildings and no external contracts be awarded – ethical procurement
- ENVT917 - Planning services – concerned about lack of staff to undertake planning and biodiversity consultancy work. Believes this would lead to a loss of expertise and skills
- ENVT918 - Pest control - believes this would need to be means tested
- ENVT919 - Cemeteries - agree with full cost recovery
- ENVT920 - Bowling Greens/sports fields – questions if there are community groups with the relevant experience and knowledge to undertake the management of Community Asset Transfers. Suggests this has the potential to generate income via a maintenance service level agreement with community groups, ensuring value for money and a safe service provision
- ENVT921 - School ground maintenance – is opposed to any external provision. Sites evidence that private companies are exceptionally unreliable and do not give “value for money”. As a consequence, NPTCBC could lose their capacity
- CORP577 - CCTV cost savings – feels that the decline in demand has been well managed in recent years, but the ability to properly resource 3 sites during normal working hours and out of hours has been very difficult at times. Reducing the OSS service to one site would greatly assist business continuity needs. The CCTV service has been continually reviewed for 5+ years culminating in the current proposals to help fund the service with a consultant working with the service to help identify that potential going forward
- CORP801 - Finance Division – Reduce number of staff – feels that with a “Full Cost Recovery” model being suggested it would not be prudent to lose staff when capacity requirements will increase

UNISON also submitted comments from members of its Neath Port Talbot Branch. In summary these were:-

- LAC Team raised concerns about a number of proposals such as the cuts to adult education; homeless provision especial when the problem is widening; cuts to free school meals etc. Also there seems to be a major issue in regards to staff pensions and the amount NPT contributes in the new budgets
- Benefits – felt that management are suggesting cutting the earnings of the lowest paid employees, that senior officers should cut their own salaries and that Councillors should take a cut in allowances. Suggested that the roles of Chief Executive and Electoral Returning Officer should be combined into one.

CONSULTATION SUMMARY – ANNEX 1

2) Acknowledged that it isn't easy to predict how things will go with the roll out of Universal Credit, but asked what plans management have in the next few years for various scenarios to help some older members of staff to plan for the future, if possible.

3) Questioned why there are plans to have no 'One Stop shop' at Port Talbot but retain the one in Neath and on what basis has this been decided. Stated that the staffed Council Tax Office in Port Talbot has closed and questioned if the Civic Centre at Port Talbot will close completely in the future. Stated that this could have a big impact on the town centre and suggested that if a Civic Centre has to close it should be the Quays due to its location.

- **Unison – 'Save NPT Libraries Campaign 2019'**

- Unison Neath Port Talbot also submitted a 'Save NPT Libraries Campaign 2019' consultation response.

This was in relation to ELLL912, particularly Cwmafan, Glynneath, Skewen and Baglan Libraries.

The response contained statements in support of protecting these libraries from Jane Gebbie (Unison Neath Port Talbot Branch Secretary), Stephen Kinnock MP, Bethan Sayed AM, Cllr. Angharad Aubrey (Coedffranc Central), Mark Fisher (Branch Chair NPT Unison), Dr. Dai Lloyd AM, David Rees AM, Jeremy Miles AM and Cllr. Rhidian Mizen (Bryn, Cwmafan and Oakwood).

The response also included a collection of social stories capturing the opinions of people who use the Libraries and how / why the libraries are important to them.

11.0 Petitions

- 11.1 The Council received no petitions relating to the 2019/20 budget proposals.

Mae'r dudalen hon yn fwriadol wag

Neath Port Talbot County Borough Council

CABINET

Report of the Director of Finance and Corporate Services

13th February 2019

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY, CAPITAL STRATEGY AND MINIMUM REVENUE PROVISION POLICY

1. Purpose of Report

1.1 This report sets out the Council's Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy for 2019/20. A report on the Council's Capital Strategy is also required and this is included within this report.

1.2 Treasury Management is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

2. Introduction

2.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties providing adequate liquidity initially before considering investment return

2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans

provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses.

3. Reporting Requirements

3.1 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporates a variety of policies, estimates and actuals details of which are outlined below.

3.2 Prudential and Treasury Indicators and Treasury Strategy (this report)

The first and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organized) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

3.3 A Mid Year Treasury Management Report (prepared after 1st October)

This will update Members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

3.4 An Annual Treasury Report

This provides details of the actual performance for the previous financial year and provides a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy. This report must be considered by Members by 30th September of the following financial year.

3.5 Scrutiny Arrangements

The above reports are required to be scrutinised before being recommended to Council. These arrangements are detailed in the scheme of delegation as set out in Appendix 1 of this report.

4. **Capital Strategy**

4.1 In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of that report will be to ensure that Members understand the overall strategy, governance procedures and risk appetite entailed by capital investment and spend. The Capital Strategy is detailed in section 19 of this report.

5. **Treasury Management Strategy for 2019/20**

5.1 The strategy for 2019/20 covers two main areas

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;

- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Welsh Government MRP Guidance, the CIPFA Treasury Management Code and Welsh Government Investment Guidance

6. **Capital Prudential Indicators**

6.1 Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans. The table below summarises these plans and how they are being financed:

| | 2017/18 Actual £'000 | 2018/19 Revised Estimate £'000 | 2019/20 Original Estimate £'000 | 2020/21 Original Estimate £'000 | 2021/22 Original Estimate £'000 |
|------------------------|----------------------------|---|--|--|--|
| Capital expenditure | 68,963 | 44,821 | 44,816 | 29,444 | 13,917 |
| | | | | | |
| <u>Resourced by:</u> | | | | | |
| Capital receipts | 0 | 1,069 | 4,800 | 1,300 | 1,300 |
| Grants & contributions | 30,345 | 17,607 | 23,199 | 16,998 | 6,554 |
| Reserves + DRF * | 605 | 4,657 | 1,344 | 225 | 0 |
| Borrowing | 38,013 | 21,488 | 15,473 | 10,921 | 6,063 |

NB * DRF means Direct Revenue Financing

6.2 The Capital Financing Requirement (CFR)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness. The table below shows the projected CFR movements:

| CFR | 2017/18 Actual £'000 | 2018/19 Revised Estimate £'000 | 2019/20 Original Estimate £'000 | 2020/21 Original Estimate £'000 | 2021/22 Original Estimate £'000 |
|---|----------------------------|---|--|--|--|
| Opening Balance | 292,824 | 325,241 | 337,698 | 343,091 | 343,819 |
| | | | | | |
| Add: Expenditure funded by borrowing | 38,013 | 21,488 | 15,473 | 10,921 | 6,063 |
| Less: Minimum Revenue Provision (MRP) | (8,433) | (9,031) | (10,080) | (10,193) | (10,180) |
| Adjustment re Finance Lease | 2,837 | | | | |
| Closing Balance | 325,241 | 337,698 | 343,091 | 343,819 | 339,702 |

7. **Treasury Management Prudential Indicators**

7.1 The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and the Council's capital strategy.

This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

7.2 The Council's treasury portfolio position at 31st March 2018 comprised:

| Table 1 | Principal | |
|---------------------------------|--|----------------|
| <u>Borrowing</u> | £m | £m |
| Fixed rate funding | PWLB 203,155 Market 62,500 Other 1,500 | |
| | 267,155 | |
| Variable rate funding | 0 | |
| | 267,155 | |
| Other long term liabilities | | 0 |
| <u>Gross Debt</u> | | 267,155 |
| <u>Total investments</u> | | 61,000 |

7.3 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the Capital Financing Requirement.

The Council has complied with this prudential indicator in the current year and there is no indication that it will not do so in future as detailed below:

| | 2017/18 Actual £'000 | 2018/19 Revised Estimate £'000 | 2019/20 Original Estimate £'000 | 2020/21 Original Estimate £'000 | 2021/22 Original Estimate £'000 |
|---|----------------------------|---|--|--|--|
| Actual gross debt at 31 st March | 267,155 | 280,271 | 281,304 | 282,098 | 286,097 |
| Capital Financing Requirement (CFR) | 325,241 | 337,698 | 343,091 | 343,819 | 339,702 |
| | | | | | |
| Under / (over) borrowed | 58,086 | 57,427 | 61,787 | 61,721 | 53,605 |

7.4 Treasury Indicators: Limits relating to borrowing

7.4.1 The Operational Boundary

This is the limit beyond which external debt is not normally expected to exceed.

| | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|-------------------------|------------------|------------------|------------------|------------------|
| Operational Boundary | 355,241 | 362,713 | 360,994 | 356,494 |

7.4.2 The Authorised Limit

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

| | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|---------------------|------------------|------------------|------------------|------------------|
| Authorised Limit | 375,241 | 382,713 | 380,994 | 376,494 |

7.4.3 Upper limits on fixed and variable interest rate exposure

This identifies a maximum limit for fixed and variable interest rates based upon the total debt position

| | 2018/19 to 2021/22 £'000 |
|--|---|
| Upper Limit on Fixed Interest Rate Exposure | 380,994 |
| Lower Limit on Fixed Interest Rate Exposure | |
| Upper Limit on Variable Interest Rate Exposure | 190,497 |
| Lower Limit on Variable Interest rate Exposure | |

7.4.4 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits

| Maturity Structure of Fixed Rate Borrowing | 2019/20 Estimate % | Upper Limit % | Lower Limit % |
|--|--------------------|---------------|---------------|
| Under 12 months | 2 | 15 | 0 |
| 12 months to 2 years | 4 | 15 | 0 |
| 2 to 5 years | 6 | 40 | 0 |
| 5 to 10 years | 1 | 60 | 0 |
| 10 years + | 87 | 100 | 15 |

8. Prospects for Interest Rates

8.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link's projected view.

| | Mar19 | Jun19 | Sep19 | Dec19 | Mar20 | Jun20 | Sep20 |
|------------|-------|-------|-------|-------|-------|-------|-------|
| Bank Rate | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% |
| 5 yr PWLB | 2.10% | 2.20% | 2.20% | 2.30% | 2.30% | 2.40% | 2.50% |
| 10 yr PWLB | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% |
| 25 yr PWLB | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% |
| 50 yr PWLB | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.10% | 3.10% |

9. **Borrowing Strategy**

- 9.1 The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However this strategy can only be used as a short term measure therefore consideration will be given to entering into external borrowing during 2019/20.
- 9.2 The following types of loan arrangement will be considered (in no particular order):
- Temporary borrowing from the money markets or other local authorities.
 - Short dated borrowing from the market or PWLB.
 - Long term fixed rate market or PWLB loans.

The general aim of this treasury management strategy is to ensure the affordability of capital investment within the ongoing revenue budget, to ensure that the credit risk is managed effectively when comparing borrowing costs and investment holdings and returns.

The Council will continue to examine the potential for undertaking early repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt positions. However, the introduction by the PWLB of significantly lower repayment rates than new borrowing rates in November 2007, which has now been compounded since 20th October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has potentially meant that large premiums would be incurred by such action and such levels of premiums are unlikely to be justifiable on value for money grounds. This situation will be monitored in case these differentials are narrowed by the PWLB at some future date.

Members should note that to date during 2018/19 the Council has taken new borrowing of £19.7m from the PWLB taking advantage of historically low interest rates. It should also be noted that during the year the Council repaid £5.1m of principal repayments to the PWLB.

- 9.3 Going forward it is not anticipated that the Council can meet its borrowing requirement from internal balances. It is proposed that Council Officers monitor the cost of external borrowing and if considered necessary externalise the 2019/20 borrowing

requirement during the financial year if considered advantageous to do so.

10. Policy on Borrowing in Advance of Need

10.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

11. Debt Rescheduling

11.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

11.2 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings,
- helping to fulfil this Treasury Management Strategy, and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

11.3 Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

11.4 No rescheduling is anticipated in 2019/20. If rescheduling does take place it will be reported to the Cabinet Board, at the earliest meeting following its action.

12. Annual Investment Strategy

- 12.1 The Council's investment policy has regard to the Welsh Government's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA TM Code"). The Council's investment priorities will be security first, portfolio liquidity second, then return.
- 12.2 In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using Link's ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
- 12.3 Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets.
- 12.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 12.5 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.
- 12.6 The intention of the strategy is to provide security of investment and minimisation of risk.
- 12.7 Investment instruments identified for use in the financial year are listed in Appendix 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices Schedules.

13. Creditworthiness Policy

13.1 The Council receives creditworthiness information from Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swop (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

13.2 All credit ratings are monitored on a daily basis. The Council is alerted to changes to ratings of money market organisations as announced by all three agencies through its use of the Link's creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

13.3 Council Officers are able to use this creditworthiness information to help support their decision making processes along with other market information and data available.

13.4 The approved investment criteria are detailed in Appendix 2 of this report and have not changed from those previously approved by Members.

14. Country Limits

14.1 The Council will only invest in Banks in countries where the sovereignty rating is AA+ or higher, with the exception of the UK which has an AA rating. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 2. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

15. Investment Strategy

15.1 **In-house funds:** The Council currently manages its surplus funds in-house. The core balance, available for strategic investment is estimated to be in the region of £25m. The remaining cash balances are mainly cash flow derived and available for short term investment only.

15.2 Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (up to 12 months). The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made.

15.3 **Investment returns expectations.**

The Council's Treasury advisors have informed us that Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.

Bank Base Rate is forecast rise to 1.00% in quarter 1 of 2019, then rise to 1.25% by quarter 4 of 2021. The Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.25%
- 2020/21 1.50%
- 2021/22 2.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.50%
- 2021/22 1.75%

The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.

15.4. Investments greater than 365 days

The Council is required to set a limit on the total value of investments with a duration greater than 365 days. This limit is set with regard to the Council's liquidity requirements. The proposed limit is set out below:

| | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|------------------------------------|------------------|------------------|------------------|------------------|
| Limit on investments over 365 days | £25m | £25m | £25m | £25m |

Members should note that the updated Treasury Management Code of Practice now requires Local Authorities to report on investments over 365 days as opposed to the previous practice of over 364 days.

16 End of Year Investment Report

16.1 Members will receive a report on the actual 2018/19 investment activity as part of the Annual Treasury Report by 30th September 2019.

17. Policy on the Use of External Service Providers

17.1 The Council uses Link Asset Services as its external treasury management advisers. The Council's previous contract was with Capita Asset Services but this business was purchased by Link Asset Services during 2017/18.

17.2 The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

17.3 However it is recognised that responsibility for treasury management decisions remains with the Council.

18. Role of the Section 151 Officer

18.1 The Director of Finance and Corporate Services is the designated Section 151 Officer for the Council. The specific responsibilities of the S151 Officer are set out below:

- to recommend treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommend the appointment of external service providers.

19. Capital Strategy

19.1 Purpose of the Capital Strategy

The Capital Strategy is intended to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services; an overview of how the associated risk is managed and the implications for future financial sustainability.

19.2 Capital Programme Planning Process

The Capital Programme is a key component in assisting the Council to deliver its three well-being objectives:

- To improve the well-being of children and young people.
- To improve the well-being of all adults who live in the county borough
- To develop the local economy and environment so that the well-being of people can be improved

In order to assist in delivering these objectives the Programme prioritises a number of key areas:

- Maintenance of existing capital assets. This work is prioritised using the various Asset and Risk Management Plans in place
- Regeneration of the County Borough. Great emphasis is placed on this area and the subsequent benefits investment brings in relation to the economy and jobs. The Capital Programme allocation is used as a means of leveraging in external funding in the form of grants and private sector investment to ensure maximum benefits to the citizens of the County Borough
- Disabled Facilities Grants. These are seen as a key driver in ensuring that people can remain living in their own homes for as long as possible.
- Transformation Initiatives. Transformation of services such as the 21st Century Schools Programme are delivered via prioritised capital investment.

The Council does not enter incur capital expenditure for purely commercial reasons i.e. with the sole intention of making a profit.

19.3 Governance Arrangements

Delivery of the Capital Programme is overseen by the Council's Capital Programme Steering Group (CPSG) under the chair of the Assistant Chief Executive and Chief Digital Officer. The groups consists of a number of Heads of Service and other Council officers and meets regularly to consider progress along with any emerging pressures.

An updated version of the Capital Programme is formally approved by Cabinet and Council on a quarterly basis as part of the Council's budget monitoring and scrutiny arrangements.

19.4 Future Financial Sustainability

The revenue implications of Capital Spending plans are incorporated into the Council's Forward Financial Planning process. The cost of borrowing (principal and interest) to finance

spending plans are calculated using prudent assumptions around interest rates to ensure they are affordable. Any revenue implications for Service's as a result of capital investment decisions are built into the Medium Term Financial Planning process as budget 'pressures'.

20. Minimum Revenue Provision

20.1 Introduction

20.1.1 Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision.

20.1.2 The council is required to approve its MRP policy for the forthcoming financial year ensuring that "prudent provision" is made.

21. Minimum Revenue Provision Policy Statement 2019/20

21.1 The Council's MRP policy for 2019/20 is detailed below:

MRP Policy – Supported Borrowing

21.2 The Council is required to make arrangements for the repayment of debt which it considers to be a 'prudent provision for the repayment of debt'. In relation to capital expenditure funded by supported borrowing the MRP policy will be to write down the debt over a 50 year period on a straight line basis, this is broadly consistent with the lives of assets funded and maintained by supported borrowing.

MRP Policy – Prudential Borrowing

21.3 Expenditure will be subject to MRP on the basis of asset life and using the equal annual instalment or annuity methods as appropriate.

- 21.4 Estimated life periods will be determined by the Director of Finance and Corporate Services under delegated powers. To the extent that expenditure is not on the creation of an asset e.g. computer software and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 21.5 Where some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure, as determined by the Director of Finance.
- 21.6 Where the Council provides capital funding to a third party the MRP charge will be calculated as if the Council incurred the capital expenditure itself i.e. over the expected life of the asset.
- 21.7 The Council will apply the Minimum Revenue Provision to the accounts in the financial year following which the asset becomes operational.

22. Affordability Prudential Indicators

22.1 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework a prudential indicator is required to assess the affordability of the capital investment plans. This indicator shows the impact of the capital investment plans on the Council’s overall finances.

Ratio of financing costs to net revenue stream

| | 2018/19 Revised Estimate | 2019/20 Original Estimate | 2020/21 Original Estimate | 2021/22 Original Estimate |
|------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Financing Cost / Net Revenue | 6.91% | 7.13% | 6.73% | 6.57% |

23. Capital Financing Budget

23.1 Included at Appendix 3 of this report is a breakdown of the capital financing budget which totals £19.274m for 2019/20.

24. Financial Impact

All financial impacts are detailed within the body of the report.

25. Integrated Impact Assessment

There is no requirement for an equality impact assessment for this report.

26. Workforce impacts

There are no workforce impacts resulting from this report.

27. Legal impacts

The report deals with the Council's legal requirements as set out in Local Government Act 2003.

28. Risk management

Compliance with the strategies outlined in this report should be sufficient in terms of managing risks in this area.

29. Recommendation

It is recommended that Cabinet commend to Council the approval of the following Strategies and Policies as set out in this report:

- Treasury Management Strategy
- Annual Investment Strategy
- Minimum Revenue Provision Policy
- Prudential Indicators
- Capital Strategy

30. Reasons for proposed decision

To approve the Authority's Treasury Management Strategy, Annual Investment Strategy, Capital Strategy and MRP Policy as required

by the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities (2017).

31. Implementation of decision

The decision is proposed for implementation immediately after consultation with the Cabinet Scrutiny Committee and determination by Council.

32. Appendices

Appendix 1 – Scheme of Delegation

Appendix 2 - Investment Criteria

Appendix 3 – Capital Financing Budget

33. List of Background Papers

CIPFA – Treasury Management in the Public Sector Code of Practice

CIPFA – Prudential Code for Capital Finance in Local Authorities (2017)

Treasury Management Working Papers

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Scheme of Delegation

| Area of Responsibility | Council/ Committee | Frequency |
|--|--|--|
| Treasury Management Strategy / Annual Investment Strategy / MRP policy | Cabinet for approval by Full Council | Annually before the start of the year |
| Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid year report | Cabinet | Mid year |
| Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times | Cabinet for approval by Full Council | Periodically |
| Annual Treasury Outturn Report | Cabinet | Annually by 30 th September after the end of the year |
| Treasury Management Monitoring and Performance Reports | Cabinet and Cabinet Scrutiny Committee and Audit Committee | Quarterly |
| Treasury Management Practices | Cabinet for approval by Full Council | Amendments to be reported annually |
| Scrutiny of Treasury Management Strategy | Cabinet and Cabinet Scrutiny Committee and Audit Committee | Annually |

Specified Investments

| | Minimum 'High' Credit Criteria | Funds Managed | Max Amount | Max Duration |
|--|-----------------------------------|---------------|------------|----------------------|
| Term deposits | | | | |
| Term deposits - Debt Management Office | N/A | In-house | Unlimited | 1 year |
| Term deposits – local, police and fire authorities | N/A | In-house | £10m | 1 year |
| Term deposits – Nationalised & Part Nationalised UK banks/Building Societies | Fitch short-term rating F1+, F1 | In-house | £20m | 1 year |
| Term deposits – UK banks/Building Societies | Fitch short-term rating F1+ | In-house | £20m | 1 year |
| Term deposits – UK banks/Building Societies | Fitch short-term rating F1 | In-house | £15m | 6 months or 185 days |
| Callable deposits | | | | |
| Callable deposits – Debt Management Agency deposit facility | N/A | In-house | Unlimited | |
| Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies | Fitch short-term rating F1+, F1 | In-house | £20m | |
| Callable deposits – Nationalised & Part Nationalised UK banks/Building Societies | Fitch short-term rating F2 | In-house | £10m | |
| Callable deposits - UK banks/Building Societies | Fitch short-term rating F1+ or F1 | In-house | £15m * | |
| Term deposits – non UK banks | Fitch short-term rating F1+ | In-house | £5m | 6 months or 185 days |

* Where necessary this limit may be temporarily exceeded with the Authority's bankers only.

Other specified investments are as follows:

1. The UK Government – in addition to the Debt Management Account facility, there are UK Treasury Bills or Gilts with less than 1 year to maturity.
2. Supranational Bonds of less than 1 year duration – there are two categories:
 - (a) multilateral development bank bonds such as European Investment Bank Bonds
 - (b) a financial institution that is guaranteed by the UK Government such as The Guaranteed Export Finance Company.
3. Pooled Investment Vehicles (such as Money Market funds) that have been awarded a high credit rating agency.

Specified investments are considered low risk assets where the possibility of loss of principal or investment income is small.

The Council has not utilised these types of investments in the past but is currently investigating the merits for doing so.

Non-Specified Investments:

A maximum of £25m will be held in aggregate in non-specified investments. All non-specified investments will be sterling denominated, as reflected below:

Maturities in excess of 1 year

| | Minimum Credit Criteria | Funds Managed | Max. Investment | Max. Maturity Period |
|---|--------------------------------|----------------------|------------------------|-----------------------------|
| Fixed term deposits with fixed rate and fixed maturity | | | | |
| Debt Management Agency Deposit Facility | N/A | In-house | Unlimited | 5 years |
| Term deposits – local authorities | NA | In-house | £10m | 5 years |
| Term deposits – UK banks/Building Societies | Fitch long-term rating A | In-house | £10m | 5 years |
| Term deposits – Non UK banks | Fitch long-term rating A | In-house | £3m | 5 years |
| Term deposits – building societies | Fitch long-term rating A | In-house | £3m | 5 years |
| Fixed term deposits with variable rate and variable maturities | | | | |
| Callable deposits | Fitch long-term rating A | In-house | Criteria as above | |

Approved Countries for Investments

At present the Council has the ability to invest in the countries as set out below; the Council will take account of all information if making investments in Non-UK banks.

The Council will only invest in Banks where the sovereignty is AA+ or higher, with the exception of the UK which has a AA Sovereign Rating. Should the UK sovereignty rating reduce further the Council will immediately review its investments but will continue to invest in UK institutions in line with the agreed strategy and a report will be forwarded to Members for consideration.

Based on latest available rating:

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- USA

AA

- UK

Capital Financing Budget

| 2017/18 Outturn Position £'000 | | 2018/19 Original Budget £'000 | 2019/20 Original Budget £'000 |
|---|--|--|--|
| 15,934 | Principal and Interest charges | 19,143 | 19,644 |
| | Investment Income | | |
| (527) | - Total | (390) | (300) |
| 192 | - less allocated to other funds * | 160 | 110 |
| (335) | Subtotal Income | (230) | (190) |
| 0 | Contribution from General Reserve | (340) | (180) |
| 594 | Contribution to Treasury Management Equalisation Reserve. | | |
| 16.193 | Net General Fund | 18,573 | 19,274 |

NB * Allocated to other Funds include interest paid out to Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE HEAD OF FINANCE

13th February 2019

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED – ALL

CAPITAL BUDGET MONITORING 2018/19

Purpose of Report

1. To provide Members with information in relation to delivery of the 2018/19 Capital Programme.

Background

2. On 21st February 2018 Council approved its Capital Programme for 2018/19; the report detailed planned Capital Expenditure totalling £43.608m for the financial year.

On 31st October 2018 Council approved the current Capital Budget as at 30th September 2018, the report detailed planned Capital Expenditure totalling £47.721m for the financial year.

The purpose of this report is to update Members as to the delivery of this Programme as at 31st December 2018 and to seek approval for a further updated budget position.

Targeted Achievements

3. As Members are aware the following achievements are being targeted during this financial year:
 - Completion of the Council's Band A 21st Century Schools programme with the following due to open during 2018:
 - Ysgol Cwm Brombil - a new 3-16 School in Margam to replace the Lower and Upper sites of Dyffryn

Comprehensive as well as Groes Primary School. This school opened in November 2018.

- Ysgol Gymraeg Ystalyfera (Bro Dur) – A new primary school on the site of the North Campus and a 11-16, provision on the South Campus, on the site of the former Sandfields Comprehensive School. This opened at the beginning of September 2018 ready for the new school term.
- Ysgol Carreg Hir- a new primary school in Briton Ferry, on the site of the former Cwrt Sart Comprehensive School. The project sees three primary schools (Brynhyfryd, Llansawel and Ynysmaerdy) with significant surplus capacity and backlog maintenance close. This school opened at the beginning of September 2018 ready for the new school term.
- County Borough regeneration including the commencement of the next phase of the Neath Town Centre redevelopment.
- Further investment of £3m into Disabled Facility Grants to assist people to live at home and investment of over £3m in Schools Capital Maintenance and Highways and Engineering Maintenance improvements.

Changes to the approved Budget

4. The updated Capital Programme now totals £44.821m with the main changes proposed being:
 - Former Port Talbot Magistrates Court – The £1.932m budget has now been reduced for 2018/19 to £1.265m, with the remaining £667k carried forward into 2019/20.
 - A £2.2m budget had been included in 2018/19 in relation to the former Crown Foods site, Neath. However, £600k of this has now been re-profiled into 2019/20 to reflect the profile of the works required on the site.
 - A £415k reduction in the Recycling Initiatives budget to reflect eligible grant funded expenditure previously incurred in 2017/18.

- A reduction of £297k in the Commercial/Property Enhancements and Heritage Works budget. These funds are required in 2019/20 and will be carried forward.
- A £550k reduction in the Port Talbot regeneration budget. This is due to the re-profiling of a number of projects into future years.
- £60k has been received from the Welsh Government for their Reducing Infant Class Sizes grant. This will be spent at YGG Rhos Afan, YGG Castell Nedd, and Gnoll Primary.

2018/19 Capital Expenditure

5. Details of Capital Expenditure as at 31st December 2018 is outlined in the table below:

Table 1 – Capital Budget and Spend 2018/19

| | Current Budget £'000 | Proposed Budget £'000 | Actual @ 31st Dec 2018 |
|--|---------------------------------|----------------------------------|--|
| Ysgol Cwm Brombil | 12,946 | 12,598 | 9,507 |
| Ysgol Gymraeg Ystalyfera (Bro Dur) – North Campus 11-16 | 555 | 930 | 818 |
| Ysgol Gymraeg Ystalyfera (Bro Dur) – South Campus 11-16 | 5,147 | 4,772 | 4,604 |
| Ysgol Carreg Hir | 3,048 | 3,396 | 3,292 |
| YGG Rhos Afan/Castell Nedd/ Gnoll Primary – reducing infant class sizes | 0 | 60 | 0 |
| Schools Capital Maintenance | 1,100 | 1,306 | 1,140 |
| Leisure Investment | 150 | 150 | 56 |
| Highways and Engineering Maintenance | 2,411 | 2,104 | 1,592 |
| Highways Infrastructure Investment | 769 | 807 | 807 |
| Street Lighting Replacement | 422 | 422 | 93 |
| A474 Vale of Neath Bridge | 447 | 50 | 10 |
| Cwmafan Emergency Landslip work | 700 | 775 | 651 |
| Health and Safety | 850 | 850 | 471 |
| Road Safety Grant – Accident Reduction Measures | 468 | 468 | 206 |
| Safe Routes in Communities | 185 | 185 | 35 |
| Local Transport Network Improvements | 810 | 810 | 303 |

| | Current Budget £'000 | Proposed Budget £'000 | Actual @ 31st Dec 2018 |
|---|---------------------------------|----------------------------------|--|
| Recycling Initiatives | 1,300 | 885 | 546 |
| Vehicle Replacement Programme | 1,529 | 1,529 | 201 |
| Regeneration – Neath Town Centre Redevelopment | 900 | 900 | 389 |
| Regeneration – former Port Talbot Magistrates Court | 1,932 | 1,265 | 530 |
| Regeneration – Former Crown Foods site | 2,200 | 1,600 | 0 |
| Regeneration – Port Talbot | 1,048 | 498 | 9 |
| Commercial/Property/Heritage Regeneration projects | 650 | 353 | 118 |
| Margam Park – Turbine House | 429 | 200 | 87 |
| Harbourside Strategic Employment Site | 266 | 120 | 100 |
| Social Services Capital Maintenance | 150 | 200 | 188 |
| Disabled Facilities Grants | 3,000 | 3,000 | 2,117 |
| Schools and Fleet – Asset Financing | 640 | 350 | 314 |
| Housing Energy Efficiency Works | 206 | 257 | 257 |
| Active Travel Fund | 540 | 540 | 71 |
| Neighbourhood Improvements | 150 | 150 | 85 |
| Pavilions | 100 | 100 | 11 |
| Disability Access | 150 | 150 | 96 |
| Rapid Access Grant | 0 | 350 | 6 |
| Contingency | 528 | 277 | 0 |
| | | | |
| Remaining Capital Programme | 1,995 | 2,414 | 1,263 |
| | | | |
| Total | 47,721 | 44,821 | 29,973 |

6. Financial Appraisal

The Capital Programme as set out in this report can be funded via the use of several resources including capital grant, reserves and borrowing.

Risk Management

- The capital programme is actively managed by managers and the Capital Programme Steering Group to comply with all relevant planning conditions, legislation, regulations and health and safety.

Consultation

8. There is no requirement under the Constitution for external consultation on this item.

9. Integrated Impact Assessment

This report does not require an Integrated Impact Assessment.

Recommendations

10. Cabinet commends to Council:

- The approval of the proposed 2018/19 budget totalling £44.821m.
- And note the position in relation to expenditure as at 31st December 2018.

Reason for proposed decisions

11. To update the capital programme for 2018/19 and inform Members of the current year spend to date.

Implementation of Decision

12. The decisions are proposed for implementation after consultation with the Scrutiny Committee and approval by Council

List of Background Papers

13. Capital Programme working files

Officer Contact

14. For further information on this report item, please contact:

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Mae'r dudalen hon yn fwriadol wag

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE CORPORATE DIRECTORS GROUP

13th February 2019

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

REVENUE BUDGET MONITORING REPORT 2018/19

1 Purpose of Report

1.1 This is a monitoring report which provides details for Cabinet to scrutinise and review the overall Authority budget position.

1.2 The report is set out as follows:-

| Section | Description |
|----------------|--|
| 2 | Current year financial position identifying the major variances for scrutiny by members |
| 3 | Grants awarded – outlining any changes in grant funding for member information |
| 4 | Budget virements – identifying those virements which require approval from members |
| 5 | Reserve movements –outlining proposed changes in the use of reserves for member approval |
| 6 | Future year FFP savings – identification of risks identified regarding current year savings strategies |

1.3 Members are invited to request further detailed reports relating to the issues raised, for consideration by the relevant scrutiny board.

2 Current Year Financial Position

2.1 The Net Directly Controlled Budget is projected to over spend by £1.423m, but this is offset by a projected underspend of £987k in

the other elements of the budget (inclusive of proposed net transfer to/from reserves). The net budget is therefore projected to overspend by £436k, as outlined in the table below.

| | Original budget 2018/19 | Revised budget 2018/19 | Projected Outturn 2018/19 | Variance |
|----------------------------|--------------------------------|-------------------------------|----------------------------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| ELLL - Schools | 81,708 | 81,708 | 81,708 | 0 |
| ELLL - Other | 23,816 | 24,582 | 24,911 | 329 |
| SSHH | 78,632 | 78,713 | 79,619 | 906 |
| ENVT | 34,755 | 35,741 | 36,239 | 498 |
| CORP | 17,433 | 17,471 | 17,161 | -310 |
| Directly controlled | 236,344 | 238,215 | 239,638 | 1,423 |
| Other | 46,511 | 44,640 | 43,653 | -987 |
| Budget Requirement | 282,855 | 282,855 | 283,291 | 436 |

2.2 The following paragraphs provide details of significant variances (>£50k) from the agreed budget for 2018/19, together with an explanation of the ways in which these variances are being managed.

2.2.1 Education, Leisure and Lifelong Learning

The Directorate has a budget of £81.708m for Schools and £24.582m for other Education, Leisure and Lifelong Learning services. The ELLL budget contains savings targets of £849k (3.5%).

The main variances are:-

- **Specific Contingencies £66k underspend**

A management decision has been taken to minimise all non-essential expenditure against this budget, in order to reduce the Directorate overspend.

- **Home to School Transport £298k overspend**

The overspend is due to new routes and increased demand for transport from September 2018. The increase is partly attributable to the establishment of 2 new SENC units, and additional costs of

transporting school age children to attend the Junior Apprentice Programme at Neath Port Talbot College. The full year effect of the pressure is estimated to be £461k.

- **School Meals £163k underspend**

Welsh Government has allocated £253k to the Council to fund the additional cost of Free School Meals arising as a result of the roll out of Universal Credit.

- **Cleaning - £53k overspend**

The projected overspend is due to the cost of overtime to cover sickness absence.

- **Strategic Schools Investment Programme £62k overspend**

The overspend is due to additional costs of preparing business cases in support of a capital grant bid in line with the 21st Century Schools Band B Programme. The bid for Welsh Medium Schools funding was successful and the Council has been awarded £3.5m.

- **Out of County Placements £103k overspend**

The overspend is due to additional children being placed in independent sector schools. Work is continuously being undertaken to ensure that all out of county placements continue to meet the needs of the children, and that the costs reflect the education provision being provided.

The Education Leisure and Lifelong Learning budget is currently projected to overspend by £329k. Work is ongoing to identify savings to reduce the projected overspend.

The Welsh Government has indicated that £3m will be made available to fund music services over the next two years. The NPT share is expected to be £50k in 2018/19 and £50k in 2019/20. The 2019/20 grant will be used in year whilst the 2018/19 share will be carried forward at year end to underpin the Music Service budget in 2020/21.

2.2.2 Social Services Health & Housing

The Directorate has a budget of £78.713m which includes savings targets of £4.550m (5.8%), and is currently projected to overspend by £906k.

The main variances contributing to the over spend are:-

- **Children – Social Work £60k underspend**
The under spend is due to vacant hours/posts.
- **Children Residential Care – £501k overspend**
The budget was based on 7 children, while the projection is based on the current number (10), and assumes that they will remain in placement until the end of the year, or until they step down to another form of care.
- **Fostering service £109k overspend**
An overspend is due to payments for 2 Looked after Children in high cost supported living placement (£240k), an increase in the cost of transport (£49k), which are partly offset by savings on staff costs, route 16 discretionary payments, and from a reduction in the number of foster placements.
- **Adoption £527k underspend**
The budget was based on payment of allowances for 57 children. An underspend is projected as payments are currently being made for 46 children.
The joint service is projected to underspend by £600k and NPT's share of placements has also reduced from 33% to 20%. Therefore the contribution that the Council is required to make to the Joint services is projected to be £500k less than the budget provision.
- **External Foster Placements £202k underspend**
The budget was based on 57 children, and an underspend is projected as 50 are currently in foster care.
- **Youth Offending Service £96k underspend**
The underspend is due to savings on staff costs.
- **Community Care – Social Work £166k underspend**
The underspend is due to saving on staff costs.
- **Business Support Services £84k underspend**
The underspend is due to savings on staff costs.
- **Domiciliary Care - £1.635m overspend**
The domiciliary care service has achieved savings greater than the targets specifically relating to domiciliary care (SSHH811 £85k, SSHH812 £800k), some of which has been offset by additional demand.
The budget also includes savings targets relating to Direct Payments (SSHH801 £950k) and Asset Based Approach (SSHH802 £685k) which have not been achieved, and which result in the over spend reported.
- **Community Resource Team - £200k underspend**
The underspend is due to staff savings, and additional Integrated Care Fund (ICF) grant.
- **Other Community Care – WILG £68k overspend**

The Welsh Independent Living Grant (WILG) was transferred into the settlement for 2018/19, and a FFP savings target of £500k (SSHH808) was included in the budget, to be achieved by reviewing all packages of care previously funded through WILG. The remaining pressure (£68k) is because work is ongoing to ensure that appropriate care packages are provided to service users. As packages are reassessed the ongoing costs are transferred from the WILG budget to the mainstream placements budget.

- **LD Day Opportunities – Employment & Training £63k underspend**

The underspend is due to savings on staff (£37k) and transport costs.

- **Day Opportunities Care & Support £63k underspend**

The underspend is due to savings on staff costs.

- **MH External Placements £103k overspend**

This budget contains an FFP savings target of £100k, which has not yet been fully achieved, as a result of additional placements being made.

- **Housing Advice/Supported Tenancies £94k underspend**

The underspend is due to savings on staff costs (£138k) and additional grant received (£25k), which have been partly offset by an increase in the cost of B&B placements (£90k).

- **Renovation Grants/ Renewal Area £129k overspend**

The budget includes an income target (£170k) which has not yet been achieved, but which is partly offset by staff savings.

The Social Services Budget is projected to overspend by £906k.

2.2.3 Environment

The Directorate has a budget of £35.741m which includes savings targets of £688k (1.9%).

The main variances contributing to the overspend are:-

- **Parking Strategy £54k overspend**

The overspend is projected due to a delay in implementing increased charges which were originally planned to take effect from 1st April 2018. The overspend also includes the additional cost of replacement pay machines at Aberafan seafront.

- **Waste Disposal & Recycling £175k overspend**
The projected overspend is due to an increase in the cost of disposal of bagged green waste, and increase in the disposal of waste from Council operations (i.e. street sweeping, gully waste, fly tipping and capital works) due to a change in the disposal facility used for builders rubble.
- **Household Waste Recycling Centres £52k overspend**
The budget includes a savings target of £100k which will not be realised in full in 2018/19. The waste volumes received at the sites are extremely volatile and are being closely monitored by enforcement officers.

The Environment budget is projected to overspend by £498k.

2.2.4 Corporate Services

The Directorate has a budget of £17.471m which includes savings targets of £648K (3.7%).

- **Housing Benefit £51k underspend**
The underspend is due to staff savings arising from maternity leave and vacant posts (£16k), and additional grant received from DWP.
- **Legal childcare £56k underspend**
The underspend is mainly due to staff savings arising from maternity leave and vacant posts (£44k).
- **One stop shop /customer services £74k underspend**
The underspend is due to savings on staff costs from vacant posts.

The Corporate Services Directorate is projected to under spend by £310k.

2.2.5 Other Services

- **Capital Financing – £100k underspend**
- **Council Tax Support – £618k underspend**
- **Contingency – £65k underspend**
- **Pay & Pension – £193k underspend**
- **Management of change – it is assumed that this provision (£500k) will be fully utilised to fund the cost of ERVR or used to replenish the reserve.**

- **Miscellaneous £20k underspend** – the underspend is largely due to savings arising from the AVC salary sacrifice scheme.

A summary of the overall Net Authority budget is included in Appendix 1

3 Grants

The following grants have been awarded during the quarter.

| Value | Directorate | Service |
|-------|-------------|---|
| £409k | ELLL | Childcare Early Implementation Grant |
| £725k | ELLL | Local Authority Education Grant – Teachers' Pay award |
| £253k | ELLL | Local Authority Education Grant – Free School Meals |
| £90k | ELLL | All Wales Play Opportunities Grant |
| £696k | SSHH | Sustainable Social Services Grant |
| £25k | SSHH | Homeless - Cold Weather Programme |
| £14k | CORP | Substance Misuse – Take Home Naxolone |

4 Budget Virements

- 4.1 The Council's Constitution requires the prior approval of any virement that does not involve a significant variation in the level or nature of the delivery of the service agreed by Council in the Revenue Budget as follows:-

Less than £100,000 – Corporate Directors

More than £100,000 but less than £500,000 – Cabinet

More than £500,000 – Council

- 4.2 Virements agreed by Corporate Directors during quarter 3 are identified in Appendix 2

- 4.3 Virements requiring **Cabinet** approval are outlined below

| Value | Dir | Service |
|-----------|------|------------------------|
| -£300,000 | ENVT | Neighbourhood services |
| £300,000 | ENVT | Parks & Open Spaces |
| -£200,000 | ENVT | Non-operational Land |
| £200,000 | ENVT | Industrial workshops |

The net effect of all of the above virements are summarised in Appendix 1.

5 Reserve Movements

The following reserve movements are proposed

| Amount | Specific Reserve | Explanation |
|---------------|--------------------------------|---|
| £43,284 | Members Community Fund Reserve | Transfer from reserve to fund costs committed |
| £40,000 | Economic Development Reserve | Transfer from reserve to fund identified pressure |
| -£41,100 | Corporate Equalisation Reserve | Planned contribution from reserve to fund 2 apprentices in IT is no longer required due to underspends within the service |
| -£83,000 | Corporate Equalisation Reserve | Planned contribution from reserve (£113k) in HR is no longer required in full due to underspends within the service |
| -£7,500 | Corporate Equalisation Reserve | Planned contribution from reserve re HR Training is no longer required due to underspends within the service |
| -£100,000 | Corporate Equalisation Reserve | Planned contribution from reserve (£200k) to fund the Corporate services Directorate budget is no longer required in full due to underspends within the service |
| -£11,154 | Local Development Plan Reserve | Transfer 2018/19 savings to the reserve to fund anticipated future costs |
| -£654,000 | Education Equalisation Reserve | Transfer to reserve to fund the cost of the additional teachers' pay & GDPR in 2019/20 |
| -£30,000 | General Reserve | The planned contribution from the general reserve is no longer required in full due to savings realised in the NPT Works programme. |

| Amount | Specific Reserve | Explanation |
|------------|---------------------------------|--|
| £500,000 | Hillside Reserve | Transfer from reserve to offset shortfall in income, due to under occupancy |
| -£200,000 | IT Renewals Reserve | The planned contribution from the reserve is no longer required due to savings achieved by the IT service. |
| £27,409 | ERVR Reserve | Transfer from reserve to fund the cost of ERVR in Accountancy Financial Services |
| -£39,700 | General Reserve | The planned contribution from the reserve to Communications and Media is no longer required due to savings achieved by the service |
| £6,040 | Voluntary Organisations Reserve | Transfer from reserve to fund approved grant awards |
| £1,177,600 | Vehicle Renewals Reserve | Transfer from reserves to fund the cost of vehicles purchased |

Specific Reserves Summary

| | |
|--|-----------------|
| | £'000 |
| Opening balance on specific reserves 1/4/18 | (38,578) |
| Budgeted contributions (to) /from reserves | 3 |
| Additional reserve movements already approved | 361 |
| Additional reserve movements proposed this quarter | 623 |
| Estimated closing balance on specific reserve 31/3/19 | (37,591) |

Details of all the above are included in Appendix 3

General Reserve

| | |
|--|-----------------|
| | £'000 |
| Opening balance on the general reserve 1/4/18 | (19,980) |
| Budgeted contributions (to) /from reserves | (60) |
| Additional reserve movements already approved | 0 |
| Additional reserve movements proposed this quarter | 326 |
| Estimated closing balance on 31/3/19 | (19,714) |

Details of all budgeted movements against the general reserve are included in Appendix 4.

6 Forward Financial Plan Monitoring 2019/20 to 2022/23

- 6.1 The list of savings strategies included in the budget for 2018/19 are outlined in Appendix 5. Any variation to delivering the budget including the savings for 2018/19 are included in relevant narrative above.

Further work to update the FFP for 2019/20 and beyond will be separately reported to members.

7. Members Scrutiny

Scrutiny Members are invited to request further reports on selected items from within this report for consideration at the individual Scrutiny Committee.

8. Consultation

This item is not subject to external consultation.

9. Recommendations

It is recommended that:

- The budget monitoring information is scrutinised and management arrangements put in place to minimise overspends and the adverse impact on reserves.
- Members note the additional grant received
- The proposed reserve movements and budget virements are recommended for approval by Cabinet.

10. Reason for Proposed Decision

To update the Council's budget for additional grants received, budget virements and reserve movements in line with the Council's Constitution.

11. **Implementation of Decision**

The decision is proposed for implementation after consultation with the scrutiny committee and then consideration and approval by Council.

12. **Appendices**

Appendix 1 – Revenue Budget Summary 2018/19

Appendix 2 – Virements approved by Corporate Directors

Appendix 3 – Schedule of Specific Reserves

Appendix 4 – Schedule of General Reserve

Appendix 5 – Forward Financial Plan Savings Monitor

13. **Background Papers**

Budget working papers 2018/19

14. **Officer Contact**

For further information on this report item, please contact:

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Summary 2018-19

at Quarter 3 (31st Dec 2018)

| | Original | Virements | | | Revised | Projected | Variance | |
|--|---------------------|----------------|----------------|----------------|---------------|---------------------|--------------------|------------------|
| | Budget | Cab 23/5/18 | Quarter 1 | Quarter 2 | Quarter 3 | Budget | Outturn | |
| | 2018/19 | | | | | 2018/19 | 2018/19 | 2018/19 |
| | £ | | | | | £ | £ | £ |
| Education, Leisure and Lifelong Learning - Schools | 81,708,000 | 0 | 0 | 0 | 0 | 81,708,000 | 81,708,000 | 0 |
| Education, Leisure and Lifelong Learning - Other | 23,816,000 | 615,970 | 0 | 150,000 | 0 | 24,581,970 | 24,911,214 | 329,244 |
| Social Services Health & Housing | 78,632,000 | 80,500 | 0 | 0 | 0 | 78,712,500 | 79,618,397 | 905,897 |
| Environment | 34,755,000 | 262,500 | 120,841 | 507,021 | 95,697 | 35,741,059 | 36,239,259 | 498,200 |
| Corporate Services | 17,433,000 | 38,000 | 0 | 0 | 0 | 17,471,000 | 17,160,181 | -310,819 |
| Directly Controlled Expenditure | 236,344,000 | 996,970 | 120,841 | 657,021 | 95,697 | 238,214,529 | 239,637,051 | 1,422,522 |
| Swansea Bay Port Authority | 46,000 | | | | | 46,000 | 46,011 | 11 |
| Fire Authority | 7,288,000 | | | | | 7,288,000 | 7,287,651 | -349 |
| Margam Crematorium | 1,000 | | | | | 1,000 | 559 | -441 |
| Archives | 91,000 | | | | | 91,000 | 91,700 | 700 |
| Magistrates Court | 13,000 | | | | | 13,000 | 11,006 | -1,994 |
| Capital Financing | 18,573,000 | | | | | 18,573,000 | 18,473,000 | -100,000 |
| Council Tax Support | 17,841,000 | | | | | 17,841,000 | 17,223,166 | -617,834 |
| Contingency | 989,000 | | -120,841 | 657,021 | -95,697 | 115,441 | 50,000 | -65,441 |
| Pay & Pensions Provision | 1,190,000 | -996,970 | | | | 193,030 | 0 | -193,030 |
| Management of change | 500,000 | | | | | 500,000 | 500,000 | 0 |
| Miscellaneous | 0 | | | | | 0 | -20,336 | -20,336 |
| Cont from Fire Authority Reserve | -21,000 | | | | | -21,000 | -21,000 | 0 |
| Net Budget Requirement | 282,855,000 | 0 | 0 | 0 | 0 | 282,855,000 | 283,278,808 | 423,808 |
| RSG | -166,732,844 | | | | | -166,732,844 | 166,732,844 | 0 |
| NNDR | -45,607,965 | | | | | -45,607,965 | -45,607,965 | 0 |
| Discretionary rate relief | 216,432 | | | | | 216,432 | 228,785 | 12,353 |
| Council Tax | -70,730,623 | | | | | -70,730,623 | -70,730,623 | 0 |
| Total Funding | -282,855,000 | 0 | 0 | 0 | 0 | -282,855,000 | 282,842,647 | 12,353 |
| Overspend / (underspend) | | | | | | | | 436,161 |

Virements Agreed by Corporate Directors – during Quarter 3

| Amount | DIR | Service |
|---------------|------------|--|
| 22,146 | ENVT | Highways Maintenance Reactive - re Pantteg |
| 15,816 | ENVT | Drainage Services |
| -15,816 | ENVT | Development Control |
| -10,000 | ENVT | Community Services Transport Unit |
| -31,060 | ENVT | Dog & Litter Wardens |
| 20,000 | ENVT | Estates |
| -20,000 | ENVT | Asset & Energy Management |
| 9,000 | ENVT | Markets |
| -9,000 | ENVT | Non-operational Land |
| 41,060 | ENVT | Management Support |
| 5,657 | ENVT | Food & Health & Safety |
| -24,143 | ENVT | Environmental Health Management & Support |
| 18,486 | ENVT | Trading Standards |
| -22,146 | Other | Corporate Contingency |
| -55,058 | CORP | Legal Services |
| 55,058 | CORP | Corporate Procurement |
| 22,875 | CORP | Legal Services |
| -22,875 | CORP | Corporate Support Services |
| 25,391 | ENVT | Highways Maintenance Reactive - re Pantteg |
| -25,391 | Other | Corporate Contingency |
| 70,000 | ELLL | ELLL Contingency |
| -70,000 | ELLL | NPT Works |
| 45,000 | SSHH | Children - Social Work |
| -45,000 | SSHH | Children - Supported Accommodation |
| 80,000 | SSHH | Internal Fostering Service |
| -80,000 | SSHH | Adoption Service |
| -18,910 | SSHH | Other Community Care WILG |
| 18,910 | SSHH | External Placements |
| -25,650 | SSHH | Day Opportunities - Employment & Training |
| 25,650 | SSHH | Day Opportunities - Care & Support |
| 48,160 | ENVT | Highways Maintenance - reactive - re Pantteg |

| Amount | DIR | Service |
|---------------|------------|----------------------------------|
| -28,000 | ENVT | Public Lighting & Signal Control |
| 28,000 | ENVT | Refuse Collection |
| 35,000 | ENVT | Biodiversity |
| -35,000 | ENVT | Pollution Control Services |
| -48,160 | Other | Corporate contingency |

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2018/19

| Description | Updated Reserve Balance at 1/4/18 | 2018/19 Budgeted Cont to reserve | 2018/19 Budgeted Cont from res. | Changes already agreed | Changes proposed in Period | Estimated Reserve Balance at 31/3/19 |
|--|-----------------------------------|----------------------------------|---------------------------------|------------------------|----------------------------|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| EDUCATION, LEISURE & LIFELONG LEARNING | | | | | | |
| <i>Delegated Schools Reserves</i> | | | | | | |
| ER Reserve Primary | -19 | -1 | 0 | 0 | 0 | -20 |
| Primary Schools Reserve A/C | -2,433 | 0 | 0 | 0 | 0 | -2,433 |
| Secondary Schools Reserve A/C | -274 | 0 | 0 | 0 | 0 | -274 |
| Special Schools Reserve A/c | -161 | 0 | 0 | 0 | 0 | -161 |
| Repair and Maintenance Reserve | -161 | 0 | 0 | 0 | 0 | -161 |
| | -3,048 | -1 | 0 | 0 | 0 | -3,049 |
| <i>Education, Leisure and Lifelong Learning</i> | | | | | | |
| Education Equalisation Reserve | -96 | 0 | 0 | 52 | -654 | -698 |
| Home to School Transport | -60 | 0 | 60 | 0 | 0 | 0 |
| | -156 | 0 | 60 | 52 | -654 | -698 |
| Total Education Leisure & Lifelong Learning | -3,204 | -1 | 60 | 52 | -654 | -3,747 |
| SOCIAL SERVICES, HEALTH & HOUSING | | | | | | |
| Homecare ECM Equipment Reserve | -53 | -10 | 0 | 0 | 0 | -63 |
| Community Care Transformation Reserve | -108 | 0 | 0 | 0 | 0 | -108 |
| Social Services Equalisation | -540 | 0 | 0 | 0 | 0 | -540 |
| Hillside General Reserve | -1,687 | -143 | 238 | 0 | 500 | -1,092 |
| Youth Offending Team - Equalization | -153 | 0 | 0 | 0 | 0 | -153 |
| Adoption service | -100 | 0 | 0 | 0 | 0 | -100 |
| Total Social Services, Health and Housing | -2,641 | -153 | 238 | 0 | 500 | -2,056 |

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2018/19

| Description | Updated Reserve Balance at 1/4/18 | 2018/19 Budgeted Cont to reserve | 2018/19 Budgeted Cont from res. | Changes already agreed | Changes proposed in Period | Estimated Reserve Balance at 31/3/19 |
|---|-----------------------------------|----------------------------------|---------------------------------|------------------------|----------------------------|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| ENVIRONMENT | | | | | | |
| <i>Directorate</i> | | | | | | |
| Concessionary Fare - Bus Pass Replacement Reserve | -152 | 0 | 0 | 0 | 0 | -152 |
| Asset Recovery Incentive Scheme | -126 | 0 | 0 | 0 | 0 | -126 |
| Local Development Plan | -142 | 0 | 0 | 0 | -11 | -153 |
| Economic Development | -40 | -200 | 200 | 0 | 40 | 0 |
| Winter Maintenance Reserve | -764 | 0 | 0 | 0 | 0 | -764 |
| Baglan Bay innovation dilapidation reserve | -78 | 0 | 0 | 0 | 0 | -78 |
| Building Maintenance Reserve | 0 | 0 | 0 | 0 | 0 | 0 |
| Environment Equalization Reserve | -353 | 0 | 0 | 0 | 0 | -353 |
| BSSG Grant | -128 | 0 | 0 | 128 | 0 | 0 |
| Renewable energy | -4 | 0 | 0 | 0 | 0 | -4 |
| Environmental Health - housing equalisation | -20 | 0 | 0 | 0 | 0 | -20 |
| Operating Account -Equalisation | -36 | 0 | 0 | 0 | 0 | -36 |
| Vehicle Tracking | -92 | 0 | 0 | 0 | 0 | -92 |
| Operating Accounts -Vehicle Renewals | -1,465 | -1,063 | 0 | 0 | 1,178 | -1,351 |
| Total Environment | -3,399 | -1,263 | 200 | 128 | 1,206 | -3,128 |

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2018/19

| Description | Updated Reserve Balance at 1/4/18 | 2018/19 Budgeted Cont to reserve | 2018/19 Budgeted Cont from res. | Changes already agreed | Changes proposed in Period | Estimated Reserve Balance at 31/3/19 |
|--|-----------------------------------|----------------------------------|---------------------------------|------------------------|----------------------------|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| FINANCE /CHIEF EXEC | | | | | | |
| Elections Equalisation Fund | -202 | -15 | 0 | -25 | 0 | -242 |
| Health & Safety/Occupational Health | -94 | 0 | 54 | 0 | 0 | -41 |
| Development Fund for Modernisation | -110 | -5 | 0 | 0 | 0 | -115 |
| IT Renewals Fund | -1,495 | 0 | 421 | -25 | -200 | -1,298 |
| Corporate Services Equalisation Reserve | -662 | 0 | 424 | 0 | -232 | -470 |
| Building Capacity | -80 | 0 | 0 | -25 | 0 | -105 |
| Voluntary Organisation Reserve | -23 | 0 | 10 | 0 | 6 | -7 |
| Total Finance /Chief Exec | -2,666 | -20 | 909 | -75 | -426 | -2,278 |
| CORPORATE RESERVES | | | | | | |
| Insurance-Claims Reserve | -6,618 | -280 | 280 | 0 | 0 | -6,618 |
| Swansea Bay City Deal | 0 | 0 | 0 | 0 | -75 | -75 |
| Income Generation Project Reserve | -750 | 0 | 34 | 0 | 0 | -716 |
| Members Community Fund Reserve | -672 | 0 | 0 | 0 | 43 | -629 |
| Community Resilience Fund | -2,000 | 0 | 0 | 0 | 0 | -2,000 |
| Housing Warranties | -220 | 0 | 0 | 0 | 0 | -220 |
| Fire Authority Reserve | -31 | 0 | 0 | 0 | 0 | -31 |
| Pantteg Landslip Reserve | -500 | 0 | 0 | 0 | 0 | -500 |
| Waste Reserve | -393 | 0 | 0 | 0 | 0 | -393 |
| LAWDC Contingency Reserve | -971 | 0 | 0 | 0 | 0 | -971 |
| Treasury Management Equalisation Reserve | -5,755 | 0 | 0 | 0 | 0 | -5,755 |
| ER/VR - Transitional Reserve | -6,074 | 0 | 0 | 45 | 27 | -6,001 |
| Accommodation Strategy | -2,484 | -50 | 50 | 210 | 0 | -2,274 |
| Total Corporate Reserves | -26,468 | -330 | 364 | 255 | -4 | -26,183 |

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2018/19

| Description | Updated Reserve Balance at 1/4/18 | 2018/19 Budgeted Cont to reserve | 2018/19 Budgeted Cont from res. | Changes already agreed | Changes proposed in Period | Estimated Reserve Balance at 31/3/19 |
|---------------------------------------|-----------------------------------|----------------------------------|---------------------------------|------------------------|----------------------------|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| JOINT COMMITTEE RESERVES | | | | | | |
| Environment Legacy Reserve (SWTRA) | -60 | 0 | 0 | 0 | 0 | -60 |
| WB Safeguarding Board Reserve | -99 | 0 | 0 | 0 | 0 | -99 |
| Substance Misuse Joint Committee | -27 | 0 | 0 | 0 | 0 | -27 |
| Intermediate Care Pooled Fund Reserve | -14 | 0 | 0 | 0 | 0 | -14 |
| | -199 | 0 | 0 | 0 | 0 | -199 |
| TOTAL ALL REVENUE RESERVES | -38,578 | -1,768 | 1,771 | 361 | 623 | -37,591 |

| | Original Estimate 2018/19 | Revised Estimate 2018/19 | Difference 2018/19 |
|--|--|---|-------------------------------|
| | £'000 | £'000 | £'000 |
| Opening balance 1st April | Cr 20,613 | Cr 19,980 | 633 |
| Council Tax increased income | Cr 1,000 | Cr 1,000 | 0 |
| Capital - Phase II Accommodation financing costs | 340 | 340 | 0 |
| Doubtful Debt Provision | 200 | 200 | 0 |
| Contributions to the Economic Development Fund | 200 | 160 | -40 |
| Community Councils Grant Scheme | 25 | 25 | 0 |
| Pantteg landslip - media support | 40 | 0 | -40 |
| NPT Works contract termination | 135 | 105 | -30 |
| | | | |
| | | | |
| Contribution from /to revenue | 0 | 436 | 436 |
| | | | |
| Estimated Closing balance 31st March | Cr 20,673 | Cr 19,714 | 959 |

| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|--|---------------|--|-----------------|-----------------|
| ELLL704 | ES&C | Out of county placements | Andrew Thomas | No major impact, pupils will have reached school leaving age. Also savings in special school transport costs | 213 | 72 |
| ELLL707 | ES&C | Pontardawe Arts Centre - Reduce Subsidy | Andrew Thomas | Further reduction in funding to theatres, possibly a reduction in opening times. Investigating other income generation opportunities to compensate for reduced subsidy. | 40 | 40 |
| ELLL708 | ES&C | Gwyn Hall -Reduce Subsidy | Andrew Thomas | More efficient management of Celtic Leisure contract. | 40 | 40 |
| ELLL712 | ES&C | Reduction in management costs. | Andrew Thomas | Full year impact of 2017/18 decision | 19 | 0 |
| ELLL714 | ES&C | Disability Sport - Withdraw match support for Disability Sports Coordinator's post | Chris Millis | Full year effect of 2017/18 decision. No decrease in provision as grant terms and conditions met. | 15 | 0 |
| ELLL715 | ES&C | School Catering - Implementation of the review recommendations | Chris Millis | Savings from implementing new pay scale | 100 | 0 |
| ELLL801 | ES&C | Re-negotiate current contract to deliver outdoor education at the Discovery Centre, Margam Park. | Andrew Thomas | Likely increased cost for NPT pupils - more in line with what other users pay. Every effort will be made to protect financially disadvantaged pupils from price increases. | 0 | 250 |
| ELLL802 | ES&C | Celtic Leisure Contract - negotiate a reduction in subsidy | Andrew Thomas | More efficient management of Celtic Leisure contract. | 50 | 100 |
| ELLL803 | ES&C | Youth Service - secure 5% efficiencies on core budget | Chris Millis | Reduced provision, resulting in less capacity to support young people. Aim to target more strategic activity | 25 | 0 |
| ELLL804 | ES&C | School meals | Chris Millis | Savings identified as a direct result of the reduction in the number of schools | 50 | 0 |

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| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|--|----------------------------------|---|-----------------|-----------------|
| ELLL805 | ES&C | Music - set 10% efficiency target | Chris Millis | Reduced access to music provision across the County Borough. | 17 | 0 |
| ELLL806 | ES&C | Cut ERW additional funding | Chris Millis | Cease annual contribution to ERW and reduce core funding on the basis there are now far fewer schools in NPT | 80 | 0 |
| ELLL807 | ES&C | School cleaning - full cost recovery | Chris Millis | Increase current costs to primary and special schools. Possible risk of outsourcing. | 70 | 0 |
| ELLL808 | ES&C | Margam Park - market test with a view to appoint an operator for the catering functions. | Andrew Thomas | No impact to service users. Possible TUPE issues for staff for the very small number of staff who may be affected | 0 | 75 |
| ELLL809 | ES&C | Inclusion services - efficiency savings | Andrew Thomas | Further review of all areas of expenditure to secure efficiencies, e.g. vacancy management, out of county placements of pupils, maximising income | 50 | 0 |
| ELLL810 | ES&C | Cefn Coed Museum - reduce subsidy | Chris Millis | Consult and work with Friends of Cefn Coed Museum to identify income generation opportunities and volunteer contributions. | 5 | 5 |
| ELLL811 | ES&C | Home to School Transport - 1% savings target | Chris Millis | Home to school transport route re-tender savings. | 50 | 0 |
| ELLL812 | ES&C | Children and Young People - 5% efficiency on core budget costs | Chris Millis | Reduced provision, resulting in less capacity to support young people. | 25 | 0 |
| SSHH801 | SCHWB | Direct Payments | Andrew Jarrett/ Angela Thomas | The Social Services and Wellbeing Act 2014 requires Councils to promote Direct Payments (DP). Social Workers will actively promote DP's to offer choice and control over the services they require. Savings will be made against the total placements budget. | 950 | 0 |

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| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|---|----------------|--|-----------------|-----------------|
| SSHH802 | SCHWB | Asset Based Approach | Andrew Jarrett | The asset based approach is a successful strategy for reducing costs of social care by diverting demand and avoiding costs by earlier intervention & prevention; in addition to the very successful early intervention that already goes on. This means identifying sources of community provision which will meet people's needs in different ways. Savings will be made against the total adult placements budgets | 685 | 0 |
| SSHH803 | SCHWB | Children's Services | Keri Warren | Savings will be made against the total children placements budget and will encompass a focus on ensuring that children who can live at home do so, and those that cannot are provided with stability in care. | 500 | 0 |
| SSHH804 | SCHWB | Learning Disabilities reconfiguration | Angela Thomas | Review of Independent Living packages of care, with a planned approach to re-assessing people's needs, to enable individuals to be as independent as possible. Explore how the use of assistive technology can support people in different ways, especially during the night. Work with the whole sector to create more effective models of care/support and promote greater independence. Savings will be made against the Learning disability placement budget | 500 | 0 |
| SSHH805 | SCHWB | Review of domiciliary care packages of care | Angela Thomas | Carry out reviews for packages of independent sector domiciliary care within the community to ensure that people are supported to achieve greater independence and are not being over supported. | 85 | 0 |

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| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|---|--------------------------------|---|-----------------|-----------------|
| SSHH806 | SCHWB | Maximise usage of block booked residential care beds | Angela Thomas | Ensure the utilisation for the block contracted beds are maximised to the 80% contracted amount with the service provider - POBL. Manage the allocations into Pobl beds from a central point to ensure full occupancy, savings based on a reduction of independent sector placements due to maximising contracted beds. Savings will be made against the elderly residential care budget. | 200 | 0 |
| SSHH807 | SCHWB | Reconfigure assessment & re-ablement beds within block contract | Angela Thomas | Review the use of assessment and re-ablement beds, convert a proportion of the capacity to long terms beds to maximise utilisation. Savings will be made by better use of the elderly residential care budget | 80 | 0 |
| SSHH808 | SCHWB | Welsh Independent Living Grant (WILG) Service Reviews | Angela Thomas | Review of all placements receiving WILG funding to create greater independence. Savings will be made against the WILG budget. | 500 | 0 |
| SSHH809 | SCHWB | Beaufort House | Angela Thomas | Reopen Beaufort house as a homeless hostel to increase homelessness provision in the Borough. | 150 | 0 |
| SSHH810 | SCHWB | Mental Health placements | Angela Thomas / Beverly Cannon | Carry out a review of people's needs, within mental health residential services, to support people to access community based support and achieve greater independence. Savings will be made against the mental health placements budget. | 100 | 0 |

| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|---------------------------------------|----------------------------------|---|-----------------|-----------------|
| SSHH811 | SCHWB | Double handling programme | Angela Thomas | Occupational Therapists to carry out a review of people receiving double handling care calls from the external homecare sector. Creating greater independence, with the right support and equipment. Savings will be achieved in the external domiciliary care service. | 300 | 0 |
| SSHH812 | SCHWB | Internal homecare review | Andrew Jarrett/ Angela Thomas | Carry out an in-depth review of the current homecare provision to explore the optimum operating model. Retain complex, re-ablement and rapid response elements, and explore ways to commission generic homecare from the independent sector. Savings will be achieved by deleting vacant post and reducing the flexible cover budget. | 500 | 0 |
| ENV706 | CS&PP | Asset Sponsorship | Nicola Pearce | Income generation | 75 | 0 |
| ENV801 | S&E | Car Parking | Dave Griffiths | Alignment and increase in charges. Retention of 1 hour free parking in Pontardawe. Introduction of mobile CCTV camera van enforcement with focus on dangerous parking outside schools and bus bays. | 175 | 0 |
| ENV802 | S&E | Waste Disposal Procurement | Michael Roberts | Subject to the outcome of procurement | 200 | 0 |
| ENV803 | S&E | Household Waste Recycling Centres | Michael Roberts | Alternative service delivery in the Upper Swansea Valley, but extend current service contract at Pwllfawatin for 2018/19. | 100 | 0 |
| ENV804 | all | Staff redundancies /deletion of posts | All | Reduced staff capacity | 30 | 0 |
| ENV805 | CS&PP | Planning | Nicola Pearce | Reduced staff | 30 | 0 |

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| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|--|-----------------|--|-----------------|-----------------|
| ENV806 | R&SD | Crynant Business Centre | Simon Brennan | Increase rentals | 18 | 0 |
| ENV807 | S&E | Gnoll Country Park | Michael Roberts | Increase in charges including car parking | 30 | 0 |
| ENV808 | S&E | Survey Team | Michael Roberts | Service Review to ensure all costs are recovered from clients | 30 | 0 |
| CORP576 | CAB | Introduce revised access to service policy across council | Karen Jones | Implement the digital by choice strategy, moving more customers to self-serve options thus reducing the volume of telephone and face to face enquiries. | 0 | 36 |
| CORP577 | CAB | CCTV - cost savings | Karen Jones | Savings at the end of the current CCTV Maintenance contract period. | 0 | 30 |
| CORP604 | CAB | Occupational Health - reduce professional fees budget | Sheenagh Rees | Full year impact of savings from introducing Occupational Health on line referral system and the referral hotline number. | 10 | 0 |
| | | | | | | |
| CORP702 | CAB | Staff reductions | S John | Development capacity will fall and service requests will take longer to effect. Income generation and/or collaborative opportunities may offset some job losses/service issues. A number of posts are funded from reserves which will be exhausted by March 2020 | 200 | 100 |
| CORP705 | CAB | Human Resources - occupational health, health & safety | Sheenagh Rees | Delete partial hours where post holders have reduced their working hours. | 15 | 0 |
| CORP801 | CAB | Financial Services - Staff reductions in various teams across the Finance Division | Huw Jones | These reductions will require re-structuring of the relevant sections which may impact on performance levels. It is expected that the staff reduction should be achieved via ER/VR. | 163 | 95 |

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| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|---|-----------------|---|-----------------|-----------------|
| CORP802 | CAB | Financial Services - Non staff savings | Huw Jones | Further pressure to reduce spend on non staff expenditure heads. | 15 | 0 |
| CORP803 | CAB | Legal services | Craig Griffiths | Staff savings | 32 | 0 |
| CORP804 | CAB | Land charges | Craig Griffiths | Staff savings | 27 | 0 |
| CORP805 | CAB | Legal Services - corporate support services | Craig Griffiths | Staff savings | 13 | 0 |
| CORP806 | CAB | Health & safety - Staff reductions | Sheenagh Rees | Reductions in capacity to manage health and safety of projects and staff. | 15 | 0 |
| CORP807 | CAB | HR - Staff reductions | Sheenagh Rees | Reduce capacity to respond to statutory data returns, implement personnel committee reports, data cleansing, resulting in delays in response to queries, compilation of FOI requests. | 34 | 0 |
| CORP808 | CAB | Training | Sheenagh Rees | Non staff savings | 2 | 0 |
| CORP809 | CAB | Corporate Services | Hywel Jenkins | Reduction in staff costs | 30 | 0 |
| CORP810 | CAB | Community Safety | Karen Jones | Staff savings | 8 | 0 |
| CORP811 | CAB | Community Safety | Karen Jones | Non staff savings | 2 | 0 |
| CORP812 | CAB | Democratic services | Karen Jones | Transport savings | 19 | 0 |
| CORP813 | CAB | Democratic services | Karen Jones | Staff savings | 17 | 0 |
| CORP814 | CAB | Democratic services | Karen Jones | Non staff costs | 3 | 0 |

FFP Savings, Cuts and Income Generation

Appendix 5

| Ref | Board | Description | Lead | Main Impacts | 2018/19 £000 | 2019/20 £000 |
|---------|-------|----------------------------------|---------------|-----------------------------------|-----------------|-----------------|
| CORP815 | CAB | Corporate strategy | Karen Jones | Increase income | 23 | 0 |
| CORP816 | CAB | Corporate strategy | Karen Jones | Non staff savings | 2 | 0 |
| CORP817 | CAB | One stop shop | Karen Jones | Staff savings | 9 | 0 |
| CORP818 | CAB | One stop shop and contact Centre | Karen Jones | Non staff savings | 7 | 0 |
| CORP819 | CAB | Communications | Karen Jones | Non staff savings | 2 | 0 |
| OTH801 | CAB | Margam Crematorium | Hywel Jenkins | Contribution from Joint Committee | 55 | 0 |
| | | | | | | |
| | | Total | | | 6,790 | 843 |

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE HEAD OF FINANCE – HUW JONES

13th February 2019

Matter for Information

Wards Affected - All

TREASURY MANAGEMENT MONITORING 2018/19

1. Purpose of Report

- 1.1 This report sets out treasury management action and information. This information will be reported quarterly to Cabinet to coincide with the cycle of budget monitoring reports.
- 1.2 This report will also be forwarded to the next Audit Committee in line with the Council's Treasury Management Practices Scrutiny arrangements.

2. Rates of Interest

- 2.1 The Monetary Policy Committee (MPC) voted on the 2nd August 2018 to increase the bank rate to 0.75%. The reason given for this rise was to try to halt the rises in the rate of inflation.

| Effective Date | Bank Rate |
|-----------------------------|------------------|
| 4th December 2008 | 2.00% |
| 8th January 2009 | 1.50% |
| 5th February 2009 | 1.00% |
| 5th March 2009 | 0.50% |
| 4th August 2016 | 0.25% |
| 2nd November 2017 | 0.50% |
| 2 nd August 2018 | 0.75% |

2.2 The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 15th January 2019:

| | Equal Instalments of Principal | | Annuity | | Maturity | |
|---------------|--------------------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Previous 09Oct18 | Current 15Jan19 | Previous 09Oct18 | Current 15Jan19 | Previous 09Oct18 | Current 15Jan19 |
| | % | % | % | % | % | % |
| 5-5.5 years | 1.84 | 1.83 | 1.84 | 1.83 | 2.11 | 1.97 |
| 10-10.5 years | 2.11 | 1.97 | 2.12 | 1.98 | 2.52 | 2.33 |
| 20-20.5 years | 2.52 | 2.33 | 2.55 | 2.36 | 2.55 | 2.79 |
| 35-35.5 years | 2.82 | 2.72 | 2.85 | 2.77 | 2.79 | 2.75 |
| 49.5-50 years | 2.88 | 2.83 | 2.86 | 2.82 | 2.70 | 2.67 |

3. General Fund Treasury Management Budget

3.1 The following table sets out details of the treasury management budget for 2018/19 along with outturn figures for 2017/18. The budget consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

| 2017/18 Outturn £'000 | | 2018/19 Original Budget £'000 |
|--------------------------|--|----------------------------------|
| 18,011 | Principal and Interest charges | 19,203 |
| | Investment Income | |
| (527) | - Total | (400) |
| 192 | - less allocated to other funds | 110 |
| (335) | Subtotal Income | (290) |
| | Contribution from General Reserves | (340) |
| 594 | Contribution to/(from) treasury management reserve | |
| 18,270 | Net General Fund | 18,573 |

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

4. Borrowing

- 4.1 The Council has not entered into any loans since the last quarterly monitoring report.

5. Investment Income

- 5.1 In line with the Council's Investment Strategy, the 2018/19 original budget for investment income is £400k, actual investment income for the financial year to date is projected to be approximately £435k. Any income received in excess of the budget will normally be transferred into the treasury management equalisation reserve at year end, however it is expected that by year end the income generated and cost of new loans will allow circa £100k underspend on this budget and be made available to underpin the 2018-19 net budget outturn position.

Members should note that the majority of investments are classified as 'specified' i.e. up to 12 months and are currently deposited with Local Authorities, UK banks including, Lloyds Group, Close Brothers and Santander Bank.

- 5.2 The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made. The Council has no such investments.

Financial Impact

6. All relevant financial information is provided in the body of the report.

Equality Impact Assessment

7. An equality impact assessment was not required for this report.

Workforce Impacts

8. There are no workforce impacts arising from this report.

Legal Impacts

9. There are no legal impacts arising from this report.

Risk Management

10. There are no new risk management issues arising from this report. Borrowing and investment decisions are made in line with

the Council's Treasury Management Policy. The Council has appointed Link Asset Services to provide support and advice in relation to this policy.

Consultation

11. There is no requirement under the Constitution for external consultation on this item.

12. Recommendations

It is recommended that members note the contents of this report for information

Appendices

13. None

List of Background Papers

Treasury Management Files
PWLB Notice Number 020/19

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