



Y CABINET

DYDD MERCHER, 13 IONAWR 2021

**YN SYTH AR ÔL CYFARFOD PWYLLGOR CRAFFU POLISIŶAU AC
ADNODDAU'R CABINET**

O bell trwy Teams

**RHAID GOSOD POB FFÔN SYMUDOL AR Y MODD DISTAW AR
GYFER PARHAD Y CYFARFOD**

Rhan 1

1. Penodi Cadeirydd
2. Datganiadau o fuddiannau
3. Adroddiad Diweddarau a Monitro Cyllideb Refeniw 2020/21
(*Tudalennau 3 - 28*)
4. Adroddiad Monitro Cyllideb Gyfalaf 2020/21 (*Tudalennau 29 - 36*)
5. Monitro Rheolaeth y Trysorlys 2020/21 (*Tudalennau 37 - 44*)
6. Cyllideb Ddrafft 2021/22 i Ymgynghori Arni (*Tudalennau 45 - 74*)
7. Indemniad Swyddog Canlyniadau a Swyddog Canlyniadau
Gweithredol (*Tudalennau 75 - 86*)
8. Eitemau brys
Unrhyw eitemau brys (cyhoeddus neu wedi'u heithrio) yn ôl
disgresiwn y Cadeirydd yn unol ag Adran 100b (4)(B) o Ddeddf
Llywodraeth Leol 1972
9. Mynediad i gyfarfodydd

Penderfynu gwahardd y cyhoedd ar gyfer yr eitem ganlynol yn unol â Rheoliad 4 (3) a (5) o Offeryn Statudol 2001 Rhif 2290 a'r paragraffau eithriedig perthnasol yn Rhan 4 Atodlen 12A o Ddeddf Llywodraeth Leol 1972.

Rhan 2

10. Cyflwyno Grantiau Cyfleusterau i'r Anabl i Gyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr (Yn eithriedig dan baragraff 14) (*Tudalennau 87 - 106*)

K.Jones
Prif Weithredwr

Canolfan Ddinesig
Port Talbot

6 Ionawr 2021

Aelodau'r Y Cabinet:

Y Cyngorwyr R.G.Jones, C.Clement-Williams, D.Jones,
E.V.Latham, A.R.Lockyer, P.A.Rees, P.D.Richards, A.Wingrave a/ac
L.Jones



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

CABINET

13 January 2021

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES – Hywel Jenkins

Matter for: Decision

Wards Affected – All Wards

**Revenue Budget Update and Monitoring Report 2020-21
(as at end of November 2020)**

Purpose of Report

- 1 This report prepared as at the end of November 2020 provides Members with an overview of the financial implications of COVID19 on the Council's Financial Resources and 2020/21 Budget.
- 2 From paragraph 15 onwards the report sets out the service areas that are projected to **overspend or underspend by more than £50k** compared to their net budget (i.e. budgeted expenditure less income). These figures represent the projected position to the end of the financial year based on various factors and assumptions including:
 - the actual cumulative expenditure and income position to the end of November 2020
 - assumptions for cost savings or additional expenditure to the end of the financial year,
 - assumed collectible income or income loss for the rest of the year,
 - additional cost of council tax support for the remainder of the year
 - council tax collection projections to 31 March 2021,

- Additional funding announcements and reimbursements provided by the Welsh Government.

Members will note that in some instances the “overspend” is due to, or mainly due to, loss of income in that service area, whilst for others the cause is additional costs. In total the Welsh Government (WG) has provided circa £550m into a Local Government Hardship Fund to fund the additional ask they have made of Local Government to incur extra costs and fund reduced income.

- 3 The projections and assumptions will be regularly updated and reported to Members during the year, so that appropriate consideration and action can be taken to mitigate consequences on the Council’s bottom line financial position.

Authority Summary and Background

- 4 The COVID19 pandemic has had a significant impact on Council services, the costs incurred and income generated.
- 5 The projections included in the report are based on costs/income to the end of November, and include assumptions regarding lockdown restrictions.
- 6 It is extremely difficult to accurately project the year-end position given the highly volatile nature of the circumstances surrounding the pandemic. The assumptions are subject to ongoing review, in light of any further announcements regarding lockdown arrangements, associated service costs and Welsh Government funding announcements.
- 7 The Welsh Government has made available additional funding via the Local Authorities Hardship Fund in response to the pressures arising from the pandemic.
Claims for additional expenditure of £7.982m have been made to the end of November, and to date Welsh Government have agreed to reimburse £6.930m, and we are awaiting a decision in respect of £896k for the November claim.

Claims for loss of income have also been submitted for £6.447m for the period April – September 2020, and to date Welsh Government

have confirmed funding of £6.081m. Decisions on some items have been put on hold for further review nearer year end, to verify if income streams have been delayed rather than lost.

- 8 Welsh Government have funded £306k in respect of the increased cost from new Council Tax Support claimants (CTRS), that have arisen as a consequence of the lockdown for the period April – September.
- 9 Welsh Government have not yet confirmed if funding will be available to offset the reduction in Council Tax collection rates. The position will be subject to ongoing review and in the interim an estimated loss of £2m is included within the reported overspend.
- 10 The Council will continue to work with the Welsh Government to deliver essential services and look for additional funding, or a capitalisation direction to help smooth the impact of the pandemic on our Budget, and future year service provision.
- 11 Members should note that these financial projections will be monitored and updated regularly during the year as changes in demand, service delivery, income received, council tax support costs and receipts and WG funding announcements are received. The next report in respect of 2020/21 will be submitted for members' scrutiny and review in March 2021.
- 12 The Net Authority budget is currently projected to overspend by £4.054m, after receipt of various COVID19 grant reimbursements from Welsh Government. Unless the financial position and activity improve over the remainder of the year or Welsh Government provides additional funding this projected overspend will have to be funded from Reserves.
- 13 As members are aware when the 2020/21 Budget was set on the 5 March 2020 the projected General Reserve position at 31 March 2021 was £17.9m including an approved reserve use of £1.65m. After taking account of the finalised audited accounts for last year and utilising the reserve to fund the projected overspend of £4.054m the projected general reserve balance will be reduced to £14.6m. Details of the projected general reserve position is included in Appendix 3.

Directorate Updates

14 The following Directorate reports indicate the service areas where significant variances to the end of March 2021 against the net budget are projected.

15 **Education Leisure and Lifelong Learning**

- **Delegated Schools Budgets loss of income - £158k overspend** - WG have funded the net loss of school meals income in Secondary and Middle Schools for April-Sept (£446k), and a further £264k for loss of external income. The projected overspend represents an anticipated loss of income for the remainder of the year and assumes schools will receive 67% of budgeted income for school meals for the rest of the year to March 2021.
- **Education Learning Resource Service £64k overspend** - The overspend is due to loss of income during the lock down (service closed April to August), and a reduction in the number of schools accessing the service.
- **Primary School Meals Service £208k overspend**
The projected overspend is due to a reduction in school meals income due to the closure of schools as a result of the pandemic, which is partly offset by savings on food purchases, and WG funding for the period April to September (£435k). The projected overspend assumes Primary schools will receive 67% of budgeted income from meals to March 2021.
Payments of £3.90 per day are being made to any child entitled to free school meals that has to self-isolate, and £19.50 per week to all children entitled to free school meals during school holidays to Easter 2021 – which are being funded by WG.
- **Child & Communities £51k underspend**
This saving has arisen due to the secondment of the Family Information Service Manager to the post of Performance and Monitoring Officer, and assumes that the Information Service Manager post will not be replaced in this financial year
- **Skills & Training unit - £98k overspend**
The overspend is projected as Work Based Learning targets have not been met and income is therefore below contract

value. Also there has been a reduction in other income as COVID regulations have restricted the amount of face to face training undertaken.

- **Margam Park £118k overspend**

The projected net loss of income is made up as follows:-

Park	£99k
Orangery catering	£0k
Charlottes Pantry	£15k
Park shop	£0k
Ivy cottage	£5k
Commercial - events	£0k
TOTAL	£118k

The park overspend includes the cost (£79k) to refurbish the spillway and culvert at Furzemill Reservoir. The total cost of the project is estimated to be £158k, with 50% being funded from the Capital Programme. The original budget assumed that it would be possible to generate additional income in the park to fund these costs but this has not been possible due to lockdown restrictions.

- **Arts venues** – WG have funded £424k for loss of income during the period April to June.

- **External Leisure contract £1.27m overspend**

The Council has paid Celtic Leisure £180k to the end of June to fund some of the initial top up costs of furloughed staff and committed to pay a further £530k in December 2020. WG have funded the loss of income of £830k for the period April to September. NPT have also paid £150k to Celtic Leisure for the purchase of their assets in advance of the leisure contract tender process.

The Education Leisure and Lifelong Learning budget is currently projected to overspend by £1.793m including the additional impact on Delegated Schools Budgets (after proposed virements).

16 Social Services Health & Housing

- **Children & Family – Social Work £115k underspend.** The underspend is due to receipt of ICF grant funding (£200k) for the

Working Together Service, which is partly offset by overspend on Direct Payments (£61k) and costs of additional support required during lockdown (£36k).

- **Children & Family – Residential care £385k overspend**

The original budget is based on placements for 9 children. An overspend is projected as the average number of placements to date is 11.1.

The three new placements since the start of the year are as a direct result of COVID19, and the cost for these children for 6 months is included (£306k). WG have refunded £72k towards costs for the period April – June.

- **Hillside - £893k overspend**

Hillside has a block contract with the Youth Custody Service (YCS) which guarantees payment for 6 beds, and the remaining 12 welfare beds are available for use by other Local Authorities.

Due to the pandemic there have been periods when restrictions were placed on the number of new admissions, and as a consequence the number of welfare placements has reduced, resulting in a loss of income.

The gross projected loss to the end of the year is £1.63m which is partly offset by savings on staff costs and WG refunds.

WG have confirmed funding of £793k for the loss of income for the period April to September, and the above overspend will arise should there will be no further in-year funding from WG. Any additional funding received will therefore assist in reducing the reported overspend.

WG have also provided £2m capital grant for improvements at Hillside. Works have been delayed due to COVID and permission has been granted that this funding can be carried forward to fund such costs in 2021/22.

- **Day Care – External Provision £71k underspend**

The underspend is due to savings on staff costs funded by the ICF MAPSS (Multi Agency Placement Support Service) project, in the integrated family support service.

- **Internal Fostering service £66k underspend**

The underspend is due to savings on staff costs (£119k) due to maternity leave and a vacant post which will be deleted as a result of ER/VR, savings on car allowances and foster carer travel expenses (£95k), and savings on the leaving care discretionary budget (£86k). However, the savings are partly offset by an increase in the number of Special Guardianship Orders (SGO) paid (£216k). A SGO working group has been established to review existing packages.

- Youth Offending Service £98k overspend**

The overspend is largely due to the additional cost of 3 remand placements (£250k), of which £110k has been refunded from the LA Hardship fund for the period April to June. No further funding from WG is anticipated.
- Community Care Management £78k underspend**

The underspend is largely due to a reduction in the number of payments made to external assessors for Deprivation of Liberty (DOLS) assessments.
- Business Support Services £135k underspend**

The underspend is due to savings on staff costs and general office expenses.
- Elderly Residential Care £201k underspend.**

An additional provision of £414k was included in the budget for 2020/21 to meet anticipated additional demand for placements. An underspend is projected because occupancy levels at homes reduced significantly during the pandemic, due to a combination of reduced demand for placements and Public Health Wales rules that mean care homes must be COVID19 free for 28 days before they can accept any new placements.

All staff working in the homes are being tested regularly for the virus, which could also impact on future staffing arrangements and costs in the homes.

WG also provided additional funding via the LA Hardship Fund (£40m) at the beginning of Covid and then for the period July – March 2021 to increase the rates paid to homes by £50/week, and to support providers to address market stability pressures e.g. voids, exceptional, unpredictable, emergency expenses. The additional cost is approximately £240k per month for July to March 2021.
- Domiciliary Care £107k underspend**

The underspend is due to savings on staff costs in the in-house homecare service (£423k) and additional client contributions (£133k) but which is partly offset by an increase in placements costs in the external domiciliary care services (£447k).

At the start of the financial year the council provided PPE (£160k) and paid out an extra £9k to providers to fund the additional costs incurred due to lockdown, which were funded from the WG LA Hardship Fund.

WG funding is being made available for the period July - March to increase the hourly rate paid by £1 per hour to providers of domiciliary care who are experiencing additional costs due to the pandemic, and to support providers to address market stability

pressures e.g. voids, exceptional, unpredictable, emergency expenses. The additional cost is approximately £44k per month for July to March.

- **Community Resource Team £70k overspend**
The overspend is offset by savings on other services for the elderly.
- **Learning Disability external placements £471k underspend**
An additional £1m was included in the budget for 2020/21 for anticipated increase in demand, however the increase has been less than anticipated due to the pandemic, resulting in the projected underspend. PPE and additional fees of £139k were paid to providers (April to June) to fund the additional costs incurred due to COVID, which has been reimbursed by WG from the LA Hardship Fund.
WG funding is being made available for the period July to March to increase the rates paid to providers of external placements, and to support providers to address market stability pressures e.g. voids, exceptional, unpredictable, emergency expenses. The additional cost is approximately £35k per month for July to March.
- **Community Independence Service £107k underspend**
The team have been operating a reduced service during lockdown and the underspend is due to grant income being used to fund a post, and savings on weekend and overtime costs.
- **Transport £158k underspend** Savings on transport have arisen due to the closure of many day services during lockdown.
- **Community Mental Health Team £71k overspend** – the overspend is due to additional staff costs

The Social Services Budget is projected to underspend by £20k (after proposed virements and reserve transfers).

17 Environment

- **Parking £624k overspend** – The overspend is due to reduction in parking income. WG have funded £601k of lost income for April to September and have indicated that no further funding will be available for loss of income arising from local policy decisions but will assist with footfall reductions due Covid19 restrictions.
- **Waste Disposal and Recycling £261k overspend.** The overspend is due to a reduction in income i.e. in the price per tonne for the sale of recycling waste and the introduction of a charge for the disposal

of some recycling items. WG have funded £353k loss of income for waste services from the LA Hardship Fund to September 2020.

- **Catering £54k overspend** - the overspend is mainly due to loss of income while the coffee shops are closed
- **Streetcare Services £166k overspend** – the projected overspend is due to anticipated additional costs of PPE and hand sanitizer during the pandemic.
- **Building Control £68k overspend** – the projected overspend assumes a reduction in income for the first 6 months of the year, due to reduced activity during the lockdown. WG have funded £10k for loss of income for April to June, and have advised that a decision in respect of the claim for £20k for July to September will be made in February 2021.
- **Industrial Workshops £186k overspend** - the overspend is due to loss of external rental income to date and projected future reduction in income due to the difficulties recovering income from tenants due to the ongoing financial impact on businesses from the pandemic. WG have funded £214k for the loss of income from April to June, and a further claim for all rental loss totalling £60k has been submitted for the period July to Sept.

Other

Enabling Natural Resources and Wellbeing Grant - We are still waiting confirmation of the grant and a budget pressure of £84k will arise if funding is not awarded.

The Environment budget is projected to over spend by £1.386m, (after proposed virements and reserve transfers).

18 **Corporate Services**

- **Land charges £64k overspend** - the overspend is due to the correction of VAT treatment (£34k) and a reduction in the projected income due to reduced activity during the pandemic
- **Communication & Marketing £26k overspend** – the overspend has arisen due to additional costs incurred due to COVID19, such as signage, banners etc for which Welsh Government have only funded 25% of costs.
- **One Stop Shop/Customer Services £62k overspend** – the overspend is due to the appointment of additional modern

apprentices, which is offset by savings elsewhere in the Democratic and Corporate Services Division.

- **Directorate Management £65k underspend** – the underspend is due to savings on professional fees £24k, savings arising from the appointment of the new Chief Executive and replacement of the Assistant Chief Executive £20k, and other staff savings in the service.

The Corporate Services Directorate is projected to under spend by £63k (after proposed virements and reserve transfers).

18 Central and Other Budgets

- **Council Tax Support £159k** – the projected overspend is based on additional claims made to the end of November. This pressure has been partly offset by funding of £306k received from WG for the period April to September.

However the net overspend may further increase if there are job losses, the closure of local businesses and an increase in the number of Universal Credit claims arising due to the ongoing economic impact of the pandemic.

- **Contingency – £457k underspend** - the underspend is being used to offset the pressures arising from COVID19.
- **Contingency for pay award £318k underspend** – the underspend is being used to offset the pressures arising from COVID19.
- **Council Tax recovery** – a range of measures has been introduced to support residents facing financial difficulties, in paying their council tax, during the lockdown. As a consequence the collection of council tax income for April and November is approximately £900k lower than at the same time last year, and a potential shortfall of £2m could arise in year.
Welsh Government have not yet confirmed if funding will be available to offset this shortfall. The position will be subject to ongoing review but if collection rates continue to fall, or additional WG funding is not made available, then it will be necessary to reduce the collectible income included in the accounts for 2020/21 and £2m has been included in the projection for this year.
- **COVID19 Safe & Well - £76k overspend** - The service was established to support vulnerable residents who were shielding

during the first wave of the pandemic. Costs of £249k have been incurred from April to the end of November of which £173k has been funded from the LA Hardship Fund. Arrangements have been made to reduce this service safely, and to enable people to use local delivery services. However there may be further costs incurred during if the service needs to be recommissioned

- **COVID19 Llandarcy Field Hospital** - The Council has undertaken the works required to convert the Llandarcy Sports Academy into a Field hospital on behalf of the Swansea Bay University Health Board. Costs of £1.839m have been incurred to date with the total cost of conversion and re-instatement works estimated to be £2.25m excluding VAT. An invoice for £1.65m plus VAT has been reimbursed by the Health Board.
- **COVID19 Test Trace & Protect Service** – WG initially allocated £6.1m to the Swansea Bay University Health Board Region and have subsequently allocated a further £1.9m to the region to fund the additional staffing required in light of the increasing demand on the service during the winter months. Additional costs of £491k (staff overtime, staff additional pay, IT kit) have been incurred to the end of November, for which funding is being drawn down via Swansea Bay University Health Board
- **COVID19 Grants to Business** – funding of £30m has been received from WG to support businesses experiencing financial difficulty due to the lockdown, of which £28.2m has been paid out to the end of November.
- **COVID19 Start up Grants** – Funding of £207k has been allocated by WG of which £80k has been paid out to the end of November.
- **COVID19 Lockdown Business Fund Grants** – This fund consists of two separate grants which can be applied for:

Lockdown Non Domestic Rate Grant – All eligible businesses and organisations must have property registered to pay business rates. All small businesses receiving small business rates relief up to an RV of £12,000 are eligible to apply for £1,000. All retail, leisure and hospitality businesses and organisations with an RV of between £12,001 and £51,000 can apply for a grant of £5,000.

In addition businesses eligible for small business rates relief that have been subject to local restrictions for 3 weeks or more and have been materially impacted (>50% reduction in turnover) up to the 23rd October will be eligible to apply for a further grant of £1,000; and a discretionary enhanced £2,000 top-up grant is also available on an application basis for those businesses with a rateable value of £12,000 or less who are forced to close by the firebreak lockdown.

Lockdown Discretionary Grant – this discretionary grant of £1,500 or can be applied for where business has been forced to close (as a result of the national firebreak lockdown or are able to demonstrate that the national firebreak lockdown will result in at least a 80% reduction in their turnover for that period. This grant can increase to £2,000 if the business has also been subject to local restrictions for 3 weeks or more up to the 23rd October and experienced at least a 50% reduction in their turnover for that period.

Neath Port Talbot Council has received £7.427m to assist local businesses and organisations of which £675k relates to the Lockdown Discretionary Grant. These grants must be applied for between 28 October and 20 November 2020 in line with WG guidelines. Following applications £4.455m has been paid out to businesses with a small number of further payments due to be made in December 2020

The Welsh Government has also announced £80m of funding through its Economic Resilience fund which is managed by Business Wales.

- **COVID19 Freelance Grant** – funding of £249k has been allocated by WG, to assist people working on a freelance basis in the cultural and creative sector who have been unable to work due to closure of their sector, and who have been unable to access financial support via any other assistance schemes. The grant payable is £2,500 per applicant and £217,500 has been paid out to the end of November.
- **COVID19 Childcare Providers Grant** - WG announced funding £4.5m to pay grants of up to £5,000 to childcare providers including child minders etc that had not received grants from Economic Resilience Fund, Business grants paid by Local Authorities or COVID related grants from various sources. NPT has paid out 3 grants totalling £8k.

- **Covid19 Local Authority Enforcement Capacity** – WG have announced that £2.5m of the LA Hardship fund is earmarked for enhancing enforcement capacity to 31 March 2021. There is no guarantee of the funding being extended into 2021/22 financial year. The Council has employed 8 additional officers to support Environmental Health and Licensing Regulatory work and will receive maximum funding of £180k from this allocation. This will be claimed monthly from the LA Hardship Fund.
- **COVID19 SSP Enhancement scheme** – the scheme is to support care workers who get Statutory Sick Pay (SSP) or are not entitled to SSP when they are off work sick. The scheme provides funding to employers to enable them to pay eligible staff full pay if they cannot work due to suspected COVID, actual COVID or because they have been requested to self-isolate. The scheme runs from November to 31 March 2021.
- **COVID19 Self isolation payments** - the scheme provides a payment of £500 to people on low incomes and in receipt of Universal Credit (or other specified benefit), who would lose income if they are required to self-isolate. This scheme is backdated to 23rd October. The council is administering the scheme on behalf of WG, and has been allocated £39,979 to fund administration costs. Payments amounting to £22,500 have been paid out to the end of November with further monthly payments due to be made by the end of March 2021.
- **COVID19 Business Restrictions Grant** – a first instalment of £2.862m has been received from an allocation of £5.724m for restrictions that come into effect from 4 December 2020. The Council has already paid out £797k to 227 businesses that received a grant under the Lockdown Scheme mentioned above with applications for further payments due during December 2020 and January 2021.

Financial Summary

- 20 The Net Authority budget is projected to over spend by £4.054m after proposed virements, reserve transfers and WG COVID Grants. Work will continue to manage services during the pandemic and to recover relevant additional costs and income loss from the Welsh

Government's Hardship Fund. This position will be reviewed and updated on a regular basis as the potential for a large variance to this projected overspend is high, as the economy, businesses and services move into recovery mode.

Virements

- 21 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 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

The following virements are proposed for approval by Cabinet

Value	Dir	Service
£209,000	ENVT	Waste disposal & Recycling
-£209,000	ENVT	Household Waste Recycling Centres

The following virements have been approved by Corporate Directors

<u>Value</u>	<u>Dir</u>	<u>Service</u>
-49,000	ELLL	Education Psychology
-5,000	ELLL	Additional Learning Needs
63,200	ELLL	Management & Admin
-9,200	Other	Corporate Contingency
-60,000	ENVT	Highways Maintenance - Reactive, Winter & emergency response
60,000	ENVT	Drainage
-61,000	ENVT	Neighbourhood services
61,000	ENVT	Refuse collection
-103,868	ENVT	Estates
114,128	ENVT	Management support
-8,000	ENVT	Planning Development control

<u>Value</u>	<u>Dir</u>	<u>Service</u>
-10,260	ENVT	Planning Policy
8,000	ENVT	Building Control
55,000	ELLL	School Based Counselling
-55,000	ELLL	Behaviour support strategies
10,000	ENVT	Markets
-10,000	ENVT	Non Operational Land

Reserve movements

- 22 The following Reserve movements are proposed for approval by Cabinet

Value	Reserve	Explanation
-£400,000	Adoption Reserve	To equalise costs in years when number of adoptions is greater than average
-£203,610	Social Services Equalisation Reserve	Planned transfer from reserve to fund temporary posts no longer required
-£30,240	Social Services Equalisation Reserve	Planned transfer from reserve to fund temporary posts no longer required
-£200,000	IT Renewals Reserve	To enable the rewriting of the Social Care IT system
£6,575	Environment Equalisation Reserve	Transfer from reserve to fund tree works
-£312,000	Former Crown Site Reserve	Transfer savings in non-operational properties and the Former Crown site budgets to a newly created Former Crown Site Reserve.
£180,000	Environment Equalisation Reserve	Transfer balance relating to the Former Crown site to a dedicated reserve
-£43,000	Local Development Plan Reserve	Transfer underspend to reserve to fund future costs

Value	Reserve	Explanation
-£30,200	Building Capacity Reserve	Planned transfer from reserve is no longer required due savings across Democratic & Corporate Services Division
£8,000	General Reserve	Transfer from reserve to fund additional Community Council grants

23 **Additional grants awarded**

The following additional grants have been awarded since the last report to cabinet

- Cultural Recovery fund Libraries £45,950
- Cultural Recovery fund Margam Park £12,325
- Cultural Recovery fund Pontardawe Arts Centre £27,132
- Sport Wales – Sport & Leisure recovery – 60plus funding £24,972
- Support for learners in exam years £168,641
- Post 16 teachers pay grant £29,759
- Regional Consortium School Improvement grant - variation in award £32,377
- Child Development Fund £158,770
- Face masks for secondary school pupils £85k
- Discharge to Recover & assess Pathways grant £1.297m awarded to the West Glamorgan Regional Partnership Board of which £294k is for NPT
- Care Leavers COVID19 Hardship fund (CLCHF) £50,082
- Relieving Court Backlogs and supporting exits from care £124,705
- Family Group conferencing £110,181
- Intervention fund for supporting child and family well-being £80,132
- Additional Intermediate Care Fund (ICF) £314k

Integrated Impact Assessment

- 24 There is no requirement to undertake an integrated impact assessment as this report summarises the Council's financial position in relation to its net expenditure, income and grants.

Valleys Communities Impacts

- 25 All parts of the County Borough have been affected by COVID19. The Council continues to provide support to the most vulnerable as best as we can across the Valleys, Towns and the whole of the County Borough.

Workforce Impacts

- 26 The work of all employees has been affected by COVID19. The Council has worked with Trade Unions to develop new safe systems of working during the pandemic and will continue to work with Staff and Trade Unions as we move through the various stages to Recovery for service delivery. Some staff have been redeployed to higher priority roles within the Council including Safe and Well, Test Trace and Protect (TTP), front line Social Care, School Hubs, etc. Additional staff have also been recruited to support some services including TTP and Enforcement Services.

Legal Impacts

- 27 The Council has been ensuring that it complies with new regulations and directions issued by the UK and Welsh Governments during the COVID pandemic. Service provision has been stopped, repurposed or developed to comply with the new rules. Further changes are expected when we move through the Recovery stage.

Risk Management Impact

- 28 COVID19 has impacted significantly on the Council, its services and activities since the UK Government Lockdown announcement which commenced on 23 March 2020.
- 29 Some services have continued with some adaptations to operate with social distancing or use of PPE including residential care homes, home care, waste collection and waste disposal services. Some new services were developed to safeguard vulnerable people such as those shielding i.e. safe and well, schools operated as Hubs for vulnerable and key worker children, new systems developed to work from home, pay grants to businesses and

families of children entitled to Free School Meals. Some services were initially stopped and staff were redeployed / newly recruited into services such as the Test Trace and Protect service.

- 30 Governance arrangements have also had to be updated to operate under new arrangements.
- 31 The consequences of actions and activity undertaken are reflected in this report and the Council will continue to regularly review and update its financial predictions for 2020/21 and report them to Members. The Council will also ensure that Welsh Government and our external auditor are sighted on operational and financial implications and we will continue to strive for additional funding to minimise adverse impact on taxpayers and service users in future years

Consultation

- 32 There is no requirement for external consultation on this item

Recommendations

- 33 It is recommended that:
 - Members approve the proposed reserve movements and budget virements
 - Members note the operational and financial issues set out in this report
 - The Council will continue to work with Welsh Government and in line with legislation, regulations and directions to deliver services during these challenging times.
 - Note the additional grants received
 - The Council continue to seek additional funding from Welsh Government to cover COVID19 consequences of increased expenditure, loss of income, increased cost of Council Tax Support and council tax collection shortfalls that adversely impact on Council funding and activity.

Reason for Proposed Decision

- 34 To monitor and update the Council's Budget projections for 2020/21 and inform Members of the financial risks arising from COVID19.

Implementation of Decision

- 35 The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1 – Budget Summary

Appendix 2 – Specific Reserves

Appendix 3 – General Reserve

Appendix 4 – WG LA Hardship Fund Loss of income eligibility criteria

List of Background Papers

Budget Update Working Papers

Officer Contact

For further information on this report item, please contact:

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Mr Huw Jones – Head of Finance

Email: h.jones@npt.gov.uk

Appendix 1

Summary 2020-21	Original	Virements				Revised	Projected	Variance
at 30th November 2020	Budget	CAB 25/6	CAB 2/9	CAB 11/11	CAB Jan 21	Budget	Outturn	
	2020/21					2020/21	2020/21	2020/21
	£					£	£	£
Education, Leisure and Lifelong Learning	90,137,000	0	0	0	0	90,137,000	90,295,000	158,000
Education, Leisure and Lifelong Learning	25,882,000	0	0	330,000	9,200	26,221,200	27,856,129	1,634,929
Social Services Health & Housing	83,281,000	0	0	280,000	0	83,561,000	83,541,184	-19,816
Environment	39,525,000	239,100	0	220,000	0	39,984,100	41,370,530	1,386,430
Corporate Services	18,208,000	46,000	0	152,000	0	18,406,000	18,342,979	-63,021
Directly Controlled Expenditure	257,033,000	285,100	0	982,000	9,200	258,309,300	261,405,822	3,096,522
Swansea Bay Port Authority	47,000					47,000	46,637	-363
Fire Authority	7,890,164					7,890,164	7,890,164	0
Margam Crematorium	1,000					1,000	553	-447
Archives	96,000					96,000	95,600	-400
Magistrates Court	12,000					12,000	11,264	-736
Capital Financing	19,282,000					19,282,000	19,282,000	0
Council Tax Support	18,748,000					18,748,000	18,906,769	158,769
Pay & Pension Provision	1,300,000			-982,000		318,000	0	-318,000
Contingency	822,453	-285,100			-9,200	528,153	70,944	-457,209
Management of change	500,000					500,000	500,000	0
NP Safe & Well Service	0					0	75,658	75,658
Other WG Grant estimated funding	0					0	-500,000	-500,000
Cont from General Reserve	-1,650,000					-1,650,000	-1,650,000	0
Net Budget Requirement	304,081,617	0	0	0	0	304,081,617	306,135,411	2,053,794
RSG	-177,352,786					-177,352,786	-177,352,786	0
NNDR	-49,408,800					-49,408,800	-49,408,800	0
Discretionary rate relief	386,684					386,684	386,684	0
Council Tax	-77,706,715					-77,706,715	-75,706,715	2,000,000
Total Funding	-304,081,617		0	0	0	-304,081,617	-302,081,617	2,000,000
Overspend / (underspend)								4,053,794

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Specific Reserves

Appendix 2

Description	Balance at 1st April 2020 £000	Original Reserve Movements 2020/21 £000	Changes already approved £000	Proposed changes in Period £000	Estimated Reserve Bal at 31 Mar 2021 £000
EDUCATION, LEISURE & LIFELONG LEARNING					
<i>Delegated Schools Cash Reserves</i>					
ERVR Primary	Cr 8	0	0	0	Cr 8
Primary Schools Reserves	Cr 636	0	0	0	Cr 636
Secondary Schools Reserves	Cr 109	0	0	0	Cr 109
Special Schools Reserves	305	0	0	0	305
Middle Schools Reserves	1,074	0	0	0	1,074
Repairs and Maintenance Reserve	Cr 161	0	0	0	Cr 161
	465	0	0	0	465
<i>Education, Leisure and Lifelong Learning</i>					
Margam Discovery Centre - Building Maintenance Reserve	Cr 48	Cr 50	0	0	Cr 98
Equalisation Account - Education	Cr 1,373	200	Cr 7	0	Cr 1,180
Home to School Transport	Cr 111	0	0	0	Cr 111
	Cr 1,532	150	Cr 7	0	Cr 1,389
Total Education Leisure & Lifelong Learning	Cr 1,067	150	Cr 7	0	Cr 924
SOCIAL SERVICES, HEALTH & HOUSING					
Homecare ECM Equipment Reserve	Cr 73	Cr 10	0	0	Cr 83
Community Care Transformation Reserve	Cr 108	102	0	0	Cr 6
Social Services Equalisation	Cr 940	321	Cr 190	Cr 234	Cr 1,042
Hillside General Reserve	Cr 274	0	0	0	Cr 274
Youth Offending Service - Equalisation	Cr 153	0	0	0	Cr 153
Adoption Service	Cr 100	0	0	Cr 400	Cr 500
Total Social Services Health & Housing	Cr 1,648	413	Cr 190	Cr 634	Cr 2,058

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Specific Reserves

Appendix 2

Description	Balance at 1st April 2020 £000	Original Reserve Movements 2020/21 £000	Changes already approved £000	Proposed changes in Period £000	Estimated Reserve Bal at 31 Mar 2021 £000
ENVIRONMENT					
Concessionary Fares - Bus Pass Replacement Reserve	Cr 152	60	0	0	Cr 92
Asset Recovery Incentive Scheme	Cr 126	0	0	0	Cr 126
Local Development Plan	Cr 181	106	Cr 106	Cr 43	Cr 224
Winter Maintenance Reserve	Cr 754	0	10	0	Cr 744
Baglan Bay Innovation Centre – Dilapidation Reserve	Cr 78	0	0	0	Cr 78
Renewable Energy Reserve	Cr 11	0	0	0	Cr 11
Environmental Health - Housing Equalisation	Cr 137	137	Cr 137	0	Cr 137
Workways NPT Reserve	Cr 159	0	0	0	Cr 159
Environment Equalisation Reserve	Cr 715	182	29	187	Cr 317
Former Crown Site Reserve	0	0	0	Cr 312	Cr 312
	Cr 2,313	485	Cr 204	Cr 168	Cr 2,200
Operating Accounts					
Operating Accounts Equalisation	Cr 36	0	0	0	Cr 36
Vehicle Tracking	Cr 92	47	0	0	Cr 45
Operating Accounts -Vehicle Renewals	Cr 1,906	149	0	0	Cr 1,757
	Cr 2,034	196	0	0	Cr 1,838
Total Environment	Cr 4,347	681	Cr 204	Cr 168	Cr 4,038
FINANCE AND CORPORATE SERVICES					
Elections Equalisation Fund	Cr 240	Cr 15	0	0	Cr 255
Health & Safety / Occupational Health	Cr 41	0	0	0	Cr 41
Development Fund for Modernisation	Cr 115	0	0	0	Cr 115
IT Renewals Fund	Cr 843	445	Cr 163	Cr 200	Cr 761

Specific Reserves

Appendix 2

Description	Balance at 1st April 2020 £000	Original Reserve Movements 2020/21 £000	Changes already approved £000	Proposed changes in Period £000	Estimated Reserve Bal at 31 Mar 2021 £000
Corporate Equalisation Reserve	Cr 535	465	Cr 111	0	Cr 181
Building Capacity	Cr 197	75	Cr 24	Cr 30	Cr 177
Voluntary Organisation Reserve	Cr 13	0	0	0	Cr 13
Total Finance and Corporate Services	Cr 1,984	970	Cr 298	Cr 230	Cr 1,543
COUNCIL RESERVES					
Insurance Reserve	Cr 6,651	0	0	0	Cr 6,651
Swansea Bay City Deal	Cr 113	0	0	0	Cr 113
Income Generation Reserve	Cr 654	104	0	0	Cr 550
Members Community Fund	Cr 391	Cr 100	0	0	Cr 491
Community Resilience Fund	Cr 2,000	0	0	0	Cr 2,000
Housing Warranties	Cr 220	0	0	0	Cr 220
Pantteg Landslip Reserve	Cr 500	0	0	0	Cr 500
Waste Reserve	Cr 393	0	0	0	Cr 393
LAWDC Contingency Reserve	Cr 1,012	0	0	0	Cr 1,012
Schools IT Equalisation (HWB)	Cr 250	163	0	0	Cr 87
Corporate Contingency	Cr 2,269	48	0	0	Cr 2,221
Treasury Management Equalisation Reserve	Cr 7,639	0	0	0	Cr 7,639
ERVR - Transitional Reserve	Cr 4,536	0	60	0	Cr 4,476
Accommodation Strategy	Cr 2,274	250	0	0	Cr 2,024
Total Council Reserves	Cr 28,902	465	60	0	Cr 28,377
JOINT COMMITTEES					
Workways Regional Reserve	Cr 93	0	0	0	Cr 93

Specific Reserves

Appendix 2

Description	Balance at 1st April 2020 £000	Original Reserve Movements 2020/21 £000	Changes already approved £000	Proposed changes in Period £000	Estimated Reserve Bal at 31 Mar 2021 £000
Environment Legacy Reserve (SWTRA)	Cr 60	0	0	0	Cr 60
Substance Misuse Area Planning Board	Cr 41	0	0	0	Cr 41
WB Safeguarding Board Reserve	Cr 92	0	0	0	Cr 92
Intermediate Care Pooled Fund	Cr 28	0	0	0	Cr 28
	Cr 314	0	0	0	Cr 314
TOTAL ALL REVENUE RESERVES	Cr 38,262	2,679	Cr 639	Cr 1,032	Cr 37,254

General Reserve

Appendix 3

	Original Estimate 2020/21	Revised Estimate 2020/21	Difference 2020/21
	£'000	£'000	£'000
Opening balance 1st April	Cr 19,128	Cr 19,921	Cr 793
Council Tax increased income	Cr 1,300	Cr 1,300	0
Capital - Phase II Accommodation financing costs	170	170	0
Doubtful Debt Provision	200	200	0
Contributions to the Economic Development Fund	200	200	0
Community Councils Grant Scheme	25	46	21
Member Community Development Fund	300	300	0
Estimated budget shortfall as at 31st November 2020	0	4,054	4,054
Contribution from /to revenue	1,650	1,650	0
Estimated Closing balance 31st March	Cr 17,883	Cr 14,601	3,282

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE HEAD OF FINANCE – HUW JONES

13 January 2021

Matter for Decision

Wards Affected – All Wards

Capital Programme Monitoring Report 31st December - 2020/21

Purpose of Report

1. To provide Members with information in relation to delivery of the 2020/21 Capital Programme.

Background

2. On 5th March 2020 Council approved its Capital Programme for 2020/21; the report detailed planned Capital Expenditure totalling £87.92m for the financial year.

The purpose of this report is to update Members as to the delivery of this Programme as at 31st December 2020 and to seek approval to update the 2020/21 budget.

Targeted Achievements

3. As Members are aware the following achievements are being targeted during this financial year:
 - Progression of the Council's Band B 21st Century Schools programme;
 - Cefn Saeson - a new replacement 11-16 School in the Cimla area of the County Borough.

- Abbey Primary – a new primary school to replace the current Primary school which is based across three sites in Neath Abbey, Skewen and Longford.
 - Ysgol Gymraeg Ystalyfera Phase 3 - the addition of a new build block comprising six extra classrooms and 3G rugby pitch provision.
- Investment in a flood and coastal risk prevention project at Aberavon Seafront.
 - County Borough regeneration including the continuation of the Neath Town Centre redevelopment along with commencement of works on Neath Transport Hub. Development works on the former Crown building, redevelopment works on the former Plaza cinema in Port Talbot along with the Harbourside infrastructure project.
 - Further investment of £3m into Disabled Facility Grants to assist people to live at home together with an 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 £70.682m with the main changes proposed being:
 - 2020/21 grant approvals of £1.613m have been received for the Active Travel Fund, Valleys Task Force and Circular Economy Fund.
 - 2020/21 budgets for Childcare Provision projects have been reduced by £2.705m and allocated to 2021/22 to reflect the profile of the works required on site and the revised project proposals.
 - The 2020/21 budget for Abbey Primary has been reduced by £2.424m. The £2.424m has been re-profiled into 2021/22 to reflect the profile of works required on site.

- The 2020/21 budget for Cefn Saeson has been increased by £2.924m to reflect site works progressing ahead of schedule. The £2.924m will be funded from resources earmarked in 2021/22, 2022/22 and 2023/24.
- A £1.737m budget had been included in 2020/21 in relation to improvement works at Hillside Secure Unit. However, £1.637m of this has now been re-profiled into 2021/22 due to works on site being delayed as a result of COVID 19.
- A budget of £1.9m had been included in 2020/21 for Cefn Coed Valley Landscape Park. This has been reduced to £200k in 2020/21 due to ongoing issues in agreeing a suitable scheme with the Welsh Government.
- The 2020/21 budget of £630k for Port Talbot PDR 2 has been increased by £442k to fund land compensation claims paid out.
- A budget of £1.049m has been added in 2020/21 for HWB IT equipment for schools. Of this £1.049m, £745k is funded through Welsh Government HWB grant with the remaining £304k being NPT's contribution to the scheme.
- A budget of £3.184m had been included in 2020/21 for DFG's. However, £1.784m of this has been re-profiled into 2021/22 due to works being delayed as a result of COVID 19.

Additional Capital Funding

5. As part of the 2018/19 Welsh Government settlement announcement, an additional £5m of un-hypothecated funding was allocated over 3 years. Of this £5m, £1.180m was spent in 2019/20 with £3.830m originally planned to be spent in 2020/21. However, £2.304m of this original 2020/21 budget has been re-profiled into 2021/22 to reflect planned spend.

Additional Schools Capital Maintenance Grant

6. In March 2019 Welsh Government allocated an additional £1.9m to fund school maintenance works, £360k was spent in 2019/20 and the balance planned for 2020/21 and 2021/22. The original

2020/21 budget of £1.671m has been reduced to £889k with the balance being re-profiled to 2021/22.

Also in January 2020 Welsh Government announced a further allocation of £1.9m which was planned to be spent in 2020/21 and 2021/22. The original 2020/21 budget of £1.928m has been reduced to £685k with the balance being re-profiled to 2021/22 to reflect planned spend.

Impact of COVID

7. The Covid pandemic has resulted in increased costs for some contracts due to the requirement to provide increased facilities on sites i.e. additional welfare provision to facilitate social distancing. Currently these increased costs are being met from existing budget resources.

2020/21 Capital Expenditure

8. Specific details of Capital Expenditure as at 31st December 2020 is outlined in Appendix 1 of this report

Financial Impact

9. All relevant details are set out in the body of the report.

Valleys Communities Impact

10. No implications

Workforce Impacts

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

Legal Impacts

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

Risk Management

13. 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

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

Recommendations

15. It is recommended that Cabinet approves and then commends the updated Capital Programme to Council:
 - The approval of the proposed 2020/21 budget totalling £70.682m;
 - And note the position in relation to expenditure as at 31st December 2020.

Reason for Proposed Decision

16. To update the Council's Capital Programme for 2020/21.

Implementation of Decision

17. The decision is proposed for implementation after the three day call in period.

Appendices

18. Appendix 1 – Details of Capital Expenditure as at 31st December 2020

List of Background Papers

Capital Programme working files

Officer Contact

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Capital Budget and Spend 2020/21 as at 31st December 2020

	Current Budget £'000	Proposed Budget £'000	Actual @ 31 Dec 20 £'000
Abbey Primary	5,424	3,000	1,026
Cefn Saeson	11,283	14,207	12,638
Ysgol Gymraeg Ystalyfera Bro Dur (North Campus)	3,327	3,327	1,587
Capital Maintenance – Education and Leisure	1,198	934	842
Welsh Medium School Grant - YGG Pontardawe, YGG Cwmllynfell & YGG Tyle'r Ynn	2,256	1,963	1,327
Infant Class Sizes Grant - YGG Rhosafan, YGG Castell Nedd, Gnoll Primary	708	433	695
Childcare Offer Grant - Small Grants Pot, Baglan Primary, Blaenbaglan Primary, Cwmavon, YGG Castell Nedd, YGG Blaendulais, Wauncerich Primary & Rhos Primary	3,788	1,083	695
Cymmer Afan Site Clearance & Land Reclamation	108	37	37
Leisure Investment	242	462	153
Margam Orangery Improvement Works	105	105	92
Margam Park Activity Investment	306	306	120
Pontardawe Arts Centre Cinema	200	30	7
Highways and Engineering Maintenance	2,138	2,138	1,204
Additional Highway Works (Highways Refurbishment Grant)	753	753	753
Drainage Grants	897	1,048	578
Local Transport Fund (multiple locations)	1,028	1,028	178
Active Travel Fund (multiple location)	218	1,198	197
Road Safety	205	205	24
Safe Routes in Communities	50	50	7
Flood & Coastal Risk Projects - Aberavon & Brunel Dock	1,067	1,067	1,045
Flood Recovery – various projects	927	927	704
Major Bridge Strengthening - A474 Neath	6	6	8
Trade Waste Recycling Investment	200	100	0

	Current Budget £'000	Proposed Budget £'000	Actual @ 31 Dec 20 £'000
Health & Safety	1,050	830	344
Street Lighting	974	974	330
MREC – site improvements	180	180	0
Vehicle Replacement Programme	2,723	2,555	1,308
Environment Street Scene Works	500	490	96
Regeneration: Harbourside Infrastructure	1,883	1,883	256
Regeneration: Plaza Redevelopment	3,497	3,497	1,810
Regeneration: Former Port Talbot Magistrates Court Refurbishment	300	300	203
Regeneration 6 Station Road	467	177	4
Regeneration: Aberafan Aquasplash	350	350	3
Regeneration: Employment & Business Start Up Space	500	15	9
Regeneration: Neath Town Centre Redevelopment	3,000	3,000	496
Regeneration 8 Wind Street	760	760	257
Regeneration: Former Crown Buildings Development	3,400	3,400	2,365
Regeneration: Neath Transport Hub	1,475	1,475	0
Regeneration: Property Enhancement Development Grant	1,000	1,000	64
Regeneration: The Technology Centre	4,692	4,692	1,177
Regeneration: Afan Forest	250	328	0
Regeneration: Cefn Coed Valley Landscape Park	1,900	200	6
Regeneration: Other	1,153	1,106	269
School IT/ Vehicle Financing	390	190	76
Capital Maintenance - SSHH	201	121	79
Hillside Secure Unit Improvement Works	1,737	100	79
Efficiency & Warm Homes	211	211	71
Disabled Facilities Grants	3,184	1,400	556
Capital Maintenance for Schools – previous year grants	1,559	1,578	565
Regeneration – various projects	565	50	0
Maintenance - Unadopted structures and Council owned Tips	308	308	184
Information Technology and Agile Working	267	243	193

	Current Budget £'000	Proposed Budget £'000	Actual @ 31 Dec 20 £'000
Other	2,504	4,452	2,851
Contingency	270	410	0
Total	77,684	70,682	37,568



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE HEAD OF FINANCE – HUW JONES

13 JANUARY 2021

Matter for Monitoring

Wards Affected - All

Treasury Management Monitoring 2020/21

Purpose of Report

1. This report sets out treasury management action and information for the third quarter of 2020/21.
2. This report will also be forwarded to the next Audit Committee in line with the Council's Treasury Management Practices Scrutiny arrangements.

Rates of Interest

3. The global outbreak of coronavirus has forced the UK Government to take drastic steps to stem the economic impact and this resulted in the Bank of England reducing the bank base rate.
4. During a special meeting of the Bank of England's Monetary Policy Committee on 10th March 2020, the Bank of England cut the rate from 0.75% to 0.25%, effective from 11th March, with a further reduction to 0.10% following shortly after on 19th March. The bank

warned that the pandemic will result in a "sharp and large" economic shock.

The following table details the changes in bank rate:

Effective Date	Bank Rate
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%
11 th March 2020	0.25%
19 th March 2020	0.10%

5. The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 4th January 2021:

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 07Oct20	Current 04Jan21	Previous 07Oct20	Current 04Jan21	Previous 07Oct20	Current 04Jan21
	%	%	%	%	%	%
5-5.5 years	1.75	0.88	1.75	0.88	1.81	0.95
10-10.5 years	1.81	0.95	1.81	0.95	2.15	1.24
20-20.5 years	2.15	1.24	2.16	1.25	2.64	1.70
35-35.5 years	2.57	1.63	2.60	1.65	2.64	1.70
49.5-50 years	2.79	1.75	2.79	1.75	2.53	1.56

General Fund Treasury Management Budget

6. The following table sets out details of the treasury management budget for 2020/21 along with outturn figures for 2019/20. The budget consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2019/20 Outturn		2020/21 Original Budget
£'000		£'000
19,925	Principal and Interest charges	19,720
	Investment Income	
(497)	- Total	(400)
147	- less allocated to other funds	130
(350)	Subtotal Income	(270)
(301)	Contribution from General Reserves	(170)
	Contribution to General Reserves	
	Contribution to/(from) treasury management reserve	
19,274	Net General Fund	19,280

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

Borrowing

7. There has been no new loan agreements entered into since the last quarterly report.

Investments

8. The following are a list of investments as at 31st December 2020:
- 9.

<u>Counterparty</u>	<u>Value (£)</u>	<u>Investment type</u>	<u>Investment start</u>	<u>Investment maturity</u>	<u>Interest rate</u>
Lloyds Bank	£10,000,000	95 Day Call Account	27 th August 2020	25th	0.20%

<u>Counterparty</u>	<u>Value (£)</u>	<u>Investment type</u>	<u>Investment start</u>	<u>Investment maturity</u>	<u>Interest rate</u>
Birmingham City Council	£5,000,000	Fixed	30 th November 2020	28 th May 2021	0.21%
Glasgow City Council	£10,000,000	Fixed	24 th September 2020	24 th June 2021	0.30%
Santander	£19,200,000	Call Account	N/A	N/A	0.10%

10. Please note – the Council’s investment criteria (TMP2 - appendix 1) allows for a maximum investment for an F1 rated counterparty to be £15m. Santander are currently an F1 rated counterparty – however, the policy also allows for this to be temporarily exceeded in exceptional circumstances. Member should note that during the COVID pandemic, this balance has been exceeded. The maximum amount placed with Santander was £117m on 9 June 2020 and the current balance invested as at 4th January 2021 (i.e. at time of writing this report) is £26.8m.

Investment Income

11. In line with the Council’s Investment Strategy, the 2020/21 original budget target for investment income is £400k, income for the financial year to date totals £153k. Due to the very low interest rates at present with base rate at 0.1%, it is highly unlikely that the investment income target will be met. Any unachieved income will be met from the treasury management equalisation reserve at year end, subject to the Council’s overall financial position.
12. 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 and Santander Bank.
13. 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

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

Integrated Impact Assessment

15. There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes.

Valleys Communities Impacts

16. No implications

Workforce Impacts

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

Legal Impacts

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

Risk Management

19. 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

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

Recommendation

21. It is recommended that members note the contents of this monitoring report.

Appendices

22. None

List of Background Papers

23. PWLB Notice Number 001/21

Officer Contact

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Mr Ross Livingstone – Group Accountant – Capital and Corporate
E-mail – r.livingstone@npt.gov.uk

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.

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF CORPORATE DIRECTORS GROUP

13 JANUARY 2021

SECTION A – MATTER FOR DECISION

WARDS AFFECTED: ALL

Draft Budget for Consultation 2021/22

1. Purpose of Report

To seek Member approval to consult on the draft budget proposals, financial savings, service reductions and income generation proposals for 2021/22.

To confirm that consultation will take place to the 12th February 2021 prior to reviewing responses and setting a budget for 2021/22 in early March 2021.

2. Executive Summary

Today's report does not seek final decisions from Members on priorities or on where financial savings should be made. The aim of this report is to seek approval to go out to consultation and listen to the views of our County Borough citizens and stakeholders in relation to the issues set out in this report. Final decisions on setting the Council's 2021/22 Budget will be required to be taken in March 2021, following the end of public consultation and receipt of the Welsh Government's Final Local Government Settlement.

The Covid19 pandemic delayed announcements of the UK Government's one year Spending Review until 25 November 2020 and hence the Welsh Government's Draft Budget and the Provisional Local Government Settlement until just before Christmas.

On the 22nd December 2020 The Welsh Government (WG) published its details of the 2021/22 Provisional Local Government Settlement. The settlement shows that the Welsh Government will provide Local Government with funding of £4.651bn, a 3.8% increase on the adjusted base for 2020/21. Neath Port Talbot Council's share is £236.680m which is 6th best in Wales and an increase of £9.9m or 4.2%.

WG also published details of most of the specific grants available for 2021/22. On an All Wales basis the total amount available is £968m with a few more to be announced. This is a £10m increase on the current year having taken account of transfers into the settlement and those yet to be announced. The amount of specific grants due to each Council have started to be released with further details expected during January/February.

For 2021/22 the total funds available to run Council Services is £317m but this remains short of what is required to meet inflation, pay awards and other demand pressures which total £320.2m. Therefore there is a funding shortfall next year of £3.235m. This report sets out the proposals to consult on how to close that gap by implementing the already approved cuts/income generation of £135k and the use of £3.1m of general reserves to balance the budget.

Members should note that the Welsh Government's Final Settlement is expected to be published on the 2nd March 2021.

Due to the impact of Covid19 the Chancellor of the Exchequer has delayed his Budget Statement until 3 March 2021, with a further multi-year UK Government Spending Review announcement due later in 2021, which will inform public spending plans for the next few years. The outcome of that review will allow the Welsh Government to develop plans and hopefully multi-year funding settlements for 2022/23 and onwards. In addition to the 2021/22 budget gap the Forward Financial Plan to 31st March 2024 shows a projected funding gap of over £36m. A further report on options to close this medium term gap will be prepared for Members consideration later in the year.

3. Background

Neath Port Talbot Council's net revenue budget for the current year of 2020/21 amounts to £304.082m and together with grants and income from services results in a gross budget of £445m which is

invested in services across the County Borough. The Council also invests annually more than £50m in major improvements through its capital programme.

There is a statutory duty on the Council to set a balanced budget each financial year. Prior to setting the budget the Council has a duty to consult stakeholders on changes to the Budget. One of the objectives of this report is to set out the projected funding gap for the next few years to 2023/24. Members will note that the Council has delivered £92m of savings since 2010 but as of last March there remained a projected funding gap of over £28m for the 3 years to 31 March 2024 as per below:

Funding Gap at March 2020

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Budget Gap before Directorate Savings	8,694	10,647	9,347
Cumulative Gap	8,694	19,341	28,688
FFP Reductions	-366	-246	0
Budget Gap @ March 2020	8,328	10,401	9,347
Cumulative Gap @ March 2020	8,328	18,729	28,076

The Welsh Government's 2021/22 Draft Budget published on 21st December 2020 continues to prioritise and provide additional funding for the Health Service. However for 2021/22 it has also prioritised Local Government to reflect the response, delivery of initiatives and new duties that Local Authorities have undertaken during the Covid pandemic. WG and Local Government though will have to wait until later in 2021 for the UK Government to announce the outcome of its Spending Review before funding for future years are known. Given the adverse impact that Covid19 is having on the whole of the UK economy and on Government taxes we should expect that there will be ongoing budget challenges for the next few years.

4. Council Priorities 2020 – 2023

The Council's Corporate Plan sets out the Council's strategic objectives and priorities for this administration period.

The onset of the Covid-19 Pandemic meant that it was not practical to publish a refreshed detailed Corporate Plan for 2020/21

For 2020/21 the well-being objectives and priorities for improvement set out in the 2019-2022 Plan remain the same.

The Council's updated Corporate Plan 2020-2023 was due to be presented to Council for approval in April 2020 and as part of that work the well-being objectives were reviewed and it was not considered necessary to make any changes and this was endorsed by Council on the 14th October 2020. It will be further reviewed and updated during 2021.

The setting of these strategic objectives - the Council's well-being objectives - fulfil the requirement under s3 (2)(a) of the Well-being of Future Generations (Wales) Act 2015.

The Council's three well-being objectives are:

Well-being Objective 1

To improve the well-being of children and young people - "All of our children and young people have the best start in life, so they can be the best they can be".

Well-being Objective 2

To improve the well-being of all adults who live in the county borough - "Everyone participates fully in community life – socially and economically".

Well-being Objective 3

To develop the local economy and environment so that the well-being of people can be improved - "the whole of Neath Port Talbot County Borough will be a vibrant and healthy place to live, work and enjoy recreational time".

Supporting each of the above well-being objectives are improvement priorities which fulfil different legal requirements set out in (s3(1)) of the Local Government (Wales) Measure 2009.

When setting the well-being objectives and priorities we analysed how they contribute to the seven national well-being goals that the Welsh Government requires all public bodies in Wales to contribute to.

5. Current Year's Budget 2020/21

Neath Port Talbot Council approved its 2020/21 budget on the 6th March 2020. The medium term budget forecast, at that time, assumed a 1% increase in Welsh Government funding for each year from 2021/22. The forecast showed the need to identify budget reduction solutions of circa £28m over the next 3 financial years.

The following table summarises Council's Funding and Net Budget for 2020/21.

Funding 2020/21	Budget	Budget
	£m	%
Revenue Support Grant	£177.353	58.32%
National Non Domestic Rates	£49.409	16.25%
Discretionary Rates Relief	-£0.387	-0.13%
Council Tax	£77.707	25.56%
Total Income	£304.082	100.00%

Net Budget 2020/21	Budget	Budget
	£m	%
Education, Leisure & Lifelong Learning (including Schools at £90.137m)	£116.019	38.15%
Social Services, Health & Housing	£83.281	27.39%
Environment	£39.525	13.00%
Finance & Corporate Services	£18.208	5.99%
Fire Authority	£7.891	2.60%
Capital Financing	£19.282	6.34%
Council Tax Support	£18.748	6.16%
Other including Contingency	£2.778	0.91%
Use of Reserves	-£1.650	-0.54%
Budget Requirement	£304.082	100.00%

The Council's budget for 2020/21 is 3.8% or £11.086m above the Standard Spending Assessment (SSA) of £292.996m, which is the Welsh Government's assessment of the need to spend

6. Provisional Local Government Settlement 2021/22

The Minister for Housing and Local Government published the Welsh Government's Provisional Local Government Settlement on 21st December 2020.

The headlines are that for 2021/22 the Welsh Government will provide funding of £4.651bn to run local authority services across Wales. This increase of 3.8% is most welcomed and is only the second above inflation increase since 2007, following that for the current year. In addition the Welsh Government confirmed that they transferred £5.1m of specific grant into the settlement. The following table summarises those transfers:

Grants Transferred into Settlement	ALL Wales	NPT
	£'000	£'000
Teachers Pay	3,981	186
Coastal Risk Management	1,145	0
Total	5,126	186

The £4m for Teachers Pay refers to the increased cost above the current year's budget settlement for the teachers' pay award (to an average of 3.1%). This is for the period September 2020 to March 2021. Members should note that the additional full year costs for 2021/22 are included in the general provisional settlement.

The Neath Port Talbot Council share of the total funds available amounts to £236.68m. This is an increase of 4.2% on the current year, after transfers, and is the 6th best settlement in Wales.

As part of the Provisional Settlement the Welsh Government announced they would make available £968m of specific grants. Some indicative allocations of these grants have already been received with further information expected during January/February 2021. This improves our financial planning and budget certainty for 2021/22. A comparison of the published tables with the written announcement shows that a further £76.7m can be expected to be added to the specific grants schedule by the Final Budget stage.

Details of all the Specific Grants as published by the Welsh Government are set out in Appendix 4.

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

- The Welsh Government has increased the grant for Social Care from £40m to £50m.
- The Welsh Government has agreed to continue to provide £11m for Minority Ethnic and Gypsy, Roma and Traveller learners (an increase of £1m on the current year).
- The Sustainable Waste Grant has been reduced by £1m to £16.4m. It is estimated that NPT's share will reduce by £45k and this has been built into budget pressures.
- The table indicates that the Concessionary Fares Grant has increased by £29m to £60m. This increase reflects a technical adjustment to correct funds that had been included under Covid support in the current year.
- The £600k made available to eliminate charging for child burials and child cremations for the past three years continues to be available in 2021/22.
- Whilst the Road Safety grant has doubled to £2m, there has been a cut of £13m in the Childcare Offer Grant (down to £60m – mainly due to a one-off allocation in 2020/21 and additional capital allocation for next year), a cut of £3.1m to the Social Care Transformation Grant (now at £12.7m) and the Substance Misuse Grant reduced by £2.3m to £25m.
- Members will also note that at Appendix 4 that an additional column has been added into the grants schedule. This shows adjustments of £76.7m are expected when WG publish their grants schedule at Final Budget stage.
- Further clarification of the changes and conditions for all grants is being sought from the Welsh Government and will be incorporated into the Final Budget report.

The Minister also confirmed that the settlement and specific grants mentioned above exclude Covid related funding. Members will note that for 2021/22 the UK Government is providing WG with an additional £770m for Covid related costs. A second table at Appendix 4 shows the current year's allocation of Covid grants administered by Local Authorities totalling over £1bn excluding TTP costs that are outside this amount as they are funded via the

Health Budget. Further clarification on TTP and other Covid funding is expected over the next few months.

The settlement retains £244m for Council Tax Reductions Scheme (CTRS) support for another year. The arrangements for 2022/23 onwards will be determined as part of WG's wider considerations about how to make council tax fairer and future year budgets.

The Minister also confirmed that she was only providing a single year budget as WG is awaiting the outcome of their budget entitlement following the UK Government's Spending Review due later in 2021.

Provisional Capital Settlement

The Minister also published the Provisional Capital Settlement for 2021/22. The All Wales Capital Funding Settlement sees an increase of £80m to £724m in 2021/22. The main increases relate to City Deal funding for the Cardiff Capital and North Wales Regions (+£38m), Capital Childcare Offer (£21m increasing to £45m), Schools investment (+£12m), Ultra Low Emissions Vehicle Transmission (+£26m), other transport investment (+£15m) and Substance Misuse Action Fund (increasing by £4m to £5m) with some further grants to be confirmed.

It was also confirmed that the total amount of general capital allocation for Local Authorities will remain at £177.837m. NPT's share is £8.918m which is a reduction of £71k on the current year but over £900k higher than expected and as included in our forward Capital Programme. The Council's capital programme will be developed over the next few months and presented to Members for approval in March 2021.

7. Budget and FFP Gap 2021/22 to 2023/24

Attached at Appendix 3 is a schedule of the inflation, pay awards and other factors used to prepare the Draft Budget. Given the impact of Covid and the Chancellor of the Exchequer's announcement of 25 November 2020 general inflationary provision of 2%, 5% for energy and 1% for pay awards (in 2021/22 increasing to higher amounts in subsequent years) have been provided. Covid has impacted negatively on the UK economy resulting in lower tax revenues and therefore it is expected that

there will be further restrictions on public sector spending over the next few years. Therefore it has been assumed that Local Government funding in Wales will be flat lined from 2022/23. Attached at Appendix 2 is a list of pressures that have been built into the 2021/22 draft budget which total £7.739m.

For next year these provisions result in a budget funding gap of £3.235m, which is reduced to £135k through the proposed use of £3.1m from General Reserves with a further gap of £36m over the following 2 years. The following table summarises the latest position:

Updated FFP Gap January 2021

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Budget Gap before Directorate Savings	3,235	15,981	17,318
Cumulative Gap	3,235	19,216	36,534
FFP Reductions	-135	-176	-50
Funded from General Reserves	-3,100		
Budget Gap (gross of use of reserves) @ Jan 2021	0	18,905	17,268
Cumulative Gap @ Jan 2021	0	18,905	36,173

Members should note though that work is ongoing to verify whether additional budgets are required for the following items. If so they will need to be built into the final budget decisions due in March 2021:

- Legislation
- Any reduction in specific grants affecting service need
- Any changes identified as part of the final Local Government Settlement or UK Government announcements.

Schools

In relation to schools, the draft budget for 2021/22 provides for an increase in the delegated schools budget of £3.2m to £93.3m. This

represents a budget increase of 3.52% increase. It is appreciated that the Welsh Government has transferred specific grants such as for Teachers Pay into the general settlement as this provides additional funding certainty for our schools in 2021/22. The following table shows the projected budget for schools:

	2021-22	2022-23	2023-24
	£'000	£'000	£'000
Schools Prior Year Base	90,137	93,314	96,539
Sept 2020 Teachers Pay award to average of 3.1%	400		
Schools - Increased provision re Teaching Assistants	750	750	750
Inflation	1,777	2,225	3,181
Change in Pupil Numbers	250	250	250
Delegated Budget	93,314	96,539	100,720

Summary

The following tables show the estimated funding available from Welsh Government and Council Tax compared to the projected budget required for 2021/22 resulting in a budget gap of £3.235m before use of general reserves. In order to balance the draft budget though there is a need to increase council tax by 3.75%, use £3.1m from general reserves and make budget cuts/ increase income by £135k.

Estimated total funding available 2021/22

	£'000
Net Budget 2020/21	304,082
Increase in WG Funding	9,918
Increase in Council Tax proceeds	3,024
Draft Funds Available 2021/22	317,024

Estimated Budget required 2021/22

	£'000
Net Budget 2020/21	304,082
Pay Awards and inflation	6,602
Pressures	7,739
Transfers into 2021/22 settlement	186
Reverse use of General Reserves 20/21	1,650
Draft Budget Required 2021/22	320,259

Draft Budget Gap 2021/22

	£'000
Total Budget Required 2021/22	320,259
Estimated Funds Available	317,024
Total Budget Gap 2021/22	3,235
Less Use of General Reserves 2021/22	-3,100
Budget Gap 2021/22 after use of Reserves	135

8. Draft Savings, Service Reductions and Income Generation proposals, Use of Reserves and Council Tax for Consultation

Attached at Appendix 1 is a schedule of draft savings, service cuts/reductions and income generation proposals for public consultation. Members will note that the schedule as approved by Council on 6 March 2020 has been reviewed and updated and due to the impact of Covid no new proposals have been included. Some of the amounts proposed have slipped a year or been amended. The schedule totals £135k for 2021/22 with a further £226k over the following 2 years. The draft Budget also proposes the use of £3.1m from General Reserves.

The total savings/cuts and use of reserves as shown in Appendix 1 are summarised as follows:-

Savings/Cuts and increased Income	2021/22	2022/23	2023/24
	£000	£000	£000
Education Leisure & Lifelong Learning	85	146	0
Corporate Services	50	30	50
Total	135	176	50

Use of General and Specific Reserves

The Draft Budget for 2021/22 assumes the use of £3.1m of General Reserves. On the 1 April 2020 the General Reserves balance was £19.9m and once the projected in-year budget shortfall of £4m and 2020/21 original use of the reserve is taken into account the estimated balance at 31 March 2021 is £14.6m. Thus by utilising a further £3.1m next year the projected balance at 31 March 2022 will be less than £12m or 3.8%.

The Draft Budget also proposes to commit the use of some Specific Reserves including the following:

Specific Reserves	Mar-21	2021-22	2022-23	Mar-23
	£'000	£'000	£'000	£'000
	Est. Bal	Est. Use	Est. Use	Est. Bal
Corporate Contingency Reserve	-2,221	1,437	92	-692
IT Renewals Reserve	-761	100	100	-561
Environment Equalisation Reserve	-317	64		-253
Estimated Closing Balance 31st March	-3,299	1,601	192	-1,506

Council Tax

In relation to council tax the 2021/22 Draft Budget assumes a 3.75% increase. However, members should note that the actual Council Tax for next year will not be set until the Council's Budget setting meeting in early March. For information Members should note that a 1% increase in council tax generates £777k of additional funding or £590k net of Council Tax Support.

9. Other Considerations

As in previous years members will review and scrutinise the draft proposals set out in this report in the relevant Scrutiny Committees during late January/February. Due to the late funding announcement by Welsh Government it is proposed that the consultation will commence immediately after today's Cabinet meeting and run until the 12th February 2021.

The Final Local Government Settlement announcement is expected on 2nd March 2021 and a report will be prepared setting out all changes. The Final Budget report due to be considered by Cabinet on 8th March 2021 will also take account of matters identified by stakeholders during the consultation period together with relevant issues from any UK and Welsh Government announcements. Continuous monitoring and appropriate changes will be made re Brexit, other economic, public spending and taxation matters including those mentioned by the Chancellor in his Budget announcement due on 3rd March 2021.

As members are aware 74.5% of the Council's funding comes from the Welsh Government. Councils have worked tirelessly during the Covid 19 pandemic to deliver financial support to families and businesses and also to continue to deliver critical work such as social care and welfare, education and waste services to the people in our communities. Councils, the Welsh Local Government Association and Trade Unions have over the past year set out the case for a reasonable funding settlement for local public services. The 3.8% increase announced in the 2021/22 Provisional Local Government Settlement is welcomed. It is critical that both the UK and Welsh Governments provide clarity on future public spending plans and finances and ensure that proper funding is provided so that Councils can continue to provide essential services to the public and communities.

10. Crime and Disorder Impact

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

Individual proposals are being assessed as to their impact on crime and disorder and should any specific impact be identified these will

be identified against individual proposals and summarised in final proposals.

11. Integrated Impact Assessment

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

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

This report identifies the need to make budget savings, cuts or generate extra income of £135k in 2021/22 together with the use of £3.1m from General Reserves with a further budget gap of £36m over the following 2 years, assuming that WG don't provide any increased funding in both years. Whilst the net draft Budget for 2021/22 is £317m the projected gross investment across the County Borough next year will be circa £450m. However the proposals for savings/cuts and Council Tax increase will have different impact on services and stakeholders across the whole of the County Borough i.e. on citizens, on service users, staff and individuals included within the various protected characteristic groups set out in the Equality Act 2010 and other legislative measures. Individual Impact Assessments for specific proposals have previously been undertaken as there are no new proposals for next year and will be made available to Members as part of finalising budget proposals.

12. Sustainable Development

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

in carrying out sustainable development includes setting and publishing wellbeing objectives, and taking all reasonable steps in exercising its functions to meet those objectives.

This report sets out many service change proposals, which taken together, represent a significant change in the Council's service delivery arrangements. However it should be noted that at this time these are draft proposals for consultation and not final decisions, those will be made in March 2021. As part of the sustainable development principle the Council has a duty to set a balanced budget. During these austere times this can cause a conflict between what the Council wants to provide and what it can afford. Stakeholder consultation on these draft proposals will enable the Council to take account of responses and other relevant information to assist it to finalise its allocation of resources in March 2021.

13. Workforce Impacts

The workforce will be impacted by the reduction in budget funding available to run services. The Council is sharing this report and information with trade unions and staff. The Council wishes to minimise compulsory redundancies and has makes available an early retirement/voluntary redundancy scheme.

14. Consultation

Today will commence the formal consultation with the public and all stakeholders on the draft budget proposals for savings/income generation.

Members will note the consultation will commence immediately following Cabinet today until the 12th February 2021 prior to final decisions being made in March 2021.

15. Recommendation

It is recommended that Members authorise the Chief Executive to consult the public on the draft budget, the savings, service changes, additional income and council tax proposals set out in this report.

16. Reason for Proposed Decision

To commence consultation on the 2021/22 draft budget.

17. Implementation of Decision

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

18. Appendices

Appendix 1 - Draft Budget Savings, Cuts and Income Generation for Consultation

Appendix 2 - Revenue Service Pressures 2021 to 2024 & Budget Pressures funded from Specific Reserves

Appendix 3 – Inflation and other Factors

Appendix 4 - Specific Grants Schedule 2021/22

19. Background Papers

Welsh Government Provisional Local Government Settlement Announcement of 22nd December 2020

Budget working files

20. Officer Contact

For further information on this report item, please contact:

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Draft Budget Savings, Cuts and Income Generation for Consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2020/21	% Savings	2021/22 £000	2022/23 £000	2023/24 £000
ELLL 707	ES&C	Pontardawe Arts Centre - Reduce Subsidy	Andrew Thomas	Operating cost savings and increased income from establishing a cinema which has been further delayed due to Covid 19 with an updated opening date in 2022/23. Capital investment support successfully sought from the Arts Council for Wales, the Friends of Pontardawe Arts Centre and the Council.	180	50%	0	90	0
ELLL 1003	ES&C	Cleaning services	Chris Millis	Movement toward full cost recovery of cleaning service over a 3 year period from 2020/21, to be funded by schools.	226	49%	55	56	0
ELLL 1004	ES&C	School transport - out of county	Chris Millis	Pupils leaving out of county placements	268	11%	30	0	0
CORP 902	CAB	Reduce management cost - Asst Chief Exec and Digital Services Division	Karen Jones	Full year effect from 2020/21 of Management review following staff turnover.	8,197	0%	30	0	0

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Draft Budget Savings, Cuts and Income Generation for Consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2020/21	% Savings	2021/22 £000	2022/23 £000	2023/24 £000
CORP 903	CAB	Digital strategy - further transformation of customer services	Karen Jones	Following success of the Digital strategy this has enabled further remodelling of customers to reflect a shift in customer volumes between face to face, online and telephone channels. This will mean a gradual reduction in face to face services. Automation of telephone calls at contact Centre Service leading to a reduction in the number of jobs. Continued since 2019.	568	4%	20	0	0
CORP 904	CAB	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. Delayed due to Covid19 to 2022/23 on.	N/A	N/A	0	30	50
		Total					135	176	50

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Revenue Service Pressures & Investment 2021 to 2024

Ref	Service area	2021/22	2022/23	2023/24
		£'000	£'000	£'000
ELLL11	Additional Learning Needs investment	430	500	500
ELLL14	Schools - increased pupil numbers	250	250	250
ELLL17	Out of county placements (inc transport)	87	0	0
ELLL21	Additional Teachers pay award to 3.1% Sept 2020 - schools	400	0	0
ELLL22	Additional Teachers pay award to 3.1% Sept 2020 - non schools	20	0	0
ELLL23	Free School Meals - increased provision following Covid19	315	0	0
ELLL24	Schools - Increased provision re Teaching Assistants	750	750	750
SSHH56	Children Services - Increase of 2 children in residential care	360	0	0
SSHH57	Adult Social Care above inflation increase	1,272	1,050	1,050
SSHH58	Additional dementia bed provision, ongoing cost of converting 10 beds to EMI	26	0	0
SSHH59	Homelessness - increased demand	200	0	0
SSHH60	Social Services increase in demand for services	250	0	0
ENVT26	Additional funds for LDP review for the period to 2024 - £224k available in LDP reserve	0	100	0
ENVT27	Waste services - increased demands due to higher tonnage	400	150	100
ENVT28	Highways and Streetcare budget increase	350	250	250
ENVT29	Asset Sponsorship Management Service - income below target threshold	15	0	0
ENVT30	Fixed costs funded out of Enabling Natural Resources and Wellbeing Grant	15	0	0
ENVT31	Decarbonisation Measures including staffing and maintenance of recharging points for electric vehicles	50	100	100
ENVT32	Reduction in Car Parking income base budget due to ongoing impact of Covid	300	-150	-150
ENVT33	Reduction in Rental income base budget due to ongoing impact of Covid	250	-150	-100
ENVT34	Loss of red fuel grant following change in legislation	0	48	0

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Revenue Service Pressures & Investment 2021 to 2024

Ref	Service area	2021/22	2022/23	2023/24
		£'000	£'000	£'000
ENVT35	NNDR increase re Former Crown Building	79	0	0
ENVT36	Additional Town Centre Officers	70	0	0
ENVT37	Regeneration, Economic Development and Business Support additional capacity	100	100	0
CORP17	Housing Benefit Admin Subsidy Grant reductions	25	25	25
CORP19	Procurement Online Resources - Current Sell to Wales and e-tendering services possible end of WG payment delayed until 2022	0	40	0
CORP21	ICT Microsoft Licence - increased costs	50	0	0
CORP22	Procurement - full year impact from additional post provided in 2020 to manage increased Social Services and Environment contracts	5	0	0
CORP23	Local Government & Elections Act - 1 post built in to provide additional capacity. Further implications and impacts will be reviewed in year including web casting, cost of Peer Review process, Corporate Joint Committees (CJC's), petitioning etc.	35	0	0
CORP24	Domestic violence - 2 additional Posts - due to increased caseloads due to Covid and the need for resilience in the service.	76	0	0
CORP25	Media additional posts - to improve service resilience and to deliver the service via different methods (currently funded from TTP grant)	35	35	0
CORP26	Increased cost of architects and engineers IT Design Licences	30	0	0
CORP27	IT Coordination administration - for external IT applications	50	0	0
CORP28	IT costs re automated process to carry out repetitive processing work	30	0	0
CORP29	Poverty data analysis and support	27	0	0
CORP30	Information Governance - additional member of staff to manage information governance and data protection work	47	0	0
CORP31	Land Charges - reduced income levels as a result of HMRC Tax Liability for Official Search Fees	25	0	0

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Revenue Service Pressures & Investment 2021 to 2024

Ref	Service area	2021/22	2022/23	2023/24
		£'000	£'000	£'000
CORP32	Legal Services - Data Protection Fee increase for Council and Registration Service as set by Information Commissioner's Office	5	0	0
CORP33	City Deal Property Legal Support	60	0	0
OTH009	New Green Book pay scale additional annual cost provision	250	250	0
CONT8	Council tax support - increase in claimants following COVID19	500	0	0
CONT1	General Contingency	500	3,000	3,000
CONT7	Capital financing costs re 21st Century Schools Band B investment	0	800	0
	Total	7,739	7,148	5,775

Revenue Service Pressures & Investment 2021 to 2024

Budget Pressures funded from Specific Reserves

Ref	Service area	2021/22	2022/23	Comment
		£'000	£'000	
ELLL25	Celtic Leisure - estimated additional costs prior to new contract operational in 2021	1,000	0	
ELLL26	Margam Park - loss of income due to Orangery being used as vaccination centre	279	0	Core staff and running costs
CORP34	Procurement - additional resources to manage Leisure, Margam Park and Waste contracts for 2 years	45	45	
CORP35	Safe & Well - 2 Posts to facilitate the service in 2021/22.	66	0	
CORP36	Information Governance - 3rd member of staff to work on audit of information governance and data protection work for 2 years	47	47	
CORP37	Local Government & Elections Act - 2 Posts plus cost of Peer Review process. More resources will be needed re Corporate Joint Committees (CJC's), petitioning etc. when the full implications of the legislation is known. Built in £35k into base for 1 post.	?		Fund from Reserve if no grant funding
CORP38	Web Casting of Council Meetings and associated tasks	?		Fund from Reserve if no grant funding
OTHER	TTP & Environmental Health officers - extension of contracts into 2021	?		Additional WG grant expected for Covid19 work
	Total from Corporate Contingency Reserve	1,437	92	The Reserve has an estimated balance of £2.221m at 31 March 2021

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Revenue Service Pressures & Investment 2021 to 2024

Ref	Service area	2021/22	2022/23	Comment
		£'000	£'000	
ENVT38	One-off pressure to fund equipment delivery and literature for the roll-out of pilot absorbent hygiene product collection service	25		
ENVT39	One- off waste composition survey in preparation for May 2022 review	25		
ENVT40	Highways IT costs	14		
	Total from Environment Equalisation Reserve	64		The Reserve has an estimated balance of £317k at 31 March 2021
CORP39	Digital Services - Rewrite of Social Services system	100	100	
	Total from IT Renewals Reserve	100	100	The Reserve has an estimated balance of £761k at 31 March 2021

Inflation and other Factors

	Base Budget	2021/22	2022/23	2023/24
	£m			
Teachers Pay (September)	67	1.88%	2.16%	3.00%
Non Teachers Pay (April)	139	1.00%	2.50%	2.50%
Property	6.5	2.00%	2.00%	2.00%
Property - NNDR	3.8	0.00%	2.00%	2.00%
Property - Energy	4.8	5.00%	5.00%	5.00%
Transport	7.5	2.00%	2.00%	2.00%
Car Allowances	6.5	2.00%	2.00%	2.00%
Supplies and Services	126	2.00%	2.00%	2.00%
Food	1.7	5.00%	2.00%	2.00%
Levy - Fire Authority	7.9	2.43%	4.00%	2.00%
External Income	49	2.00%	2.00%	2.00%
WG - RSG & NNDR	226	4.20%	0.00%	0.00%
Council Tax	77.7	3.75%	TBD	TBD

TBD - To be determined

Provisional Settlement Specific Grants Schedule 2021/22

List of Indicative Grant Estimates

Portfolio and Grant Name	2020-21 (£000)	2021-22 (£000)	Change (£000)	Expected Adj. (£000)
<u>Education</u>				
Regional Consortia School Improvement Grant	148,211	148,211	0	
Pupil Development Grant	103,000	103,000	0	
Sixth Form Provision	95,722	95,722	0	21,700
PDG Access	10,454	10,454	0	
Youth Support	10,056	10,056	0	
Transition support for Minority Ethnic and Gypsy, Roma, Traveller learners ²	10,000	11,000	1,000	
Additional Learning Needs ²	7,155	7,155	0	
Reducing Infant Class Sizes Grant - Revenue	6,000	6,000	0	
Local Authority Post-16 Education Provision 2020-21 – Adult Learning Provision	4,915	4,915	0	
Teachers Pay	3,981	RSG		
Additional Learning Needs Transformation Fund	3,578	3,200	-378	
Small and Rural Schools Grant	2,500	2,500	0	
Whole School Approach to Wellbeing	2,000	2,000	0	
A Healthy and Nutritious Breakfast	835	TBC		
SEREN	827	526	-301	
Elective Home Education ²	400	400	0	
TOTAL	409,635	405,139	-4,495	
<u>Housing and Local Government</u>				
Children and Communities Grant ³	137,742	135,442	-2,300	
Housing Support Grant	123,688	123,688	0	40,000
Cardiff Capital Region City Deal ⁴	10,000	0	-10,000	
Cardiff Harbour Authority	5,223	5,223	0	
Affordable Housing Grant	2,515	2,515	0	
Digital Transformation Fund	1,500	1,500	0	
Electoral Reform Support ⁵	1,100	0	-1,100	
Child Burials	600	600	0	
EFAS 2020 Flooding	432	TBC		
Armed Forces Liaison Officer Grant	250	275	25	
South Wales Regional Aggregate Working Party (RAWP)	50	50	0	

Appendix 4

Portfolio and Grant Name	2020-21 (£000)	2021-22 (£000)	Change (£000)	Expected Adj. (£000)
Waste Planning Monitoring Report - North Wales and South East Wales	48	48	0	
Rural Housing Enabler	44	TBC		
North Wales Regional Aggregate Working Party (RAWP)	25	25	0	
Waste Planning Monitoring Report - South West Wales	16	16	0	
Armed Forces Day ⁶	0	20	20	
TOTAL	283,233	269,402	-13,831	
<u>Health and Social Services</u>				
Childcare Offer – Childcare Costs	73,455	60,000	-13,455	15,000
Social Care Workforce Grant	40,000	50,000	10,000	
Transformation Fund	15,866	12,699	-3,168	
Childcare Offer- Administration Grant	3,500	3,500	0	
Family Justice	3,000	TBC		
Adoption Services	2,300	2,300	0	
Family group conferencing – pump priming	2,200	TBC		
Early Years Integration Transformation Programme	1,686	TBC		
Intervention fund for supporting child and family well-being to safely divert cases from child protection registration	1,600	TBC		
Childcare Offer- Additional Support grant	1,350	1,500	150	
Transformation Programme	1,230	1,230	0	
Care Leavers hardship fund	1,000	TBC		
National Approach to Statutory Advocacy for Children and Young People	550	550	0	
National Fostering Framework	320	320	0	
Capacity Building Funding for Local Authorities - to support the implementation of the new Performance and Improvement Framework	220	220	0	
Young Carers ID card	200	200	0	
Maintaining the Delivery of the Wales Adoption Register	182	182	0	
Wales Community Care Information System (WCCIS) - top up	150	TBC		
Funding to support the placement of UASC	80	80	0	
Supporting Safeguarding Boards to deliver training for the implementation of Welsh Government policy and legislation	60	60	0	
Residential care homes for Children - task and finish group	50	50	0	
Contact Services	21	4	-18	

Appendix 4

Portfolio and Grant Name	2020-21 (£000)	2021-22 (£000)	Change (£000)	Expected Adj. (£000)
Review of National Minimum Allowance for Registered Foster Carers in Wales 20-21 ⁵	10	0	-10	
Review of the Local Authority Performance Management Framework Grant	6	6	0	
TOTAL	149,036	132,900	-16,135	
<u>Environment, Energy and Rural Affairs</u>				
Sustainable Waste Management Grant	17,400	16,400	-1,000	
Food and Residual Waste Treatment Gate Fee Support	13,300	13,300	0	
Coastal Risk Management Programme ⁷	3,074	5,683	2,609	
Flood and Coastal Erosion Risk Management	2,610	TBC		
Enabling Natural Resources and Well-being in Wales Grant (ENRaW)	433	494	62	
Implementation of measures to tackle nitrogen dioxide emissions	418	373	-45	
Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction ⁵	210	0	-210	
Local Authority Animal Health and Welfare Framework Funding	200	200	0	
Welfare of Horses ⁵	107	0	-107	
Smart Living Initiative	80	TBC		
Non-domestic (Business) Rates Support for Hydropower ⁵	9	0	-9	
TOTAL	37,842	36,451	-1,391	
<u>Economy and Transport</u>				
Free Concessionary Bus Travel	31,172	60,133	28,961	Covid adj.
Bus Revenue Support - Traws Cymru	3,238	4,367	1,129	
Arfor innovation Fund	1,000	TBC		
Road Safety Grant	950	2,000	1,050	
Anglesey Airport - Operation & Maintenance	800	800	0	
LA Grant Fund for Cyber Improvement ⁵	248	0	-248	
Funding to improve Cyber Resilience ⁵	100	0	-100	
Public Sector Certified Cyber Training Scheme Grant Fund ⁵	150	0	-150	
Bus Services Support Grant	25	25	0	
Mid Wales Applied Research & Innovation Study ⁵	25	0	-25	
Penrhos Feasibility Study ⁵	25	0	-25	
Nemesis Bioscience Welsh Phage Project ⁵	10	0	-10	
Accelerator Programme ⁵	9	0	-9	

Appendix 4

Portfolio and Grant Name	2020-21 (£000)	2021-22 (£000)	Change (£000)	Expected Adj. (£000)
Youth Discounted Travel Scheme (My Travel Pass)	2	2	0	
TOTAL	37,754	67,327	29,573	
<u>Mental Health, Wellbeing and Welsh Language</u>				
Substance Misuse Action Fund	26,488	25,063	-1,425	
Complex Needs Funding - Substance Misuse and Mental Health ⁵	881	0	-881	
Promote and Facilitate the use of the Welsh Language	374	374	0	
Deprivation of Liberty Safeguards (DoLS)	263	263	0	
Drug & Alcohol Initiatives Naloxone Programme	160	80	-80	
Major Events Unit Grants Scheme ⁶	0	15	15	
TOTAL	28,166	25,795	-2,371	
<u>Finance and Trefnydd</u>				
Retail, Leisure and Hospitality Rates Relief Scheme	27,700	27,700	0	
TOTAL	27,700	27,700	0	
<u>Deputy Minister and Chief Whip</u>				
Violence against Women, Domestic Abuse & Sexual Violence Grant (Core & Perpetrator element)	1,699	1,699	0	
Period Dignity in Schools	1,140	1,140	0	
Community Cohesion Grant	1,120	360	-760	
Period Dignity in Communities	220	220	0	
TOTAL	4,179	3,419	-760	
<u>Culture, Sport and Tourism</u>				
MALD strategic grants, including Fusion	208	208	0	
Specialist Service Grants	25	25	0	
TOTAL	233	233	0	
All Grants	977,776	968,366	-9,410	76,700
All Grants excluding TBC and RSG transfers (like-for like comparison)	958,013	968,366	10,353	

Covid19 Specific Grants

Portfolio and Grant Name - Covid19 Grants	2020-21 (£000)	2021-22 (£000)	Change (£000)
<u>Housing and Local Government</u>			
Local Government Single Emergency Hardship fund	510,859	0	-510,859
Local Government COVID19 Council Tax Reduction	11,000	0	-11,000
Transforming Towns and Covid Recovery Revenue Funding	550	0	-550
COVID19 Local Resilience Forum Crisis Funding	550	0	-550
TOTAL	522,959	0	-522,959
<u>Finance and Trefnydd</u>			
COVID19 - Retail, Leisure and Hospitality Rates Relief Scheme	332,000	TBC	
TOTAL	332,000	0	-332,000
<u>Economy and Transport</u>			
Bus Emergency Support	72,696	TBC	
TOTAL	72,696	0	-72,696
<u>Health and Social Services</u>			
Support for Social Care Workforce	40,464	0	-40,464
Childcare Provider Grant	4,500	0	-4,500
Child Development Fund	3,500	0	-3,500
Promote Family Stability and Relationship Quality	800	TBC	
Early Year Integration Transformation Programme - New Pathfinders	120	TBC	
TOTAL	49,384	0	-49,384
<u>Education</u>			
Accelerated Learning Programme (ALP)	16,588	11,849	-4,739
Local Authority Post-16 Education Provision 2020-21 Recruit, Recover, Raise Standards: Accelerating Learning Programme.	4,187	TBC	
Face Covering	1,885	0	-1,885
Safe Operation of Schools (cleaning materials)	729	0	-729
TOTAL	23,389	11,849	-11,540
<u>Environment, Energy and Rural Affairs</u>			
Green Recovery Circular Economy Revenue Fund	5,500	0	-5,500
Smart Living COVID reconstruction challenges	385	0	-385
TOTAL	5,885	0	-5,885

Appendix 4

Portfolio and Grant Name - Covid19 Grants	2020-21 (£000)	2021-22 (£000)	Change (£000)
<u>Culture, Sport and Tourism</u>			
Local Government Cultural Service Fund	2,700	0	-2,700
Cultural Resilience Fund	700	TBC	
TOTAL	3,400	0	-3,400
<u>Deputy Minister and Chief Whip</u>			
Violence against Women, Domestic Abuse & Sexual Violence Grant- Needs Based Covid 19 element	1,035	1,035	0
TOTAL	1,035	1,035	0
All Grants	1,010,748	12,884	-997,864
All Grants excluding TBC (like-for like comparison)	596,432	12,884	-583,548

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

13 January 2021

REPORT OF HEAD OF LEGAL SERVICES – Mr Craig Griffiths

MATTER FOR DECISION

WARDS AFFECTED – ALL

Returning Office and Acting Returning Officer Indemnity

Purpose of Report

1. To approve an indemnity to the Chief Executive in respect to her carrying out the duties of Returning Officer at Elections.

Background

2. In accordance with the provisions contained in the Representation of the People Act 1983 (as amended) the Authority's Chief Executive (Mrs Karen Jones) has been designated by the Council (on the 23rd December 2020) to act as the Returning Officer for the County Borough and Community Council Elections taking place within the County Borough.
3. In addition, by virtue of the provisions contained in the above referred to Act, the Chief Executive is also designated as the Acting Returning Officer for any Parliamentary Elections taking place within the County Borough. The Council already retains insurances to cover the liability of the Returning Officer/Acting Returning Officer. It has power also to provide an indemnity to cover any risks not covered by any insurance policies.
4. Section 101 of the Local Government Act 2000, the Local Authorities (Indemnities for Members and Officers) (Wales) Order 2006 and Section 111 of the Local Government Act 1972 grants local authorities the power to grant indemnities to officers where such personal liability may arise.

5. To ensure that appropriate safeguards are in place for this officer, given it is a Council appointed function, it would be appropriate for a suitable indemnity to be granted so that in the event of any action against the named individual, any costs incurred by the officer will be met by the Council.
6. It should be noted however that the indemnity will not extend to actions taken by the officer which
 - a. constitute a criminal offence
 - b. stem from fraud or deliberate wrongdoing or recklessness by the officer
 - c. relate to alleged defamation of the officer

Legal Implications

7. Section 101 of the Local Government Act 2000, the Local Authorities (Indemnities for Members and Officers) (Wales) Order 2006 and Section 111 of the Local Government Act 1972 grants local authorities the power to grant indemnities to officers where such personal liability may arise

Financial Implications

8. None at this stage. In the event that the indemnity is required to be implemented the financial obligations are as set out in the indemnity.

Consultation

9. There is no requirement for external consultation on this item.

Integrated Impact Assessment

10. There is no requirement for an integrated impact assessment for this recommendation

Workforce Impact

11. None.

Recommendations

12. It is recommended that the Council provide an appropriate indemnity under The Local Authorities (Indemnities for Members and Officers) (Wales) Order 2006 to Mrs Karen Jones in relation to her carrying out her duties as Returning Officer and/or Acting Returning Officer for all Elections and Referenda taking place within the County Borough.

Reason for Proposed Decision

13. To ensure appropriate indemnities are in place for officers who accepting personal responsibility for such matters

Implementation of Decision

14. Implementation is proposed after the three day call in period.

Appendices

15. Appendix 1 - Draft Officer Indemnity

Background Documents

None

Officer Contacts

Craig Griffiths - Head of Legal Services
Tel: 01639 763368 Email: c.griffiths2@npt.gov.uk

Appendix 1

DATED

2021

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

- and -

KAREN JONES

**DEED OF INDEMNITY to OFFICER
RE: RETURNING OFFICER
AND ACTING RETURNING OFFICER DUTIES**

Mr. Craig Griffiths
Head of Legal Services
Neath Port Talbot County
Borough Council
Civic Centre
Port Talbot

DATED

2020

PARTIES

1. Neath Port Talbot County Borough Council of Port Talbot Civic Centre
Port Talbot SA13 1PJ (“the Council”)

2. Karen Jones of _____ (“the Officer”)

RECITALS

- (1) In accordance with the provisions contained in the Representation of the People Act 1983 (as amended) the Council’s Chief Executive (Mrs Karen Jones) has been designed by the Council to act as the Returning Officer for County Borough and Community Council Elections taking place within the County Borough.

- (2) In addition, by virtue of the provisions contained in the above referred to Act, the Chief Executive is also designated as the Acting Returning Office for any Parliamentary or Senedd Elections taking place within the County Borough.

- (3) The Council may in order to cover any possible liability of the Returning Officer / Acting Returning Officer provide an indemnity to him to cover any risks not covered by any insurance policies.

- (4) It has been agreed that subject to the terms appearing hereafter the Council shall indemnify the Officer acting in her capacity as Returning Officer and/or Acting Returning Officer for all Elections and Referenda taking place within the County Borough
- (5) By virtue of a decision of the Council's Cabinet on **INSERT DATE** the Council agreed to provide the indemnity to the officer in this form.

This **DEED OF INDEMNITY** is made under section 101 of the Local Government Act 2000 and the Local Authorities (Indemnities for Members and Officers) (Wales) Order 2006, section 111 of the Local Government Act 1972 and all other enabling provisions as follows:

1. Indemnity

- 1.1 Subject to clauses 2 and 3 the Council shall (to the fullest extent permitted by the laws of England and Wales) indemnify and keep indemnified the Officer on demand against all actions, claims, liabilities, charges, demands, proceedings, investigations and judgments which may be made against him or which he may suffer or incur as a consequence of, or which relate to or arise from, directly or indirectly, her powers, duties, responsibility as a Returning Officer and/or Acting Returning officer for all Elections and Referenda (including legal and professional fees) and tax incurred in relation thereto from the date of the appointment as the named officer under the Permit.
- 1.2 All sums payable by the Council hereunder shall be paid free of, and without any rights of, counterclaim or set-off and without deduction and withholding on any ground whatsoever.

2. Exclusions and Limitations

2.1 Without prejudice to the generality of this indemnity but subject to the provisions of clauses 2.2 below this indemnity shall extend to:

- (a) the defence of criminal proceedings brought against the Officer;
and
- (b) any civil liability arising as a consequence of any action or failure to act which also constitutes a criminal offence

PROVIDED THAT:

the Council shall not be liable to make any payment to the Officer or any other party under the terms of this Deed of Indemnity nor in relation to any action or failure to act by the Officer that:

- (a) constitutes a criminal offence; or
- (b) is the result of fraud or other deliberate wrongdoing or recklessness on the part of the Officer; or
- (c) relates to alleged defamation of the Officer.

2.2 Where the Officer is convicted of a criminal offence and that conviction is not overturned following an appeal the Officer will reimburse the Council for any and all sums expended by the Council pursuant to this Indemnity in relation to those criminal proceedings.

3. Matters that exceed the powers of the Council and/or the Officer

3.1 This Indemnity extends to matters which exceed the powers of the Council and or the power vested in the Officer only to the extent that:

(a) Where the act or failure to act exceeded the powers of the Council the Officer reasonably believed at the time of the action or failure to act that the action or failure to act in question was within the powers of the Council;

or

(b) Where the action or failure to act comprised the issue or authorisation of a document containing a statement as to the powers of the Council or any statement that certain steps had been taken or requirements fulfilled, the Officer reasonably believed the contents of that statement to be true;

or

(c) Where the action or failure to act exceeded the powers vested in the Officer by the Council the Officer reasonably believed at the time of the act or failure to act that it was within his powers.

4. Reimbursement

4.1 Where the Officer is obliged to reimburse the Council pursuant to clause 2 of this Indemnity those sums shall be recoverable by the Council as a civil debt.

5. Conduct of claims

5.1 If the Officer becomes aware of any circumstances which may lead to the Council being required to make any payment under clause 1, the Officer shall:

5.1.1 as soon as practicable give written notice of such circumstances to the Council;

5.1.2 not make any admission of liability, agreement or compromise with any person in relation to any such circumstances without the prior written consent of the Council, such consent not to be unreasonably withheld or delayed; and

5.1.3 consult the Council regarding the conduct of any claim arising in connection with such circumstances and provide the Council with such information and copies of such documents relating to any such claim as the Council may reasonably request.

5.2 In the event of any payment under this Deed being made, the Council shall be subrogated to the extent of such payment to all of the Officer's rights of recovery against third parties (including any claim under any applicable director's insurance policy) in respect of the payment and the Officer shall execute all papers required and shall do everything that may be necessary to secure any rights, including:

(a) the execution of any documents necessary to enable the Council effectively to bring an action in the name of the Officer; and

(b) the provision of assistance as a witness.

6. Jurisdiction

6.1 This Deed shall be governed by and construed in accordance with the law of England and Wales as they apply in Wales. The parties agree to submit to the exclusive jurisdiction of the courts of England and Wales in respect of any disputes or differences arising under this Deed.

THE COMMON SEAL OF)
NEATH PORT TALBOT COUNTY)
BOROUGH COUNCIL was affixed)
to this **DEED** in the presence of:)

Proper Officer

EXECUTED as a **DEED**)
by **KAREN JONES**)
in the presence of:)

Witness signature:

Witness name:

Witness address:

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