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For all enquiries relating to this agenda please contact Emma Sullivan
(Tel: 01443 864420 Email: sullie@caerphilly.gov.uk)

Date: 16th February 2023

To Whom It May Concern,

A multi-locational meeting of the **Cabinet** will be held in Penallta House, and via Microsoft Teams on **Wednesday, 22nd February, 2023 at 1.00 pm** to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided on request.

Members of the public or Press may attend in person at Penallta House or may view the meeting live via the following link: <https://civico.net/caerphilly>

This meeting will be live-streamed and a recording made available to view via the Council's website, except for discussions involving confidential or exempt items. Therefore, the images/audio of those individuals present and/or speaking will be publicly available to all via the recording on the Council website at www.caerphilly.gov.uk

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chrissy'.

Christina Harrhy
CHIEF EXECUTIVE

A G E N D A

- | | Pages | |
|---|-----------------------------------|--|
| 1 | To receive apologies for absence. | |
| 2 | Declarations of Interest. | |

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on the agenda in accordance

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with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

- | | | |
|---|--|-------|
| 3 | Cabinet held on 25th January 2023. | 1 - 4 |
| 4 | Cabinet as Trustees of Blackwood Miners Institute held on 25th January 2023. | 5 - 6 |

To note the Cabinet Forward Work Programme.

- | | | |
|---|---------------------------------|--------|
| 5 | Cabinet Forward Work Programme. | 7 - 10 |
|---|---------------------------------|--------|

To receive and consider the following reports on which executive decisions are required: -

- | | | |
|---|--|---------|
| 6 | National Empty Home Grant. | 11 - 16 |
| 7 | Formalising the Youth Service Model. | 17 - 22 |
| 8 | Welsh Government Retail, Leisure and Hospitality Rate Relief Scheme 2023/24. | 23 - 28 |
| 9 | Budget Proposals for 2023/24. | 29 - 68 |

Circulation:

Councillors C. Andrews, S. Cook, E. Forehead, N. George, P. Leonard, S. Morgan, C. Morgan, J. Pritchard, J. Simmonds and E. Stenner

And Appropriate Officers

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Agenda Item 3



CABINET

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY 25TH JANUARY 2023 AT 1PM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

J. Pritchard (Cabinet Member for Prosperity, Regeneration and Climate Change), C. Andrews (Cabinet Member for Education and Communities), S. Cook (Cabinet Member for Housing), N. George (Cabinet Member for Corporate Services and Property), E. Forehead (Cabinet Member for Social Care), P. Leonard (Cabinet Member for Planning and Public Protection), C. Morgan (Cabinet Member for Waste, Leisure and Green Spaces), Cllr. J. Simmonds (Cabinet Member for Highways and Transportation) and E. Stenner (Cabinet Member for Finance and Performance).

Together with:

C. Harryh (Chief Executive), R. Edmunds (Corporate Director Education and Corporate Services), D. Street (Corporate Director Social Services and Housing), M.S. Williams (Corporate Director Economy and Environment).

Also in Attendance:

S. Harris (Head of Financial Services and S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer), N. Taylor-Williams (Head of Housing), J. Lougher (Sport and Leisure Development Manager), J. Lloyd (Committee Services Officer), S. Pugh (Head of Communications) E. Sullivan (Senior Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

1. APOLOGIES FOR ABSENCE

There were no apologies for absence received.

2. DECLARATIONS OF INTEREST

There we no declarations of interest received.

3. MINUTES – 30TH NOVEMBER 2022

RESOLVED that the minutes of the meeting held on the 30th November 2022 be approved as a correct record.

4. MINUTES – 14TH DECEMBER 2022

RESOLVED that the minutes of the meeting held on 14th December 2022 be approved as a correct record.

5. CABINET FORWARD WORK PROGRAMME – TO NOTE

Cabinet was provided with the Cabinet Forward Work Programme, which detailed the scheduled reports until 26th July 2023.

The Leader was pleased to see that the Forward Work Programme had been populated to so far in advance and reminded the Cabinet that as a live document it would be subject to change.

Following consideration and discussion, it was moved and seconded that the Forward Work Programme be noted. By a show of hands this was unanimously agreed.

6. BRYN CARNO FUNDING UPDATE.

Consideration was given to the report which sought to update Cabinet on the Welsh Government's final decision on the funding settlement for the failed external wall insulation scheme on 86 properties at the Bryn Carno Estate, Rhymney.

Cabinet noted the Welsh Government decision to award a formal grant of £1.903m in relation to the remedial work on the 50 owner occupier properties affected in Bryn Carno, however this meant that the Caerphilly Homes contribution needed to be increased by £563,1000 to a total contribution to the project of £1,195,800. Officers confirmed that the funding would be found from within the current Business Plan and Housing Revenue Account.

Cabinet welcomed the report and that these issues could now be resolved for the residents of Bryn Carno who had their lives blighted by the failed insulation and that they could now be assured that a remedy was on its way.

Following consideration and discussion, it was moved and seconded that the recommendations contained in the Officer's report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report: -

1. The update and decision by Welsh Government be noted.
2. The revised scheme, costs, delivery timeline and additional match funding contribution from the Housing Revenue Account (HRA) in respect of Council owned properties, to deliver the tenure neutral scheme by Caerphilly Homes.

7. FUTURE OF ISLWYN INDOOR BOWLS CLUB

Consideration was given to the report which sought to update Cabinet on the latest position in relation to Islwyn Indoor Bowls Club and outlined the opportunities and constraints for the Council at present. The report also sought Cabinet approval for progressing a procurement process to secure a commercial operator for the management of the facility and enter into an appropriate agreement.

Cabinet placed on record their thanks to the Committee Members of the Islwyn Indoor Bowls Club and to Officers J. Lougher and M.S. Williams, for their all their hard work. Cabinet welcomed the report as a fantastic example of successful collaboration and of what can be achieved when working together and working differently. Community facilities such as this can be reinvigorated and retained.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report:-

1. Officers be authorised to progress a procurement process to secure a commercial offer for the management of the facility, with a new agreement to be entered into with the successful provider for a period of 10 years (with options to extend) commencing at the start of the 2023 indoor bowls season (September 2023).
2. The commercial agreement ensures that the Bowls section is to remain as the primary focus of the facility and this element continues to be organised by the Islwyn Indoor Bowls Committee be approved.

8. PUBLIC INTEREST TEST

Members considered the Public Interest Test and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and it was: -

RESOLVED that in accordance with Section 100(4) of the Local Government Act 1972 the public be excluded from the remainder of the meeting because of the likely disclosure to them of exempt information as defined in paragraph 14 and 16 of Schedule 12A of the Local Government Act 1972.

9. EXTENSION TO FLEXIBLE RETIREMENT DUE TO EXCEPTIONAL CIRCUMSTANCES – CORPORATE SERVICES

Following full consideration, it was moved and seconded that the recommendation contained in the report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report the recommendation at 3.1 be approved.

The meeting closed at 13.20 p.m.

Approved and signed as a correct record subject to any corrections made at the meeting held on 22nd February 2023

CHAIR



CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE

MINUTES OF THE MULTI-LOCATIONAL MEETING HELD AT PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON WEDNESDAY, 25TH JANUARY 2023 AT 1.30PM

PRESENT:

Councillor S. Morgan – Chair

Councillors:

J. Pritchard (Cabinet Member for Prosperity, Regeneration & Climate Change), N. George (Cabinet Member for Corporate Services & Property), C. Andrews (Cabinet Member for Education & Communities), S. Cook (Cabinet Member for Housing), J. Simmonds (Cabinet Member for Highways & Transportation), E. Forehead (Cabinet Member for Social Care), P. Leonard (Cabinet Member for Planning & Public Protection) and C. Morgan (Cabinet Member for Waste, Leisure & Green Spaces).

Together with:

C. Harrhy (Chief Executive), D. Street (Corporate Director - Social Services and Housing), M. S. Williams (Corporate Director – Economy and Environment), and S. Harris (Head of Financial Services & S151 Officer).

Also in Attendance:

R. Tranter (Head of Legal Services and Monitoring Officer), A. Bolter (Visitor Economy and Destination Manager), E. Tong (Theatre and Arts Services Manager), R. Kyte (Head of Planning and Regeneration), J. Lloyd (Committee Services Officer), E. Sullivan (Senior Committee Services Officer).

RECORDING AND VOTING ARRANGEMENTS

The Leader reminded those present that the meeting was being live streamed, and a recording would be made available to view via the Council's website, except for discussions involving confidential or exempt items. [Click Here To View](#).

1. APOLOGIES FOR ABSENCE

There were no apologies for absence received.

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. CABINET AS TRUSTEES OF BLACKWOOD MINERS' INSTITUTE HELD ON 15TH JUNE 2022

RESOLVED that the minutes of the meeting held on 15th June 2022 be approved as a correct record.

4. BLACKWOOD MINERS' INSTITUTE ANNUAL REPORT AND STATEMENT OF ACCOUNTS – YEAR ENDING 31 MARCH 2022

Consideration was given to the report which provided Cabinet as Trustees of Blackwood Miners Institute (BMI) the Annual Report and Statement of Accounts for the year ending 31st March 2022.

Cabinet placed on record their thanks to E. Tong, the staff of Blackwood Miners' Institute and the Public for their faith and support in the venue which had struggled post pandemic but was now seeing visitor numbers returning to pre-covid levels and in the case of the 2022 Pantomime season generated the highest attendance levels of any previous production.

Cabinet noted a matter of concern raised by Audit Wales in relation to the annual statement of accounts and was advised that this related to the way in which the Blackwood Miners' Institute accounts were recorded in the General Ledger and their recommendation that this be recorded as a separate entry. The Section 151 Officer confirmed that because of pressures within Financial Services it had not been possible to complete this work during this financial year, however a commitment had been made to do so in this next financial year.

The Theatre and Arts Services Manager updated Cabinet on the successes of the last year and highlighted the flagship co-production 'The Invisible Man'. The importance of co-production works such as this was highlighted and the plans for the new Spring Season were detailed.

Cabinet was assured that the BMI was working hard to operate as efficiently and effectively as possible and this included the streamlining of product sales.

The work of the BMI Advisory Group was outlined and Cabinet noted the varied membership of the Group and the invaluable contribution that these volunteers made to the BMI.

Following full consideration and discussion it was moved and seconded that the recommendation contained within the Officer's report be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report the content of the Annual Report and audited Statement of Accounts for Blackwood Miners' Institute for Financial Year 201/22 be considered noted and endorsed.

The meeting closed at 13:50.

Approved and signed as a correct record subject to any corrections made at the next meeting.

CHAIR

Cabinet Forward Work Programme –14th February 2023

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
22/02/2023 13:00	Budget Proposals for 2023/24 and Updated Medium -Term Financial Plan (MTFP)	Following the public Consultation, Cabinet to consider the outcome and endorse the 2023/24 budget proposals prior to final determination by Council on the 23rd February 2023, and to note the updated MTFP.	Stephen Harris	Cllr. Eluned Stenner
22/02/2023 13:10	Welsh Government Retail, Leisure and Hospitality Rate Relief Scheme	To provide details of the new ‘Retail, Leisure and Hospitality Rate Relief Scheme’ offered by WG for 2023/24 which the Authority must formally adopt.	John Carpenter	Cllr. Eluned Stenner
22/02/2023 13:20	Empty Property Grant Approval	For Cabinet to consider the new Welsh Government National Empty Property Grant Programme.	Nick Taylor-Williams; Claire Davies	Cllr. Shayne Cook
22/02/2023 13:30	Formalising the Youth Service Model	To seek Cabinet approval to formally adopt the blended youth work model that has successfully supported the youth service throughout the pandemic.	Paul O’Neill	Cllr. Carol Andrews
08/03/2023 13:00	Biodiversity and Grass Cutting Regimes	To seek Cabinet approval in relation to proposals to enhance and promote biodiversity in our grass cutting regimes across the county borough and following consultation with local members.	Mike Headington	Cllr. Chris Morgan
08/03/2023 13:10	Empty Homes Strategy	To seek Cabinet approval of the proposed strategy.	Claire Davies; Mark Jennings	Cllr. Shayne Cook
08/03/2023 13:20	Housing Revenue Account Business Plan 2022/23	To seek Cabinet approval of the Housing Business Plan position in advance of	Nick Taylor-Williams; Lesley Allen	Cllr. Shayne Cook

Cabinet Forward Work Programme –14th February 2023

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
		submitting the plan to Welsh Government by 31st March 2023.		
08/03/2023 13:30	Caerphilly Homes Task Group	To agree that the Caerphilly Homes Task Group (CHTG) ceases as the Welsh Housing Quality Standard (WHQS) Programme has been completed.	Nick Taylor-Williams	Cllr. Shayne Cook
08/03/2023 13:40	Private Finance Initiative (PFI)	To receive and consider a report on a review of the council's Private Finance Initiative (PFI) contracts	Stephen Harris	Cllr. Eluned Stenner
08/03/2023 13:50	Council Participation strategy 2023-2027	To seek approval of the revised participation strategy that captures the new requirements of the local government and elections act.	Hayley Lancaster; Rob Tranter	Cllr. Nigel George
22/03/2023 13:00	Strategic Equality Plan Annual Report 2021-2022	For Cabinet to consider and approve the Strategic Equality Plan Annual Report 2021-2022 prior to publication on the Council's website.	Kath Peters; Anwen Cullinane	Cllr. Eluned Stenner
22/03/2023 13:30	Gender Pay Gap	To agree the Gender Pay Gap report which has to be published by 31st March 2023.	Lynne Donovan	Cllr. Nigel George
05/04/2023 13:00	Draft Waste Strategy	For Cabinet to agree the draft Waste Strategy	Marcus Lloyd	Cllr. Chris Morgan
05/04/2023 13:30	A469 Troedrihwfuwch	To seek Cabinet approval on an implementation plan to undertake a significant highway repair to the A469 north.	Mark S Williams; Marcus Lloyd	Cllr. Julian Simmonds
19/04/2023 13:00	Review of the Local Public Convenience Strategy	To seek Cabinet approval for the Council's updated Local Public Convenience Strategy following a review and public consultation.	Rob Hartshorn	Cllr. Philippa Leonard

Cabinet Forward Work Programme –14th February 2023

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
19/04/2023 13:10	Multi-functional Cadet and Sports Pavilion at Morgan Jones Park and Parc Penallta Visitor Centre	To update Cabinet regarding the inability to progress previously approved proposals to build a multi-functional cadet / sports pavilion at Morgan Jones Park and a Visitor Centre at Parc Penallta and to seek Cabinet approval to implement alternative schemes at both locations and to release previously approved capital contributions back to the Authority's capital reserves.	Rob Hartshorn	Cllr. Chris Morgan
03/05/2023 13:00	No items currently scheduled			
17/05/2023 13:00	Waste Strategy	For Cabinet to consider the outcome of the public Consultation and approve the final Waste Strategy.	Marcus Lloyd; Hayley Jones	Cllr. Chris Morgan
31/05/2023 13:00	Workforce Development Strategy 2021-24 - 6 month update	To provide Cabinet with a 6 month update with the progress against the Workforce Development Strategy.	Lynne Donovan	Cllr. Nigel George
31/05/2023 13:20	Employee Wellbeing Strategy 2021-24 - 6 monthly update	To provide Cabinet with a 6 month update with the progress against the Employee Wellbeing Strategy.	Lynne Donovan	Cllr. Nigel George
14/06/2023 13:00	No items currently scheduled			
28/06/2023 13:00	Local Housing Market Assessment and the Welsh Government Prospectus	For Cabinet to discuss and approve the Local Housing Market Assessment and the Welsh Government Prospectus. Welsh Government requires all Local Authorities to undertake a Local Housing Market Assessment and a Prospectus. The documents set out the requirement for housing within the county borough and is utilised to inform the LDP, the allocation of Social Housing Grant and the	Nick Taylor-Williams; Jane Roberts-Waite	Cllr. Shayne Cook

Cabinet Forward Work Programme –14th February 2023

Meeting date:	Report title:	Key issue:	Report author:	Cabinet Member:
		Council’s own Caerphilly Homes development programme.		
28/06/2023 13:20	Development and Governance Strategy	The establishment of the development strategy which details the principles, practices and governance arrangements which are needed to facilitate, enable and support the new build objectives of Caerphilly Homes now and in the future. It will tackle the challenges, the development process, development programme and strategic priorities.	Nick Taylor-Williams; Jane Roberts-Waite	Cllr. Shayne Cook
12/07/2023 13:00	No items currently scheduled			
26/07/2023 13:00	Annual Corporate Safeguarding Report plus the Annual Safeguarding Management Information Report.	To seek approval of the Annual Safeguarding reports.	Gareth Jenkins	Cllr. Elaine Forehead
26/07/2023 13:10	Day Services	For Cabinet to consider and approve the new proposed Day Services Model.	Jo Williams	Cllr. Elaine Forehead



CABINET – 22ND FEBRUARY 2023

SUBJECT: NATIONAL EMPTY HOME GRANT

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To inform members of the new Welsh Government National Empty Home Grant which is the successor of the Valley Task Force Empty Home Grant (VTF EHG). Outlining the purpose, scale, and timing of the grant.
- 1.2 To note the “in principle” support received from Corporate Management Team to participate in the grant programme launching in January 2023.
- 1.3 To seek Cabinet approval of Caerphilly Homes participating in the fund and agree the Council’s financial contribution.
- 1.4 To seek Cabinet approval of funding the Empty Property Team for an additional 2 years until October 2025

2. SUMMARY

- 2.1 The Welsh Government (WG) are replacing the Valley Task Force (VTF) Empty Homes Grant (EHG) initiative with a similar national product. WG are committed to maximising the return to use of privately owned empty properties linked to their enforcement agenda, unmet housing need issues and more recently linking into the cost-of-living crisis, all of which are shared objectives of CCBC.
- 2.2 The national scheme has received Ministerial approval and was launched in January 2023. £50 million has been set aside for the programme over a 2 year period, with allocations of £25m in 23/24 and £25m in 24/25. The product will be very similar to the VTF EHG, available to empty property owners who want to become owner-occupiers.
- 2.3 There will be an initial notational allocation to each local authority based on the Council’s, council tax data relating to the number of empty homes for the specific year. For CCBC in 22/23 this equates to 4.62%.
- 2.4 Based on this 4.62%, during 23-25 the allocation to CCBC would be £2.31M. If, as expected, there is demand from property owners, for the total allocation, the LA contribution towards these grants at 10% would be approximately £231,000, resulting

in total assistance of £2.54M. Based on a £25,000 maximum grant this would bring back approximately 101 empty homes.

- 2.5 Caerphilly Homes could contribute in full (approximately £231,000) towards this programme from the general fund housing capital reserves (slippage), taking the pressure off future general fund resources.

3. RECOMMENDATIONS

- 3.1 That Cabinet consider the merits of the new National Empty Home Grant programme and the potential number of empty homes that could be brought back into use based on the maximum grant, across the county borough over the next two years (101) and agree that Caerphilly Homes participate in the new National Empty Home Grant programme.
- 3.2 To agree the contribution of circa £231,000 towards the scheme during 23- 25 from housing general fund capital reserves.
- 3.3 To approve the use of both General Fund and Private Sector Housing revenue balances of circa £274,000 to fund the Empty property Team for an additional 2 years until October 2025.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The Empty Property Team have engaged very proactively with the empty property owners within the private sector. Agreeing and approving the delivery of this programme and contributing towards the works required to each property to bring them back into use, is one tool at the disposal of Caerphilly Homes to increase the available housing stock within the borough. This relieves other pressures across the housing sector particularly in the private rented sector where other groups of the community in housing need can then be accommodated.
- 4.2 Agreeing a CCBC contribution towards the programme enables the funding to go further and as the team works to promote the scheme their objective will be to optimise the funding envelope to increase the number of empty properties that can be brought back into use.

5. THE REPORT

- 5.1 In September 2020 Cabinet approved a capital allocation of up to £700k from Capital Earmarked Reserves to support the delivery of Valley Task Force (VTF) (based on an anticipated 35% contribution towards each grant), as well as the creation of a 2-year fixed term empty homes team at a staffing cost of £275k to deliver the work.
- 5.2 The staff commenced work in October 2021 and therefore are currently funded until October 2023. Following the commencement of the VTF scheme in 2020, WG were able to fund an increased level of the grant work than was originally anticipated and therefore the local authority contribution was significantly reduced to a capital lump sum of £100k. Consequently £600k was not required.
- 5.3 The VTF programme in Caerphilly CB resulted in 65 properties receiving grant aid so that they could be returned to beneficial use, all of which are completed. This was

achieved at an approximate total cost of just under £1.5m of which £1m was provided by VTF grant assistance, £100K CCBC contribution and £300K applicant contribution (see paragraph 5.13 below).

- 5.4 £50 million has been allocated by WG for the new National Empty Home Grant programme over a 2 year period, with allocations of £25m in 23/24 and £25m in 24/25. The product is available to empty home owners who want to become owner-occupiers. The required Local Authority contribution is 10% of its allocation.
- 5.5 It is expected that there will be an initial notional allocation to each local authority based on the Council's, council tax data relating to empty homes. For CCBC in 22/23 this equates to 4.62%. The amount of funding CCBC will receive will depend on the number of empty homes recorded in that particular financial year but based on the 4.62%, during 23 -25 the figure would be £2.31M. If, as expected, there is demand from property owners for the total allocation, based on the confirmed percentage contribution of 10% it would be approximately £231,000, resulting in total assistance of £2.54M. Based on a £25,000 maximum grant this would bring back approximately 101 empty homes.
- 5.6 Caerphilly Homes could contribute in full (approximately £231,000) towards this programme during the 2 years from the general fund housing capital reserves (slippage), taking the pressure off future general fund resources.
- 5.7 It is key for the delivery of this new National Grant that approval to participate in the scheme is obtained as quickly as possible.
- 5.8 Therefore, approval is sought to participate in the scheme from its launch in January 2023, with a view to seek approval to earmark general fund housing capital reserves to be used during 2023-25.
- 5.9 The successful implementation of the scheme in these years will be dependent on the continuation of funding for the Empty Homes Team who have, to date, been successful in delivering the VTF programme as well as progressing the Welsh Government approved CCBC Empty Property Action Plan including the ongoing development of an empty homes pack, empty property website, Empty Homes Strategy and the instigation of legal proceeding on individual property owners in relation to enforced sales.
- 5.10 Therefore, approval is also sought to use both General Fund and Private Sector Housing balances of circa £274,000 to continue to fund the Empty property Team for an additional 2 years until October 2025 to ensure the Empty Home Grant programme is delivered.
- 5.11 The main details of the grant are listed below:

Qualifying Period for Empty Home

This will be 12 months to align with the commitment to extend the PAM measure from 6 months to 12 months and be more reflective of a true empty.

Scheme administration –

This will be national to ensure consistency and aid the tight delivery timescales of the Programme as well as considering local capacity issues. The scheme will be administered by Rhonda Cynon Taff County Borough Council.

Scheme costs / administration fees

To consider revenue impacts on Local Authorities.

Grant allocation mechanism / formula

A hybrid of both nominal allocation and demand led allocation where the initial allocation is nominal per Local Authority to ensure fairness but with spend being monitored and recovered as well as redistributed if not effectively utilised.

Grant limit

Maximum grant of £25,000 to include energy efficiency requirements.

Match Funding requirements –

Local Authority / applicant contribution:

Applicant contribution will remain the same as VTF at 15% of the cost of the works up to a maximum of £3,000, waived for cases of hardship. Any costs above the grant maximum would be met by the applicant.

Local authority contribution as a percentage figure match funding (10% with a maximum of £25,000 per property.

Criteria –

For example, –

Owner of a home that has been registered with council tax as an empty for a minimum of 12 months.

Grant work must result in energy efficiency improvement.

5 year post grant conditions applied .

5.12. Conclusion

- 5.13 That Caerphilly Homes participate fully in the scheme and optimise the level of funding available to maximise the number of empty homes brought back into use, coming from general fund housing capital reserves.

6. ASSUMPTIONS

- 6.1 The key assumption is that this work can be picked up within Caerphilly Homes primarily focusing on the empty property team.
- 6.2 That all property will be at the maximum eligible grant and this manages expectations of the conditions over the next few years.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The Integrated Impact Assessment (IIA) suggests that the delivery of the Empty Home Grant Programme will only have a positive impact upon the residents of the County Borough and on community cohesion by improving availability of affordable and market housing opportunities as well as helping to address problematic long-term empties.
- 7.2 By providing opportunities for people to have more access to a wider range of housing options and providing financial support initiatives, the IIA shows that the Programme will have a positive impact on equality, diversity and inclusion, on tackling social disadvantage and on promoting the wellbeing of existing and future generations. Helping people achieve affordable home ownership also contributes to

several of the Council's wellbeing objectives. No adverse impact on the promotion of the Welsh language was identified.

7.3 Hyperlink to the WG Integrated Impact Assessment:

[Link To Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

8.1 The key financial implications are the Local Authority contribution towards the capital programme of £231,000 during 23/24 and 24/25 split 50/50. This contribution can be made from general fund housing capital reserves.

8.2 The use of both General Fund and Private Sector Housing revenue balances of circa £274,000 to fund the Empty property Team for an additional 2 years until October 2025.

9. PERSONNEL IMPLICATIONS

9.1 There are no implications here as it is assumed that the project will be managed by the existing Caerphilly Homes Empty Property Team.

10. CONSULTATIONS

10.1 All consultee responses have been included in this report.

11. STATUTORY POWER

11.1 Local Government Act 2000 and Local Government (Wales) Measure 2011 'wellbeing power'.

Author: Nick Taylor-Williams, Head of Housing, Email: taylon1@caerphilly.gov.uk
Claire Davies, Private Sector Housing Manager, Email: daviec13@caerphilly.gov.uk

Consultees: Cllr Shayne Cook - Cabinet Member for Housing
Cllr Andrew Whitcombe - Chair Housing and Regeneration Scrutiny Committee
Cllr Patricia Cook - Vice Chair Housing and Regeneration Scrutiny Committee
Christina Harray - Chief Executive
Dave Street - Corporate Director Social Services and Housing
Mark S Williams - Corporate Director Environment and Economy
Richard Edmunds - Corporate Director of Education and Corporate Services
Robert Tranter - Head of Legal Services and Monitoring Officer
Stephen R Harris - Head of Financial Services and S151 Officer
Rhian H Williams - Group Accountant Treasury and Capital
Lesley Allen - Principal Group Accountant - Housing
Fiona Wilkins - Housing Services Manager
Jane Roberts-Waite - Strategic Co-ordination Manager
Kerry Denman - Housing Solutions Manager

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CABINET – 22ND FEBRUARY 2023

SUBJECT: FORMALISING THE YOUTH SERVICE MODEL

REPORT BY: CORPORATE DIRECTOR EDUCATION AND CORPORATE SERVICES

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1. PURPOSE OF REPORT

1.1 To seek Cabinet approval to formalise the blended approach to youth work that has gained prominence and delivered success throughout and beyond the Covid-19 pandemic.

2. SUMMARY

2.1 In 2019, the Youth Service presented proposals to the Education Scrutiny regarding a series of changes to the structure of its part time youth work section. The proposals were based on the requirement for a more modern and fit for purpose means of delivery.

2.2 The Covid pandemic that began in 2020 required the more immediate and ultimately very successful repositioning of youth work to meet the sudden changes of need by young people and communities to a much more flexible and responsive position.

2.3 The scale of change was significant as lockdown required the closure of building-based youth work and saw the emergence of outreach and online versions of youth work provision during that period.

2.4 Over the years that have followed, the service has only partially reintroduced building based youth work alongside the newer forms of delivery.

2.5 As a consequence of this requirement to adapt, the former reliance on a youth clubs-only format for the service's part-time youth work section has now evolved into a more blended approach involving a variety of types of youth work engagement.

2.6 With the success of this new blended model continuing to impact positively on the young people of Caerphilly, the service is looking for Cabinets approval to formalise this model of working and embed it as a core operating principle of service delivery.

3. RECOMMENDATIONS

3.1 That Cabinet:

- 1) Agrees to formally adopt the new blended model of youth working set out within this report
- 2) Delegates Authority to the Youth Service Manager to begin to progress discussions with staff and Trade Union partners in consultation with the Chief Education Officer and relevant Cabinet Member
- 3) Delegates Authority to the Youth Service Manager in consultation with the Chief Education Officer and relevant Cabinet Member to progress meaningful consultation with the local community in respect of the needs for the service to retain the Youth Centre at Brooklands in Risca.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 With a new and successful blended approach to youth work having been in operation for almost three years, support is sought to formalise these changes and embed them as a core operating principle of the Council's approach to youth work.

5. THE REPORT

- 5.1 This report focuses on the part of the youth service that has been mostly represented by youth club-style provision, with clubs often located in *ad hoc* locations and available at times that are not necessarily appropriate to the needs of young people. The clubs have seen variable levels of uptake and attendance. While the part time youth work section aims to be universal in its reach (that is, openly accessible by any and all young people), a purely centre based approach open at certain times of the week does not readily facilitate this aim.
- 5.2 The new model aims to deliver improved core youth work provision throughout the borough, based on the needs, demographics and geography of the area, whilst enhancing the professionalism of staff and better blending and balancing universal youth work with the more targeted elements of the service. This would include its NEETs (Not in Education, Employment or Training) work, for example, with the advantages of better team communications including the more efficient safeguarding of young people.
- 5.3 The model is not new. In fact, the Covid period saw the loss of many youth club venue spaces (for example in community centres and schools). In many cases, these venues can now no longer offer rental space. Most youth clubs were not located in fit for purpose venues (such as youth centres) but in hired premises that were not always 'young people friendly'.
- 5.4 There had always been a degree of 'post code lottery' with this single format type of youth work provision, which supported some communities better than others while some could not be supported at all. The clubs also only operated between September and May.
- 5.5 The modern habits of young people demand greater built-in service flexibility. In essence, a solely buildings-based, youth club-style approach to delivery is no longer relevant. Modern youth services need to reach out to young people wherever they

choose to be, year-round and through their application, other opportunities will emerge over time. Over the last three years, the Council has developed its new model through practice and the impact has been positive on many fronts.

- 5.6 For example, during the pandemic period, the Crumlin Youth and Community Centre which was already seeing greatly diminished usage, was given up as an asset. This enabled the Council to accrue considerable future savings as well as avoid significant and ongoing maintenance liabilities. The release of the asset was carried out sensitively via meaningful consultation, which was multi-layered and inclusive of community members, elected members and with young people in the area, and would ultimately support the development of more flexible and widespread forms of Youth Work.
- 5.7 In a similar vein, the service is now exploring a proposal to withdraw from the Risca Youth Centre which is in close proximity to another youth centre that young people in Risca attend. Withdrawing from this centre will separately provide the opportunity for the Council to develop specialist housing requirements on that site. Arrangements for the development of an improved youth work offer for the Risca area are already at an advanced stage of preparation. Any withdrawal from the Risca Youth Centre will, however, be subject to meaningful consultation with the local community and the development of more flexible and widespread forms of Youth Work.
- 5.8 From a staffing perspective, the improved model will likely require the review of some youth worker contracts. Initial soundings have been undertaken with staff and, should Cabinet ultimately support the formalisation of the new model, staff will be formally engaged along with Human Resources and the Trade Unions.

5.9 **Conclusion**

This report seeks to formalise a model that has been operating in practice over the last three years. During this time, the youth work offer has been adapted through circumstances that have largely been dictated by the pandemic but have, nonetheless, delivered significant benefits. The blended approach has seen the Council withdraw from some premises while refining and enhancing the offer to young people. Support to formalise the model is now sought.

6. **ASSUMPTIONS**

- 6.1 None.

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The proposals are consistent with the principals of the Wellbeing of Future Generations Act, the National Youth Work Strategy and WG's Engagement and Progression Framework guidance and locally with the new Agile/flexible working policies and CCBC's Education Strategy.
- 7.2 Any Cabinet decisions that emerge as a result of the recommendations set out within this report will be subject to an IIA where necessary.

8. **FINANCIAL IMPLICATIONS**

- 8.1 Any financial implications associated with the formalisation of the new model will be managed from within the existing service budgets.

9. PERSONNEL IMPLICATIONS

- 9.1 The new model will provide opportunities for the career development of employees and an eventual increase in the retention of skilled practitioners. Any changes required to the service resulting from the new model will be in accordance with HR policies and procedures and in consultation with staff and Trade Unions.

10. CONSULTATIONS

- 10.1 This report was considered by the Education Scrutiny Committee on the 14th February 2023. The comments received are summarised below:

Comments on Formalising the Youth Service Model

Members noted that the report states that the proposed changes to the youth service model seeks to put in place the changes adopted during the Covid pandemic, however members suggested that some of these were already happening before Covid and were perhaps a sign of the times.

The scrutiny committee were advised that different models were experimented with before Covid and included online and outreach work, with a survey was carried out.

This showed it was easier to reach more young people and provided assurance that young people want a broader range of services which are not necessarily building based. Young people are more sophisticated and require a broader means of engaging with youth workers. They want a service that is responsive to their needs with more flexibility, that is offered throughout the year and takes into account the time of year.

Members suggested that a place that is already established in a community can be an advantage because people know where to go and asked what would be the disadvantage of moving towards this model and asked specifically what percentage is online.

The scrutiny committee were advised that this model is a blended approach, there will be three youth centres and people can be transported to one of the three youth centres if they wish and access good centres with good facilities. The model will be responsive to needs and adjust to the time of year, during the good weather people may choose to be outdoors for example.

The online offer uses a wide variety of social media platforms, and for some young people they are more comfortable interacting this way. The old model of only providing youth clubs excludes those people not comfortable with attending a club and interacting in that way. Members were assured that this model has come from consultation with young people, and they have said what they want and need.

Members commented on the work done by voluntary groups in some areas and understand the benefits of having a building but also recognised that many young people prefer different offers, preferring a non-traditional approach. There is a need to engage with hard to reach groups and outreach may be a way to help make contact with them. The scrutiny committee asked how much money has been released by transferring to this model, with the selling off buildings no longer needed. What is the percentage of outreach, and what re-training of staff has been required to

develop the skills for outreach and what percentage of staff have Welsh bilingual language skills.

Members were advised that they will still need to meet the MTFP requirements but other than that the savings will be used to provide resources for young people. For example a cost benefit analysis of the Crumlin building has been carried out and it was estimated that £500k would be needed to maintain the building for the next five years and the preference was to invest that money into other things. In terms of outreach this was a large part of the consultation with young people and also consultation with Partners such as the Police. The feedback challenged the service we were providing and we were told that we need to make the youth work available to young people wherever they are and available all year and not just provide it in a youth club during certain months.

The scrutiny committee were assured that they have invested in substantial training of staff, not just during lockdown, to make sure staff are comfortable working in a blended environment. Staff can now work well in a building but also in parks, street corners etc. We have managed to develop staff skills and offer them a new way to work with young people. There are staff who have 20+ year of experience and love the changes because they are working with young people they haven't met before. They are aware outreach work needs support and the rules of engagement are different but there was a growing demand from young people and staff. There are opportunities to work with the youth homelessness team and also support mental health and well-being issues in young people, so moving away from a general education service.

Members were advised that in terms of the bi-lingual service they have carried out a workforce exercise to try and find out who can speak Welsh and by asking the question in a different way we have 15% of staff who identified they can speak Welsh. Historically people may not have answered that they speak Welsh because they were concerned that they may be asked to carry out translation work. There is a Welsh Language youth facility and have secured Welsh Government funding to expand the Welsh Language Youth offer. An example of joint work with SYDIC at Virginia Park was provided where this work has been developed to ensure it is relevant for young people.

The scrutiny committee sought assurance that the engagement was sufficient to fully comprehend and demonstrate service users views. Members were assured and it was highlighted that during the recent Youth Forum Cabinet elections there were a number of people who stood who had never been reached before. During Covid young people presented their thoughts and they have carried out a long process of formal consultation. The aim is to have steering groups for each cluster area with young people sitting on it and advise the youth service in that area.

Members were assured by the Chair of the Youth Forum that the blended approach is great as it gives young people who wouldn't otherwise become involved opportunities that suit them.

Members asked how the service deals with challenges from parents around their children in contact with particular children for example. The scrutiny committee were advised that parental engagement is a big factor in making changes with partners organisations. They have reconfigured the staffing so there are people available to carry out engagement with families on a permanent basis. The aim is to deal with any local issues through contact and discussion and seek a resolution.

The scrutiny committee asked how staff engage with young people in the blended model and outreach. Members were advised that there are a set of protocols for outreach work with staff working in pairs. They will carry out reconnaissance and explore an area, get to know the young people, the location and the area. The staff will speak to local shopkeepers, and key community people. Then they will use their youth skills to build those relationships look at the issues and provide a response which could be a project such as an educational visit. This type of work can lead to better local relationships, less school disengagement etc. This work can also lead to further engagement with colleges, training courses.

The Chair thanked everyone for their contributions and particularly thanked Lottie Davies the Chair of the Youth Forum for attending and Paul O'Neill Senior Youth Service Manager for his responses.

It was moved and seconded that the recommendations be approved. By way of Microsoft Forms and verbal confirmation this was unanimously agreed.

Author: Paul O'Neill, Senior Youth Service Manager, Ty Penallta

Consultees: Christina Harray, Chief Executive,
Richard Edmunds Corporate Director of Education and Corporate Services
Stephen Harris, Head of Financial Services and S151 Officer
Lynne Donovan, Head of People Services
Robert Tranter, Head of Legal Services and Monitoring Officer
Education Senior Management team
Cllr Carol Andrews, Cabinet Member for Education
Cllr Teresa Parry, Chair of the Education Scrutiny Committee
Cllr Jo Rao, Vice Chair of Education Scrutiny Committee
Education Scrutiny Committee Members



CABINET– 22ND FEBRUARY 2023

SUBJECT: WELSH GOVERNMENT RETAIL, LEISURE AND HOSPITALITY RATE RELIEF SCHEME 2023/2024

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 The Welsh Government (WG) has announced a new temporary business rate relief scheme, the 'Retail, Leisure and Hospitality Rate Relief Scheme' for the financial year 2023/24 only.
- 1.2 Relief granted by the Authority under this new scheme is to be reimbursed by WG by way of a specific cash-limited grant but, before any relief is awarded, the Authority must consider and adopt the new scheme.
- 1.3 This report recommends that the Council endorses the new relief scheme in accordance with the WG guidance set out on the WG website: **Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief in Wales – 2023-24 | Business Wales (gov.wales)**.

2. SUMMARY

- 2.1 The report provides details of the new 'Retail, Leisure and Hospitality Rate Relief Scheme' offered by WG for 2023/24 only.
- 2.2 Adoption of the new scheme as set out on the WG website is obligatory because WG has prescribed the details for the scheme. The Authority must formally adopt the new scheme set out in the WG guidance on the WG website to obtain the WG grant funding.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to:
 - 3.1.1 Endorse the 'Retail, Leisure and Hospitality Rate Relief Scheme 2023-24' (the 2023/24 Scheme), in accordance with the WG guidance on the WG website and the provisions of section 47(1) (a) and section 47(3) of the Local Government Finance Act 1988.

- 3.1.2 Note that the Head of Financial Services & S151 Officer will use delegated powers to award the relief.
- 3.1.3 Support the proposal set out in paragraph 5.8 that in order to assist ratepayers and minimise administration costs for the Authority, it is proposed that the declaration process will involve each eligible business completing and submitting an online form via the Council's website, with the Council's Business Rates Team aiming to process all declaration forms received as quickly as possible and issue amended bills to eligible ratepayers in accordance with the WG guidance.
- 3.1.4 Note that Officers of the Authority will make the business community aware of the 2023/24 Scheme through its usual channels, including its website and social media.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Authority complies with the grant conditions to obtain and fully utilise the grant funding in respect of any rate relief awarded under the WG Scheme as detailed in the guidance set out on the WG website.

5. THE REPORT

- 5.1 WG has announced the 'Retail, Leisure and Hospitality Rate Relief Scheme 2023/24' (the 2023/24 Scheme). It is intended that the relief under the 2023/24 Scheme will be made available subject to the Authority adopting the new Scheme as set out in the guidance on the WG website and accepting the grant offer.
- 5.2 WG has made a guidance document available on its website (refer to the link in paragraph 1.3), which in effect prescribes the detailed criteria and conditions for the 2023/24 Scheme. The 2023/24 Scheme is aimed at businesses in Wales in the retail, leisure and hospitality sectors, for example shops, pubs and restaurants, gyms, performance venues and hotels.
- 5.3 The 2023/24 Scheme aims to provide support for eligible occupied properties by offering a discount of 75% on non-domestic rate bills for such properties. The scheme will apply to all eligible businesses; however, the relief will be subject to a cap in the amount each business can claim across Wales. The total amount of relief available is £110,000 across all properties occupied by the same business. As with the 2022/23 scheme, all businesses are required to make a declaration that the amount of relief they are seeking across Wales does not exceed this cap, when applying to individual local authorities. To do this, business rate payers will have to complete and submit an online declaration form that will be made available on the Council's website in early March 2023, along with a link to the Welsh Government's guidance document.
- 5.4 The relief will be provided as a subsidy by way of Minimal Financial Assistance (MFA). The same business must not claim more than £315,000 in total of MFA over three years (including 2023-24). Previous iterations of the Retail, Leisure and Hospitality Rate Relief Scheme in Wales were not provided as a subsidy and should not be counted towards the MFA limit. The gross value of relief claimed by the same business must, therefore, not exceed £110,000 in Wales for 2023-24 (to comply with the terms of this scheme) or £315,000 from 2021-22 to 2023-24 inclusive (to comply with subsidy control requirements). Businesses claiming the relief must declare that

the amount being claimed does not exceed those limits before the relief can be awarded.

- 5.5 Due to the need for the Authority to formally adopt the 2023/24 Scheme, and the relatively short time period between this process concluding and the 2023/24 annual billing processes commencing in March 2023, the new financial year rate bills will be issued before any rate relief can be awarded under the Scheme. However, the Business Rate Team will aim to process all declaration forms received as quickly as possible so that businesses receive amended rate bills as a matter of urgency.
- 5.6 As this is a temporary measure for 2023/24 only, WG will provide the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47.
- 5.7 WG will reimburse local authorities for the relief that is provided in line with the WG guidance via a grant under section 31 of the Local Government Act 2003 and section 58A of the Government of Wales Act 2006. Officers estimate that the full cost of the scheme could be around £3m but this is subject to change as the eligibility of premises used by some businesses will alter throughout the lifetime of the Scheme.
- 5.8 In order to qualify for this rate relief, the guidance states that it will be for local authorities to determine how they wish to administer the scheme. To assist ratepayers and minimise administration costs for the Authority, it is proposed that the declaration process will involve each eligible business completing and submitting an online form via the Council's website. As explained in paragraph 5.5, the Council's Business Rate Team will aim to process all declaration forms received as quickly as possible and issue amended bills to eligible ratepayers in accordance with the WG guidance.
- 5.9 Due to business rate payers having to declare via an online application form they meet the criteria for the 2023/24 Scheme, officers will make the business community aware of the Scheme through its usual channels, including its website and social media.
- 5.10 Full details of the Scheme, including the qualifying criteria, are included in the guidance set out on the WG website: [Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief in Wales – 2023-24 | Business Wales \(gov.wales\)](#).

Conclusion

- 5.11 The report provides details of a new rate relief scheme offered by WG, details of which are contained on the WG website; refer to link in paragraph 5.10. Adoption of the new scheme is obligatory because WG has prescribed the details for the scheme.
- 5.12 The Authority must formally adopt the new scheme as detailed on the WG website to obtain the WG grant funding. In order to implement the new scheme, Cabinet is asked to endorse the recommendations set out in paragraphs 3.1.1 to 3.1.4 of this report.

6. ASSUMPTIONS

- 6.1 It is assumed that the recommendations in the report will maximise the use of the grant funding in terms of the amount of rate relief awarded, whilst minimising the staff/administrative costs incurred in awarding the rate relief.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An Integrated Impact Assessment has not been completed because the rate relief available under the Scheme will be awarded based on WG's terms and conditions which the Authority is administering behalf of WG.

This report sets out an overview of the Scheme. Full details of the Scheme, including the qualifying criteria, are included in the guidance set out on the WG website. Awarding this rate relief for the financial year 2023/24 will positively benefit those ratepayers who will receive it by reducing the amount of business rates they would otherwise have to pay. Awarding rate relief reduces business rate bills which lowers the running costs of premises and in turn may enable businesses to maintain or enhance employment opportunities. Not progressing with the proposal could have the reverse negative impact as those ratepayers would not benefit from a reduction in business rates payable.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications as the Authority will be reimbursed by WG for any relief granted, provided it can evidence that the expenditure falls within the terms of the 'Retail, Leisure and Hospitality Rate Relief 2023/24' grant offer.
- 8.2 Officers estimate that the full cost of the scheme could be around £3m but this is subject to change as the eligibility of premises used by some businesses will alter throughout the lifetime of the Scheme.

9. PERSONNEL IMPLICATIONS

- 9.1 There will be some staff resource implications but longer-term capacity issues are being considered by the Head of Financial Services & Section 151 Officer.

10. CONSULTATIONS

- 10.1 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

- 11.1 Local Government Finance Act 1988, Government of Wales Act 2006, and Local Government Act 1972, 2000 and 2003. The decision as to whether to adopt the WG 'Retail, Leisure and Hospitality Rate Relief Scheme 2023/24' may be taken by Cabinet. The Head of Financial Services & S151 Officer will use delegated powers to award the relief.

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Appendices: None

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CABINET – 22ND FEBRUARY 2023

SUBJECT: BUDGET PROPOSALS FOR 2023/24

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the 2023/24 budget proposals contained within this report prior to final determination by Council on 23 February 2023.

2. SUMMARY

- 2.1 At its meeting on 18 January 2023, Cabinet endorsed the 2023/24 Draft Budget Proposals based on the Welsh Government (WG) Provisional Local Government Financial Settlement for 2023/24.
- 2.2 The report provided details of a range of cost and service pressures that require funding, proposed permanent and temporary savings, the proposed one-off use of reserves, and a proposed increase of 7.9% in Council Tax to enable the Authority to set a balanced budget for the 2023/24 financial year.
- 2.3 Following a period of consultation this report now presents Final Budget Proposals for the 2023/24 financial year. The report also contains additional information for Cabinet consideration in respect of movements on the General Fund, and the proposed Capital Programme for the three-year period 2023/24 to 2025/26.
- 2.4 An updated indicative Medium-Term Financial Plan (MTFP) is also appended to the report showing a potential savings requirement of £48.335m for the two-year period 2023/24 to 2024/25.

3. RECOMMENDATIONS

- 3.1 Prior to consideration and determination at the Council meeting on 23 February 2023, Cabinet is asked: -
 - 3.1.1 To endorse the revenue budget proposals for 2022/23 of £438.722m as detailed throughout the report and summarised in Appendix 1.
 - 3.1.2 To endorse the proposed budget virements in relation to Additional Learning Needs as detailed in paragraph 5.3.12.
 - 3.1.3 To endorse the proposed use of £346k of the LMS Contingency Reserve as a one-off

- sum to support the Education & Lifelong Learning Directorate's 2023/24 contribution to the 50% repairs and maintenance budget for schools (as detailed in paragraph 5.5.3).
- 3.1.4 To note the movements on the General Fund in Appendix 5 and the current projected balance as at 31 March 2023 of £13.041m.
- 3.1.5 To endorse the proposed Capital Programme for the period 2023/24 to 2025/26 as set out in Appendix 6.
- 3.1.6 To support the proposal to increase Council Tax by 7.9% for the 2023/24 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,353.01).
- 3.1.7 To note the updated MTFP in Appendix 7 showing an indicative potential savings requirement of £48.335m for the two-year period 2024/25 to 2025/26.

4. REASONS FOR THE RECOMMENDATIONS

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

5. THE REPORT

5.1 Background and Economic Context

- 5.1.1 The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, are major influences in determining the 2023/24 Budget Proposals and the medium-term financial outlook.
- 5.1.2 The Bank of England (BoE) increased the Bank Rate by a further 0.5% to 4% in February 2023. This followed a rise of 0.75% in November 2022 which was the largest single rate hike since 1989, and a rise of 0.5% in December 2022.
- 5.1.3 The November 2022 quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with Consumer Prices Index (CPI) inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected to remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
- 5.1.4 The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and Gross Domestic Product (GDP) for quarter 4 of 2022 was 0%, thus narrowly avoiding a recession. Growth is expected to fall throughout 2023 and the first half of 2024.
- 5.1.5 CPI inflation for January 2023 was 10.1%, but this is now expected to fall sharply to 1.4% in two years' time and to 0% in three years' time. This assumes that the Bank Rate follows the path implied by financial markets at the time of the November 2022 MPR (i.e. a peak of 5.25%). However, the BoE has stated that it considers this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

5.1.6 The current economic situation means that the Council (along with all others) is faced with unprecedented financial challenges. Due to austerity, between 2008/09 and 2021/22 the Council has already delivered savings of £106m to address reductions in funding and inescapable cost pressures. However, the details set out in this report show a savings requirement of £27.179m for 2023/24 alone, and due to the temporary nature of many of the measures proposed to balance the budget for 2023/24, it is currently anticipated that total permanent savings of £48.335m will be required for the two-year period 2024/25 to 2025/26.

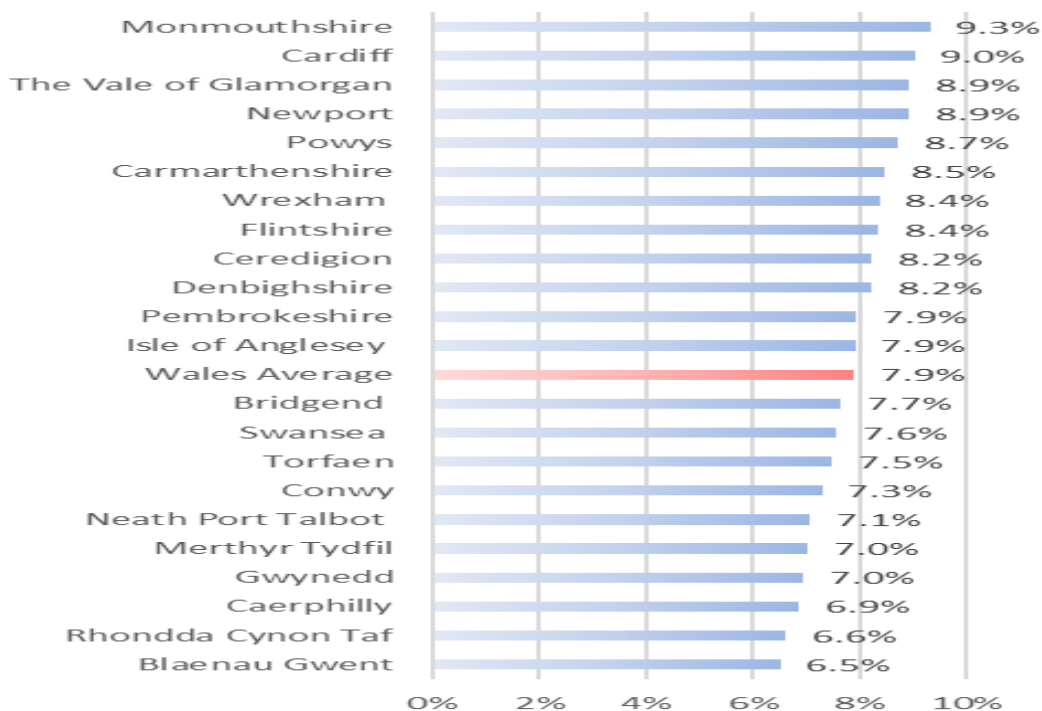
5.1.7 The scale of the challenge facing the Council cannot be underestimated. Clearly, a financial strategy that seeks to continuously salami slice our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever, as our communities continue to present far greater and increasingly complex needs to us. To ensure we are able to meet the needs of our communities, whilst operating with reduced funding, a whole Council and a whole county borough holistic approach is needed, and it is inevitable that some difficult decisions will need to be made at pace.

5.2 Welsh Government (WG) Provisional Local Government Financial Settlement for 2023/24

5.2.1 The Local Government Financial Settlement received from WG on an annual basis is referred to as Aggregate External Finance (AEF). This consists of a Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates (business rates). Details of the Provisional Local Government Financial Settlement are usually announced by WG in early October each year. However, in recent years due to economic uncertainty the announcement has been delayed until December and details of the Provisional Local Government Financial Settlement for 2023/24 were not released until 14 December 2022.

5.2.2 On an All-Wales basis there is an increase in Aggregate External Finance (AEF) of £403m or 7.9% on a like-for-like basis. Table 1 below shows the range around the average of 7.9% driven by the funding formula. This is largely a reflection of data movements in pupil numbers and free school meal entitlement derived from the schools’ census, as well as the impact of the decennial Census on the population counts/estimates. The lowest increase is Blaenau Gwent with 6.5% and the highest is Monmouthshire with an increase of 9.3%.

Table 1 - Changes to AEF by Local Authority (2022/23 to 2023/24)



- 5.2.3 Overall core revenue funding rises to £5.5bn for 2023/24. For planning purposes an indicative figure of £5.7bn has been provided for 2024/25 which equates to an uplift of £169m (3.1%). This figure is dependent on current estimates of NDR income but the forward indication is helpful.
- 5.2.4 There is a small transfer in of resource for the coastal protection programme that affects Gwynedd, Conwy, and Swansea, otherwise there are no significant transfers into or out of the Settlement.
- 5.2.5 In terms of public sector pay, the Minister for Finance & Local Government is cognisant of the pay pressures in the future and makes specific reference to pay for social care workers and teachers: -

“In making decisions about the level of funding for Local Government I have responded to the need to support key front-line services. In particular I have included funding to enable Authorities to continue to meet the additional costs of introducing the Real Living Wage for care workers.”

As a result of spending decisions made in relation to education in England, Wales received a consequential of £117m a year in the Autumn Statement. This is being provided in full to Local Government through a combination of the Settlement and the Education MEG. The funding provided through this Settlement will therefore need to cover the costs arising from the 2023/24 pay deal which fall within the 2023/24 Settlement year. I have again taken the decision to provide all the available funding up front and not hold back funding for in-year recognition of the 2023/24 teachers’ pay deal. Authorities’ budget planning must therefore accommodate these costs.”

- 5.2.6 In cash terms, the 6.9% increase for Caerphilly CBC provides additional funding of £22.152m for 2023/24. Whilst this is of course welcomed, the increase is well below the current unprecedented levels of inflation and the Council faces cost pressures totalling £55.478m for 2023/24 alone.
- 5.2.7 Changes to other pass-ported grants in the Provisional Settlement result in a net reduction of £202k for Caerphilly CBC in relation to the tapering of WG funding for Private Finance Initiative (PFI) Schemes.
- 5.2.8 The capital allocations available to Caerphilly CBC in the RSG and from the General Capital Grant have increased by £1.615m from the 2022/23 financial year.
- 5.2.9 Details of the 2023/24 Final Local Government Financial Settlement will not be announced until early March 2023, however it is anticipated that this will not vary significantly from the position set out in the Provisional Settlement.

5.3 2023/24 Budget Proposals

- 5.3.1 Further to Cabinet endorsement of the 2023/24 Draft Budget Proposals on 18 January 2023, there have been further emerging costs pressures that require consideration in terms of funding. These are listed in Table 2 along with proposed adjustments to some of the initial savings proposals in response to the feedback from the consultation process on the Draft Budget Proposals.

Table 2 - Proposed Adjustments to the 2023/24 Draft Budget Proposals

Description	£m
Additional Growth Requirements: -	
• Confirmed 21.88% increase in the Coroner’s Levy (originally assumed to be 10.7%)	0.037
• Regrading of 3 posts to support the delivery of the emerging Waste Strategy	0.034
• Additional staffing capacity in Electoral Services to deliver new regional responsibilities and voter ID requirements	0.051
• Additional staffing capacity to deal with the rollout of a new contract management approach across the Council	0.230
• Migration of OLAS General Ledger system to Cloud platform	0.087
Adjustments to Proposed Savings: -	
• Initial £10k proposed saving for the withdrawal of the subsidy at Markham Community Leisure Centre to now be tapered over a three-year period from April 2023	0.007
• Proposed 20% increase in fees for Sports pitches to be reduced to 12%	0.011
• Proposed reduction of 5.5 hours in funding for caretaker costs in Community Centres to be changed to a reduction of 4 hours and tapered over a three-year period from October 2023	0.053
• Community Empowerment Fund budget to be reduced to £250k instead of being withdrawn completely	0.250
• Proposed 10% saving for SENCOM to be postponed pending discussions on an agreed regional approach from 2024/25	0.078
Total: -	0.838
Funded By: -	
• Adjustment to energy cost pressure based on latest Crown Commercial Services (CCS) projections	(0.544)
• Additional one-off call on reserves	(0.294)
Net: -	0.000

5.3.2 The proposals contained within this report (including the adjustments in Table 2 above) will deliver a balanced budget for 2023/24 on the basis that Council Tax is increased by 7.9%. Table 3 provides a summary: -

Table 3 – 2023/24 Budget Proposals Summary

Description	£m
Cost Pressures: -	
• General Fund Services inflationary pressures (pay and non-pay)	24.381
• General Fund inescapable service pressures	18.542
• Schools cost pressures	12.555
Total: -	55.478
Funded By: -	
• 6.9% uplift in Provisional Settlement	22.152
• Permanent savings proposals	4.972
• Temporary savings proposals	6.862
• One-off use of reserves	15.345
• 7.9% proposed increase in Council Tax	6.147
Total: -	55.478

- 5.3.3 Whilst the proposals in this report present a balanced financial position for 2023/24, a significant element of this is being achieved through one-off temporary measures i.e. £6.862m of temporary savings and £15.345m through the use of reserves. These temporary one-off measures totalling £22.207m will only support the budget for 2023/24 and they provide some breathing space to identify, agree and implement permanent savings for the 2024/25 financial year. This will be a significant challenge for the Council, and it is vital that an early start is made to identify proposals to address the financial shortfall.
- 5.3.4 The 2023/24 General Fund Services inflationary cost pressures totalling £24.381m are set out in Table 4 below: -

Table 4 – General Fund Services Inflationary Cost Pressures

	£m
National Joint Council (NJC) Pay Award	10.588
Increase in Employer Pension Contributions (NJC Staff)	1.106
Foundation Living Wage	0.218
Non-Pay Inflation	13.262
Non-Pay Inflation (Fees and Charges)	(0.793)
TOTAL: -	24.381

- 5.3.5 **National Joint Council (NJC) Pay Award** – The 2022/23 budget approved by Council in February 2022 assumed a NJC pay award of 3% from April 2022. However, the final approved pay award was an uplift of £1,925 across all pay scales which required additional funding of £4.788m to be identified. This has been funded in 2022/23 by a one-off contribution from surplus General Fund balances, and the additional cost has also now been factored into the base budget for 2023/24. In addition to this a further pay award of 5% is assumed from April 2023. Any increase above the assumed level of 5% for 2023/24 will need to be funded in-year from reserves, with the recurring impact then being factored into the budget from 2024/25 onwards.
- 5.3.6 **Increase in Employer Pension Contributions (NJC Staff)** – The Greater Gwent (Torfaen) Pension Fund is subject to an independent triennial valuation of its assets and liabilities. The draft results of the 2022 valuation require a 1% increase in the employer’s contribution for 2023/24. Further increases of 1% and 0.5% are also required for 2024/25 and 2025/26 respectively.
- 5.3.7 **Foundation Living Wage** – £218k is included in the 2023/24 Budget Proposals to allow for an increase in the Foundation Living Wage hourly rate for General Fund Services staff.
- 5.3.8 **Non-Pay Inflation** – Inflation is at its highest level in 40 years with the Consumer Prices Index (CPI) inflation rate peaking at 11.1% during 2022. The most recent published data for the 12 months to January 2023 showed CPI at 10.1%. Much of this increase is being driven by the significant increases in the cost of energy, fuel, and food and drink. Forward purchasing arrangements for energy have largely protected the Council from the impact of energy price increases in the current year but increases of circa 210% for gas and 131% for electricity are currently anticipated for 2023/24, equating to an additional cost of circa £4.5m for the General Fund. Increases of 22.2% for fuel, 16.5% for food and drink and 5% for all other categories of expenditure have also been factored into the 2023/24 Budget Proposals.
- 5.3.9 **Non-Pay Inflation (Fees and Charges)** - A generic increase of 5% is assumed for Fees and Charges.
- 5.3.10 Table 5 provides a summary of the 2023/24 General Fund Services inescapable service pressures totalling £18.542m. These pressures have been subject to a detailed review and have been incorporated into the 2023/24 Budget Proposals on the basis that they are essential. Full details are provided in Appendix 2 for Members’ consideration.

Table 5 – Summary of General Fund Inescapable Service Pressures

Service Area	£m
Corporate Services	1.470
Miscellaneous Finance	1.800
Economy & Environment	1.316
Social Services	9.293
General Fund Housing	2.397
Education & Lifelong Learning	2.265
TOTAL: -	18.542

5.3.11 A growth bid of £319k is included in the Education & Lifelong Learning total above in relation to Additional Learning Needs (ALN). A key priority for the Directorate is ensuring compliance with the ALN Act and Code, and ensuring that statutory duties for pupils with ALN are met. Neighbouring authorities and the majority of Local Authorities across Wales have delegated additional support funding to schools. In Caerphilly CBC, funding for additional support for schools has historically been retained centrally. The Additional Learning Needs and Education Tribunal (Wales) Act (2018) provides the context for revisiting activity with schools to progress an open and transparent model to distribute the majority of this central budget directly to our schools to support pupils with additional learning needs.

5.3.12 Officers have been working with representative primary and secondary headteachers to identify an option that schools will feel is fit for purpose. The current budget for additional support is circa £4.2m, however over recent years this budget has consistently overspent by circa £500k. This cost has been met from within the vulnerable learner’s budget, specifically from the Out of County Placement element, as pupils have remained with Caerphilly schools. It is proposed that this budget is realigned internally, increasing the additional support budget by the £500k. In recent discussions with Headteachers it has become more apparent that there is a “hidden” additional cost pressure within our schools. It is proposed that the additional support budget is further increased by £1m in 2023/24 to recognise the pressure that schools have been facing. In 2022/23 there is an amount of £681k held against the Miscellaneous Finance budget, specifically for schools. This funding was not required when the original 2022/23 formula funding allocations were calculated in February 2022, and has not been required in year. It is therefore proposed that this funding is vired into the additional support budget to support the financial pressures in this area and along with the £319k proposed growth this will provide the £1m required. Whilst the work to support the proposed delegation of the additional support budget is not been yet complete, this additional funding is essential for supporting pupils with ALN in any model moving forward.

5.3.13 The Schools cost pressures totalling £12.555m are set out in Table 6 below -

Table 6 – Schools Cost Pressures

	£m
Teachers’ Pay Award	4.423
National Joint Council (NJC) Pay Award (School-Based Staff)	0.935
Increase in Employer Pension Contributions (NJC Staff)	0.163
Non-Pay Inflation	5.524
Other Service Pressures	1.509
TOTAL: -	12.555

5.3.14 **Teachers’ Pay Award** – The 2022/23 budget approved by Council in February 2022 assumed a teachers’ pay award of 3% from September 2022. However, the approved pay award was an uplift of 5% which required additional funding of £2.072m to be identified. This has been funded in 2022/23 by a one-off contribution from surplus General Fund balances, and the additional cost has also now been factored into the base budget for 2023/24. However, an improved 2022/23 pay offer has recently been made to teachers following industrial action and this will

result in additional in-year costs and have a recurring budgetary impact. This recent offer has now been rejected and further industrial action is planned. It is currently assumed that WG will provide funding to meet the additional costs of the final 2022/23 pay settlement.

5.3.15 A further pay award of 3.5% is currently assumed for teachers from September 2023 (in line with the indicative uplift figure provided by the Independent Pay Review Body on Teachers Pay).

5.3.16 **National Joint Council (NJC) Pay Award (School-Based Staff)** – The 2023/24 Budget Proposals include budgetary growth to fully fund the full-year impact of the 2022/23 pay award, along with additional budget provision for an assumed pay award of 5% from April 2023.

5.3.17 **Increase in Employer Pension Contributions (NJC Staff)** – As mentioned in paragraph 5.3.6 the draft results of the 2002 triennial valuation of the Greater Gwent (Torfaen) Pension Fund require a 1% increase in the employer’s contribution for 2023/24.

5.3.18 **Non-Pay Inflation** - As detailed in paragraph 5.3.8, inflation is at its highest level in 40 years with the Consumer Prices Index (CPI) inflation rate peaking at 11.1% during 2022. For schools, additional energy costs of £4.682m are anticipated for 2023/24 and other inflationary increases are expected to result in additional costs of £842k.

5.3.19 **Other Schools Service Pressures** – This includes the following: -

- School floor area related changes.
- Retrospective adjustments in relation to pupil numbers.
- Social needs funding linked to increased free school meal numbers.
- Demand pressures linked to Specialist Resource Bases (SRB’s) or Specialist Satellite provision.

5.4 2023/24 Savings Proposals

5.4.1 Savings proposals have been identified for the 2023/24 financial year totalling £11.834m. These are summarised in Table 7 with further details being provided in Appendix 3.

Table 7 – 2023/24 Draft Savings Proposals

Service Area	Permanent Savings £m	Temporary Savings £m	Total Savings £m
Corporate Services	0.366	0.742	1.108
Miscellaneous Finance	0.527	4.092	4.619
Economy & Environment	0.804	1.334	2.138
Social Services	0.594	0.000	0.594
Education & Lifelong Learning	0.341	0.693	1.034
Schools	2.341	0.000	2.341
TOTAL: -	4.972	6.862	11.834

5.4.2 The savings proposals have been split into 2 categories, those that are permanent and those that are temporary (i.e. not sustainable in the medium to longer term). Savings of a temporary nature are not ideal, but they do provide a window of opportunity to identify, approve and implement permanent savings in readiness for the 2024/25 financial year.

5.4.3 Members will note that there is a proposed saving of £2.341m for schools. To put this into context, Table 6 of this report shows total schools cost pressures of £12.555m for 2023/24. It is proposed that additional funding of £10.214m is allocated to schools which is an uplift of 8.4%. This will result in anticipated pay awards and general non-pay inflationary increases being funded but estimated energy cost increases of £4.682m will only be funded at 50%. Schools

will therefore be asked to manage £2.341m of the energy increase themselves through energy reduction initiatives and wider cost efficiencies.

- 5.4.4 The proposed growth of £10.214m for schools will exceed Caerphilly CBC's proportion of the consequential funding of £117m provided to WG by the UK Government for Education as referenced in paragraph 5.2.5 of this report.

5.5 Proposed Use of Reserves

- 5.5.1 To achieve a balanced budget for 2023/24 it will be necessary to utilise reserves as a further one-off measure. This again provides a short window of opportunity to develop sustainable solutions to address the budget deficit from 2024/25. It is proposed that the reserves in Table 8 are released to support the budget for 2023/24.

Table 8 – Proposed Use of Reserves

Description	£m	£m
Covid-19 Earmarked Reserve		5.000
Cost of Living Crisis Contingency		2.098
WG Council Tax Collection Grant (2020/21)		1.122
WG Council Tax Collection Grant (2021/22)		0.878
Uncommitted Capital Earmarked Reserves		0.915
Service Reserves: -		
• Corporate Services	3.262	
• Social Services	1.119	
• Education & Lifelong Learning	0.951	5.332
TOTAL: -		15.345

- 5.5.2 Members will note the proposed use of service reserves totalling £5.332m. These reserves have been reviewed in detail and can be repurposed to support the 2023/24 budget. Further details are provided in Appendix 4
- 5.5.3 The proposed savings for Education & Lifelong Learning in Appendix 3 include a temporary saving of £346k in relation to the budget for the Directorate's 50% repairs and maintenance contribution to schools. This saving is proposed for 2023/24 only and the £346k will instead be met through a one-off contribution from the LMS Contingency Reserve.

5.6 General Fund Balances

- 5.6.1 Details of the projected movement on General Fund balances are provided in Appendix 5.
- 5.6.2 The current General Fund balance is £11.852m, which reflects the position previously agreed by Council.
- 5.6.3 Based on the 2022/23 month 9 Whole-Authority Revenue Budget Monitoring Report, it is currently anticipated that there will be a net transfer to the General Fund of £2.239m from a projected year-end net underspend across all Directorates.
- 5.6.4 Cabinet will recall that in previous years the Council Tax surplus has been channelled through the General Fund each year to support the base budget in the following financial year. In normal years this surplus is estimated to be circa £1.050m but Members will be aware that Council Tax collection has been adversely impacted during the pandemic. It would not be prudent at this stage to assume that the Council Tax surplus for 2022/23 will be at the levels achieved prior to the pandemic. It is therefore recommended that the £1.050m required to support the 2023/24 budget should be funded through a call on the General Fund.
- 5.6.5 After allowing for the above movements the updated projected balance for the General Fund as at 31 March 2023 is £13.041m. The Section 151 Officer usually recommends a minimum

General Fund balance of 3% of the Net Revenue Budget which for 2023/24 is £13.162m. The current projected balance of £13.041m is marginally lower than this but this will be reviewed again when the 2022/23 Provisional Revenue Budget Outturn Report is presented to Cabinet and Council in July 2023.

5.7 Council Tax Implications 2023/24

- 5.7.1 The budget proposals within this report include a proposed increase of 7.9% in Council Tax for the 2023/24 financial year. This will increase the Caerphilly CBC Band D precept from £1,253.95 to £1,353.01 i.e. an annual increase of £99.06 or weekly increase of £1.91.
- 5.7.2 The proposed increase of 7.9% for 2023/24 will result in the following totals for the Caerphilly CBC element of the Council Tax (the Police & Crime Commissioner and Town/Community Council precepts will be added to these totals when confirmed at a later date): -

Table 9 – 2023/24 Council Tax (CCBC Element) at 7.9% Increase

Band	Council Tax (CCBC Element) £	Weekly Increase £
A	902.01	1.27
B	1,052.34	1.48
C	1,202.68	1.69
D	1,353.01	1.91
E	1,653.68	2.33
F	1,954.35	2.75
G	2,255.02	3.18
H	2,706.02	3.81
I	3,157.03	4.45

5.8 Capital Programme

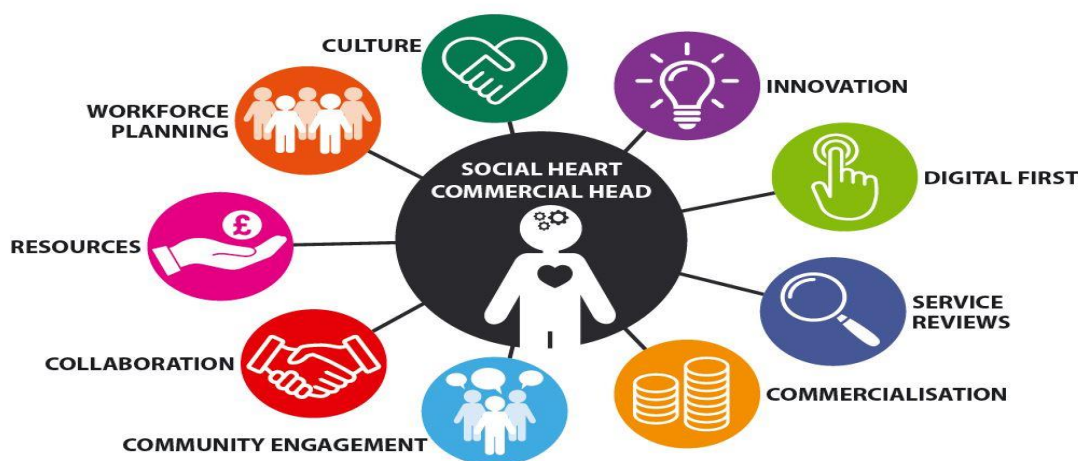
- 5.8.1 The proposed Capital Programme for the three-year period 2023/24 to 2025/26 is detailed in Appendix 6 and summarised in Table 10.

Table 10 – Summary of Capital Programme 2023/24 to 2025/26

	2023/24	2024/25	2025/26
	£m	£m	£m
Capital Programme proposals	11.636	9.668	9.599
WG funding available	(9.772)	(8.157)	(8.157)
Capital funding gap	1.864	1.511	1.422
Funded by: -			
Surplus/(Deficit) b/fwd	0.287	0.000	0.000
One-Off funding from MRP Policy Review	1.449	1.383	1.314
RCCO budget (Miscellaneous Finance)	0.128	0.128	0.128
Total Additional Funding	1.864	1.511	1.442
Surplus/(Deficit) carried forward	0.000	0.000	0.000

5.9 Financial Outlook for Future Years

- 5.9.1 Due to the unprecedented levels of inflation, the current economic outlook, and the range of temporary measures that are proposed for the 2023/24 financial year, it is clear that the Council will continue to face significant financial challenges moving forward. With this in mind the Medium-Term Financial Plan (MTFP) has been updated based on a range of assumptions, resulting in a potential savings requirement of £48.335m for the two-year period 2024/25 to 2025/26. Details are provided in Appendix 7 and the following is a summary of the key assumptions: -
- An uplift in WG funding of 2.71% for 2024/25 (based on our proportionate share of the WG indicative of 3.1%) and an assumption of 1% for 2025/26.
 - An increase of 4.5% in Council Tax for 2024/25 and 3.9% for 2025/26.
 - 3% for pay inflation in 2024/25 and 2% for 2025/26 (covering all staff including teachers).
 - 1% in 2024/25 and 0.5% in 2025/26 for NJC employer pension contributions.
 - Non-pay inflation at 3% for 2024/25 and 2% for 2025/26.
- 5.9.2 In addition to the above, significant work has been undertaken with Directors and Heads of Service to identify further potential inescapable service cost pressures that will need to be considered in future years. These are currently estimated at circa £10.7m for 2024/25 and £5.5m for 2025/26. This is work in progress and the figures will be subject to change moving forward.
- 5.9.3 The temporary measures in the 2023/24 Draft Budget Proposals totaling £22.207m can be used for one year only. Whilst the temporary savings and the prudent use of our reserves provides an opportunity to smooth the path to major reform and transformation, we have only one chance to do this. As Members are acutely aware reserves can only be used once and therefore do not offer a sustainable long-term solution to bridging the budget gap of this and future years.
- 5.9.4 Given the scale of the challenge that we collectively face, a financial strategy that seeks to continuously salami slice our services and deplete our reserves is not a sustainable or an appropriate approach, especially when the demands upon our services are far higher than ever, as our communities continue to present far greater and increasingly complex needs to us. To ensure we are able to meet the needs of our communities, whilst operating with reduced finances, a whole council and a whole county borough holistic approach is needed.
- 5.9.5 At its meeting on 12 June 2019 the Council's Cabinet approved the Future Caerphilly Transformation Strategy, **Team Caerphilly – Better Together**. This Strategy set out details of a major transformation programme to examine how a future operating model for the Council could be developed. The principles of the new operating model included how services are prioritised, how they can become more business efficient, to explore opportunities for greater customer focus and digital delivery, and to consider alternative delivery models and seek out commercial opportunities. Furthermore, to enable the Council to continue providing high quality value for money services in an environment that will require new approaches and new skills, the Strategy acknowledged that a new relationship will need to be built with staff and communities.
- 5.9.6 The Strategy is multi-faceted and at the core of the programme of change is the new mantra of *Social Heart and Commercial Head*. This recognises a commitment to public service and the needs of citizens, but also demonstrates a commitment to explore commercial and investment opportunities, where appropriate, to generate income that can be reinvested in services to help them remain resilient in the current challenging financial climate.
- 5.9.7 The strategic programme of “whole-authority” work is being delivered through the following key themes, which underpin the new operating model of the Council: -



5.9.8 Good progress has been made in implementing the Strategic Action Plan that underpins the Transformation Strategy. However, the emergence of Covid-19 and the Council’s prolonged focussed response to the pandemic naturally hindered the overall intended pace of transformational change.

5.9.9 The Council gleaned much learning through its response to Covid-19 which helped reshape and expand the transformation programme. At its meeting on 22 July 2020, Cabinet endorsed the inclusion of ten corporate reviews within the **Team Caerphilly – Better Together** programme, all of which expand on or embed further many of the positive changes implemented in response to Covid-19. The Corporate Reviews are as follows: -

1	Walk in Services Review
2	Remote Contact Review
3	Front Line Delivery Review
4	Support Services Review
5	Information, Insight and Intelligence Review
6	Flexible Working Review
7	Sustainable Financial Planning Review
8	Workforce Development Review
9	Corporate Volunteering & Community Partnership Review
10	Decision-Making Review

5.9.10 The Council also launched an ambitious “Place Shaping” investment programme for the county borough, identifying potential investments of circa £500m spanning the next few years, which will lever in significant socio-economic benefits.

5.9.11 However, the sharp decline across the public sector financial landscape has hindered the pace of delivery across the Placeshaping investment programme and the programme requires a fundamental review, aligned with the emerging Corporate Plan.

5.9.12 Cabinet and the Corporate Management Team (CMT) have reviewed the key elements of the transformational programme and the Placeshaping programme previously agreed by Members in the context of the current financial challenges and the emerging Corporate Plan and have concluded that the model is still relevant, indeed even more relevant than before, as it offers us

the strategic framework to develop a new operating model for the Council, which will ensure we don't simply turn services off, rather we will deliver services differently and more efficiently.

5.9.13 The revised "***TeamCaerphilly – Better together***" operating model offers three distinct elements: -

1) A Transformational Programme consisting of significant corporate projects that will drive change across the whole organisation, these will include: -

- The creation of one-stop shop hubs at key locations across the county borough – providing the face of the Council within the locality, where residents can obtain information or access to key services.
- Digital by default – Service requests, routine enquiries, financial processes, to be automated.
- Agile/flexible working – implementing the next phase of our agile policy, maximising usage of our key buildings and rationalisation of our comprehensive building stock.
- Support services review – undertake a strategic review of support services across all services to create multi-disciplined roles serving the whole organisation.
- Managing the demand across Health and Social Care.
- Centralisation and rationalisation of IT systems and processes.

These strategic projects will be delivered and managed by specific project teams and a repurposed programme office.

2) Service Reviews

Each Head of Service will be required to review their service areas through the new operating model lens, demonstrating how the service can be delivered more efficiently and effectively. Annual financial targets will be provided to each Corporate Director and respective Heads of Service to help frame the overall requirement. The following list is not exhaustive but provides examples of potential areas for review: -

- Enforcement and education provision
- Catering and cleaning
- Tourism venues and income generation
- Library and customer services
- Use of our Fleet
- School improvement
- Community centres
- Waste Strategy
- Youth Service

These projects will be monitored by the Chief Executive with support from the Programme office.

3) Placeshaping Investment Programme

An integrated capital investment programme, using circa £30m of Council funding to lever in further significant investment, will be developed spanning the county borough. This will improve the economic, environmental and social prosperity of our county borough and the communities within it. Examples include the following: -

- A469 Troedrhwiwch strategic highway improvement
- New secondary, primary and Welsh Medium schools provision with integrated leisure, library and community use.
- New build passive social housing, creating new communities.
- New community hubs, providing one-stop shop access to the Council.
- Integrated public service hub with health and education.

- New Centre for Vulnerable Learners
- New bus/rail transport interchange.
- New enhanced tourism destination at Cwmcarn forest drive
- Improved trains and more frequent rail travel along the Rhymney Valley line.
- New active travel cycle provision across the county borough.
- New market and wider town centre regeneration.
- Enhancement of recycling centres.

5.9.14 This capital investment programme is significant in terms of scale and complexity and will need to be supported through a formal project management approach via a repurposed programme office. Importantly, to maximise the benefit of such an investment programme requires us to look across the county borough as a whole, rather than a sub-local level. It is important we recognise and maximise the opportunities each local ward area can bring and receive when looking at the total county borough area strategically. One such example to demonstrate this approach, is the increased and improved rail connections between Rhymney and Caerphilly, this investment could facilitate ease of access via rail across the East of the county borough if a new strategic leisure facility were located at Caerphilly.

5.9.15 Crucially, to deliver this ambitious and exciting Placeshaping investment programme, key decisions will need to be taken regarding a number of existing strategies we have in place, these include the Sport and Active Recreation Strategy (SARS), emerging draft Waste Strategy, 21st Century Schools Programme and the emerging Local Development Plan, as examples.

5.9.16 Whilst we have a plan to address the significant financial challenges that we face, it is important that this is mobilised quickly and progresses at pace, early within 2023. This ambitious transformation programme will need additional staff resources to implement and a growth bid of £324k is included within the 2023/24 Budget Proposals. Included within the growth bid, is a new role of Head of Waste and permanent funding for four Project Managers in the Transformation Team. A draft Waste Strategy will shortly be considered by Cabinet, and if approved, this will require a dedicated Head of Service to lead and implement the required changes to ensure we not just meet the statutory waste targets but exceed them.

5.9.17 These additional staff resources are required to deliver the exciting and bold over-arching change programme for the county borough and the organisation, ensuring that both remain sustainable and resilient, economically, socially, and environmentally over the longer term. If the 2023/24 Budget Proposals are approved, the Chief Executive will implement a delivery plan to mobilise the organisation promptly.

5.10 Conclusion

5.10.1 This report provides details of the Budget Proposals for 2023/24 based on the WG Provisional Local Government Financial Settlement.

5.10.2 A balanced budget can be delivered for 2023/24 based on a combination of permanent and temporary savings totalling £11.834m, the one-off use of reserves totalling £15.345m and an increase of 7.9% in Council Tax.

5.10.3 The report also provides details of the updated Medium-Term Financial Plan (MTFP), which currently shows a potential savings requirement of £48.335m for the two-year period 2024/25 to 2025/26.

5.10.4 The scale of the financial challenge facing the Council requires new approaches to service delivery and this will be driven through our Transformation and Placeshaping Investment Programmes. It is vital that these are developed at pace and that key decisions are made early to ensure that the projected savings requirement for 2024/25 and 2025/26 can be delivered.

6. ASSUMPTIONS

- 6.1 A range of assumptions have been made throughout the report in respect of pay and non-pay inflationary increases, inescapable service pressures, and the level of funding settlements moving forward.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 Budget impact assessments and integrated impact assessments (where required) have been completed and can be accessed through the following links: -

Budget Impact Assessments 2023-2024

[English - budget-impact-assessments-2023-2024](#)

[Cymraeg - budget-impact-assessments-2023-2024](#)

Integrated Impact Assessments 2023-2024

[English - integrated-impact-assessments-2023-2024](#)

[Cymraeg - integrated-impact-assessments-2023-2024](#)

- 7.2 The budget proposals include a number of areas where a full integrated impact assessment was deemed to be required due to the potential for impact on persons with protected characteristics or due to social-economic disadvantage. Each impact assessment considers the mitigating factors. The recommendations of each of these are provided below: -

7.3 Council Tax

- 7.3.1 The recommendation is to implement the proposed increase in Council Tax in the context of the significant and unprecedented financial pressures facing the Council.

- 7.3.2 The Council Tax Reduction Scheme supports people living in the county borough who face the most socio-economic disadvantage. 15,999 households receive support with their Council Tax payments representing 19.89% of all households in the county borough. 8,253 of these households (10.26%) receive the maximum 100% level of support.

- 7.3.3 In addition, the Council has implemented the Caerphilly Cares service to provide early-stage preventative support for the most vulnerable individuals, including signposting to financial support and advice.

7.4 Community Empowerment Fund

- 7.4.1 The Community Empowerment Fund is a relatively new 'additionality' budget and assessing the take-up and impact of the funding is ongoing. Projects tend to cover a wide variety of outcomes due to the criteria being widely drafted, having originally been based on community consultation. A survey will be undertaken this coming financial year to gather feedback on project outcomes. This will be assessed in the context of any future financial year planning beyond 2023/24.

- 7.4.2 It is recommended that a reduction in the budget will be accommodated within the likely total requests for support within each ward area. Wards will be made aware at the earliest opportunity of the amount that has been allocated for the next financial year, subject to agreement by Council on the proposal to reduce the budget by 30%.

- 7.4.3 In addition to delivering on the reduced budget, the Council will continue to promote the Welsh Church Act Fund and the Grants To The Voluntary Sector small grant scheme, as well as

working with the local Community Voluntary Council to signpost other sources of support for local organisations.

7.5 Well-being, Technical Assistance and Service Level Agreements with the Voluntary Sector

7.5.1 In the context of the funding pressures facing the Council the budget for technical assistance and sustainability/well-being should be removed. Applicant organisations will be signposted to other sources of support, as far as it is possible, and in partnership with the local Community Voluntary Council.

7.5.2 The Service Level Agreements with the three voluntary sector organisations that have previously been recipients will remain at the same level as 2022/23. Projects that may be deliverable within the available budget will be negotiated as part of the process for 2023/24 recognising that as costs of delivery increase, what may be achievable within the budget available may have to decrease.

7.6 Temporary Reduction in the Book Fund

7.6.1 The proposal to reduce the book fund by 20% is a temporary measure to meet the savings requirement for the 2023/24 budget. A series of mitigating actions are described in the impact assessment.

7.6.2 The recent 'What Matters' conversation took place in November/December 2022 and identified that residents feel that libraries are a key service that the Council should prioritise. The budget consultation undertaken in January/February 2023 told us that residents feel that libraries are a vital part of the community and could be used more. A reduction to the book fund raised some concern but overall was considered acceptable for one year only. Longer-term reductions would have a greater impact on those who need the library service most e.g. those who experience socio-economic disadvantage and people with protected characteristics.

7.7 Blackwood to Ystrad Mynach Rail Link

7.7.1 The Raillinc 901 contract between Blackwood and Ystrad Mynach rail station is the contract with the highest subsidy per passenger at £13.43 (for the 12 months to October 2022). The latest figures to October 2022 show over 900 passengers per month. The recommendation from the integrated impact assessment is to proceed with the proposal in the context of the financial pressures facing the Council.

7.7.2 The removal of subsidy for the rail link service was met with a mixed response. Residents felt that the level of subsidy was too high to be maintained, but suggested alternative routes may be more viable (nearest train station to Blackwood is Pengam) and suggested that the service could be opened up to non-rail users.

7.8 SENCOM

7.8.1 The proposal focussed on efficiencies and non-staffing costs. While the proposal recognised that further consideration and consultation would be required regarding mitigation of risk before a final agreement were made, the decision has been taken not to proceed with this proposal for the 2023/24 financial year

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 Where staffing reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through 'natural wastage' and not filling vacancies. However, where this is not possible the Council will utilise agreed HR policies and compulsory redundancies will only be considered as a last resort after all other options have been fully exhausted.
- 9.2 The Trade Unions will be fully engaged in proposals to reshape services moving forward.

10. CONSULTATIONS

- 10.1 An ongoing period of far-reaching community engagement has supported the development of the Council's budget setting for 2023/24.
- 10.2 Initially, during November and December 2022, an engagement programme entitled 'What matters to you?' encouraged residents to give their views and consequently helped the Council to gain an understanding of the services that residents feel are most needed and valued and where residents feel the Council should prioritise its budget spend. The insights from this engagement were key in shaping the draft budget proposals for 2023/24 prior to going out to public consultation in January 2023.
- 10.3 The follow up engagement programme 'The Caerphilly Conversation – Budget Consultation 2023/24' was designed to seek the views of residents and key stakeholders in relation to the three key elements of the draft budget proposals, namely, the use of £15.051million reserves at this time, the proposed increase in council tax of 7.9% and the draft list of savings proposals (both temporary and permanent) totalling £12.421million.
- 10.4 This engagement programme, as well as offering residents an opportunity to have their say through a survey, also saw a large number of opportunities for face-to-face engagement in libraries, and also through social media and with targeted engagement with stakeholder groups that represent seldom heard communities.
- 10.5 The key findings from this engagement programme included: -
- 62% of survey respondents agreed or strongly agreed with the one-off use of reserves at this time. Feedback received through face-to-face conversations and survey comments highlighted that in many cases, where residents disagreed with the proposal, it was because they felt that the Council should be using more of its reserves at this time.
 - Over a quarter (26%) of survey respondents agreed with the proposed 7.9% council tax increase or would be prepared to pay even more. A further 39% would support a lower level of council tax increase while 35% would not support any increase in council tax. Feedback from conversations with residents reflected this view. While many said that they understood the need to increase council tax to maintain services, there was concern that, at this time, any increase in council tax would impact on those least able to afford an increase.
 - Areas of the proposals that respondents particularly agreed with included a reduction in mileage budgets, deletion of vacant posts, vacancy management across the organisation and budget realignments that will have no impact on residents. Income generation through methods such as the sale of felled timber and an increase in charges for MOTs etc was largely supported, as was a reduction in the tourism subsidy, with the suggestion that venues could generate income through visitor attendance. Reducing the frequency of grass cutting to encourage biodiversity was also received largely positively.
 - Areas of the proposals that respondents particularly disagreed with included a reduction in community grants and voluntary/community sector support, and any cuts to Social Services that will impact on the most vulnerable residents. Savings proposals associated with services for children with disabilities were of particular concern. The temporary reduction in highways maintenance budget featured throughout the discussions, as did

any cuts that would impact directly on schools and education. Protecting libraries and youth services was also a consistent theme, and while it was thought that income generation was in the main, a positive way forward, there were mixed views regarding income generation through increased charges for services that are accessed by residents and the community (e.g. review of sports and leisure fees and a proposed increase in sports pitch fees).

- 10.6 A full summary of the findings from the 'Caerphilly Conversation – Budget Consultation 2023/24' can be found at www.caerphilly.gov.uk/caerphillyconversation
- 10.7 On 25 January 2023, a Joint Scrutiny Committee meeting was held to consider the 2023/24 Draft Budget Proposals. The key points raised during the meeting were as follows: -
- The Leader emphasised that although the approaches taken to address the budget pressures, including the use of reserves, can smooth the path to major changes in the way the Council operates, the Authority is still faced with a starting deficit of £21m for the 2024/25 financial year and transformation will therefore be key in delivering services moving forward.
 - The Leader also explained that a holistic approach to transformation is needed and that the Council wishes to avoid the prospect of compulsory redundancies and the cutting of key services being faced by other Authorities.
 - A Member asked about the long-term goals for tourism venues in the county borough, citing the example of St David's Hall Cardiff being sold to an external organisation, and asked if this is a model that is being considered for Caerphilly owned venues. It was confirmed that alternative operating options are being examined and a review is currently underway, with a long-term tourism strategy due to be launched. The recent reduction in the subsidy to Blackwood Miners Institute was also highlighted, which is due to the increased programme of events at the venue. Members were reminded that the Council's tourism venues will also need to change the way they operate in line with the Authority's plans to change the way it delivers services.
 - Members asked if there were plans to change the grass-cutting regime in terms of the number of cuts per year, and if it would take into account biodiversity considerations, such as a wildflower seeding programme. The Committee was advised that a Grass Cutting report is scheduled for consideration by the Environment and Sustainability Scrutiny Committee which will set out these proposals but will need to take into account the impact on climate change in view of the Council having declared a Climate Emergency.
 - Members raised concerns regarding the proposed reduction in the caretaker subsidy for community centres and were of the view that this could have a significant impact on the operating viability of some centres. The Committee was advised that an Integrated Impact Assessment has been completed in respect of this savings proposal, and at present the Council funds 11 hours of caretaking costs for each centre, which is fully utilised by some centres but not by others, depending on their needs. Therefore, some centres are underused and need to become more proactive in their approach, and the Council is willing to work with these community centres to help them become more self-sufficient, as the Council cannot afford to fund caretaking hours and maintain buildings that are only used for a few hours per week.
 - A Member highlighted the reported underspends of £38m in the 2021/22 budget, together with the level of funds held in reserves, and enquired whether these could be used to fund the budget deficit for 2023/24. The Head of Financial Services & S151 Officer explained that underspends over the past two years were due to services not running at full capacity during the Covid-19 pandemic, together with significant additional funding from Welsh Government that was made available at the time. However, these underspends have been reported to Cabinet and Council and have been ringfenced for specific purposes, including

£14.3m from the General Fund being released for purposes such as funding the additional cost of pay awards, and establishing the cost-of-living hardship fund and the cost-of-living crisis fund.

- In relation to the reserves totalling £233m, a substantial portion has been allocated or ringfenced for specific purposes including the Housing Revenue Account, the 21st Century Schools Programme, a new respite facility, the highways programmes, and funding to support the wellbeing and placeshaping framework. It was also clarified that a large proportion of reserves cannot be reallocated elsewhere as they have already been agreed for specific purposes.
- During the meeting, reference was also made to the proposed use of reserves totalling £15m, with assurances sought that the Council is able to release the reserves relating to £5m for Covid-19 and £2.098m for the Cost-of-Living Crisis Contingency. The Head of Financial Services & S151 Officer confirmed that the proposal to release these reserves has been reviewed in detail.
- Several Members raised concerns throughout the meeting in relation to the proposed 7.9% Council Tax increase and highlighted the impact of this increase on local residents, particularly in view of the cost-of-living crisis and the additional financial burden this would place on them. The Scrutiny Committee was reminded that 75.81% of households are in Bands A-C, and that the most vulnerable residents are supported through the Council Tax Reduction Scheme, with 15,999 households (19.89%) receiving some level of support and 8,253 of these households receiving a 100% reduction. One Member suggested alternative budget proposals, such as a one-off reduction against the General Fund balance to 2% which would release £3.9m to be offset against Council Tax, reducing this to a 2.1% increase.
- A Member questioned the need for additional staff as set out in the report when balanced against the proposed budget cuts. The Chief Executive advised the Scrutiny Committee that she has a statutory responsibility as Head of Paid Service to ensure that the Authority has the appropriate staff and skills to deliver the services that the Council is being asked to deliver, with some service areas extremely stretched and hence the proposals seek to fill these gaps. Members were asked to note the vacant posts being deleted as part of the savings proposals, together with the significant programme of change being embarked upon by the Authority, with it emphasised that to manage a programme of this scale, additional capacity needs to be secured in order to lead and implement the required changes.
- A Member raised concerns around the proposed cuts to Service Level Agreements for the Voluntary Sector and it was explained that although the Council is greatly appreciative of the value of this particular sector, the Council is faced with the alternative of making cuts to key services in order to meet the £35m funding deficit, and that the voluntary sector are still able to secure funding through alternative streams. Members also referenced the proposed deletion of the Community Empowerment Fund and felt that this proposal was premature given that many local organisations did not have the opportunity to use their allocation during the pandemic, and they sought clarification on the funding assistance available to these organisations in the future. Officers confirmed that these comments would be taken on board and considered as part of the consultation process on the draft budget proposals.
- Clarification was sought on the proposed budget realignment across Social Services, particularly in relation to the support around Children with Disabilities and domiciliary care, with a Member expressing concern around whether demand is being met, and also suggested that these underspends could be used to recruit additional foster carers to help address the overspend across Children's Services in relation to independent/residential home provision. The Committee was assured that demand is being fully met, and that there has been a reduction in demand across these particular services, hence the

proposed budget realignments, and in some cases the needs of service users has changed which had led to the Health Board taking on provision of this service in place of the local authority, as the level of need has changed from social care to health care. Members were also assured that foster care recruitment is the focus of a very active and successful campaign at both local and national level, and that this area does not require additional investment.

- Reference was made to the £1.747m cost pressure for temporary accommodation and a Member asked if consideration had been given towards recycling multiple units into alternative provision to offset the costs used for private provision. Members were advised that this inescapable service pressure is representative of the demands faced by all local authorities in Wales in terms of temporary accommodation, and all alternatives are being looked at, including construction methods, use of pods, bed and breakfast accommodation, and bringing empty properties back into use, and pressure is being put on Welsh Government in this regard.
- During the course of the meeting, Members expressed concerns around the proposals for increased pitch fees, stating that many of the local sports clubs and local users will find a 20% increase difficult to absorb. Queries were also received around the proposed MOT fees increase, together with a query on community asset transfer, with clarification on both matters provided by Officers.

10.8 On 02 February 2023, the 2023/24 Draft Budget Proposals were presented to the Voluntary Sector Liaison Committee. The key points raised during the meeting were as follows: -

- A representative of the Voluntary Sector sought clarification on the Voluntary Sector Service Level Agreements (SLA) budget realignment as there was no mention of which organisations it applied to and a request was made for it be removed from the 2023/24 draft savings proposals. The Corporate Policy Manager explained that the savings proposal of £25,200 has never been used for the Service Level Agreements and that it is an amount in the total Voluntary Sector budget which has been unallocated for a number of years. The proposal will therefore not result in a cash cut to the current Service Level Agreements and the budget available to support them would be the same in the coming financial year. The Corporate Policy Manager highlighted that the details of the effect of the proposed cut were set out in more detail in the Integrated Impact Assessments that are hyperlinked to the main budget report that had been circulated prior to the meeting. The Committee was informed that the recipient organisations will be contacted very soon to discuss the Service Level Agreements for the next financial year.
- The Committee raised concerns regarding the 50% reduction in the subsidy for Caretaker costs in Community Centres and it was suggested that the budget of each individual Community Centre is taken into consideration. In response to the concerns raised, the Head of Public Protection, Community & Leisure Services acknowledged that Community Centres are in different situations, in terms of how they might accommodate the savings proposal, and that some may be in a better position than others. The Committee was advised that at the moment there is a blanket service provision across all of the Community Centres and therefore the reduction is being proposed across the board. Members of the Committee were asked to note this is a part-year saving that will allow work to be undertaken in the first half of the financial year with the Community Centres to introduce the proposal. During the course of discussion, further comments were made in relation to the 50% reduction and it was felt that this would mean the closure of many Community Centres across the county borough. It was highlighted that Community Centres are also facing huge increases in their fuel costs and despite this many Centres are opening as warm spaces to help the less fortunate in the communities. In conclusion, a representative of the Voluntary Sector offered a number of solutions to help address this matter. These included asking each Community Centre Management Committee if they feel the need to close their Community Centre, to help streamline costs and the number of Centres, calculating each Community Centre's caretaking costs to base it on

actual usage and floor area instead of the current flat rate of 12 hours, adding details of each Community Centre's weekly programme to the Council's website, and providing each Community Centre with a copy of the three-yearly building condition survey in order for the Management Committees to prioritise improvements and repairs to keep the buildings up to standard.

- Concerns were also raised regarding the proposed deletion of the Community Empowerment Fund budget. It was commented that the Community Empowerment Fund has delivered some very useful projects, especially where wards are able to collaborate, and a request was made for it to continue as it strengthens the rapport between Councillors and their wards. The Corporate Policy Manager reminded the Committee that the current proposal is that any underspend in the 2022/23 financial year will be carried forward into the 2023/24 financial year, which would be on a ward basis for the first six months and then pooled for the second six months of the financial year. In conclusion, the Committee requested the Community Empowerment Fund be continued into the future and not just monies rolled over into the next financial year.
- A Councillor requested that the proposal to increase the current scale of charges for use of sports pitches by 20% be reconsidered. It was noted that the reason behind this was to minimise the impact upon individuals and target team activities, but it was argued that the proposed saving would impact on individuals as it would impact on the ability for the parents to pay for children to take part in team sports on a regular basis. The Head of Public Protection, Community & Leisure Services clarified that the proposed fee increase relates to team sports, so the total increase would be spread across all participants taking part in team sports. An alternative proposal would be to look more broadly across sport and leisure fee charges and to introduce increases for individual users, which could be suggested as an alternative proposal which would be fed in as part of the budget consultation process.
- A representative of GAVO asked how the Voluntary Sector is going to be involved in the process moving forward. In response, the Head of Financial Services & S151 Officer reiterated that as part of the TeamCaerphilly Operating Model, community engagement and collaboration will take place with the Voluntary Sector when working through proposals.
- Another Councillor referred to the proposed 50% reduction in the subsidy for Caretaker costs in Community Centres and to the proposed withdrawal of the £10,000 subsidy for Markham Community House and Leisure Centre. A number of concerns were raised including the age profile of members of the Management Committee and difficulties recruiting, paying staff wages, and service price increases. It was felt that Markham Community House and Leisure Centre was being treated differently to other areas and the proposal would impact on the facility's ability to continue service at existing levels, which could result in the closure of the facility. The Councillor highlighted that Markham Community House and Leisure Centre is a Council owned building and if the lease for Markham Community House and Leisure Centre is unable to continue, the Council would still be responsible for the repairs and maintenance of the building. A request was made for the reserves to be used for this savings proposal in order to keep the facility open. The Head of Public Protection, Community & Leisure Services noted that a discussion has taken place with the Cabinet Member for Waste, Leisure & Green Spaces who is minded to support a change to this proposal so that it would be a £5,000 reduction for 2023/24. Further comments were made in relation to Markham Community House and Leisure Centre being an anomaly within the current Community Centre and Leisure Centre network. The Sport & Leisure Facilities Manager addressed the Committee to provide context in relation to Markham Community House and Leisure Centre and addressed the concerns and comments raised. The Committee was advised that the facility was initially put in place on the very understanding that it would be delivered by a volunteer network and that reactive and statutory maintenance on the site is picked up by the Council to significant amounts. It was highlighted that Sport & Leisure Services continue to support the facility by signposting activities.

- 10.9 The 2023/24 Draft Budget Proposals were shared with the Trade Unions at a meeting on 12 January 2023, with a follow-up meeting also taking place on 09 February 2023.
- 10.10 The GMB expressed the view that the budget proposals were positive in that there would be no job losses and services would be protected, and it was stressed that it is important that Trade Unions and Officers work closely together from an early stage in relation to any future changes to services in order that they are fully informed and can advise their members. Unite echoed the views of GMB and added that there was initially concern about potential redundancies and that reassurance had now been provided that this was not the case.
- 10.11 Following the meeting on 12 January 2023, Unison provided written feedback on the 2023/24 Draft Budget Proposals, which is attached as Appendix 8. During the meeting on 09 February 2023, the Chief Executive clarified some of the points that had been raised in Unison's written feedback: -
- Section 9.2 of the report – When service reshaping proposals are being developed the Trade Unions will be invited to engage at this point.
 - In relation to meeting with Directors/Heads of Service the Chief Executive noted that she had not received any such requests from the Trade Unions. The Chief Executive confirmed that whilst she fully recognises the importance of meetings between officers and Trade Unions, as the proposals did not detrimentally affect staff and given the deadline for pulling the budget report together, there simply was not an opportunity to engage with Trade Unions any earlier. The Leader also stated that he had apologised at the meeting held on 12 January 2023 for the timing of the meeting, but with the caveat that he did not know how the meeting could have been held any earlier given that the proposals were not signed off by the Labour Group until the Monday evening, and the meeting with Trade Unions had taken place on the Thursday.
 - Cost associated to annual leave – A report was approved by Cabinet in relation to the 6 additional days annual leave for staff. The proposal to fund this is included in the budget proposals report (£2.4m).
 - Budget re-alignment – The Head of Financial Services & S151 Officer advised that these budgets were being adjusted to reflect actual patterns of spend.
 - Areas of Vacancy Management – The underspends relate to vacancies where services have been reconfigured so Heads of Service have been able to consider whether some posts are still required.
 - Creation of additional posts – These are included as growth proposals and have been subject to a robust review of growth bids.
 - Reduction in mileage budget – A calculation has been carried out on pre and post Covid-19 mileage payments. The Council is now operating in a different way whereby technology is being used thus decreasing the need for staff to drive to attend meetings. However, it should be noted that where members of staff do need to claim mileage then this will continue to be paid at the prevailing rates. Also, when fuel costs rose significantly Caerphilly CBC was one of a small number of Local Authorities in Wales to put in place a temporary mileage protocol to increase the amount reimbursed to staff.
 - Section 5.3.4 – NJC Pay Award - The Chief Executive asked the Trade Unions to bear in mind that there is only so much money available and given the financial challenges being faced any additional payment will affect the budget. It was agreed that this would be a national discussion with regards to pay, however, how the Council's budget is spent on staff will ultimately need to be agreed locally.
- 10.12 The Chief Executive stated that the narrative around this budget is that it is a temporary fix which will allow much needed time to discuss and consult further. The Chief Executive confirmed that a communication had been sent to all staff reassuring them that they were the Council's greatest asset, and that there was a need to work together to adapt to the new challenges being faced. The Chief Executive reiterated that she is extremely proud of the way staff adapted during the Covid pandemic.

11. STATUTORY POWER

11.1 The Local Government Acts 1998 and 2003.

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Appendices: -

Appendix 1 – Net Revenue Budget 2023/24
Appendix 2 – 2023/24 General Fund Inescapable Service Pressures
Appendix 3 – 2023/24 Savings Proposals
Appendix 4 – Proposed Use of Reserves
Appendix 5 – Movement on General Fund
Appendix 6 – Capital Programme 2023/24 to 2025/26
Appendix 7 – Updated Medium-Term Financial Plan
Appendix 8 – Feedback from Caerphilly Unison

Background Papers: -

[Cabinet \(12/06/19\) – Future Caerphilly Transformation Strategy, Team Caerphilly – Better Together](#)
[Cabinet \(22/07/20\) – Strengthening Team Caerphilly](#)
[Cabinet \(24/02/21\) – Caerphilly Wellbeing and Place Shaping Framework](#)
[Cabinet \(18/01/23\) – Draft Budget Proposals for 2023/24](#)

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NET REVENUE BUDGET 2023/24

	£'000	£'000
Base Budget 2022-23		395,078
General Fund Services Inflationary Cost Pressures		
National Joint Council (NJC) Pay Award	10,588	
Increase in Employer Pension Contributions (NJC Staff)	1,106	
Foundation Living Wage	218	
Non-Pay Inflation	13,262	
Non-Pay Inflation (Fees and Charges)	<u>(793)</u>	24,381
General Fund Inescapable Service Pressures and Proposed New Investments		
Corporate Services	1,470	
Miscellaneous Finance	1,800	
Economy & Environment	1,316	
Social Services	9,293	
General Fund Housing	2,397	
Education & Lifelong Learning	<u>2,265</u>	18,542
Schools Cost Pressures		
Teachers Pay Award	4,423	
National Joint Council (NJC) Pay Award for School Based Staff	935	
Increase in Employer Pension Contributions (NJC Staff)	163	
Non-Pay Inflation	5524	
Schools Service Pressures	<u>1,509</u>	12,555
Savings 2023-24		
Permanent savings proposals	(4,972)	
Temporary savings proposals	<u>(6,862)</u>	(11,834)
Proposed Expenditure		438,722
Funding		
WG Support		(339,610)
Council Tax (7.9 %)		(82,717)
One-off Contribution from General Fund Reserve		(1,050)
One-off Contribution from General Fund Earmarked Reserves		(15,345)
Total Funding		(438,722)

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2023/24 General Fund Inescapable Service Pressures

Directorate	Service Area	Details	2023-24 Growth
			(£)
Corporate Services	People Services	CMT Support - Additional hours for two Personal Assistants	9,205
Corporate Services	People Services	Communications Team - Subscription to Copyright Licencing Agency	11,000
Corporate Services	Various	1 day additional leave arising from the 2022/23 pay settlement and 5 days additional leave endorsed by Cabinet (14 December 2022)	11,358
Corporate Services	People Services	Annual contract costs for Job Evaluation system	13,000
Corporate Services	People Services	Costs for joint arrangement for the development of a Organisational Learner Experience and Learning Management Platform	39,600
Corporate Services	Digital Services	Migration of Telephone Contracts to Cloud platform	60,000
Corporate Services	Digital Services	2 new Grade 9 posts in the Server Team	104,070
Corporate Services	Digital Services	Migration of Proactis system to Cloud platform	52,000
Corporate Services	Digital Services	Migration of Schools Information Management System (SIMS) to Cloud platform	29,160
Corporate Services	Digital Services	Licence costs of Employee Protection Register	12,500
Corporate Services	Digital Services	Office 365 licences for Servers	55,000
Corporate Services	Digital Services	Budget realignment for income targets that are unsustainable	100,800
Corporate Services	Digital Services	Migration of Midland HR system to Cloud platform	145,564
Corporate Services	Digital Services	Migration of Revenues and Benefits IT System to Cloud platform	125,368
Corporate Services	Digital Services	Migration of Pay360 IT System to Cloud platform	12,000
	Digital Services	Migration of OLAS General Ledger system to Cloud platform	86,954
Corporate Services	Procurement	Additional staffing capacity to deal with the rollout of a new contract management approach across the Council	229,951
Corporate Services	Legal & Governance	Electoral Services - Additional staffing capacity to deliver new regional responsibilities and voter ID requirements	116,931
Corporate Services	Legal & Governance	Net increased cost of Members Allowances following recommendations of the Independent Remuneration Panel.	28,000
Corporate Services	Financial Services	Internal Audit - Increase in hours for part-time Grade 7 post to ensure sufficient capacity in the Team	9,965
Corporate Services	Financial Services	Cashiers Administration - Increase in hours for part-time Grade 5 post to ensure sufficient capacity in Team	9,875
Corporate Services	Policy	4 x temporary Project Managers to be made permanent to support delivery of the Council's Transformation Programme	208,140
Sub-Total: -			1,470,441
Corporate Services	Miscellaneous Finance	21.88% increase in the Coroner's Levy	55,198
Corporate Services	Miscellaneous Finance	8.75% increase in the Levy for Glamorgan Archives	2,787
Corporate Services	Miscellaneous Finance	8.1% increase in the Fire Service Levy	287,767
Corporate Services	Miscellaneous Finance	The Authority is required to fund a Council Tax Reduction Scheme (CTRS). This replaced Council Tax Benefit a number of years ago and is a means-tested benefit that assists in full or part towards a resident's Council Tax bills. The additional liability arises from the proposal to increase Council Tax by 7.9% in 2023/24	1,267,306
Corporate Services	Miscellaneous Finance	Adjustment required to reflect the net reduction in the Provisional Financial Settlement of £202k in relation to the tapering of WG funding for Private Finance Initiative (PFI) Schemes	(202,000)
Corporate Services	Miscellaneous Finance	The City Deal includes a borrowing requirement for the ten partner Local Authorities and an additional revenue budget of £389k is required for 2023/24 to meet the current anticipated cost for Caerphilly CBC's share of potential borrowing that may be undertaken during the year	389,306
Sub-Total: -			1,800,364
Economy & Environment	Various	1 day additional leave arising from the 2022/23 pay settlement and 5 days additional leave endorsed by Cabinet (14 December 2022)	701,866
Economy & Environment	Community & Leisure	Waste - Reduction in WG Sustainable Waste Management Grant	25,000
Economy & Environment	Community & Leisure	New Head of Waste post and regrading of three existing posts to deliver the emerging Waste Management Strategy	150,039

2023/24 General Fund Inescapable Service Pressures

Directorate	Service Area	Details	2023-24 Growth
			(£)
Economy & Environment	Infrastructure	Engineering Projects Group (EPG) - Additional inspections and remedials for Structures (Bridges and Culverts)	70,000
Economy & Environment	Infrastructure	Additional Home to School Transport costs due to age eligibility increases for Additional Learning Needs (ALN) pupils	100,000
Economy & Environment	Infrastructure	Adjustment to budgets to reflect loss of income arising from reduced Car Parking charges	83,000
Economy & Environment	Infrastructure	Increased contract costs for Home to School Transport taxi provision	100,000
Economy & Environment	Infrastructure	Reduction in Concessionary Fares Administration Grant	30,000
Economy & Environment	Community & Leisure	Green Spaces & Transport Services - Additional costs arising from the switch from Red to White Diesel	34,000
Economy & Environment	Community & Leisure	Sport and Leisure - Additional budget requirement following the regrading of 2 members of staff	22,420
Sub-Total: -			1,316,325
Social Services	Children's Services	Increased demand and complexity of Children's placements	3,940,000
Social Services	Adult Services	Increased demand for care packages for vulnerable adults	510,000
Social Services	Adult Services	Reprovisioning of home care packages returned by independent providers	42,000
Social Services	Adult Services	Provision for impact of enhanced fire regulations in supported living accommodation	303,000
Social Services	Adult Services	Anticipated increases in fees for independent sector providers in relation to the Real Living Wage, energy costs and wider inflationary pressures.	2,833,000
Social Services	Various	Additional posts (3.52 FTE's) required to address increasing demands	158,000
Social Services	Various	1 day additional leave arising from the 2022/23 pay settlement and 5 days additional leave endorsed by Cabinet (14 December 2022)	500,000
Social Services	Adult Services	Review of supported living rotas to address support needs of current service users	232,000
Social Services	Adult Services	Contribution to Regional Independent Domestic Violence Advocacy Service	78,000
Social Services	Caerphilly Cares	Review of Caerphilly Cares Service and withdrawal of short-term funding	697,000
Sub-Total: -			9,293,000
Social Services	General Fund Housing	Additional staffing capacity in the Private Housing Team to deliver emerging Strategies, and budget realignment due to reduced levels of agency fee income.	635,000
Social Services	General Fund Housing	1 day additional leave arising from the 2022/23 pay settlement and 5 days additional leave endorsed by Cabinet (14 December 2022)	15,000
Social Services	General Fund Housing	Temporary Accommodation - Significant increase in B&B placements. This increase in costs is net of 2023/24 grant funding from WG totalling £623k. The position remains volatile moving forward, albeit that a reduction is anticipated over time.	1,747,052
Sub-Total: -			2,397,052
Education & Lifelong Learning	Home to School/College Transport	Increases in prices following the renewal of bus contracts	589,000
Education & Lifelong Learning	Additional Learning Needs	Additional funding requirement to support cost pressures arising from increasing demand and to support the ALN Reform Act.	319,000
Education & Lifelong Learning	Vulnerable Learner (EOTAS)	Full-year impact of previously agreed additional classroom at Glan Y Nant	122,000
Education & Lifelong Learning	All	1 day additional leave arising from the 2022/23 pay settlement and 5 days additional leave endorsed by Cabinet (14 December 2022)	1,235,000
Sub-Total: -			2,265,000
TOTAL: -			18,542,182

2023/24 Savings Proposals

Reference Number	Directorate	Service Area	Details	2023-24 Permanent Savings	2023-24 Temporary Savings
				(£)	(£)
CS1	Corporate Services	All	Adjustment to gross pay budgets to incorporate vacancy management		(742,245)
CS2	Corporate Services	All	Reduction in mileage budgets to reflect new flexible working models	(43,500)	
CS3	Corporate Services	Director	Budget realignment on various budgets	(10,000)	
CS4	Corporate Services	Legal & Governance	Service Level Agreement (SLA) income from collaborative arrangements	(20,000)	
CS5	Corporate Services	Legal & Governance	Budget realignment on various budgets	(5,800)	
CS6	Corporate Services	Financial Services	Deletion of vacant Grade 5 Housing Benefits Assessor post	(33,591)	
CS7	Corporate Services	Financial Services	Budget realignment on various budgets held by Head of Service	(5,000)	
CS8	Corporate Services	Financial Services	Deletion of vacant Grade 5 Accounts Assistant post in the Finance Support Unit	(33,591)	
CS9	Corporate Services	Financial Services	Deletion of vacant Grade 5 Administrative Assistant post in the Cashiers Administration Team	(33,591)	
CS10	Corporate Services	Policy	Reduction in the Community Empowerment Fund budget from £358,176 to £250,000. Any underspend on the 2022/23 budget will be carried forward into the 2023/24 financial year.	(108,176)	
CS11	Corporate Services	Policy	Deletion of uncommitted community projects budget	(14,070)	
CS12	Corporate Services	Policy	Deletion of uncommitted Sustainable Development budget	(21,000)	
CS13	Corporate Services	Policy	Deletion of the uncommitted Technical Assistance budget	(12,180)	
CS14	Corporate Services	Policy	Voluntary Sector Service Level Agreement (SLA) budget realignment	(25,200)	
Sub-Total: -				(365,699)	(742,245)
MF1	Corporate Services	Miscellaneous Finance	Budget realignment for External Audit fees	(30,000)	
MF2	Corporate Services	Miscellaneous Finance	No revenue contribution to Capital Programme for 2023/24 only		(1,880,711)
MF3	Corporate Services	Miscellaneous Finance	Uncommitted Free School Meals Grant transferred into the Financial Settlement in previous years. This is for one year only and will be reviewed for 2024/25.		(322,250)
MF4	Corporate Services	Miscellaneous Finance	Additional investment income due to increases in the Bank of England Base Rate. This is for 2023/24 only at this stage due to the volatility of the Base Rate and will be reviewed for 2024/25		(1,889,136)
MF5	Corporate Services	Miscellaneous Finance	Removal of Carbon Reduction Commitment Scheme budget which has ended with no replacement scheme being implemented.	(246,839)	
MF6	Corporate Services	Miscellaneous Finance	Budget realignment on the Council Tax Reduction Scheme (CTRS) budget	(250,000)	
Sub-Total: -				(526,839)	(4,092,097)
EE1	Economy & Environment	All	Reduction in mileage budgets to reflect new flexible working models	(82,710)	
EE2	Economy & Environment	Property	Temporary 20% reduction in non-essential Building Maintenance budgets		(300,000)
EE3	Economy & Environment	Infrastructure	Temporary reduction in the Highways Maintenance budget		(922,000)
EE4	Economy & Environment	Infrastructure	Withdrawal of subsidy for the Blackwood to Ystrad Mynach Rail Link bus service	(120,000)	
EE5	Economy & Environment	Infrastructure	School Crossing Patrols - Withdrawal of funding where posts become vacant and ROSPA criteria is not met	(100,000)	
EE6	Economy & Environment	Community & Leisure Services	12% increase in fees for Sports pitches	(5,783)	
EE7	Economy & Environment	Community & Leisure Services	Reduce Grass Cutting (bio diversity) through a reduction in agency workers	(59,000)	
EE8	Economy & Environment	Community & Leisure Services	Temporary reduction in the Cemeteries Maintenance Budget		(40,000)
EE9	Economy & Environment	Community & Leisure Services	Closure of Ty Fry Farm following end of the lease in March 2023 with staff relocated to Ty Bargoed	(12,000)	
EE10	Economy & Environment	Community & Leisure Services	Reduction in transport budgets within Country Parks	(12,000)	
EE11	Economy & Environment	Community & Leisure Services	Additional Income from new Tennis facilities	(5,000)	
EE12	Economy & Environment	Community & Leisure Services	Increase in current MOT fee by £10 to £45	(5,000)	
EE13	Economy & Environment	Community & Leisure Services	Additional income from the sale of felled timber	(10,000)	
EE14	Economy & Environment	Community & Leisure Services	Review of Leisure Fees & Charges	(75,000)	
EE15	Economy & Environment	Community & Leisure Services	Tapered reduction of 4 hours in the subsidy for Caretaker costs in Community Centres over a three-year period from October 2023 (we currently fund 11 hours)	(17,167)	
EE16	Economy & Environment	Community & Leisure Services	Tapered withdrawal of the subsidy for Markham Community Leisure Centre over a three-year period from April 2023.	(3,334)	
EE17	Economy & Environment	Public Protection	CCTV - Replace 9 4G cameras with a more cost effective option	(6,000)	
EE18	Economy & Environment	Public Protection	Management fee for CCTV Service Level Agreement (SLA) with Blaenau Gwent CBC	(10,000)	

2023/24 Savings Proposals

Reference Number	Directorate	Service Area	Details	2023-24 Permanent Savings	2023-24 Temporary Savings
				(£)	(£)
EE19	Economy & Environment	Public Protection	Increased Ceremony Income in Registrars - Temporary saving only as additional income is due to back-log following		(10,000)
EE20	Economy & Environment	Regeneration	Tourism Venues - Reduction in subsidy across the portfolio (total subsidy is currently £1.293m)	(250,000)	
EE21	Economy & Environment	Regeneration	Deletion of Shop Administration Assistant post at Llancaiach Fawr following retirement	(30,678)	
EE22	Economy & Environment	Regeneration	Temporary reduction in the Community Enterprise Fund (CEF) budget		(62,350)
Sub-Total: -				(803,672)	(1,334,350)
SS1	Social Services	Adult Services	Children With Disabilities - Budget realignment to reflect demand	(69,000)	
SS2	Social Services	Adult Services	Budget realignment - Non-residential care income from service users	(68,000)	
SS3	Social Services	Children's Services	Reduction in mileage budgets to reflect new flexible working models	(50,000)	
SS4	Social Services	Children's Services	Budget realignment - foster care recruitment & retention	(18,000)	
SS5	Social Services	Children's Services	Budget realignment - prevention budgets	(30,000)	
SS6	Social Services	Children's Services	Reduction in contribution to regional Continuing Healthcare (CHC) post	(10,000)	
SS7	Social Services	Adult Services	Reduction in mileage budgets to reflect new flexible working models	(50,000)	
SS8	Social Services	Adult Services	Budget realignment - short-term placements	(49,000)	
SS9	Social Services	Adult Services	Budget realignment - Shared Lives placements	(225,000)	
SS10	Social Services	Business Support	Reduction in mileage budgets to reflect new flexible working models	(5,000)	
SS11	Social Services	Business Support	Budget realignment - other office expenses	(2,000)	
SS12	Social Services	Business Support	Budget realignment - Delivering Transformation Project	(18,000)	
Sub-Total: -				(594,000)	0
ELL1	Education & Lifelong Learning	All	Reduction in mileage budgets to reflect new flexible working models	(35,000)	
ELL2	Education & Lifelong Learning	LMS Contingency	Reduction in the Local Management of Schools (LMS) Contingency budget	(60,000)	
ELL3	Education & Lifelong Learning	Management & Support Services	Reduction in equipment, computer and IT related expenditure	(20,000)	
ELL4	Education & Lifelong Learning	Support Services & Resources	Deletion of vacant part-time post	(14,500)	
ELL5	Education & Lifelong Learning	Additional Learning Needs	Redesign of support for Health & Safety assessments	(35,000)	
ELL7	Education & Lifelong Learning	Music Service	10% reduction in budget	(42,600)	
ELL8	Education & Lifelong Learning	Learning, Education and Inclusion	Budget Realignment - WJEC and Subscriptions budgets	(25,000)	
ELL9	Education & Lifelong Learning	Lifelong Learning	Budget Realignment - Administration Service Level Agreement (SLA) with Property Services	(11,131)	
ELL10	Education & Lifelong Learning	Education Achievement Service (EAS)	10% reduction in contribution to EAS	(98,000)	
ELL11	Education & Lifelong Learning	Other Direct School Related Expenditure	Fund 50% Repairs & Maintenance contribution to schools from the LMS Contingency Reserve for 2023/24 only		(346,320)
ELL12	Education & Lifelong Learning	Rising 3's	Budget realignment based on demand		(15,000)
ELL13	Education & Lifelong Learning	Psychology Service	Vacancy management due to staff turnover		(50,000)
ELL14	Education & Lifelong Learning	Early Years Central Team	Some existing posts to be funded through grants in 2023/24		(100,000)
ELL15	Education & Lifelong Learning	Youth Service	Temporary budget reduction		(125,000)
ELL16	Education & Lifelong Learning	Libraries	20% reduction in Book Fund		(57,000)
Sub-Total: -				(341,231)	(693,320)
ELL17	Education & Lifelong Learning	Schools	It is currently estimated that additional energy costs for schools in 2023/24 will be £4.682m. It is proposed that schools are asked to manage 50% of this increase through energy reduction initiatives and wider cost efficiencies.	(2,341,102)	
Sub-Total: -				(2,341,102)	0
TOTALS: -				(4,972,543)	(6,862,012)

Proposed Use of Service Reserves

Description	Amount (£)	Justification for Repurposing
Corporate Services		
Asylum Dispersal Area Policy Officer	6,548	Post funded from grant
Policy ASB Co-ordinator	20,000	Post funded from grant
AP Forensics Software (Fraud Monitoring)	391	Uncommitted balance on previously approved reserve
Grade 5 Council Tax	26,700	Uncommitted balance on previously approved reserve
Making Tax Digital Software Update	13,145	Uncommitted balance on previously approved reserve
Digital Strategy (Abavus)	268,955	Abavus is now funded from the Digital Services revenue budget
Welsh Community Care Information System (WCCIS) maintenance	226	Uncommitted balance on previously approved reserve
Caerphilly 2022 Leadership	922	Uncommitted balance on previously approved reserve
50% Additional Scrutiny Officer	17,685	Uncommitted balance on previously approved reserve
Additional Members Allowances	8,700	Uncommitted balance on previously approved reserve
Storm Dennis	146,000	Uncommitted balance on previously approved reserve
Contract Management Review in Waste Services	216,000	Balance on previously approved reserve.
Ty Penallta Lighting	16,067	Scheme now completed
Health & Safety Team Laptops	3,500	Uncommitted balance on previously approved reserve
1yr Fixed-Term Post in Corporate Property (Land Sales)	48,000	Post funded from core revenue budget
1yr Fixed-Term Post Corporate Property (Electrician)	35,000	Post funded from core revenue budget
Ty Penallta Café	4,896	Scheme now completed
Careline	277,887	Uncommitted ring-fenced underspends on the Careline revenue budget
Members Allowances	396,049	Uncommitted ring-fenced underspends on the Member Allowances revenue budget
Council Tax Reduction Scheme (CTRS)	1,755,610	Uncommitted ring-fenced underspends on the CTRS budget. There is sufficient core revenue budget for CTRS as the budget is increased annually in line with agreed uplifts for Council Tax.
Sub-Total: -	3,262,281	
Social Services		
Equipment to Enable single-handed home care calls	151,800	There has been additional investment in GWICES from regional funding
Operation Jasmine Legal Support	30,000	Complete
Feasibility study in respect of delivering telecare options.	40,000	Social Care Recovery Grant used instead
Care Home Visiting and Lateral Flow Testing	184,000	Scope of WG Covid-19 Hardship Fund was extended to include testing
WCCIS Reporting Officer	95,000	£40k per year performance improvement grant confirmed to 2024/25
Regional Continuing Care post	8,713	Regional funding used instead
Tackling backlog of minor works of adaptation	100,000	WLGA promoting independence grant to be used instead
Social Work long-term absence cover	100,000	Would be at risk - Cover will need to be funded by other vacancies
Bargoed High Street - MyST Hub	188,000	Work now complete and was partially funded from the Social Care Recovery Grant
Family Intervention Team	59,700	Grant funded in 2022/23 and will not be funding the Team moving forward
Communications Officer	37,058	Only fund for 12 months
Safe Families Contract	32,700	Only fund to 31/3/23
Residential Homes management capacity	44,500	Only fund for 12 months
Hafod Deg Damp Issues	48,000	Significant increase in estimated cost for these works so did not progress
Sub-Total: -	1,119,471	
Education & Lifelong Learning		
Bridges Into Work 2	402,750	Uncommitted balance on previously approved reserve
Working Skills for Adults 2	200,250	Uncommitted balance on previously approved reserve
Inspire to Work	10,000	Uncommitted balance on previously approved reserve
Retained Underspends Reserve	78,000	Uncommitted balance on reserve
Arts Practitioner	60,000	Funded from grant
Pupil Learning Opportunity	70,000	Uncommitted balance on previously approved reserve
Additional Learning Needs (ALN) Co-ordinator	130,000	Funded from core revenue budget
Sub-Total: -	951,000	
TOTAL: -	5,332,752	

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APPENDIX 5**MOVEMENT ON GENERAL FUND**

	£'000	£'000
Opening Balance 01/04/2022		27,235
2022/23 Proposed Use of Balances in lieu of Council Tax Surplus		(1,050)
Take From General Fund Previously Agreed by Council: -		
In-year impact of 2022/23 pay awards	(6,860)	
Cost-of-Living Hardship Fund	(3,000)	
Cost-of-Living Crisis contingency	(2,098)	
Home to School/College Transport	(460)	
Wi-Fi infrastructure review	(100)	
Heolddu Leisure Centre fitness equipment	(100)	
Emporium Car Park repairs	(100)	
Highway inspections (Covid-19 backlog)	(120)	
External asbestos surveys	(100)	
Modern Patch Management Tool	(100)	
Cloud migrations	(500)	
Canal refurbishment	(200)	
Additional RSG (Electric Vehicles/driving lessons for care workers)	(595)	
	<hr/>	(14,333)
Current General Fund Balance		<hr/> 11,852
Net Take to General Fund from Projected 2022/23 Outturn		2,239
Proposed Use of Balances in lieu of Council Tax Surplus to Support 2023/24 Budget		(1,050)
Projected Balance 31/03/2023		<hr/> <hr/> 13,041

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CAPITAL PROGRAMME 2023/24 to 2025/26

Scheme	2023/24 £000's	2024/25 £000's	2025/26 £000's
<u>Education and Lifelong Learning</u>			
Health & Safety Regulations Works	296	296	296
Basic Needs Accommodation	221	221	221
School Security	150	62	62
School Asset Management	420	590	590
School Boiler Replacement Programme	335	253	253
Total Education & Lifelong Learning	1,422	1,422	1,422
<u>Economy & Environment</u>			
Sport Pitches	30	30	30
Total Community & Leisure Services	30	30	30
Environmental Schemes	200	200	200
Total Countryside	200	200	200
Community Enterprise Fund Grants	80	80	80
Town Centres	18	18	18
Total Economic Regeneration	98	98	98
Infrastructure Retaining Walls	314	314	314
Street Lighting	50	50	50
Land Purchase-Future Schemes	40	40	40
Major Highway Reconstruction	739	739	739
Bridge Strengthening	441	441	441
Land Drainage- Corporate	123	123	123
Land Drainage - Non Corporate	123	123	123
Vehicle Restraint Systems	148	148	148
Corporate Maintenance - Tips Mines Spoils	246	246	246
Monmouth & Brecon Canal.	200	200	200
Footway Reconstruction	148	148	148
Total Infrastructure	2,572	2,572	2,572
CCTV Replacement	74	74	74
Kitchen Refurbishments	419	419	419
Total Public Protection	493	493	493
Corporate Asset Management	690	690	690
Total Property	690	690	690

Total Economy & Environment	4,083	4,083	4,083
<u>Social Services & Housing</u>			
Condition Surveys	340	340	340
Total Social Services	340	340	340
Disabled Facility Grants	1,133	1,133	1,133
Home Imp Grants/Miscellaneous	246	246	246
Home Repair Grant	788	788	788
Total Private Housing	2,167	2,167	2,167
Total Social Services & Housing	2,507	2,507	2,507
<u>Corporate Services</u>			
IT Hardware & Software	200	200	200
Total ICT	200	200	200
Total Corporate Services	200	200	200
Corporate Projects	3,424	1,456	1,387
Total Capital Programme	11,636	9,668	9,599

Updated Medium-Term Financial Plan

Description	2023/24 £000s	2024/25 £000s	2025/26 £000s
Increase in Aggregate External Finance (6.9%, 2.71%, 1%)	22,152	9,203	3,488
Increase in Council Tax (7.9%, 4.5%, 3.9%)	6,147	3,826	3,483
Total Funding to Support Budget	28,299	13,030	6,971
General Fund Services Inflationary Pressures			
National Joint Council (NJC) Pay Award (5%, 3%, 2%)	10,588	4,824	3,312
Increase in Employer Pension Contributions (NJC Staff)	1,106	1,117	560
Foundation Living Wage	218	218	218
Non-Pay Inflation (Various, 3%, 2%)	13,262	6,209	4,524
Non-Pay Inflation (Fees and Charges) - (5%, 3%, 2%)	(793)	(499)	(429)
Total General Fund Services Inflationary Pressures	24,381	11,869	8,186
General Fund Inescapable Service Pressures			
Corporate Services	1,470	700	392
Miscellaneous Finance	1,800	1,021	639
Economy & Environment	1,316	448	166
Social Services	9,293	6,799	4,555
General Fund Housing	2,397	1,156	(303)
Education & Lifelong Learning	2,265	556	0
Total General Fund Inescapable Service Pressures	18,542	10,680	5,450
Schools Cost Pressures			
Teachers Pay Award (3.5%, 3%, 2%)	4,423	2,880	2,235
National Joint Council (NJC) Pay Award for School Based Staff (5%, 3%, 2%)	935	488	338
Increase in Employer Pension Contributions (NJC Staff)	163	167	97
Non-Pay Inflation (Various, 3%, 2%)	5,524	899	629
Schools Service Pressures	1,509	1,292	995
Total Schools Cost Pressures	12,555	5,726	4,294
Proposed Savings/Use of Reserves			
Permanent savings proposals	4,972	38	38
Temporary savings proposals	6,862	0	0
Use of reserves	15,345	0	0
Total Proposed Savings/Use of Reserves	27,179	38	38
Reinstatement of 2023/24 Temporary Savings Proposals and Use of Reserves	0	22,207	0
Annual Shortfall	0	37,414	10,921
Cumulative Shortfall	0	37,414	48,335

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DRAFT BUDGET PROPOSALS FOR 2023/24 FEEDBACK FROM CAERPHILLY UNISON

Caerphilly Unison has now had the opportunity to consider and take the views of our membership on the Draft Budget Proposals for 2023/24 and would offer the following comments:

The cost pressures being faced by Caerphilly county borough council are significant but sadly not uncommon across the public sector in Wales and UK. The increasing rate of inflation, energy costs and the price of goods is clearly a position which is unsustainable for many public sector organisations, and without immediate investment from the UK Government will see a decline in our services and the health and well-being of communities the likes of which we have not seen before.

We agree that the Local Authority cannot move forward with a 'salami slice' approach to managing the situation we have before us.

We welcome the additional funding of 6.9% from the Welsh Government but must add that in real terms this is well below the current rate of inflation (10.7% - HM Treasury Nov 2022).

Section 5.3.4 of the report refers to 5% being assumed for April 2023 for the NJC pay award. It is important to note that the recognised NJC trade unions have recently submitted a claim to the Employers side asking for RPI + 2% (12.7%). We believe this is a fair and realistic pay claim given the current financial climate.

Section 5.7.5 of the report refers to '*a new relationship will need to be built with staff and communities.*' UNISON would ask for further clarification on what is meant by this statement.

Section 5.7.13 (1) of the report refers to '*undertake a strategic review of support services across all services to create multi-disciplined roles serving the whole organisation.*' Again, UNISON would ask for further clarification on what is meant by this statement.

Section 5.7.13 (2) of the report refers to '*annual financial targets will be provided to each Corporate Director and respective Head of Service to help frame the overall requirement.*' We are unclear how this approach will be different to that of 'salami slicing', a strategy which the report has already chosen not to employ. Many years of falling budgets have seen Directors and Head of Service given a percentage saving figure to achieve. We are unclear how this approach would deliver different outcomes.

This section of the report refers to a number of '*areas for review.*' UNISON would ask for clarification on why these areas have been selected and what are the desired outcomes.

In Section 9 of the report, the Local authority has chosen to continue its approach of not filling vacant posts. Whilst we appreciate that this is a more favourable approach than compulsory redundancy, UNISON have been given assurances from the Chief Executive that the Authority would be looking to put '*more boots on the ground.*' Accordingly, we are keen to explore this

statement further with the Corporate management team and understand where vacancies are not filled the impact that this will have on remaining staff in terms of workload, expectations and wellbeing.

Section 9.2 of the report refers to the Trade Unions being *'fully engaged in proposals to reshape services moving forward'*. UNISON would welcome this as concerns have been raised with the Chief Executive and Leader with regards to the approach taken on methods of consultation with the trade unions in this respect.

Unfortunately, UNISON has not had the opportunity to meet with Directors and/or Heads of Services to discuss the budget proposals prior to public consultation and therefore there are multiple areas within the Draft Budget Report that we would ask for further clarification on, in particular around:

- Cost associated to annual leave
- Areas of budget re-alignment
- Areas of vacancy management and the deletion of posts
- The creation of additional posts
- Reduction in mileage budgets

UNISON would also like to highlight the considerable cost savings of approximately £266k from mileage budgets. While this is positive for the Local authority, we would seek to understand how these savings have been arrived at and would hope that such savings have not merely been transferred on to the shoulders of staff to bear.

Specific comments have also been received from our membership concerning the impact of raising Council tax to 7.9% and the way in which information is presented to the public for consultation. It has been suggested that the Local Authority may wish to consider including the following in future public consultations:

- Provide a data table showing total budget allocations across Directorates and Services (Revenue and Capital);
- Show and explain the impacts of efficiency savings and the wider community impacts;
- Explain what and why reserves are being held back;
- Attach an Organisation Chart to show the diversity and complexity of our services;
- Highlight pay and remuneration across the different Directorates and service staffing levels;
- Structure the finance information tables in a logical order for easier understanding;
- Guidance for improvements previously communicated by the Council Regulators;
- Explain how proposals align with service/public needs;
- Explain how proposals align with current published Manifestos, Strategies, Priorities etc.;
- Feedback from staff and trade unions to address service delivery needs and concerns;
- Show commitments to address known service transformation, corporate/service reviews;
- Show how proposals align and impact on the Well-being of Future Generations Act 2015 – goals;
- Show the strategic risks faced by the Council, and
- Offer a clear structure and building blocks of information.

As always, UNISON is happy to discuss any aspect of our feedback.

Lianne Dallimore
Caerphilly UNISON Branch Secretary

Juan-Antonio Garcia
Caerphilly UNISON Branch Chair