



VOLUNTARY SECTOR LIAISON COMMITTEE – 5TH DECEMBER 2018

SUBJECT: DRAFT BUDGET PROPOSALS FOR 2019-20

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide Committee Members with an update on the Council's draft budget proposals for the 2019-20 financial year.

2. SUMMARY

- 2.1 Following the announcement of the Welsh Government Provisional 2019-20 Local Government Financial Settlement on 9th October 2018, Caerphilly CBC is currently consulting on draft budget proposals for 2019-20 prior to a final decision by Full Council in February 2019.
- 2.2 The draft budget includes savings proposals for 2019-20 totalling £14.66m and this report provides details of the savings proposals relating directly to the Voluntary Sector.

3. LINKS TO STRATEGY

- 3.1 The budget setting process encompasses all the resources used by the Council to deliver services and meet priorities.
- 3.2 This report is consistent with the commitments, values and principles of the Draft Third Sector Partnership Agreement 2018 to 2021.
- 3.3 Effective financial planning and the setting of a balanced budget support the Well-being Goals within the Well-being of Future Generations (Wales) Act 2015:
- A prosperous Wales
 - A resilient Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and thriving Welsh language
 - A globally responsible Wales

4. THE REPORT

- 4.1 The Welsh Government Provisional 2019-20 Local Government Financial Settlement was published on 9th October 2018. For Caerphilly CBC there is an overall net cash decrease of £560k (0.21%) in the Aggregate External Finance (Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates).

- 4.2 At its meeting on 14th November 2018 the Council's Cabinet agreed draft 2019-20 budget proposals, which are currently subject to consultation prior to final budget proposals being presented to Cabinet and Full Council in February 2019. The proposals will deliver a balanced budget for 2019-20, on the basis that Council Tax is increased by 6.95%. Table 1 provides a summary:

Table 1 – Summary

Description	£m	£m
Whole Authority cost pressures	14.106	
Inescapable Service pressures	4.130	
Reduction in Welsh Government funding	0.560	
Draft savings proposals for 2019-20		14.660
Savings in advance	0.251	
Council Tax increase (6.95%)		4.387
Total	19.047	19.047

- 4.3 Draft savings proposals have been identified for the 2019-20 financial year totalling £14.66m as summarised in Table 2:

Table 2 – Draft Savings Proposals 2019-20

Description	2019-20 Saving £m
Savings proposals with no public impact	4.557
Savings proposals with a public impact:	
• Low impact	5.500
• Medium impact	3.618
• High impact	0.985
Total	14.660

- 4.4 As in previous years, those savings proposals that are not expected to have an impact on the public have been consolidated into a single line for each service area. These 'nil impact' savings consist in the main of vacancy management, budget realignment and minor changes to service provision. Details of draft 2019-20 savings proposals that have a direct impact upon the voluntary sector are provided in 4.5 below.

4.5 DRAFT 2019-20 SAVINGS PROPOSALS IMPACTING ON THE VOLUNTARY SECTOR – PERMANENT SAVINGS PROPOSALS

- 4.5.1 GAVO (Youth Service) – Remove contribution (£25k) – Public Impact: Medium
This proposal is for the decommissioning of the final element of this grant, already reduced by 50% with no impact for the public. The Youth Service has and will continue to support the function that this grant was originally intended to support, as all elements of the service expand to a year round delivery position.
- 4.5.2 Reduction in Community Regeneration Fund (£50k) – Public impact: Low
The revenue budget available for Community Regeneration Fund (CRF) Grants will be permanently reduced by 50%, down to circa £50k based on the amount available in 2018-19. However, it will be temporarily reduced by 100% for a single year in 2019-20 to balance

budgets. It should be noted that this is a discretionary grant programme. During 2017-18, a total of £129,432 in revenue funding was awarded to 9 local projects in local communities, which resulted in an underspend of £102,976 against the total revenue budget for the year. In 2018-19, the revenue budget was reduced down to reflect this underspend the previous year with little adverse effect. A new focus on targeting outputs that will help stimulate the local economy will direct the reduced revenue allocation, which will be bolstered by a 2019-20 capital budget of nearly £100k. CCBC Officers working with local communities will continue to identify alternative sources of funding for local projects, especially those in Regeneration, Housing and Social Services.

4.5.3 Community Centres – Withdrawal of funding for 2 centres (Rudry & Glan-y-Nant) not in CCBC ownership (£13k) – Public Impact: Low

At present CCBC supports a portfolio of 37 managed Community Centres geographically spread across the county borough. This network is supported by a further 12 independently managed Community Centres that are not supported financially by CCBC. Both Rudry and Glan-y-Nant Community Centres are facilities that have received historic support from CCBC (totalling £13k collectively) to support caretaking costs and insurances. Despite this arrangement there is no documentary evidence to support that a formal arrangement was agreed. The initial funding arrangement appears to have been provided on the basis that the facilities provided were of the same context and nature as those supported by CCBC, however this is not consistent or applied fairly when considering the other 12 non-supported community centres across the county borough.

4.5.4 Community Centres – Reduction of 1 hour Caretaker support across all centres (£18k) – Public Impact: Low

At present CCBC supports a portfolio of 37 managed Community Centres geographically spread across the county borough. Each Community Centre is supported by a CCBC employed caretaker on a 12 hour per week contract. Each contract is supported by 11 hours contribution from CCBC, with the additional 1 hour being funded by each individual Community Centre. This proposal would increase the Community Centre contribution to 2 hours and reduce the CCBC contribution to 10 hours.

4.5.5 Community Centres – Reduction of all Caretaker support across all centres from October 2019 (£79k) – Public Impact: High

At present CCBC supports a portfolio of 37 managed Community Centres geographically spread across the county borough. Each Community Centre is supported by a CCBC employed caretaker on a 12 hour per week contract. Each contract is supported by 11 hours contribution from CCBC with the additional 1 hour being funded by each individual Community Centre. Some Community Centres within the portfolio operate for significantly above the 12 hours identified above and any additional costs are again funded by the individual Community Centre. It should however be noted that a number of Community Centres do not operate for the 12 hour period, and as such caretakers are being fully funded despite facilities not being open for public use. Each autonomous Community Centre management committee will be required to carefully examine their existing delivery models. This will be supported (where required and appropriate) by CCBC officers, to assist in developing an appropriate and efficient delivery model, to access grant funding where possible and targeted facility use aimed at maximising income potential.

4.5.6 Community Centres – Closure of 4 centres (Tirphil, Phillipstown, Channel View & Lower Rhymney) (23k) – Public Impact: Medium

At present CCBC supports a portfolio of 37 managed Community Centres geographically spread across the county borough. This represents a high degree of provision. This network is further supported by 12 independently managed community centres that do not receive financial support from CCBC. The facilities identified above have been subject to a previous review in 2015, with a recommendation to pursue facility closures.

4.5.7 Review of Barnardo's Contract (£189k) – Public Impact: Medium

The current Barnardo's contract provides the following four service strands:

- Contact – a supervised contact service for children and families where there are safeguarding concerns and risks
- Young Carers – the identification, assessment and support of young carers is a statutory function for the Council
- Domestic Abuse – victim and perpetrator programmes including individual work and group work for children, women victims and male perpetrators
- Family Support – broad services including individual and group work, parenting support, keep safe work and behaviour management

The contract expires in September 2019, so Children's Services has undertaken a review of the services provided to identify areas that can be reduced in order to achieve savings. Whilst the Family Support element is an important preventative service, the key elements for the families in greatest need can be provided by the Social Work Teams within Children's Services. It is therefore proposed that the Family Support element of the service will cease.

4.5.8 Non-renewal of Mental Health Carers Support contract (£34k) – Public Impact: Low

The contract for the Mental Health Advocacy Service with the Carer's Trust was cut by 50% in 2016/17. The Trust is aware and there is currently consultation going on to establish the views/opinions of people who have been using the service. The service is very longstanding and the date, the main things that people have advised are beneficial are:

- The support group in Blackwood every 2 weeks – this can be supported at arm's length in the future by CCBC Carers Team
- Benefit advice and guidance – this can be supported in the future by Supporting People where appropriate and information directed by IAA
- More specialist advice about the mental health system and Act – this can be provided by social workers or care coordinators involved with the individual

It has been agreed that the funding will end in March 2019.

4.5.9 Llamau grant reduction (£3k) – Public Impact: Nil

A small saving of £3k is proposed in respect of services provided by Llamau to support those who may be at risk of homelessness due to domestic violence. This is the result of an existing member of staff reducing their hours slightly, which is considered to have no impact on the service with a small saving being realised. The reduced hours will be covered by existing staff, where a judgement will be made if they require referral to the Llamau worker.

4.5.10 Reduction in Voluntary Sector Service Level Agreements (£42k) – Public Impact: Medium

The authority currently has three service level agreements (SLAs) with the voluntary sector totalling £250k. The organisations that deliver services (in partnership with the Council) under this budget are Caerphilly and Blaenau Gwent Citizens Advice Bureau (CAB), Groundwork Wales and the Gwent Association of Voluntary Organisations (GAVO). For 2019-20 it is proposed to implement a percentage reduction across all three SLAs, such that the total budget reduces by £42k. Each SLA has a defined focus – the CAB agreement supports free, confidential and impartial advice to county borough residents on a range of issues, and it is proposed that an SLA to the value of £137k will remain. The SLA with Groundwork Wales supports projects that develop sustainable communities and allows people to access qualifications in horticulture to increase employment prospects, and it is proposed that an SLA to the value of £36k will remain. The SLA with GAVO supports third sector organisations to grow and develop, and it is proposed that an SLA to the value of £35k will remain.

4.5.11 Reduction in Technical Assistance budget (£5k) – Public Impact: Low

The Technical Assistance Budget is used to support technical advice and guidance for the required professional assessment and fees, to allow access to sources of external funding for third sector organisations e.g. Big Lottery funding, Welsh Government Community Facilities Programme, and the Council's Community Regeneration Fund. Support is provided for architect fees, legal fees and surveyor's costs. The proposed reduction will leave a remaining budget of £10k.

- 4.5.12 Equalities Impact Assessments have been produced for each of these proposed savings, and these can be accessed on the Council website
<https://www.caerphilly.gov.uk/involved/Consultations/thecaerphillyconversation>.

4.6 DRAFT 2019-20 SAVINGS PROPOSALS IMPACTING ON THE VOLUNTARY SECTOR – TEMPORARY SAVINGS PROPOSALS (2019-20 ONLY)

4.6.1 Community Regeneration community projects (£35k) – Public Impact: Low

The community projects budget (£60k in 2018-19) is primarily used for supporting community partnerships and associations in achieving long term sustainability. Since the phasing out of the Communities First programme over the past 2 financial years, the level of support has reduced due to a number of groups being disbanded. The proposed reduction in the budget to £25k reflects the estimated need for support going forward. The budget is also utilised to support environmental community led projects alongside the Area Forum budget and Enhanced Maintenance budget. This budget will continue to contribute to suitable projects wherever financially viable.

4.6.2 Community Regeneration Fund (£50k): Public Impact: Low

See section 4.5.2 for overview of Community Regeneration Fund (CRF) savings. However, in order to balance budgets a decision has been taken to reduce this discretionary grants revenue budget to zero for the financial year 2019-20 only. There will still be a capital allocation of circa £100k in 2019-20 which will be targeted towards projects that help stimulate the local economy.

- 4.6.3 Equalities Impact Assessments have been produced for each of these proposed savings, and these can be accessed on the Council website
<https://www.caerphilly.gov.uk/involved/Consultations/thecaerphillyconversation>.

4.7 FINAL 2019-20 LOCAL GOVERNMENT FINANCIAL SETTLEMENT

- 4.7.1 Details of the Final 2019-20 Local Government Financial Settlement will be issued by Welsh Government on 19th December 2018.
- 4.7.2 The public consultation on the Council's 2019-20 budget proposals is running from 19th November 2018 to 11th January 2019, following which final 2019-20 budget proposals will be presented to Cabinet and Council in February 2019.

4.8 FINANCIAL OUTLOOK FOR FUTURE YEARS

- 4.8.1 The Medium Term Financial Plan (MTFP) presented to Council in February 2018 showed a potential savings requirement of £34m for the four year period 2019-20 to 2022-23. There is currently no indicative allocation for 2019-20 provided by Welsh Government. Hence it has been assumed that Aggregate External Finance (AEF) will continue to reduce by 0.5% for the following 4 years after 2019-20. The revised MTFP assumptions now require savings to be achieved of £44m from 2020-21 to 2023-24.
- 4.8.2 The Chancellor's Autumn Statement on 29th October 2018 will result in additional funding to WG as a consequence of increased funding for the NHS, Social Care, Schools and Business Rates. Excluding the NHS consequential this could provide an additional £57m to Wales. The Minister for Local Government has stated that local government will be a priority when WG considers how to allocate any additional funds coming out of this Autumn Statement. The 2019-20 draft budget proposals assume no additional funding compared to the Provisional Settlement as at this stage nothing has been confirmed.

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

5. WELL-BEING OF FUTURE GENERATIONS

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

6. EQUALITIES IMPLICATIONS

- 6.1 An Equalities Impact Assessment will be completed for all of the 2019-20 savings proposals that are expected to have an impact on the public. This is to ensure that decisions that affect different individuals and groups are assessed at an appropriate and relevant level and at the correct stage in the process.
- 6.2 Consultation with residents (when done in accordance with the Council's Public Engagement Strategy and the Equalities and Monitoring Guidance) also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision making process.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications are those set out in the report.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no personnel implications associated with this report.

9. CONSULTATIONS

- 9.1 This report has been sent to the consultees listed below and any additional comments received will be reported at the meeting.

10. RECOMMENDATIONS

- 10.1 That the Voluntary Sector Liaison Committee consider and comment upon the Council's draft 2019-20 savings proposals that have a direct impact on the Voluntary Sector.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure that the Voluntary Sector Liaison Committee is aware of the draft 2019-20 savings proposals that have a direct impact on the voluntary sector, and has the opportunity to be involved in the development of the Council's draft budget for 2019-20.

12. STATUTORY POWER

12.1 The Local Government Acts 1998 and 2003.

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Appendix A: Cabinet Report on Draft Savings Proposals for 2019-20 – 14th November 2018

Appendix B: Budget Figures Summary and Response Questionnaire