



VOLUNTARY SECTOR LIAISON COMMITTEE – 6TH DECEMBER 2017

SUBJECT: DRAFT BUDGET PROPOSALS FOR 2018/19

REPORT BY: ROB HARTSHORN, HEAD OF POLICY AND PUBLIC PROTECTION

1. PURPOSE OF REPORT

- 1.1 To provide Committee Members with an update on the Council's draft budget proposals for the 2018/19 financial year.

2. SUMMARY

- 2.1 Following the announcement of the Welsh Government Provisional 2018/19 Local Government Financial Settlement on the 10th October 2017, Caerphilly CBC is currently consulting on draft budget proposals for 2018/19 prior to a final decision by Full Council in February 2018.
- 2.2 The draft budget includes savings proposals for 2018/19 totalling £7.205m 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 Voluntary Sector Compact 2013-17.
- 3.3 Effective financial planning and the setting of a balanced budget support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 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 2018/19 Local Government Financial Settlement was published on the 10th October 2017. For Caerphilly CBC there is a cash increase of £1.973m in the Aggregate External Finance (Revenue Support Grant and Redistributed Non-Domestic

Rates). However, after adjusting for the transfer in of specific grants and new responsibilities this equates to a net cash reduction of £2.965m (1%) compared to the 2017/18 financial year.

- 4.2 At its meeting on the 15th November 2017 the Council's Cabinet agreed draft 2018/19 budget proposals which are currently subject to consultation prior to final budget proposals being presented to Cabinet and Council in February 2018. The proposals will deliver a balanced budget for 2018/19 on the basis that Council Tax is increased by 4.52%. Table 1 provides a summary: -

Table 1 - Summary

Description	£m	£m
Whole-Authority cost pressures	8.867	
Inescapable service pressures	2.310	
Increase in Welsh Government funding		1.973
Draft savings proposals 2018/19		7.205
Contingent sum/savings in advance	1.000	
Council Tax uplift (4.52%)		2.999
TOTAL	12.177	12.177

- 4.3 Draft savings proposals have been identified for the 2018/19 financial year totalling £7.205m as summarised in Table 2: -

Table 2 – Draft Savings Proposals 2018/19

Description	2018/19 Saving £m
Savings proposals with no public impact	4.682
Savings proposals with a public impact: -	
• Low impact	1.218
• Medium impact	1.305
TOTAL	7.205

- 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 2018/19 savings proposals that have a direct impact upon the voluntary sector are provided in 4.5 below.

4.5 Draft 2018/19 Savings Proposals Impacting Upon the Voluntary Sector

- 4.5.1 **Decommissioning of Hospital Discharge Contract currently held by Age Cymru (£46k) –**
This proposal is to decommission the current contract let jointly with Health, which provides services for a relatively low number of people receiving non-statutory services for a short period of time. The implementation of the Social Services & Well-Being (Wales) Act 2014 means these people should be sign-posted via the Council's Information, Advice & Assistance Team to promote their independence and choice and to control their own needs. The current contract comes to an end in March 2018. The impact on the public will be in relation to people being discharged from hospital and will be mitigated via the provision of information, advice and assistance including literature being produced by Health.
- 4.5.2 **Decommissioning of 2 Luncheon Club contracts (£12k) -** Two Luncheon Clubs currently operate in Panside (Newbridge) and Nelson. Only 3 people currently attend the Panside Club and 11 people attend Nelson. The savings proposal is to cease funding to both these Clubs and offer people services of a community connector to look at other options in their communities. Alternatively the provider may be able to find a different funding stream.

- 4.5.3 **Decommission DEWIS advocacy contract, residential homes (£12k)** - This contract ended in March 2017 and £45k was retained (a budget reduction of £12k) to enable the spot purchase of advocacy services to meet identified needs, using the arrangements Newport City Council have in place. This reduction reflects demand on the advocacy service.
- 4.5.4 **Decommission Care & Repair Safety at Home contract (£13k)** - The current contract comes to an end in March 2018 and it is proposed that it is not recommissioned. The contract provides minor adaptations in peoples' own homes but there are many other options to providing this service. The implementation of the Social Services & Well-Being (Wales) Act 2014 means these people should be sign-posted via the Council's Information, Advice & Assistance Team to promote their independence and choice and to control their own needs. Mitigation could be via application for Integrated Care Fund grant. In 2017/18 Care & Repair have been successful in securing circa £60k from the Integrated Care Fund across the Gwent region but will need to bid for funding in 2018/19. The Council has a separate minor adaptations budget which provides support for those most in need.
- 4.5.5 **Cease contribution to Stroke Association contract (£18k)** - The Health Board let this contract to which Caerphilly CBC currently makes an £18k contribution. In the last few years Health have received significant funding via the Integrated Care Fund to develop services for neurological conditions, hence alternatives are available.
- 4.5.6 **Reduce Advocacy Contract currently held by Carers Trust (£36k)** – The current value of this contract is £72k. It is proposed to re-tender on a lower value of £36k to reflect demand as advocacy services are available from a number of other sources. There is the option of potentially looking to commission services on a regional footprint to achieve better value for money when the contract ends in October 2018.
- 4.5.7 **Reduction in Technical Assistance budget (£4k)** - The Technical Assistance Fund is used to support technical advice and guidance for the required professional assessments and fees to allow access to funding provided through the Community Regeneration Fund and other external grant programmes such as the Community Facilities Programme (Welsh Government) and Big Lottery e.g. solicitors and legal fees, lease costs etc. The proposed £4k reduction would leave a remaining budget for 2018/19 of £15k.
- 4.5.8 **Reduction in Well-being budget (£10k)** - The Well-being budget of £41k was established in 2017/18 by bringing together a number of smaller budgets that each had a link to promoting well-being. The budget supports a range of well-being activity including, for example, health, sustainability, and 50+ initiatives. For 2018/19 it is proposed that the £41k budget is reduced to £31k.
- 4.5.9 The Well-being budget also funds the Greener Caerphilly Small Grants scheme which is usually accessed by services and external partners delivering environmental projects. The projects have always demonstrated collaborative working with other partner organisations and delivered tangible environmental improvement and benefits to the community. The funding awarded was dependant on applicant match funding on a £1 for £1 basis, so in some circumstances the funding helped partners secure additional funding.
- 4.5.10 Historically, approximately £5k of the Well-being budget has been allocated to third sector partners for environment and sustainability
- 4.5.11 **Reduction in Community Regeneration Fund (£137k)** - The Community Regeneration Fund (CRF) enables community and voluntary sector organisations in the county borough to bid for revenue funding to take forward initiatives they have developed for the benefit of the local community or service users. The revenue budget for 2017/18 is £232k and it is proposed to reduce this to £95k in 2018/19. There was an underspend of £115k on the CRF budget in 2016/17.
- 4.6 Details of the Final 2018/19 Local Government Financial Settlement will be issued on the 20th December 2017. The public consultation on the budget is running from the 13th of November

2017 to the 8th January 2018, following which final 2018/19 budget proposals will be presented to Cabinet and Council in February 2018.

4.7 Financial Outlook for Future Years

- 4.7.1 At its meeting in February 2017, the Council was presented with an updated Medium-Term Financial Plan that showed a potential savings requirement of £22.2m for the three-year period 2019/20 to 2021/22. This assumed a cash flat position in terms of the Local Government Financial Settlement for each of the three years.
- 4.7.2 The Provisional 2018/19 Local Government Financial Settlement included an indicative all-Wales reduction in funding of minus 1.5% for the 2019/20 financial year. This would increase Caerphilly CBC's savings requirement by a further £3.9m for 2019/20 alone. If this was replicated in 2020/21 and 2021/22 then further savings of £7.8m would be required. This would result in a total savings requirement of circa £34m for the three-year period 2019/20 to 2021/22.
- 4.7.3 The Final 2018/19 Local Government Financial Settlement will include a revised indicative figure for 2019/20. This will take account of any impact on the Welsh Government budget of the UK Government Autumn Budget Statement.
- 4.7.4 An updated Medium-Term Financial Plan covering the period 2018/19 to 2022/23 will be presented to both Cabinet and Council in February 2018 but it is clear that significant financial challenges lie ahead.

5. WELL-BEING OF FUTURE GENERATIONS

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

6. EQUALITIES IMPLICATIONS

- 6.1 An equalities impact assessment will be completed for all of the 2018/19 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 Consultation 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 As detailed throughout 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 all comments received are reflected in the report.

10. RECOMMENDATIONS

- 10.1 That the Voluntary Sector Liaison Committee consider and comment upon the Council's draft 2018/19 savings proposals that have a direct impact upon the Voluntary Sector.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure that the Voluntary Sector Liaison Committee is aware of the draft 2018/19 savings proposals that have a direct impact upon the Voluntary Sector and has the opportunity to be involved in the development of the Council's draft 2018/19 budget.

12. STATUTORY POWER

- 12.1 The Local Government Acts 1998 and 2003.

Author: Rob Hartshorn, Head of Policy and Public Protection

Consultees:	Steve Harris	Interim Head of Corporate Finance
	Jo Williams	Assistant Director, Adults Services
	Kathryn Peters	Corporate Policy Manager
	Dave Whetter	Principal Engineer, Communities

Background Papers:

"Draft Budget Proposals 2018/19" Caerphilly county borough council Cabinet report, dated 15th November 2017.