CLILC
WLGA

Finance Committee: Scrutiny of Welsh Government's Draft Budget Proposals 23-24

Jon Rae, Director, Director of Resources

Welsh Local Government Association - The Voice of Welsh Councils
The Welsh Local Government Association (WLGA) is a politically led cross party organisation that seeks to give local government a strong voice at a national level.

We represent the interests of local government and promote local democracy in Wales.

The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.
Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by
• Promoting the role and prominence of councillors and council leaders
• Ensuring maximum local discretion in legislation or statutory guidance
• Championing and securing long-term and sustainable funding for councils
• Promoting sector-led improvement
• Encouraging a vibrant local democracy, promoting greater diversity
• Supporting councils to effectively manage their workforce

Introduction

1. This evidence paper addresses the questions posed by the committee in annex 2 of the commissioning letter. It is largely based on the paper that we presented to Welsh Government in a meeting of the Finance Sub Group on 13 October. Most of it comprised our assessment of local government spending pressures that have escalated significantly over the current financial year. We have updated our estimates of the pressures in 23-24 and 24-25 based on local authorities' medium-term financial plans. These are based on the results of a full survey of councils and fire services carried out during August/September with the help of the Society of Welsh Treasurers (SWT).

Summary

2. Cumulatively, the pressures building up in the system are starting to look potentially catastrophic. Recent experience tells us that pressures in local government budgets vary from anything between £250m to £300m in any one financial year. Even though pressures in the current financial year were offset by a generous settlement, it is becoming clear that there are additional in-year pressures amounting to £257m. This becomes a cumulative pressure £784m by the end of 23-24. Surging inflation continues to drive the cost base up by £439m in the subsequent year, which gives a cumulative pressure of £1.23bn by the end of 24-25 according to the SWT survey.

3. On the funding side, planned increases in Aggregate External Finance (AEF) of 3.5% and 2.4% in 23-24 and 24-25 respectively, will yield an additional £293m in additional grant. Councils are planning for £121m worth of council tax increases over the same period. Taking these and other funding streams together means that there is £421m of additional income available leaving a cumulative shortfall of £802m by the end of 24-25.

4. Every authority is now reporting an overspend in the current financial year and budget gaps in the future years. Other than the experience of the early months of the pandemic, there is no precedent for pressures of this scale escalating so quickly. Without additional funding the risks to all local government services including the larger ones of education and social care cannot be understated.

Analysis

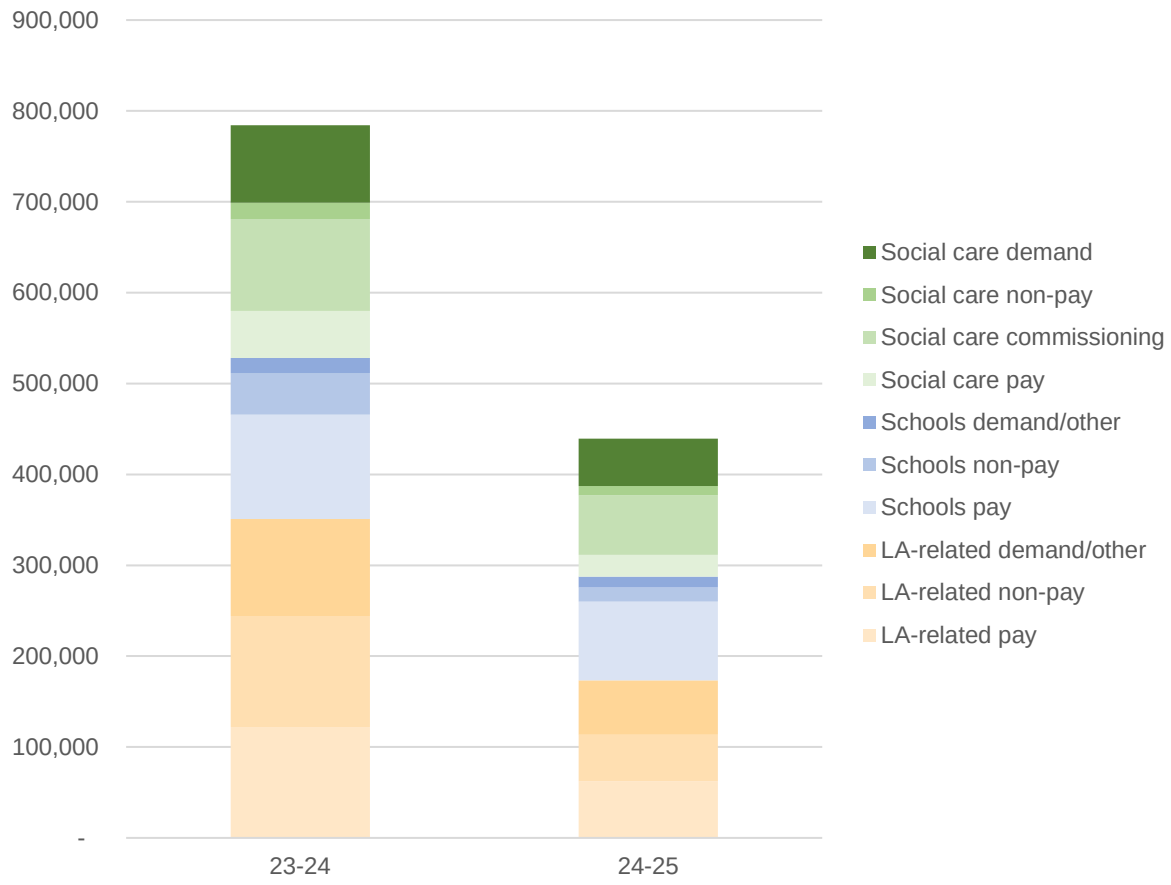
5. In August the Institute of Fiscal Studies (IFS) described the UK economy as 'under the cosh'. Referring to the Bank of England's latest economic forecasts the IFS describes the UK set to face both a recession and an extended period of high inflation and this presents a serious challenge to households, businesses

and public services. For local public services, cash-based budgets do not automatically increase for unexpected inflation and councils purchase fewer goods and services, and budgets shrink in real terms.

6. Inflationary pressures in council budgets arise from 4 main sources: pay, energy, transport, and food. Additional inflationary pressures that were initially flagged up at the end of the last financial year are starting to feed into this year's spending commitments and affect future financial plans in a significant way. This will impact on budgets both in the current financial year, and in 2023-24 and 24-25.

7. Figure 1 shows how the pressures, in both financial years, breaks down by service and theme. The pressure in the current financial year is close to £257m and is rolled into next year's pressure of £527m which makes the cumulative pressure £784m at the end of 23-24. The additional pressure of £439m in the subsequent year, gives a cumulative pressure of £1.23bn by the end of 24-25.

Figure 1: Councils' Budget Pressures, 2023-24 and 2024-25, £000s



Source: SWT Survey 2022

8. Although there is speculation as to whether the spending review may be reopened, the profile of increases for AEF is 3.5% (£177m) and 2.4% (£128m), for 23-24 and 24-25, respectively. Assumptions around council tax are mostly based on a range and could yield around of £60m for each of those years. Taking these and other funding streams together means that there is £421m of additional income available leaving a cumulative shortfall of £802m by the end of 24-25.

Pay Inflation

9. During the summer, the immediate challenge was a need to recruit and retain staff to aid with the pandemic recovery and we reported significant supply constraints in areas like social care. The Welsh Government has already committed to uplifting care workers' pay in line with the cost-of-living-indexed Real Living Wage (RLW) and that is helpful. However, the increase in the RLW to £10.9 is a pressure that needs to be built into the funding for 23-24 especially in respect of commissioned social care services.

10. During the year the three NJC unions (UNISON, GMB and Unite) had tabled their pay claim for local government services ('Green Book') employees for 2022-23. The claim states that council workers have '…endured a decade of pay freezes and below average pay awards…[and]…have lost on average 27.5% from the value of their pay spine since 2010. The pay claim is set in the context of the cost-of-living crisis and inflationary pressures.

11. At the end of July, the national employers responded to the unions pay claim with an offer of £1,925. Overall, this puts an additional 6.5% to 7.5% pressure on the local government pay bill with the majority of authorities assuming between 3% to 4% at the time budgets for 22-23 were set in early 2022. The Welsh Government accepted the recommendations of the Independent Wales Panel for Teacher's Pay and offered 5%. Again, most councils were assuming between 3% and 4%.

12. UNISON and GMB members have voted to accept the National Employers' final pay offer for local government services ('Green Book') employees, however, Unite rejected it. This is disappointing but does not prevent a collective agreement from being reached and implemented by employers as Unison and GMB represent the majority on the Trade Union Side and have formally accepted the offer. Councils were notified on the 1 November.

13. The national employers for Fire and Rescue Services revised their pay offer and proposed a 5% uplift across all pay points on 4 October 2022, this is now with the FBU for consideration. Whilst the cost of this may be met through existing budgets for 2022-23, there will be an impact on the fire contribution levy in future years, with an increase anticipated of between 10-16%.

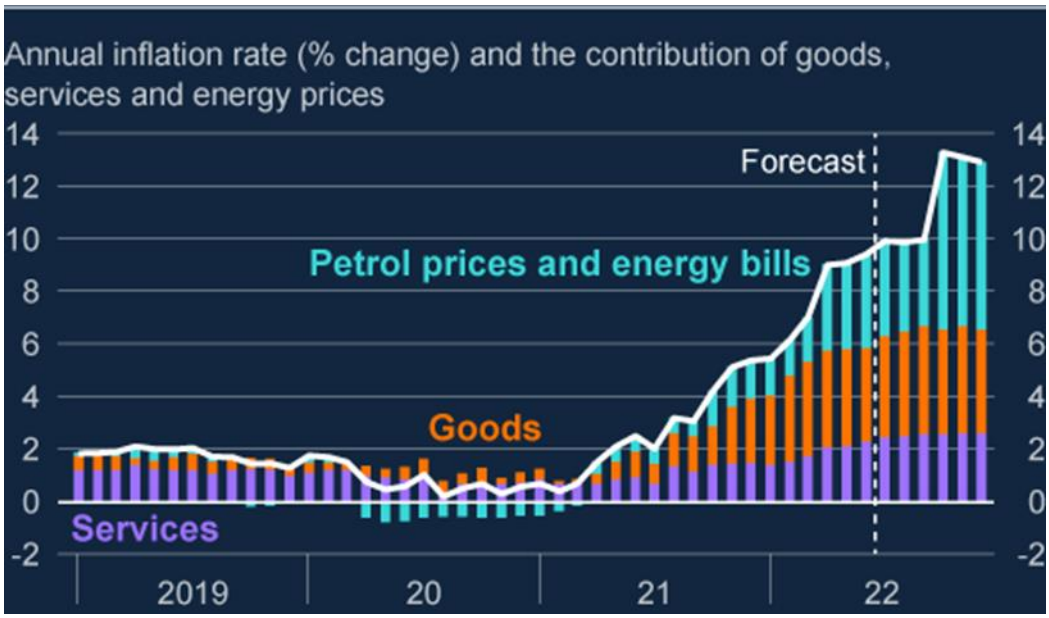
14. Overall, the survey returns are telling us that the unplanned increase in the wage bill in 22-23 comes to £109m: £32m for schools, £20m in social care and £57m in other council services. As responsible employers, committed to social partnership, we will be fully engaged in discussions with the unions over the coming period. Councils are making plans for £462m of pay pressure by the end of 24-25, nearly 40% of the overall cumulative pressure of £1.18bn

Non-pay Inflation

15. According to the Office for National Statistics (ONS) the Consumer Prices Index rose by 10.1% in the 12 months to September 2022. The rapid increase in inflation is evident when comparing this figure with 3.1% CPI in September 2021. Energy cost increases consistently feature in the reasons for the considerable increase seen in 2022.

16. In August 2022 the Bank of England's Quarterly Monetary Policy report indicated inflation was well above their 2% target. It stated, 'Higher energy prices are one of the main reasons for this'. Russia's invasion of Ukraine has led to more increases in the price of gas. Since May, the price of gas has more than doubled. We think those price rises will push inflation even higher over the next few months, to around 13%. The following chart was included in the report.

Figure 2: Bank of England's Inflation analysis and forecast August 2022



Source: Bank of England

17. The impact of rising costs due to the rapid increase in inflation has led to the significant recalculation of the estimated non-pay inflation costs faced by councils in 2023-24. At the time of the previous SWT survey in 2021 the non-pay

inflationary pressure for 2023-24 was calculated at £65m. The recent survey has seen this rise to £124m creating an estimated £58m of additional pressure.

18. The emergence of inflation at levels outside of previous estimates comes at a time when the significant and welcome temporary financial support provided by Welsh Government during the pandemic has ended. Increased inflation will also drive increased demand for services at a time when councils are facing inflationary pressures.

19. It is also clear that the inflation position has quickly deteriorated in 2022 requiring financial projections contained within medium term financial plans to be significantly updated. For many councils this means a 100% increase in the projected non pay inflation costs for 2023-24.

20. The survey indicates the impact of inflation is driven by the impact of global events that councils can do little to mitigate. With average council tax assumptions set at just under 4% councils have to balance raising funding with cost-of-living pressures faced by residents. Regardless of Council Tax assumptions, the current estimated pressures both in the current and future financial years are surpassing the estimates made last year that fed into the spending review.

21. There is a consistent message about pressures currently faced by councils who report that areas such as home to school transport, school catering and energy costs are already causing pressure on revenue budgets. One authority indicates that home to school transport inflationary pressure is £950k above the current budget. Inflation has seen the handing back of contracts by some transport providers. Inevitably there is a general trend of contracts being repriced at time of retender.

22. The findings of the SWT survey are in line with those made by the Market Intelligence Expert Group (MIEG), a subgroup of the WLGA National Procurement Network, formed in June 2022 to coordinate and share market intelligence. MIEG's briefing in September indicated inflation was affecting categories of council expenditure from utilities to food. It highlighted some parts of the economy are suffering inflation in excess of headline CPI or RPI rates. For example, food inflation was over 10% on August 2022, a new 40 year high. This will impact areas such as school meals as well as the lives of the most vulnerable who depend on council services.

23. Some councils are able mitigate the increased costs in the current year through existing fixed energy contracts. However, these price fixes will not cover the 2023-24 financial year. At present, there is no certainty regarding the UK Government's Energy Price Guarantee for public services after March 2023. Depending of the framework adopted, some authorities are facing surging costs from the second half of the current year, even though they may be below the cap.

24. The position for 2024-25 is also impacted by increasing inflation. The estimated impact of an additional £56m brings the two-year impact for non-pay inflation to £179m

Education (Schools)

25. The survey indicates that Schools are facing estimated inflationary financial pressure of £161m in 2023-24 with a further £102m in the following year. The impact of inflationary pressures is evident given that the previous year's survey estimated inflationary pressures would be £49m in 2023-24, a third of the current estimate. Schools also face demand and other pressures bringing the overall totals to £177m and £114m in 23-24 and 24-25 Respectively. Cumulatively is a pressure of £291m over the two-year period.

26. Schools' estimates include the impact of energy price rises although some authorities are awaiting new contract rates. One authority is estimating that increased energy costs of over 60% for electricity and a 160% increase for gas will apply from October 2022 (this does not take into account any cap put in place by the Government).

27. Councils are building into estimates the general trend of contracts being repriced at higher values when services / works are re-tendered. This also includes food contracts as well as maintenance contracts.

28. Pay inflation for schools of £115m includes the assumed pay award for 2023-24. Authorities are also including 'catch up' funding for the 2022-23 proposed pay offer. There is some pressure being faced by schools for additional learning needs requirements.

29. Concerns regarding home to school transport costs are increasing. Councils are seeing contractors significantly increasing their costs and are feeling vulnerable as some contractors have more than 50% of the council's schools contracted to them. This has worked in the past to keep costs down, but the risk now is the sustainability of the contractors. One authority is facing market failure and has not received any bids from contractors. They are seeking alternative arrangements, even the possibility of setting up their own market operators.

30. New school builds are adding pressure to budgets as original build costs have significantly increased due to inflationary costs which are increasing each quarter.

Social care

31. The pandemic has exacerbated many of the existing challenges within social care that we were already well aware of, including increasing demand for services coupled with increasing complexity, insufficient funding and significant workforce pressures. The SWT survey indicates that social care is facing a considerable financial challenge in 2023-24 and 2024-25. The pressure being faced by both adults' services and children's services includes recruitment and retention of staff with this issue also affecting commissioned services from providers. Consequently, councils are factoring in the need to use agency staff and these costs further add to future years financial pressure. Councils comment that the pandemic increased financial pressure for social care services, and this continues to be evident even as councils move into the recovery phase.

32. The survey identified £95m worth of in-year pressures in social care with pay and non-pay inflation accounting for around £41m. Demand pressure in adults' services account for £25m and children's services account for £30m. Cumulatively these pressures rise to £256m and £156m in 23-24 and 24-25 respectively giving a cumulative total of £361m. Commissioned services, which are essential to the provision of social care, from independent providers are also affected by similar issues to local authority social care services with increased running costs for staffing and energy, as well as increases in relation to insurance and fuel which are further adding to significant financial pressure.

33. The fragility of the market, in particular in relation to domiciliary care (both in house and commissioned), where increased demand, along with a lack of suitable providers has previously been identified as an issue. The survey indicates that the social care market remains fragile, and this has impacts for the long-term sustainability of the sector. Local authorities have experienced domiciliary care packages being handed back by providers which has a wider impact on reablement provision, hospital discharges, prevention of admissions and responding to urgent need and some councils will inevitably face pressure to provide reablement provision if home care packages are handed back.

34. There are also increasing concerns for unpaid carers who have continued under severe pressure throughout the pandemic. While carers' services have continued to support people, there has been an increase in demand, with concerns that if unpaid carers are unable to continue to care effectively, then there will be increased demand for support placed on already overstretched services.

35. The loss of one year (2021-22 only) Welsh Government funding of the Social Care Recovery Fund and the Social Care Pressures Grant has impacted the ability to fund pressures such as high-cost placements within Adult Services (such as 24-hour care at home care packages) and Councils are dealing with, and factoring into future pressures costs previously met by former hardship funding to support pandemic related costs. One council notes some clients who have had delayed health care are now presenting to Social Care with higher dependency requiring more costly care provision.

36. Some councils indicate clients are moving over from England to benefit from the more generous capital threshold limits in Wales when moving into a care home setting. Some face demand pressures from Health and hospitals to provide care to speed up discharge.

37. Concerns continue to be highlighted over challenges finding appropriate and quality placements for children and young people. In particular, a lack of provision for children with complex needs with a lack of both fostering and residential placements available. Children's services estimated cost pressure reflects high-cost bespoke care. This is in high demand, but supply of appropriate services is low. As a result, one council has seen a 25% increase in the average cost of placements in the last 12 months. The high placements costs for care reflects a lack of availability making commissioning placements a challenge.

38. There are also significant issues in relation to the recruitment and retention of experienced social work staff in children's services with demand for permanent, experienced workers outstripping supply, this also leads to a greater reliance on more expensive agency staffing. In addition, councils are reporting an impact as a result of Welsh Government's 'not for profit' pledge with signs that progression of this commitment is having a destabilising impact on availability of residential provision.

39. Higher levels of referrals have been seen for early help / intervention services, with COVID-19 having an impact on children and family's stability, development and security. Along with increased volume of cases has been an increase in complexity of need which require specialist interventions / workers. Councils have long recognised that there needs to be an increased focus and investment on prevention and early intervention services. A move to more upstream interventions and approaches to support families at earlier stages, preventing escalation of issues and the need for crisis responses. Such an approach will lead to better outcomes and experiences for families and less pressure on social services as a whole (and likely also leading to less children coming into care). However, this requires significant investment into new and existing preventative services.

40. In October 2021 Audit Wales published 'A Picture of Social Care' that summarised key information about Social Care in Wales. It noted that demand for adult social care is likely to increase significantly. The report states 'The challenge of addressing the indirect impact of COVID-19 will likely continue for years into the future. The problem is compounded by the fact that there are significant, long-standing issues in the social care sector which pre-date the pandemic', with the report identifying the need to achieve financial sustainability and funding arrangements as one of the key issues. The financial estimates of the 22 Welsh authorities adds further support to the conclusions drawn by Audit Wales.

Ukraine and wider migration

41. The response from Wales to support those feeling the war in Ukraine has impacted significantly upon councils who have been responsible for a range of functions in ensuring those arriving in Wales are accommodated safely and receive the necessary support to settle and res-establish their lives. While funding is currently provided to councils by the UK Government to support this work, including funding for education, there is no committed funding post the end of March 2023. Should no continued funding be provided this will impact significantly on the capacity of councils to continue to support this work.

42. Councils are also facing increased pressures from other migration related programmes, including the provision of placements for unaccompanied asylum-seeking children and the UK Government policy of 'full dispersal' of asylum seekers which will see an increased number of up to 2,344 additional asylum seekers accommodated in Welsh communities by the end of December 2023. It is noted that these programmes are operated by the UK Government and are non-devolved, however, support services such as education, homelessness and rehousing services are devolved and will be impacted by extra demand.

Housing and homelessness

43. Driven initially by the pandemic and changes to the statutory guidance from Welsh Government, there has been a significant change in approach to the provision of emergency temporary accommodation for homeless households. Increasing numbers of people are being accommodated in emergency temporary accommodation provided by Councils (8,468 individuals as at end of July 2022). Since the start of the pandemic over 25,200 people who were previously homeless have been supported through emergency temporary accommodation. There is a consistent upward trend around the numbers of people in emergency temporary accommodation which shows no sign of reducing.

44. As well as increased household costs for everyone, including rising energy costs, there have been significant increases in rents in most areas, with an increasing gap over Local Housing Allowance support means that the Private Rented Sector is increasingly difficult for many households to access and afford. A sustained period of rising consumer costs and increased interest rates, without any increase in household incomes, is also very likely to impact on owner-occupiers who will find their mortgage payments more difficult to meet. All leading to increased demand for homelessness services and the use of temporary accommodation.

45. The Housing Support Grant (HSG) is the Welsh Government's principal funding stream for preventing homelessness, supporting more than 60,000 people each year to live independently in their communities. Through the provision of refuge, supported accommodation and tenancy support services, the HSG allows people to exit homelessness, leave abusive relationships, maintain their tenancies, overcome mental health and substance abuse issues, build on their strengths and fulfil their aspirations. The current annual HSG funding of £166m is under considerable pressure to meet the increased demand related to these homelessness pressures outlined above, and the need to ensure that services commissioned by Councils receive enough funding to pay their staff a fair wage and provide them with the support they need.

Capital

46. The survey also gathered evidence on capital programmes and pressures. The responses indicate that a tightened revenue settlement will impact capital programmes. The funding of borrowing from the revenue budget will be a potential source of funds to fill gaps in the day-to-day expenditure budgets resulting from a tight funding settlement. This may lead councils to delay or remove capital programmes to deliver key local priorities. It will also put pressure on match-funding for projects that require councils to contribute to the overall cost. Overall, it seems likely that council capital programmes will be downsized.

47. There is strong evidence that inflation is impacting building costs of existing projects. Councils have raised concerns about significant additional costs to meet 2030 net zero requirements especially for 21st Century Schools. In addition, a number of contractors across Wales have gone into administration, leading to the contract re-tendering and subsequent additional costs. Where this has been grant-funded councils have sought additional grant, but there are no guarantees of support leading to potential additional pressure on capital programmes.

48. The main source of funding is the Public Works Loan Board and long-term rates are currently around 5% although there is a lot of volatility in the markets. This is significantly above rates when capital programmes were set in March 2022. This carries significant risk to affordability and sustainability, particularly in respect of housing schemes and extensive core asset infrastructure assumed to be paid for by borrowing.

Climate change

49. Councils have made a number of commitments to contribute towards the target of net zero emissions in the public sector by 2030. Many of the steps required

involve capital investment (e.g. in relation to property and energy, fleet transition, land-based decarbonisation). A wide range of funding streams will be required to make the sort of changes needed at the pace required. That could include borrowing to meet upfront costs that will then have to be repaid from revenue budgets over a number of years. It could also involve leasing or hire (e.g. for vehicles) rather than a capital outlay. There are workforce implications that will need to be addressed, working with unions in a social partnership approach, including retraining and recruitment in many cases (e.g. vehicle maintenance; energy and environmental management; financial accounting methods). Current labour shortages in many 'green' jobs in councils have highlighted not only the shortage of staff with the required skills but also wage differentials with the private sector, with retention of trained staff a growing issue.

50. Other important measures relate to procurement, where councils need to reduce 'Scope 3' emissions, which relate (amongst other things) to their purchased goods and services. Where suppliers have developed carbon plans to reduce emissions associated with their goods and services, the direct costs will tend to be higher (although there are compensating environmental, and often social and wider economic benefits – e.g. arising from local purchasing). At a time of significant financial pressure, it will be a challenge for councils to 'do the right thing' as opposed to choosing the most affordable option.

51. There will be a payback from climate change actions (in terms of adaptation as well as mitigation). However, the issues are, first, the timescales for that payback and, second, that many of the benefits do not accrue to the council in a direct or financial sense. Rather, they will often contribute to well-being goals for the wider community – for example more local jobs, healthier food, better quality environment, biodiversity gains, greater resilience against future extreme weather events. The risk is that the necessary measures will be a casualty of current financial pressures causing them to be deferred, whereas ideally they should be prioritised to ensure timeliness and maximum potential impact.

Conclusion

52. At the meeting of the WLGA Executive on Friday 30 September, it became clear that the situation is very fluid and the estimates in the survey had been superseded in a matter of weeks. Council leaders reported that the impact of the mini budget was still being assessed with some authorities reporting that their budget gaps had grown by around a quarter since the survey was returned.

53. Over the last fortnight, the media has reported the challenges faced by half a dozen councils; it is a picture replicated across Wales, and it is becoming increasingly bleak. Moreover, Welsh Government ministers are reporting that inflation will erode their budget by £4bn over the current spending review period.

54. In conclusion, our current estimates of pressures have exploded since the last detailed assessment in the summer and are continuing to increase. Without further funding, local authorities face impossible decisions. Any return to austerity would be disastrous for the preventative services that local government provides and the people who rely on them; catastrophic for the NHS which relies on a well-funded care system; and utterly demoralising for our workforce.

55. We continue to welcome the partnership approach that we have forged with Welsh Government, and the close working relationship between ministers and leaders that has developed in recent years. We are committed to continuing with that approach to protect our shared priorities from the worst effects of the economic headwinds to come.

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[redacted]

ANNEX I

In-year (2023-24) projected financial pressures (in excess of budget)

	Projected Pressures, 20-23 £000s
A. LA-related (excl. schools and social services)	
Pay inflation pressures	56,806
Non pay inflation pressure	29,705
Inflation (Stand Still) pressures	86,511
Non Inflation Financial pressures	
a. Demand related pressures	22,892
b. Capital financing pressures	831
c. Reduction in specific grants	1,497
d.Local priorities	1,361
e. Other	7,654
Total LA-related (excl. schools and social services)	**34,235**
B. Schools	
Pay inflation pressures	31,756
Non pay inflation pressure	6,578
Fees/Charges inflation (positive)	-
Inflation (Stand Still) pressures	38,334
Financial pressures	
a. Demand related pressures	1,844
b. Capital financing pressures	-
c. Reduction in specific grants	275
d.Local priorities	-
e. Other	610
Total Schools	**2,729**
C. Social Services	
Pay inflation pressures	20,121
Commissioning Cost Pressures - Adults'	11,246
Commissioning Cost Pressures - Children's	7,473
Non pay inflation pressure	1,781
Inflation (Stand Still) pressures	40,621
Financial pressures	
a. Demand related pressures	
Adults Services	
Domiciliary Care (incl supported living)	7,454
Residential Placements	11,913
Other	5,180
Childrens Services	
Domiciliary Care	379
Residential Placements	19,687
Foster Care	682
Other	9,289
Total Social Services	**54,584**
Total projected financial pressures (A+B+C)	**257,014**

ANNEX II

Projected financial pressures, 2023-24 and 2024-25 (cont.)

	Projected Pressures		
	2023-24 £000s	**2024-25 £000s**	**Total £000s**
A. Local Authority Related (excluding schools and social services)			
Pay inflation pressures	122,121	62,555	184,677
Non pay inflation pressure	127,446	56,183	183,629
Fees/Charges inflation (positive)	- 5,539	- 5,071	- 10,610
Inflation (Stand Still) pressures	244,028	113,667	357,696
Budget pressures			
a. Demand related pressures	37,988	30,634	68,622
b. Capital financing pressures	14,145	11,695	25,840
c. Reduction in specific grants	5,160	1,170	6,330
d.Local priorities	21,442	4,050	25,492
e. Other	28,259	12,202	40,461
Total Local Authority Related	106,994	59,751	166,745
B. Schools			
Pay inflation pressures	114,685	86,631	201,316
Non pay inflation pressure	46,061	15,989	62,050
Fees/Charges inflation (positive)	- 347	- 365	- 712
Inflation (Stand Still) pressures	160,399	102,255	262,654
Budget pressures			
a. Demand related pressures	13,221	9,259	22,481
b. Capital financing pressures	- 1,090	- 890	- 1,980
c. Reduction in specific grants	585	205	790
d.Local priorities	2,013	1,609	3,622
e. Other	1,925	1,729	3,654
Total Schools	16,654	11,912	28,567

	Projected Pressures		
	2023-24 £000s	**2024-25 £000s**	**Total £000s**
C. Social Services			
Pay inflation pressures	51,858	23,918	75,776
Commissioning Cost Pressures - Adults'	86,939	55,201	142,140
Commissioning Cost Pressures - Children's	14,066	10,449	24,515
Non pay inflation pressure	20,712	12,423	33,135
Fees/Charges inflation (positive)	- 2,677	- 2,192	- 4,869
Inflation (Stand Still) pressures	170,898	99,799	270,697
Budget pressures			
a. Demand related pressures	3,828	4,628	8,456
Adults Services			
Domiciliary Care (incl supported living)	7,662	7,776	15,438
Residential Placements	11,886	8,955	20,841
Other	12,604	8,103	20,707
Childrens Services	2,500	1,770	4,270
Domiciliary Care	1,309	- 685	624
Residential Placements	22,688	8,277	30,965
Foster Care	5,352	3,870	9,222
Other	5,386	5,872	11,258
b. Capital financing pressures	-	-	-
c. Reduction in specific grants	5,914	1,646	7,560
d.Local priorities	4,418	1,651	6,069
e. Other	1,699	-	1,699
Total Budget Pressures	85,246	51,863	137,109
Total Social Services	256,144	151,662	407,806
Total Pressures (incl. schools and Social Services)	**784,220**	**439,248**	**1,223,468**
D. Funding changes			
Council Tax (net of CTRS)	59,092	61,879	120,971
RSG	169,632	123,125	292,757
Use of Reserves	7,894	- 490	7,404
	236,618	184,514	421,132
Total (A+B+C-D)	**547,602**	**254,734**	**802,336**