

Agenda



Cabinet

Date: Wednesday, 12 December 2018

Time: 4.00 pm

Venue: Committee Room 1 - Civic Centre

To: Councillors D Wilcox (Chair), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, J Mudd, R Truman and M Whitcutt

Item		Wards Affected
1	<u>Agenda yn Gymraeg</u> (Pages 3 - 4)	
2	<u>Apologies for Absence</u>	
3	<u>Declarations of Interest</u>	
4	<u>Minutes of the Last Meeting</u> (Pages 5 - 12)	
5	<u>October Revenue Budget Monitor</u> (Pages 13 - 40)	All Wards
6	<u>Capital Programme Monitoring and Additions September 2018</u> (Pages 41 - 60)	All Wards
7	<u>2019/20 Budget and Medium Term Financial Projections (MTFP)</u> (Pages 61 - 142)	All Wards
8	<u>Report on Treasury Management for the period to 30 September 2018</u> (Pages 143 - 154)	All Wards
9	<u>Corporate Risk Register Update</u> (Pages 155 - 224)	All Wards
10	<u>Wales Audit Office Second Certificate of Compliance</u> (Pages 225 - 232)	All Wards
11	<u>Work Programme</u> (Pages 233 - 240)	
12	<u>Public Service Board (PSB) Summary Document (for information/awareness)</u> (Pages 241 - 244)	All Wards

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Date of Issue: Wednesday, 5 December 2018

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Agenda

Cabinet

Dyddiad: Dydd Mercher, 12 Rhagfyr 2018

Amser: 4 y.p.

Lleoliad: Ystafell Bwyllgor 1 – Y Ganolfan Ddinesig

At: Cynghorwyr: D Wilcox (Cadeirydd), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, J Mudd, R Truman a M Whitcutt

Eitem

Wardiau Dan Sylw

Rhan 1

1	<u>Agenda yn Gymraeg</u>	
2	<u>Ymddiheuriadau am absenoldeb</u>	
3	<u>Datganiadau o fuddiant</u>	
4	<u>Cofnodion</u>	
5	<u>Monitro Cyllideb Refeniw</u>	Pob Ward
6	<u>Monitro Cyllideb Capitol</u>	Pob Ward
7	<u>Cyllideb Refeniw a MTFP: Cynigion Drafft</u>	Pob Ward
8	<u>Adroddiad chwe misol Rheoli'r Trysorlys</u>	Pob Ward
9	<u>Diweddariad o'r Gofrestr Risg Gorfforaethol</u>	Pob Ward
10	<u>Tystysgrif Cydymffurfio SAC 2</u>	Pob Ward
11	<u>Rhaglan Waith</u>	
12	<u>Dogfen Cryno PSB</u>	
13	<u>Dyddiad y Cyfarfod Nesaf</u> 16 Ionwar 2019, 4 yp, Ystafell Bwyllgor 1	

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Minutes

Cabinet

Date: 17 October 2018

Time: 4.00 pm

Present: Cllrs Debbie Wilcox (Chair); P Cockeram, D Harvey, J Mudd; R Jeavons, D Mayer, M Whitcutt

Apologies: Cllrs R Truman and G Giles

In attendance: Mr W Godfrey; Mr J Harris; Mrs B Owen; Mr G Price; Mr M Rushworth; Mr R Cornwall

Part 1

1 Apologies for Absence

Noted above.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes

The minutes of the meeting held on 19 September 2018 were confirmed as a true record by the Cabinet.

4 WAO Annual Improvement Report

Cabinet reviewed the finalised Annual Improvement Report (AIR) prepared by the Wales Audit Office (WAO). The report described how the council is meeting its duty to demonstrate continuous improvement under the Local Government Measure (2009).

The Local Government Measure (2009) introduced a new form of improvement reporting required of the Auditor General that sets out how well councils are improving their services.

Legislation introduced in April 2010 requires councils to make arrangements to improve their services and the way that they work.

Each year, the Auditor General must report on how well Welsh councils are planning for improvement and delivering their services. Drawing on the work of the relevant Welsh Inspectorates, and the audit work of the Wales Audit Office (WAO) and the Appointed Auditor the report presents a picture of improvement over the last year.

During the course of the year, the Auditor General did not make any new formal recommendations. However, a number of proposals for improvement have been made and these are mentioned in the

report. Progress against these recommendations will be monitored internally and by the Wales Audit Office through their ongoing programme of work.

Based on, and limited to, the work carried out by the WAO and relevant regulators, the Auditor General concluded that the Council is meeting its statutory requirements in relation to continuous improvement for 2017-18. This shows that the council is continuing to improve despite the financial, legislative and population growth challenges that it continues to face.

The Annual Improvement Report is not an exhaustive assessment of all services; rather, it focuses on a range of priorities for improvement.

The Leader was pleased to report that Newport City Council is the only authority in Gwent not to have any services in special measures in the last five years.

Will Godfrey commended staff for their hard work in achieving this.

Non Jenkins (WAO) confirmed the report is a summary of everything done over the last year and that reports are on the WAO website.

Decision:

Cabinet agreed the report.

5 WAO Scrutiny Fit for the Future Report

The Leader introduced the report and explained that as part of their programme of work for 2017/18 the Wales Audit Office (WAO) reviewed the Council's overview and scrutiny arrangements. The main aim of the review was to assess how 'Fit for the Future' scrutiny functions in responding to current challenges including the Well-being of Future Generations (WFG) Act.

The review also included how Councils are beginning to undertake scrutiny of the Public Service Boards.

The Review was undertaken during December 2017 and January 2018. The WAO reviewed documents, observed a sample of scrutiny committee meetings, interviewed officers and held focus groups with Members involved in scrutiny to obtain their views on the Council's current scrutiny arrangements and understand how the Council is approaching and intends to respond to the challenges identified.

The Review found that the Council's leadership is committed to improving its scrutiny function and to meet current and future challenges for scrutiny, but Members need a fuller understanding of their scrutiny role and more effective, timely training. The WAO came to this conclusion because:

- a. The Council has made recent changes to its scrutiny arrangements, which now need to be strengthened and embedded effectively in order for it to be well-placed to meet current and future challenges;
- b. The Council is creating a new environment for scrutiny to drive improvement, however Members need a fuller understanding of their role in scrutiny and timely and specific member training to improve their effectiveness; and
- c. The Council is improving the planning and operation of its scrutiny function, which can be strengthened by greater alignment between the work of scrutiny and Cabinet.

The WAO made six Proposals for Improvement:

The Council's scrutiny function could be further strengthened by:

P1 Providing a structured and timely member development programme to improve members' scrutiny skills and improve their understanding of their scrutiny role;

P2 Effectively holding Cabinet Members to account for service performance when invited to scrutiny meetings;

P3 Improving the planning and links between the forward work programme of scrutiny committees and Cabinet;

P4 Providing further training for scrutiny members on the Well-being of Future Generations (Wales) Act to improve their understanding and consideration of the Act when undertaking scrutiny activity;

P5 Reviewing the impact of the new scrutiny structure and arrangements in driving improvement; and

P6 Improving the public's engagement with the scrutiny function by using a wider range of engagement methods.

The Council has provided the WAO with a management response and created an action plan to address the Proposals for Improvement.

Non Jenkins (WAO) thanked all that were involved in this review: the key message from the WAO is to keep the momentum going and learn from what is working and what needs to be tweaked/changed going forward.

The Leader thanked the WAO for the review and confirmed the Council will learn lessons from it.

Councillor Jeavons stated that training should also be extended to the role of Chair of Scrutiny. In addition, Councillor Cockeram stated that more policy development is required to be undertaken by Scrutiny.

Decision:

Cabinet agreed the report and to initiate the Action Plan to address the Proposals for Improvement.

6 Final Year End Analysis of Performance Indicators

Each year data is submitted to Data Cymru (previously called Data Unit Wales) for relative comparison alongside other Welsh Authorities. The dataset submitted is known as the 'Public Accountability Measures' (PAMs) and enables local authorities to provide an account of their performance to the public, including comparing their performance with that of other authorities. The PAMs also enable the public to hold the authority to account over issues that matter most to them.

In 2017/18, the PAM dataset comprised of 26 performance indicators, but comparisons for only 18 of these have been published by Data Cymru; only 14 have data directly comparable to 2016/17. The remaining eight performance indicators are due to be published later in the year. The 2016/17 year-end performance analysis compared the data for 24 performance indicators.

Against a backdrop of budget cuts and limited resources, Newport has continued to improve performance in national indicators. The improvements reflect significant efforts made in service areas within the Council.

Performance for 2017/18 showed:

- 59% of our performance indicators have performed better than target;

- 36% of our performance indicators have performed better than last year;
- 40% of our performance indicators have performed better than Wales' average

The published data indicates that three of the performance indicators are in the top quartile and a further five are in the upper middle quartile. The analysis detailed in Appendix 1 of the report gives the performance for 2017/18 and includes the comparison of Newport City Council in relation to the other Welsh Local Authorities.

It is important to note that these comparator figures do not take into consideration the potential impacts of financial position, population demographics or service demands. It is worth noting that Newport City Council has historically low levels of spending. The Leader impressed on everyone the importance of the Council's performance against SSA.

Cabinet noted that the published comparative data ranks local authorities against each other but does not include any qualitative standard of performance.

Whilst Cabinet acknowledged that improvement is needed, and maximising the Council's performance within the resources available will be a priority, there have been some positive improvements:

- Significant progress has been made in the percentage of pupil attendance in primary schools improving from 21st to 14th best in Wales since last year; (this improvement is unprecedented in Newport with many people collaborating to achieve this improvement with the 'attendance matters' campaign). It was noted that there are very fine margins between some of the indicators – for example, a 1% increase in pupil attendance would put Newport City Council in the top quartile.
- To be able to live independently is a priority for many residents; the Council has continued to deliver Disabled Facility Grants within statutory timescales and are the 4th best in Wales for this indicator; (this was an important issue for the Cabinet Member as at one time Newport was 22nd so a massive improvement for Newport which has been achieved without using extra funding);
- The Pride in Newport campaign has continued throughout 2017/18, which has resulted in nearly 100% of reported fly-tipping incidents being cleared within five working days of the incident being reported.

In addition to the national indicators, the Council has adopted four Well-being Objectives and eight Improvement Plan Objectives, which were selected following consultation with the public, elected members and staff. The objectives include some national performance indicators as well as locally set performance indicators, which support the delivery of the objectives. The annual review of both the Well-being objectives and the Improvement Plan objectives show that the Council has made good progress against the areas that are important to residents.

Councillor Jeavons referenced page 59 (PAM/020) percentage of principal A roads that are in overall poor condition. Newport is in Quartile 1 - Newport's A roads are better than the Welsh average.

Decision:

Cabinet agreed the report.

7 Academic Results for Newport Schools

The Leader introduced this report in the Cabinet Member's absence and was delighted to report on the achievements made.

The report focussed on the Teacher Assessment Outcomes for the City of Newport for 2017/18. The Leader reported on the high level of performance, which continues at Foundation Phase, Key Stage 2 and most notably Key Stage 3, which is above the national average for the first time since 2011/12.

The investment in Key Stage 3 will continue to assist positive outcomes at Key Stage 4, which in turn will ensure a greater volume of pupils ready to gain post-16 qualifications and apprenticeships, supporting the continued vision of Newport as a thriving city.

A new revised curriculum will be published in April 2019 and bring with it a new set of performance measures for students. The Leader is looking forward to seeing a more detailed paper coming to Cabinet in 2019, demonstrating how Newport will implement this huge curriculum change.

Key points to note within the report were:

- Consistently strong performance of Newport schools at Foundation Phase, Key Stage 2 and Key Stage 3;
- Newport continues to perform significantly above the Welsh average in the Foundation Phase Indicator;
- In 2016/17 Newport ranked 6th out of 22 Local Authorities in Wales – significantly above the Free School Meal ranking of 15th place.
- In 2016/17 Newport performed 1.9 percentage points above the Welsh average – last year Newport performed 3.8 percentage points above the Welsh average.
- Core Subject Indicator attainment at Key Stage 2 continues to improve and to perform above the Welsh average
- Core Subject Indicator in Key Stage 3 has continued to improve and is above the Welsh average for the first time in recent years following a 3.1 percentage point improvement in 2017/18;
- Newport's performance in English, Maths and Science at National Curriculum Levels 6+ and 7+ is consistently above the Welsh average
- An increase in Newport school attendance performance with Newport primary school attendance moving from 21st to 14th ranking position and secondary schools moved from 21st to 19th position in 2017/18.

Decision:

Cabinet agreed and welcomed the report.

8 Independent Living Strategy 2017-2022

The Social Services and Well-being (Wales) Act 2014, compels local authorities to promote a greater choice of services, to reduce dependency, and to focus on preventative services. The Act also requires local authorities to develop new service models and user-led initiatives, such as co-production and social enterprises. Rather than looking at accommodation needs as merely bricks and mortar, we need to continue to consider the care and support models in the context of these priorities set out in the Act.

The following are key principles of the Independent Living Strategy:

- To reflect significant changes in legislation, policy and planning
- To reflect changing demographic pressures
- To ensure effective partnership working with key stakeholders
- To make effective use of diminished resources and working within budget constraints
- To identify a range of approaches to promote independence
- To encourage creativity and innovation

The Independent Living Strategy identifies a series of actions to develop community services and an extensive range of benefits that will arise. The expected benefits include reduced reliance on the Council, increased diversity of support and more sustainable, cost effective provision, and supporting people to achieve better outcomes as they become more independent.

The challenges facing the Council are significant, with many of the young adults with learning disabilities presenting complex needs and conditions. Alongside this, there are a significant number of older adults with learning disabilities who continue to be supported by their families. The Strategy highlights the importance of planning for those future needs by ensuring that Social Services and Strategic Housing continue to work together to develop appropriate accommodation and support models. This will require further partnership working with Registered Social Landlords (RSLs) and will enable the Council to access vital capital funding streams.

The Strategy is aimed at delivery over the period 2017-22, but it is anticipated that it provides an effective blueprint for future planning and partnership working in the years ahead.

Cabinet was asked to authorise approval of the Independent Living Strategy 2017-2022 as it enables the council to fulfil its statutory responsibilities to develop creative and innovative approaches to promoting independence.

The Cabinet recorded a note of thanks to stakeholders and partners as without their creativity and time this strategy would not have been achieved.

Decision

Cabinet approved the Strategy

9 Director of Social Services Annual Report

The Leader introduced this report the purpose of which is to set out the local authority's improvement journey in providing services to people in Newport, who access information, advice and assistance, and those individuals and carers in receipt of care and support. This report sets out to demonstrate how Newport Social Services has responded to the new requirements of the Social Services and Well-being (Wales) Act 2014 and how we have promoted and accounted for the delivery of well-being standards to the citizens of Newport.

The report is intended not to detail process but to focus on the activities and outcomes achieved and the impact this has had on citizens in Newport. The report is a significant review of the whole Council and not singularly the report of the Director of Social Services. The evidence of citizens has been used throughout the report, as has the contribution of our partner agencies and commissioned services.

The report has three main features:

- It reflects two dynamic services which are delivering services in new ways in changing environments;

- The well-known budget challenge is a necessary consideration across all Social Services operations;
- Performance and delivery have been maintained – a significant achievement in the circumstances

The well-being objectives wind through all social services operations and tie closely to the Newport City Council Corporate Plan, notably:

- To improve skills, educational outcomes and employment opportunities.
- To enable people to be healthy, independent & resilient.
- To build cohesive & sustainable communities.

It was noted that each year financial constraints become more significant when available budgets are set against rising costs and increasing demand. There is a continuous striving to minimise costs and identify savings. In Children's Services, efforts have concentrated on addressing the shortage of placement options and the associated costs as well as appropriately minimising the numbers of looked after children. Work in Adults Services has included the managing of demand and the building of capacity through the integration of health and social care. As usual, there has also been a drive to minimise delayed transfers of care, which were kept at manageable levels though there remains scope to improve. The Care in Wales Inspection Reports and Performance Indicators demonstrate however, that the service delivered to children and adults is being maintained, a significant achievement.

In addition to legislative change and financial challenges, implementation of the Welsh Community Care and Information System (WCCIS) has been delivered. This took considerable planning, training and management and means that Newport City Council will be able to take full advantage of this still developing case information system designed for Councils and Health Boards.

Partnership working has developed further with the other South East Wales Local Authorities with numerous joint initiatives maintained and developed:

- The integrated partnership with Barnardo's has remained a strength with a retendering for the strategic partnership delivered by Barnardo's recently completed.
- The Regional Partnership Board, at which the third sector, Aneurin Bevan University Health Board and South East Wales Local Authorities are represented, has emerged as a primary route for the transformation of health and social care and Newport City Council engages fully in this process.
- The opening of Ty Eirlys in partnership with Pobl and the joint working with the third sector, Health Board and Gwent Local Authorities in general

2018/19 will prove no less challenging but social services in Newport City Council are lean, efficient and well placed to respond.

The Cabinet Member commended the staff for bringing this excellent report forward and the ground-breaking initiatives being taken forward within the service area.

Councillor Whitcutt (seconded by Councillor Mayer) commended the staff and the Cabinet Member for their sterling work in delivering such services under great pressure.

Decision

Cabinet unanimously agreed to endorse the Annual Report of the Director of Social Services for 2017-18.

10 Work Programme

The Leader of the council presented the latest update to the work programme.

Decision:

To agree the updated work programme.

11 Date of Next Meeting

The next meeting will take place on Wednesday 14th November 2018, at 4.00 pm in Committee Room 1, Civic Centre, Newport



Report

Cabinet

Part 1

Date: 12 December 2018

Item No: 5

Subject **October Revenue Budget Monitor**

Purpose To highlight the current forecast position on the Council's revenue budget and the risks and opportunities that present themselves within the October position.

Author Strategic Finance Business Partner (SFBP) - Budget Strategy

Ward All

Summary Newport City Council's budget for 2018/19 is £274.6m, which supports delivery of over 800 activities which are focused on the overall mission - "Improving People's Lives". As at October 2018, the Council's revenue budget is forecasting an underspend of (£3,139k), which is 1.1% of the agreed budget. This position includes the use of all revenue budget contingencies and a significant one-off VAT rebate received in the year.

In common with all authorities across the UK, our financial position is challenging. In particular the services where it is difficult to control demand are facing very significant cost pressures, leading to an overall service area overspend of £5,147k (excluding schools). These are listed in the report in para. 1.1.

The forecast overspend in service areas has been balanced by underspending/ better income in non-service budget areas, use of the budget contingencies and a significant one-off income received in the current year. These, together, come to £8,286k and are listed in para 1.2.

In addition, the vast majority of schools are forecasting overspending on their approved, available funding, in total by £2,135k, inclusive of anticipated Welsh Government (WG) end of year grant income which is usually received. The draft settlement 2019/20 confirmed new grant income to contribute towards teacher's salaries in the current year and this will reduce the forecast overspend. This level of overspending will significantly reduce individual schools reserves to almost zero.

Looking forward the financial horizon continues to be difficult. Consequently we are recommending that Cabinet agree to commit £2,000k of the projected underspend to the Invest to Save reserve to help the council to manage future pressures.

In summary:

- service area overspending is at challenging levels and whilst the overall forecast position is showing an underspend, this is mainly due to one off income and continued underspending in non-service budgets which cannot be guaranteed into the future;

- undelivered savings will cause pressures for future years budget setting if these remain undelivered;
- the vast majority of schools will spend more than their available funding in 2018/19.

Appendix:

Appendix 1	Overall budget dashboard – October 2018
Appendix 2	Revenue summary monitor – October 2018
Appendix 3	Revenue summary monitor by activity – October 2018
Appendix 4	Schools funding and balances
Appendix 5	Planned movement in reserves

Proposal

Cabinet is asked to:

- Note the overall budget forecast position including use of all budget contingencies to balance forecast service overspending;
- Agree to instruct all areas of the Council to maintain robust financial management;
- Note the level of undelivered savings within each directorate and the risks associated with this;
- Agree the transfer of £2million into the 'Invest to Save reserve';
- Note the forecast movements in reserves;
- Note the projected and worsening balances of individual schools over the next year.

Action by

Cabinet Members / HoF / SLT / CMT confirm plans to:

- promote and ensure robust forecasting throughout all service areas;
- reduce service area over-spending;
- manage/ mitigate those projects that are unable to deliver required Medium Term Financial Projection (MTFP) savings.

Timetable

On going

This report was prepared after consultation with:

Strategic Directors
 Head of Finance
 Heads of Service
 Budget Holders
 Accountancy Staff

Signed

1. Overview

1.1 Significant service area overspending at £5,147k remains a key concern in the revenue budget forecasts. As shown in Appendix 3, most service areas / activities are spending close to budget but a small number are significantly overspending. The key issues reported to September Cabinet still feature within the 2018/19 forecast position and given the level of increasing demands that these areas continue to face this can only mean that overspending is likely to continue at challenging levels.

- (i) Children's out of area placements - £1,741k overspend
- (ii) Special education needs - £1,343k overspend
- (iii) Adults community care - £1,239k overspend
- (iv) Independent fostering agencies - £685k overspend

These areas contribute £5,008k of the £5,147k projected service area overspend.

1.2 These overspends have been balanced by underspending/ better income in non-service budget areas and use of the budget contingencies which come to (£8,286k). These are one-off in nature and cannot be guaranteed in the future. Therefore, service area overspending represents a significant risk in the future as without more investment in those key areas of overspending, reducing costs or providing permanent mitigation, significant overspending will continue. Key areas of underspending / one-off income include:

(i)	People Services risk contingency	(£2,200k)
(ii)	Council tax benefit rebates	(£1,670k)
(iii)	General contingency	(£1,473k)
(iv)	Other	(£1,135k)
(v)	One-off VAT rebate	(£773kk)
(vi)	Council tax surplus	(£650k)
(vii)	One-off additional rebate Gwent Crematorium	<u>(£385k)</u>
		(£8,286k)

1.3 The impact of the above represents a forecast underspend of (£3,139k). Cabinet is asked to approve a transfer of £2,000k into invest to save reserve, therefore, reducing the overall forecast underspend to (£1,139k).

2. Key Areas Contributing to Position

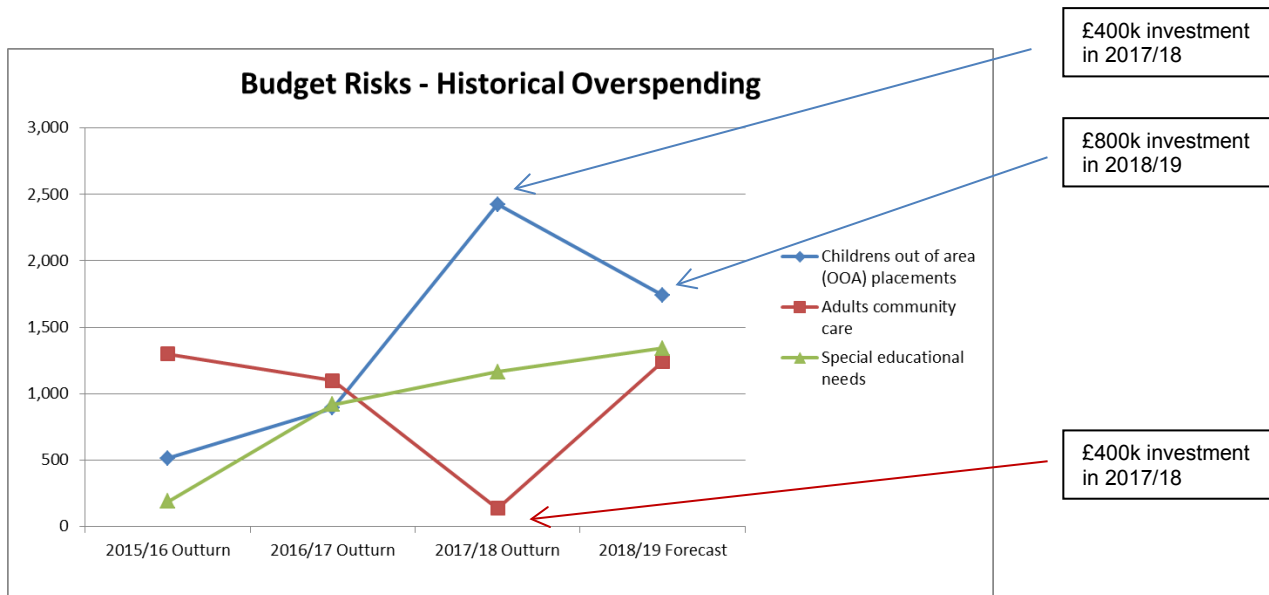
2.1 The following section highlights the key areas that contribute to the overall Council position:

- (i) on-going budget pressures on a small number of Council activities;
- (ii) forecast delivery of 2018/19 savings (and previous years) to date;
- (iii) other key emerging risks/ opportunities.

(i) On-going budget pressures

2.2 As highlighted within the overall dashboard (Appendix 1) there are a very small number of areas which contribute over £5million to projected service area overspends. These are not 'new' issues but those that continue to increase as demand for these services grow. The following is a graphical representation of level of overspends that these areas have reported since 2015/16.

2.3 The key message here is that despite annual investment into these areas, with the exception of children's out of area placements, demand and therefore costs have continued to grow beyond the level of investment.



2.4 The level of forecast overspending within service areas has significant consequences for the Council's work on its medium term financial projections (MTFP) and planning. In the context of pressure on Council's funding levels, the increased demand and cost is a significant pressure on future year's budgets. Therefore, managing demand and reducing costs in service provision are key priorities in terms of financial management, though the challenge of managing 'demand' in these areas are clearly significant and difficult.

(ii) Delivery of medium term revenue savings:

2.5 Page 2 of the overall dashboard (Appendix 1), '2018/19 forecast delivery of savings', shows good performance on achievement of savings with 94% of total savings forecasted for full delivery. The balance of almost £475k remains significant in financial terms though. An assessment of undeliverable savings has informed the 2019/20 budget process and officers continue to deliver these residual agreed savings still outstanding.

(iii) Other emerging risks/ opportunities

2.6 Other emerging risks which have arisen due to increased demand during this year's monitoring are shown within Appendix 1 – 'other significant variances'.

3. Schools

3.1 The 'Schools' section of the overall dashboard (Appendix 1) outlines the sectors that are forecasting negative balances at the end of the year and the trajectory of reserve movements over the last two years.

3.2 Forecast school balances as at 31st March 2019 highlights that most schools will have much reduced reserves at that time due to forecasted net overspending in the current year of £2,135k. Recent announcements from Welsh Government on additional funding for schools in 2018/19 should reduce this level of overspending and will be updated when more details are known. School reserves are still likely to reduce in 2018/19 and schools will need to take appropriate action in 2019/20 to reduce spending as overspending their available funding at current levels cannot be sustained.

4. Use of reserves

- 4.1 Appendix 5 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31st March 2018, forecasted planned transfers in/ (out) of reserves in 2018/19 and the forecast balance as at 31st March 2019. Current projections suggest that 9% of the Councils reserve will be used by the end of the financial year which is in line with planned and expected use. The general fund reserve is at the minimum level required (£6.5m) representing 2% of the overall net budget.

5. Timetable

Ongoing

6. Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Risk of overspending	H	M	Regular forecasting and strong financial management Revenue budget contingency	
Poor forecasting	M	M	Better forecasting in non-service areas where large variances occurred in 16/17 Review and refinement in service areas of risk based predictive models CX/HoF setting out clear expectations	AHoF SFBP's and budget managers CX / HoF

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Strong financial management underpins services and medium term financial planning.

Options Available and considered

In terms of the financial position and financial management, there are no options – service areas do need to bring about improvements in their financial management and work with finance support teams to deal with base budget issues via a mixture of management action to manage issues and/or re-allocate budgets as appropriate.

Preferred Option and Why

Given that there may be potential for service area overspending to worsen, Cabinet is asked to note the current position and the risks of this changing and decide what corrective action is to be taken to reduce the forecast overspend in the 4 main overspending areas as they have significant impact on the in-year financial management position as well as future year budget.

Comments of Chief Financial Officer

The current forecast points towards significant pressure on a small number of service budgets and the under-spend comes mainly from one-off sources, with the inherent risks that come with this given that these cannot be guaranteed for the future, at current levels at least.

On-going demand in People services and associated costs are key considerations in the Councils future budget work to ensure budgets set are robust and deliverable. A number of initiatives to manage demand and look at better/cheaper service provisions in these areas are progressing well and will help reduce the pressures here.

Given the on-going pressure on services, it is recommended that £2,000k of the underspend is transferred into the invest to save reserve. Any use of the remaining underspend by Cabinet can only be for one-off expenditure.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report, at this stage.

Comments of Head of People and Business Change

The report on the revenue monitor does not show any specific staffing issues, although clearly issues will arise if robust monitoring and management of budgets does not take place.

The report notes that any future reductions in funding will need to reflect and be consistent with the sustainable development principle's five ways of working in the Wellbeing of Future Generation (Wales) Act 2015.

Comments of Cabinet Member

The current financial position is concerning and we need all Cabinet Members with Heads of Service to bring forward actions to address.

Local issues

N/A

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

This update is against a backdrop of prolonged pressure on public services as a combination of reduced income, rising demands on services, increased expectations, compliance with new legislation and the increasing costs of running services which has seen the delivery of significant budget savings over the last five years. Any future reductions in funding will need to reflect and be consistent with the five principles underpinning the Wellbeing of Future Generation (Wales) Act 2015.

Consultation

N/A

Background Papers

Dated:

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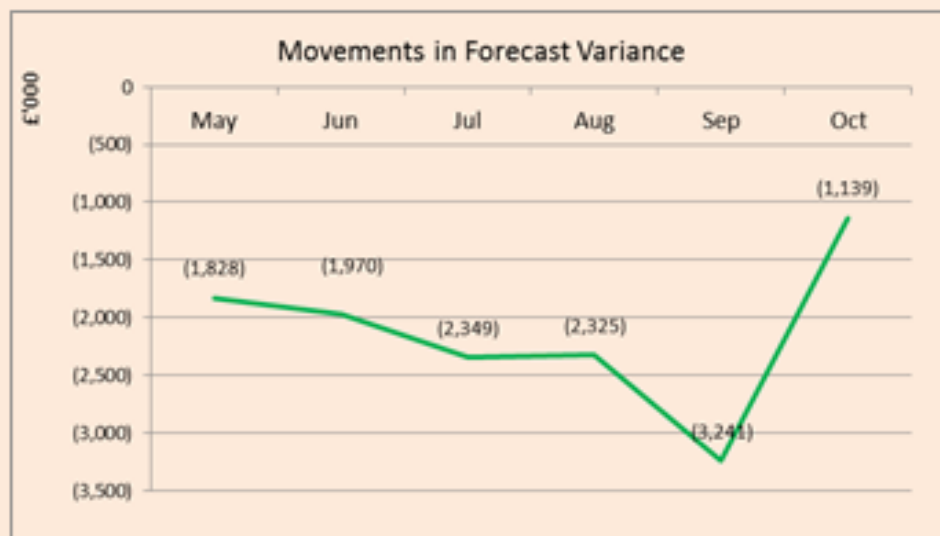
Budget Monitoring Position – October 2018

Position by Directorate

	Current Budget £'000	Forecast £'000	Variance £'000
People (exc Schools)	79,702	84,968	5,266
Place	32,847	32,984	137
Corporate	17,665	17,409	(256)
Service Area Budget	130,214	135,361	5,147
Schools	92,977	95,112	2,135
Service Area Budget (inc Schools)	223,191	230,473	7,282
Schools - transfer from reserve	0	(2,135)	(2,135)
Non Service	49,931	45,118	(4,813)
Total Budget (excluding contingency)	273,122	273,456	334
General Contingency	1,473	0	(1,473)
Total Budget (Including contingency)	274,595	273,456	(1,139)

Detailed explanations can be found within service area dashboards

Forecast History



Position Summary

- Revenue budget forecasting £334k overspend (£1,139k underspend inc .contingency)
- Underspend has reduced by £628k since September, in the main, due to proposed transfer of £2m to invest to save reserve and forecast demand in children services

Key areas contributing to position

- Forecast undelivered 18/19 savings of £475k
- Significant overspending in three key areas:

Children's Out of Area Placements	£1,741k
Community Care	£1,239k
Special Education Needs	£1,343k

- Mitigated by non service area underspends:

People Services risk contingency	(£2,200k)
Council tax benefit rebates	(£1,670k)
General contingency	(£1,473k)
Other	(£1,135k)
One-off VAT rebate	(£773kk)
Council tax surplus	(£650k)
One-off rebate - Gwent Crematorium	(£385k)

- Cabinet is asked to approve a transfer of £2m into invest to save reserve - reducing the overall forecast underspend to (£1,139k).

Risks

- Service areas are overspending at unsustainable levels
- Majority of the underspend due to one off income only
- Vast majority of schools forecast to spend more than their funding in 18/19
- School balances already increasingly/ becoming negative

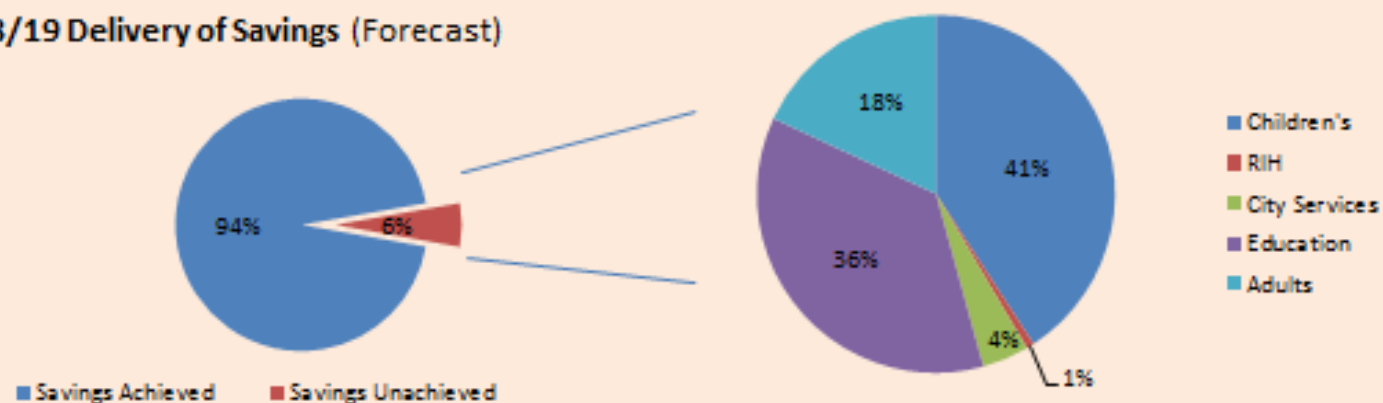
Budget Monitoring Position – October 2018

Staff Forecasts

Overall Staffing	Apr	May	Jun	Jul	Aug	Sep	Oct
Budget (£'000)	59,450	59,449	59,491	59,491	58,521	58,537	58,552
Forecast (£'000)	59,450	59,639	59,641	59,909	58,477	58,217	57,967
Variance (£'000)	0	189	149	418	(44)	(320)	(584)

- Staff budgets account for almost a quarter of the Council's net budget
- Movement in the month as a result of major restructure in City Services implemented later than anticipated

2018/19 Delivery of Savings (Forecast)



- The first chart shows that 94% of the total savings are forecast for full delivery in 2018/19
- The second chart illustrates the areas where savings are forecast not to be delivered (6% of overall target)
- 2018/19 balance of £475k undelivered savings remains significant in financial terms
- This is in addition to £10k undelivered savings dating back to 2017/18

Overall Summary	People	Place	Corporate	Non Service	Total
Total	3,246	1,244	615	3,488	8,593
Year End 2018/19	2,794	1,221	615	3,488	8,118
Variation to MTRP Target	(452)	(23)	0	0	(475)
Target	-14%	-2%	0%	0%	-6%

Budget Monitoring Position – October 2018

Risk Based Areas/Budgets

	Annual Budget £'000	Forecast £'000	Variance £'000	Graph Reference
Children & Young People				
Independent Fostering Agencies	1,294	1,979	685	i
Out of Area Residential	2,719	4,460	1,741	ii
In House Fostering	2,810	2,913	103	
Kinship	1,096	930	(166)	
Looked after Children (LAC) Remand	0	59	59	
Adult & Community Services				
Community Care - Residential	19,334	19,708	374	
Community Care - Supported Living	7,102	9,030	1,928	iii
Community Care - Non Residential	9,027	9,707	680	iv
Community Care Income - Residential & Non Residential	(6,130)	(7,275)	(1,125)	
Education				
SEN Out of County - Local Authority	1,409	1,426	17	v
SEN Out of County - Independents	2,239	3,129	890	v
SEN Transport	2,127	2,247	120	
Breakfast Clubs	324	459	135	
Catering - Free School Meals	1,153	1,165	12	
Music Service	0	0	0	
Regeneration, Investment & Housing				
Development Control Fees	(646)	(562)	84	
Building Control Fees	(234)	(175)	59	
Commercial & Industrial Properties Income	(1,234)	(1,302)	(68)	
City Services				
Commercial/ Asbestos Income	(1,124)	(1,320)	(196)	
Burial Fees	(612)	(612)	0	
Car Parking Income	(630)	(625)	25	
Finance				
Council Tax Benefit Rebates	12,597	10,976	(1,621)	
Law & Regulation				
Public Protection	(1,053)	(1,073)	(21)	
Land Charges Income	(167)	(152)	15	
Total Net Budget	51,361	55,092	3,731	

- Currently, in 2018/19, there are 24 budget areas identified at the start of the year by HoS as those areas that have the potential to be high risk or highly volatile. This list is reviewed on an on-going basis
- Although some of these areas are currently forecasting an underspend against budget, they continue to be monitored

Budget Monitoring Position – October 2018

Risk Based Areas/ Budgets (cont.)

- There are six budget 'hotspot' areas within the risk based monitoring which demonstrate the significant financial impact and risk that only a small number of areas pose to the financial position of the Authority (graph ref i – v)
- These areas alone contribute almost £6.0m to the service area overspends
- This overspend has been consistently high throughout the year, therefore, it is critical that managers take action to reduce the spend wherever possible

Other Significant Variances

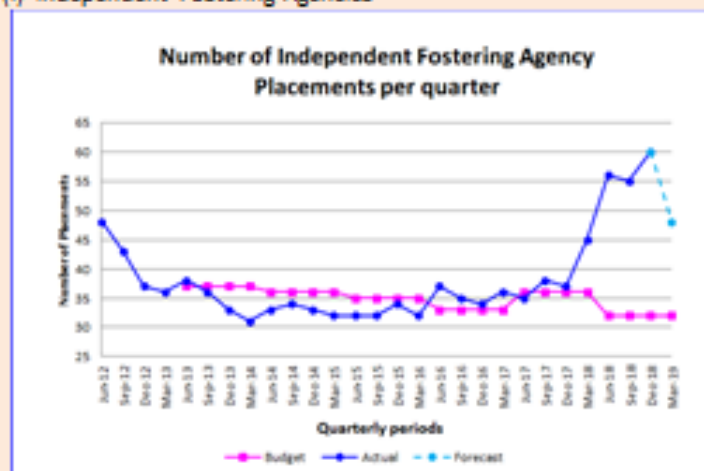
	Annual Budget £'000	Forecast £'000	Variance £'000
Children & Young People			
Inter Agency Adoption	512	718	206
Total Net Budget	512	718	206

The following page highlights the non-financial cost drivers for the risk based areas such as pupil and service user numbers.

Budget Monitoring Position – October 2018

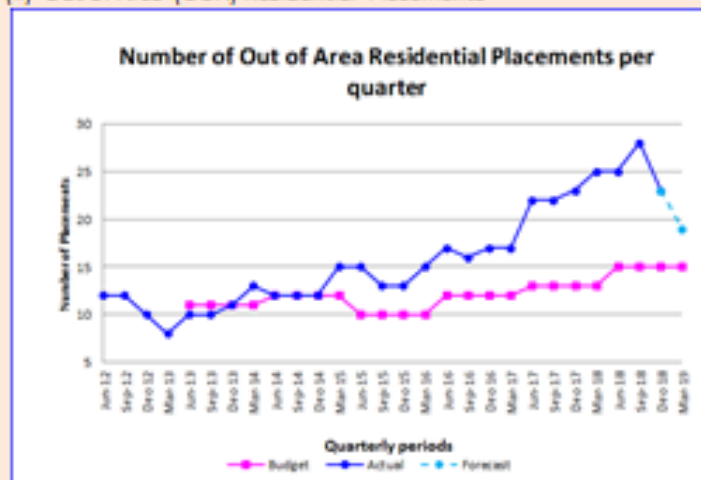
Risk Based Monitoring graphs

(i) Independent Fostering Agencies



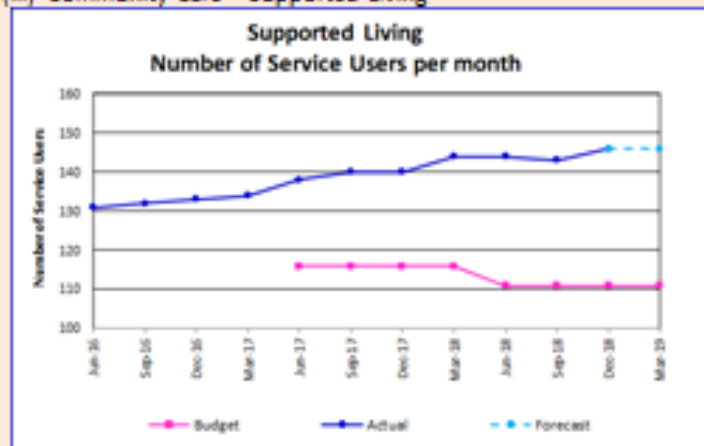
- The 2018/19 budget can afford 32 placements per month at an average cost. The current forecast has a total of 60 placements resulting in an overspend of £685k.

(ii) Out of Area (OOA) Residential Placements



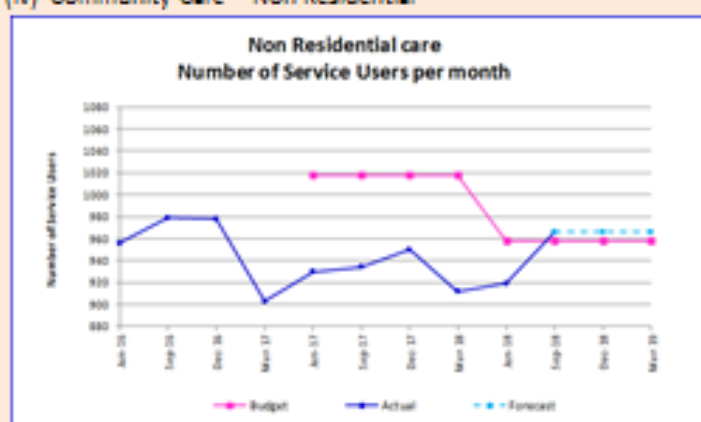
- Budget can afford 15 placements per month at an average cost. There are currently 23 placements resulting in an overspend of £1.7m

(iii) Community Care – Supported Living



- Budget pressure identified at the start of 2018/19 in relation to costs of existing community care packages for the full year and costs of new packages

(iv) Community Care – Non Residential

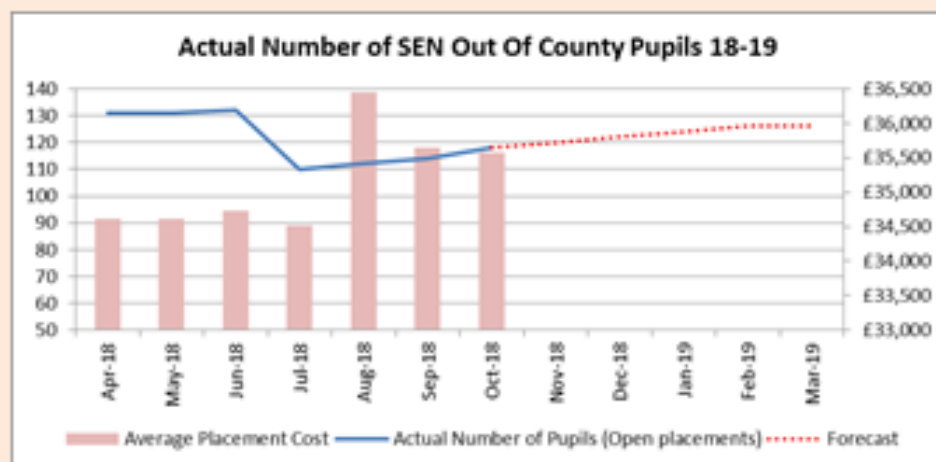


** Due to changes in reporting average budget data is unavailable prior to April 2017.

Budget Monitoring Position – October 2018

Risk Based Monitoring graphs

(v) SEN Out of County Placements – Local Authority and Independent



- SEN OOC budget can accommodate 107 placements at an average cost of £34k
- 16% of total placements costing between £60k and £70k. One placement in particular costs the Authority £112k due to the complex needs of the individual

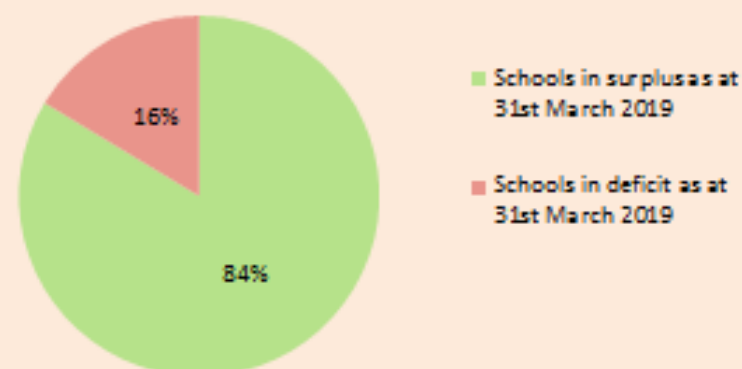
Budget Monitoring Position – October 2018

Schools

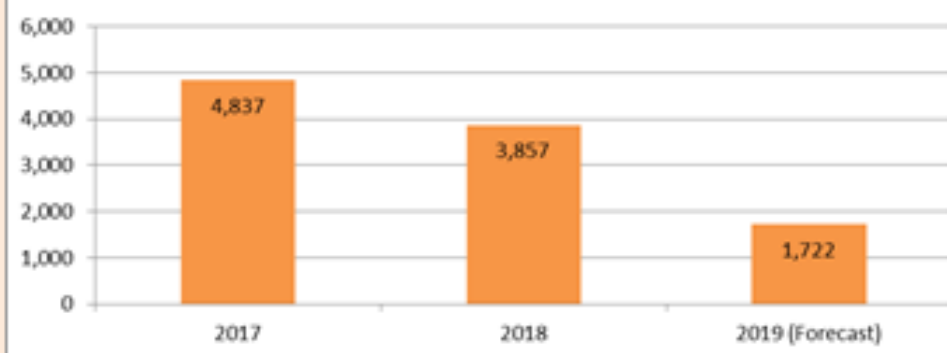
- The forecast overspending in schools for 18/19 includes an assumption of additional income from Welsh Government grant at the end of the year - therefore is a potential risk to these forecasts. Based on historic trends this has been assumed to be £1.3m, therefore, reducing the forecast in year overspending down to £2.1m
- Currently 9 schools forecasting negative balances at the end of the year (1 x nursery, 2 x primaries, 1 x special and 5 x secondary's). The cumulative, forecast deficit for these 9 schools is £1.6m. Forecast school balances as at 31st March 2019 highlights that most schools will have minimal balances at that time and the likelihood is that vast majority / all schools will have negative balances in 19/20 next year; unless action to reduce spend / increase funding is taken

Schools Forecasting Budget Overspends	Oct £'000
Kimberley Nursery	(34)
High Cross Primary	(9)
St. Woolos Primary	(20)
Newport High	(31)
Caerleon Comprehensive	(508)
Lliswerry High	(614)
St Julians School	(197)
Ysgol Gyfun Gwent's Coed	(35)
Maes Ebbw Special	(108)
Total Net Budget	(1,557)

Proportion of Schools Forecasting Negative Balances as at 31st March 2019



Balances held by Schools as at 31st March



Schools are forecasting an in year overspend of £2.1m therefore reducing the school balances from £3,857k to £1,722k as at the end of March 2019.

APPENDIX 2 Revenue Summary Monitor – October 2018

	April 18 Approved Budget	Current Budget	Actual to Date	Projection	(Under) / Over
	£'000	£'000	£'000	£'000	£'000
Summary Revenue Budget 2018/19					
People					
Children and Young People	22,400	22,405	14,465	24,674	2,270
Adult and Community Services	44,529	44,529	28,367	45,785	1,256
Education	14,561	12,769	4,599	14,509	1,741
Schools	93,262	92,977	62,465	95,112	2,135
	174,752	172,679	109,897	180,080	7,401
Place					
Regeneration, Investment and Housing	10,028	9,933	7,283	10,024	91
City Services	20,806	22,914	11,756	22,960	46
	30,834	32,847	19,039	32,984	137
Chief Executive					
Directorate	599	599	302	563	(36)
Finance	3,087	3,084	1,787	3,018	(66)
People and Business Change	6,989	7,080	(995)	6,918	(162)
Law and Regulation	6,904	6,902	4,199	6,910	8
	17,579	17,665	5,293	17,409	(256)
Capital Financing Costs and Interest					
Capital Financing Costs MRP	7,489	7,489	-	7,489	(0)
Interest Payable	9,085	9,085	2,369	9,085	(0)
Interest Receivable	(37)	(37)	(52)	(150)	(113)
PFI	8,543	8,543	3,999	8,543	(0)
	25,080	25,080	6,316	24,967	(113)
Sub Total - Service/Capital Financing	248,245	248,271	140,545	255,440	7,169
Contingency Provisions					
General Contingency	1,473	1,473	-	-	(1,473)
Restructuring / Other Savings	-	-	171	-	-
Centralised Insurance Fund	570	570	-	570	1
Non Departmental Costs	5	-	1	-	-
Other Income and Expenditure	3,168	3,150	26,332	(1,205)	(4,355)
	5,216	5,192	26,503	(634)	(5,826)
Levies / Other					
Discontinued Operations - pensions	1,592	1,577	888	1,533	(44)
Discontinued Operations - Ex Gratia Payments	2	2	2	3	1
Levies - Drainage Board, Fire service etc	8,330	8,346	4,859	8,361	15
Non distributed grants	-	-	-	-	-
CTAX Benefit Rebates	12,599	12,597	-	10,927	(1,670)
Extraordinary Items	-	-	-	-	-
Charity Rate Relief	-	-	-	-	-
	22,523	22,521	5,748	20,824	(1,697)
Transfers To/From Reserves					
Base budget - Planned Transfers to/(from) Reserves	(1,388)	(1,388)	-	612	2,000
Earmarked reserves: Queensbury Loan	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Capital	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	-	-	(2,135)	(2,135)
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-	-	-
Invest to Save Reserve	-	-	-	1,275	1,275
Invest to Save Reserve (from)	-	-	-	(1,275)	(1,275)
	(1,388)	(1,388)	-	(1,523)	(135)
Total	274,596	274,596	172,797	274,107	(489)
Funded By					
WAG funding (RSG and NNDR)	(212,790)	(212,790)	-	(212,790)	-
Council Tax	(61,806)	(61,806)	-	(61,806)	-
Council Tax Surplus	-	-	-	(650)	(650)
Total	0	0	172,797	(1,139)	(1,139)

APPENDIX 3 Revenue Summary Monitor by Activity – October 2018

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Summary Revenue Budget 2018/19					
People					
Children and Young People	22,400	22,405	24,674	2,270	
SOC19 Pathway Team	1,597	1,624	1,578	(46)	
SOC20 Leaving Care	811	784	523	(261)	Budget pressure of £92k added into 18-19 budgets not being used due to lower than anticipated take up from When I'm Ready provision. Reduction in forecast supported lodging costs due to lower than expected numbers using this part of the Leaving Care Service, an expensive support package for one individual being withdrawn and retention of the 17-18 St David's Day grant income (£29k) from Welsh Government for which spend has been subsequently identified.
SOC21 Sthwrk 16+ Homeless	26	26	26	-	
SOC22 LAC Family Contact	98	98	102	4	
SOC23 Child Safegrd + Miss	139	139	119	(20)	
SOC24 Child + Fam Mgt Acct	311	370	275	(96)	Savings from Vacant Service Manager [1.5 fte] for 10 months, 50% Service Manager retiring in Oct with post being forecast vacant for 2 months and lower costs for new employee as commencing at bottom of grade.
SOC26 Integ Fam Supp Serv	1,478	1,480	1,468	(11)	
SOC27 SE Wales Adoption	512	512	718	206	Forecast now includes provision for 12 placements to be made during 18-19 with an increase in fees of £4k per placement factored in from 1st Oct for estimated placements to be made. Increase in costs of £13k from South East Wales Adoption Service for the 18-19 financial year.
SOC28 Child Protection	4,307	4,261	4,275	14	
SOC30 NCC Child Res	2,059	2,059	2,207	148	Oaklands Medium Term Revenue saving of £60k will not be achieved during the current financial year. Staffing updated in line with I25 account to show Unit Manager funded for 12 months with post being back filled. Additional agency costs to cover sickness forecast in from Aug 18. Some savings in staffing (approximately £12.5k) have been accounted for in the final 2 months of the financial year, due to the facility closing for refurbishment which has been funded by an Integrated Care Fund bid. Forest Lodge - new staffing rota will not be implemented to achieve a reduction in employee costs, the unit is currently forecasting an overspend of £33k. Brynglas Unit - a net forecast of £58k for staffing costs included within the October monitor as the facility is being used on a temporary basis.

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Summary Revenue Budget 2018/19					
People					
Children and Young People	22,400	22,405	24,674	2,270	
SOC31 Out of Auth Res Plac	2,719	2,719	4,518	1,799	Increased number of Out of Area placements, we've had up to 28 individuals having been placed in Out of Area residential units during the year. The reduction in the forecast in October is due to a provision for a placement changing to an independent fostering placement with placements currently being forecasted to reduce to 19 by January 19.
SOC32 Ind Foster Ag Plac	1,294	1,294	1,979	685	Increased number of IFA placements, now up to 55 individuals. 5 siblings have transferred to in-house provision from mid Oct (which has reduced costs to the authority), although several other placements have been made, maintaining the current numbers at 55.
SOC33 In-House Fostering	4,084	4,084	4,196	112	Increased number of in-house fostering placements, peaking at 205 in July 18. Budget can afford 193 in 18-19. Jun 17 actual was 175. Increased fostering placement costs are being partly offset by reduced spend on Career and Specialist Carers. Increased costs and numbers in Sept 18 partly due to the transfer of 5 siblings transferring from Independent provider to in-house provision
SOC34 Kinship Payments	1,096	1,096	930	(166)	Guardianship numbers seemed to have plateaued, as our numbers so far this year have been in the range of 186 - 191. A £144k Net MTRP pressure that has been added into 18-19 budgets appears now not to be required.
SOC35 Education Supp Team	118	118	112	(6)	
SOC36 Direct Pay Child Serv	161	161	146	(16)	
SOC37 S17 Child Dis Aid	30	30	30	-	
SOC38 Adoption Allowances	296	296	333	38	
SOC39 Child Safeguard	590	579	556	(24)	
SOC40 Youth Offending Service	675	675	584	(91)	Forecasted underspend for the YOS due to time taken to recruit to some vacant posts and a reduction in the level of sessional work being required to be undertaken by the Service
Adult and Community Services	44,529	44,529	45,785	1,256	
SOC1 Home Care + Extra Care	1,742	1,742	1,843	102	18-19 MTRP Saving requirement not being achieved
SOC2 Older People Res Units	2,560	2,487	2,442	(45)	
SOC3 Supp Living Agency	690	690	676	(14)	
SOC4 Day Opportunities	1,237	1,230	1,188	(42)	
SOC5 First Contact	426	465	467	3	

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Summary Revenue Budget 2018/19					
People					
Adult and Community Services	44,529	44,529	45,785	1,256	
SOC6 SMAPF	-	-	-	-	
SOC7 Integrated OT Total	623	623	624	1	
SOC8 Centrica Lodge Resp	222	222	207	(15)	
SOC9 Community Care Teams	1,899	1,942	2,150	208	Increased staffing / agency costs in the teams and a reduction in Supporting People Partnership Grant funding being received
SOC10.1 Com care Residential Packages	17,988	18,542	18,884	342	variance of +9 new users £64k
SOC10.2 Com care Supported Living Packages	6,642	6,742	8,728	1,986	Increase in users within Supported Living placements has seen pressure on budgets inc users moving out of Newport City Homes housing. £100k pressure for transitional users who will be turning 18 in this financial year
SOC10.3 Com Care Non Residential Packages	11,266	11,109	11,131	22	Over 60 additional users are now receiving services since April 18. £30k pressure for transitional costs for users turning 18 years old in this financial year. £120k costs due to external provider fee changes.
SOC10.4 Com Care Packages Income	(8,394)	(8,243)	(9,368)	(1,125)	Increased contribution from users
SOC11 Community Care Packages-Mental Health	2,377	1,723	1,774	51	An increase in care package costs of £19k over the budget and an increase in Integrated employee costs from Aneurin Bevan University Health Board from the Mental Capacity Act
SOC12 Frailty Pooled Budget	1,974	1,920	1,880	(40)	
SOC13 Adults Mgt Account	574	651	585	(66)	Over achievement of Medium Term Revenue savings - £8k, Service Manager Vacancy for 3 months -£18k and unexpected income of -£5k from Ceredigion County Council
SOC14 Service Dev + Comm	917	839	813	(26)	
SOC15 Supporting People Gen	183	183	194	11	
SOC16 Adult Serv Cont Sup	1,072	1,120	1,018	(102)	Saving from reductions in contracts from Grants to various organisations
SOC17 Telecare Contract	82	82	55	(27)	
SOC18 Adult Safeguard Tot	449	459	493	34	
Education	14,517	12,646	14,395	1,741	
EDU2 School Based Counsel	206	206	206	-	
EDU3 Autistic Spectrum Disorder	-	-	-	-	
EDU4 Psychology Services	357	357	339	(18)	
EDU5 SEN Team	296	292	273	(20)	
EDU6 SEN Recoup OOC	3,149	3,149	4,234	1,085	Demand higher than budget. Projection includes £159k projected new placements from Nov18-Mar19. Income less than target, insufficient places to sell. Pressure paper submitted for 2019-20.
EDU7 SEN Equip & Resource	95	95	145	50	Additional therapy support packages agreed at panel.
EDU8 SEN Local Provision	156	159	417	258	Costs avoidance, in house provision at less than half the cost of sending Out of County.
EDU9 Inclusion Mngt Account	442	285	293	7	
EDU10 Education Welfare Service	344	344	353	9	

Summary Revenue Budget 2018/19					Notes - Explanation as Required
	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	
	£'000	£'000	£'000	£'000	
People					
Education	14,517	12,646	14,395	1,741	
EDU11 Bridge Achievement Centre	728	1,013	1,239	226	Increase in demand, high levels of sickness (no budget cover). Currently under review.
EDU12 EIG-Education Improvement Grant	471	471	468	(2)	
EDU13 GEMS	(14)	(14)	(14)	-	
EDU14 Breakfast Clubs	324	324	459	135	Increase in number of breakfast clubs provision. Budget not increased in line with demand.
EDU15 School Meals Repairs & Maintenanc	282	282	283	1	
EDU16 Educ Mngt-Mngt Team	200	406	389	(17)	
EDU17 Educ Mngt-Non Team	(394)	(443)	(500)	(57)	Schools Maternity credits higher than budget (Non-Del).
EDU18 Service Dev & Bus	225	199	185	(14)	
EDU19 School Admissions & Appeals	267	242	239	(3)	
EDU20 21CS Programme	84	84	86	1	
EDU21 Early Years & Integ	1,057	1,057	1,026	(31)	
EDU22 Redund & Superann	1,013	1,013	1,013	-	
EDU23 Joint Services	1,447	1,450	1,468	18	
EDU24 Transport	3,782	1,674	1,794	120	Demand higher than budget. SEN Transport pressure partially offset by Special Transport savings. September contracts and forecast confirmed by Transport Unit. Access to data spreadsheet granted recently, Accountancy to reconcile and confirm forecasts in readiness for November monitoring. Potential additional pressure with regards to Home to School escorts, awaiting confirmation from Streetscene.
Schools	93,306	93,099	95,234	2,135	
EDU01 Schools	93,262	93,099	95,234	2,135	The forecast overspend includes an assumption of additional income from Welsh Government grant at the end of the year - therefore is a potential risk to these forecasts. Based on historic trends this has been assumed to be £1.3m, therefore, reducing the forecast in year overspending down to £2.1m
EDU1 Schools - Durham Road PFI	44	-	-	-	
Total People	174,751	172,679	180,088	7,401	

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Place					
Regeneration, Investment and Housing	10,028	9,933	10,024	91	
RIH1 Homelessness	871	723	662	(61)	Underspends mainly relate to the Private Sector Leasing scheme; there are reported underspends across repairs and maintenance since using NORSE as well as renegotiated rents with landlords this has been offset in part by a reduction in Housing benefit income expected. Budgets across Homelessness will remain volatile and will be closely monitored by the manager.
RIH2 Strategy & Dev	264	274	275	1	
RIH3 Housing Needs	709	847	786	(61)	Manpower savings make up a significant element of variance (£-123k); team restructured in year, delays to recruitment and in year sickness issues resulting in manpower underspend; this has been offset by in part by an under recovery of Supporting People grant (£36k) and legal costs in respect of three legal challenges that are ongoing (£25k).
RIH4 Private Sector Housing	93	72	94	22	
RIH5 Com & Ind Portfolio	(976)	(1,116)	(1,118)	(2)	
RIH6 Provision Market	(133)	(200)	(122)	78	Overspends against building repairs and refuse expected. Quarterly reconciliation of income has shown that whilst we are expecting to under recover against budget there is an expected increase in rental income reported to date. The NCC client officer has liaised with NORSE colleagues to confirm the position is accurate.
RIH7 Civic Centre Facilities Management	659	624	896	273	Overspends relate to grounds maintenance and refuse costs. A review of utilities has found that there are costs outstanding for 1718 which have now been paid therefore forecasts have been increased to cover the additional cost. In October period significant additional expenditure has been forecasted for the Modernised Council review which is ongoing (£142k); there could be further expenditure however this value is not yet known.
RIH8 Station Buildings	365	342	320	(22)	
RIH9 Centralised Properties	3,896	4,072	3,932	(140)	Over recovery of profit share income relating to 2017/18 (£-135k). Cipfa commissioned review of NORSE has commenced, NCC costs anticipated to be £9k with NORSE picking up the remaining balance. Reduction in contract payment to Norse from November 1819 - in respect of Energy (£-12.9k)
RIH10 Carbon Reduction	328	327	256	(72)	Reductions across the energy budget pending the implementation of a new energy strategy; further savings could be achieved if delays continue. Further reduction on staffing costs assumed.
RIH11 Building Control	24	14	14	0	

Summary Revenue Budget 2018/19

Summary Revenue Budget 2018/19

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Place					
Regeneration, Investment and Housing	10,028	9,933	10,024	91	
RIH12 Plan & Dev Mngt Acc	114	114	186	72	External fees for the development of Newport Knowledge Quarter
RIH13 R+R Pooled Admin	44	48	49	1	
RIH14 Urban Regeneration	260	296	300	3	
RIH16 Development Mngt	314	299	364	65	Income under recovery expected (£84k).The number of large developments expected in year is lower than in previous years, this has been offset in part by minor underspends on supplies and services budgets, however these underspends have reduced in September period as consultants are required to implement the IDOX system.
RIH17 Planning Pol & Imp	215	216	222	6	
RIH18 Local Dev Plan	72	72	72	-	
RIH19 Community Centres	203	201	238	37	
RIH20 Comm Dev Core	199	196	167	(29)	
RIH21 Youth Core	276	270	220	(50)	Transfer back of reserve balance agreed by Senior Finance Business Partner (£-41k). Also under-spends identified on Manpower, Room Hire and Prof. Fees totalling £9K.
RIH22 City Playschemes	91	93	93	-	
RIH23 Adult Education	(100)	(100)	(115)	(15)	
RIH24 Libraries	1,066	1,078	1,072	(6)	
RIH25 Museum & Art Gallery	397	403	402	(1)	
RIH26 Medieval Ship	73	66	66	0	
RIH27 Partnerships	174	174	171	(2)	
RIH28 Tredegar House & Grounds	399	399	399	-	
RIH29 14 Locks	21	21	21	-	
RIH30 Transporter Bridge	116	116	130	13	
RIH31 CD Communities First	1	-	(13)	(13)	
RIH32 Work & Skills Employ	(0)	-	14	14	
RIH33 Work & Skills Europe	-	-	-	-	
RIH34 Families First	-	-	-	-	
RIH35 Flying Start	1	-	0	0	
RIH36 Monwel	(7)	(6)	(28)	(22)	
RIH37 Youth	0	-	-	-	Transfer back of reserve balance agreed by Senior Finance Business Partner (£-41k). Also under-spends identified on Manpower, Room Hire and Prof. Fees totalling £9K.
30420 Ellen Ridge Site	-	-	-	-	
41065 Rivermead Centre	-	-	-	-	
41066 Cefn Wood Centre	-	-	-	-	
41070 Community Centre General	-	-	-	-	

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Place					
Streetscene and City Services	20,805	22,914	22,960	47	
STR1 Env Serv	748	771	779	8	
STR2 Cemeteries	(494)	(461)	(482)	(21)	
STR3 Public Transport	1,104	1,101	1,083	(18)	
STR4 Asset Management	353	326	362	36	
STR5 Street Lighting	2,365	2,144	2,158	15	
STR6 Senior Management Team	(24)	353	344	(9)	
STR7 Traffic Mngt & Street	(15)	263	296	34	
STR8 Road Safety	212	182	133	(49)	Vacant posts
STR9 Leisure Trust	2,870	2,842	2,865	24	
STR10 Waste Disposal Site	(287)	(469)	(662)	(193)	Additional commercial income
STR11 Recycling	2,714	1,769	1,773	4	
STR12 Refuse Collection	2,540	3,023	3,086	63	Reduction in external trade waste contracts
STR13 Civic Amenity Site	361	676	771	96	Increased costs for sorting of HWRC waste to achieve the recycling target
STR15 Drainage Operations	662	655	562	(93)	Vacancy savings (£38k);additional contract income for SDR (£20k);savings on supplies budget (£10k) and increased cesspit emptying income (£25k)
STR16 Fleet Management	2,139	2,099	2,088	(12)	
STR17 Grounds Maint	927	796	935	140	Variance due to internal recharge income not expected to meet budget.
STR18 Highways	1,566	1,560	1,538	(22)	
STR19 SDR South Distrib Road	(115)	(116)	(90)	26	
STR20 Off Street Parking	(278)	(278)	(315)	(37)	
STR21 Street Cleansing	1,510	1,599	1,685	86	Increased staffing costs (£52k);reduced internal income (£30k) and increased supplies (£4k)
STR23 Depot Salaries	160	197	223	26	
STR24 Winter Maintenance	128	128	153	25	
STR25 Public Features	52	42	42	(0)	
STR26 Customer Services	1,491	1,533	1,391	(142)	Significant savings on staffing costs offset by some unbudgeted costs
STR27 Benefits	115	73	84	11	
STR28 Home to School Transport	(0)	2,108	2,156	48	Additional contract payments due to new school and increase in pupil numbers.
Total Place	30,832	32,847	32,984	137	

Summary Revenue Budget 2018/19

Chief Executive

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Dir: CD100 Directorate	599	599	563	(36)	
Finance	3,084	3,084	3,018	(66)	Largely due to staff cost savings on vacant posts, unbudgeted income offset by some unbudgeted costs
FIN1 Accountancy	2,060	2,060	2,065	6	
FIN2 Internal Audit	347	347	338	(9)	
FIN3 Purchase to Pay	(1)	(1)	(1)	-	
FIN3 Purchase to Pay	126	126	126	(1)	
FIN4 Strategic Procurement	100	100	82	(19)	
FIN4 Strategic Procurement	236	236	190	(46)	
FIN5 Council Tax & NNDR	58	58	82	25	
FIN6 Debtors	158	158	136	(22)	
People and Business Change	6,990	7,080	6,918	(162)	
PBC1 HR Strategy & Op	478	534	463	(71)	Head of HR over-budget due to unbudgeted fee (-£32K) offset by net savings against budget on HR (+£97K) and TUD (+£7K).
PBC2 HR Emp Serv	502	373	338	(34)	
PBC3 Business Chg Improv	65	47	(85)	(133)	Savings on staff budget largely due to posts post vacant in year, maternity leave and staff reducing hours.
PBC3 Business Chg Improv (£292k) / PBC4 Performance Mgt Plan (£69k)	360	300	376	76	This is offset with 125 posts for which Funds Transfers have been made
PBC5 Com Cohesion	7	7	7	-	
PBC6 Partnership	518	518	518	-	
PBC7 Partnership & Policy	495	501	502	2	
PBC8 Health and Safety	178	178	192	14	
PBC9 Social Services	233	233	233	0	
PBC10 Digital	245	317	307	(9)	
PBC11 Info Gov & Dev	162	144	127	(17)	
PBC12 Shared Res Serv	3,202	3,211	3,211	-	
PBC13 Document Services	257	257	269	12	
PBC14 Spatial Data Unit / PBC15 Gazetteer & Address / PBC16 Edu Info Sup Dev	286	459	459	(0)	

Summary Revenue Budget 2018/19

	April 18 Approved Budget	Current Budget	Projection	(Under) / Over	Notes - Explanation as Required
	£'000	£'000	£'000	£'000	
Law and Regulation	6,906	6,902	6,910	8	
LAW1 Comms & Market	595	564	570	6	
LAW2 Registrars	123	126	177	51	Overspend mainly relates to staffing which is in line with 17/18 and actual spend for 18/19. Budget will be monitored closely as it needs to cope with demand following an increase in registration activity.
LAW3 Demographic Services	519	553	521	(32)	
LAW4 Members Allowances	1,050	1,067	1,088	20	
LAW5 Electoral Reg	228	228	228	-	
LAW6 Legal	1,299	1,294	1,278	(16)	
LAW7 Land Charges	(117)	(117)	(102)	15	
LAW8 Insurance	881	881	821	(59)	Vacant Highways Claims Investigator post (Apr - July) which has now been filled. £30K reduction in insurance premiums for 18/19. £12K refund from the Court relating to previous years. Reduction in Officer Expenses of £4.5K.
LAW9 Comm Safety	744	757	851	94	£64K reduction in CCTV income based on confirmed contracts for 18/19. Due to the delayed implementation of a restructure the forecast includes £19K salary for the Anti-Social Behaviour Manager. Savings on employees and the realignment of the Noise & Neighbourhood budget offsets a reduction in income.
LAW10 Environmental health	991	955	944	(11)	
LAW11 Trading Standards	724	724	747	22	
LAW12 Licensing	(131)	(131)	(212)	(81)	Increase in income forecast throughout the year based on trends and outturn in previous years.
Total Chief Executive	17,579	17,665	17,410	(255)	
People	174,751	172,679	180,088	7,401	
Place	30,832	32,847	32,984	137	
Chief Executive	17,579	17,665	17,410	(255)	
Grand Total	223,163	223,191	230,483	7,284	

APPENDIX 4 – Schools Funding and Balances

	Opening Balance 31/03/18	Movement In Reserves 2018/19	Closing Balance 31/03/19	Final Funding 2018/19
School	£	£	£	£
Fairoak Nursery	16,527	(8,630)	7,897	201,747
Kimberley Nursery	(15,122)	(18,939)	(34,061)	269,375
Total Nursery Schools	1,405	(27,569)	(26,164)	471,122
Alway Primary	49,365	(15,241)	34,124	1,412,135
Caerleon Lodge Hill Primary	42,035	(11,781)	30,254	938,128
Charles Williams Cw Primary	134,136	(43,128)	91,008	1,605,780
Clytha Primary	30,213	(10,031)	20,182	773,078
Crindau Primary	169,288	(56,399)	112,889	1,298,984
Eveswell Primary	254,930	(121,157)	133,773	1,409,638
Gaer Primary	33,244	7,044	40,288	1,474,579
Glan Usk Primary	47,265	(30,598)	16,667	1,944,247
Glasllwch Primary	68,103	(60,884)	7,219	698,725
High Cross Primary	31,456	(40,664)	(9,208)	896,982
Jubilee Park Primary	46,499	(21,290)	25,210	802,372
Langstone Primary	88,510	(44,316)	44,193	1,012,559
Llanmartin Primary	44,324	(42,662)	1,662	751,087
Lliswerry Primary	48,883	(30,987)	17,896	1,915,823
Maesglas Primary	27,081	(13,719)	13,362	913,580
Maindee Primary	35,101	(12,182)	22,919	1,556,413
Malpas Church In Wales Primary	69,915	(25,172)	44,743	1,117,831
Malpas Court Primary	74,068	(39,695)	34,373	1,045,556
Malpas Park Primary	55,804	(35,680)	20,124	741,088
Marshfield Primary	77,780	(38,663)	39,117	1,285,794
Millbrook Primary	95,198	(57,115)	38,083	953,667
Milton Primary	21,097	16,169	37,266	1,507,464
Monnow Primary	145,753	(62,056)	83,696	1,362,574
Mount Pleasant Primary	22,136	(20,289)	1,847	788,515
Pentrepoeth Primary	49,759	(36,277)	13,482	1,304,659
Pillgwenilly Primary	151,884	(92,511)	59,373	2,068,572
Ringland Primary	22,225	32,741	54,966	1,009,806
Rogerstone Primary	41,201	(30,656)	10,545	1,984,012
Somerton Primary	45,520	(26,097)	19,423	636,707
St. Andrews Primary	38,248	(36,989)	1,259	2,131,012
St. Davids Rc Primary	72,110	(45,704)	26,406	677,322
St. Gabriels Rc Primary	36,762	(16,254)	20,508	537,246
St. Josephs Rc Primary	39,655	1,024	40,679	649,305
St. Julians Primary	183,548	(1,388)	182,160	1,961,361
St. Marys Rc Primary	68,693	(30,918)	37,775	1,155,344
St. Michaels Rc Primary	20,602	(20,297)	305	683,577
St. Patricks Rc Primary	45,578	(2,294)	43,284	678,687
St. Woolos Primary	6,800	(27,014)	(20,214)	1,007,940
Tredegar Park Primary	76,756	20,845	97,601	1,438,975
Ysgol Gymraeg Bro Teyrnnon	164,795	(63,244)	101,551	574,901
Ysgol Gymraeg Casnewydd	93,607	2,736	96,343	1,094,659
Ysgol Gymraeg Ifor Hael	130,492	(31,979)	98,513	664,105
Total Primary Schools	3,000,418	(1,214,772)	1,785,646	48,464,789
Bassaleg School	317,850	(307,994)	9,856	6,871,773
Newport High	15,410	(46,007)	(30,597)	4,891,004
Caerleon Comprehensive	(109,030)	(398,780)	(507,810)	5,980,959
The John Frost School	81,748	(68,017)	13,731	5,387,172
Llanwern High	138,830	(57,370)	81,461	4,432,875
Lliswerry High	(255,561)	(358,519)	(614,080)	3,729,805
St Josephs R.C. High	179,172	(192,289)	(13,117)	5,673,165
St Julians School	237,305	(434,375)	(197,069)	6,983,164
Ysgol Gyfun Gwent Is Coed	142,361	(177,716)	(35,355)	914,000
Total Secondary Schools (inc Post 16)	748,086	(2,041,067)	(1,292,980)	44,863,917
Maes Ebbw Special	(13,993)	(94,292)	(108,285)	3,576,567
Bryn Derw	121,524	(90,000)	31,524	970,463
Total Special Schools	107,532	(184,292)	(76,761)	4,547,030
Assumed additional grant and other compensation		1,332,879		
Total	3,857,441	(2,134,222)	1,723,219	98,346,858

APPENDIX 5 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-18	Planned movements in year												Balance at 31-Mar-19
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)													(6,500)
Balances held by schools for future use	(3,857)												2,135	(1,722)
Earmarked Reserves:														
Insurance Reserve	(1,594)													(1,594)
MVI Insurance Reserve	(602)												300	(302)
Health & Safety	(16)												16	-
Music Service	(124)												89	(35)
Education Achievement Service	(92)													(92)
Schools Redundancies	(708)													(708)
Friars Walk	(8,405)												500	(7,905)
European Funding I2A & CFW	(173)												(17)	(190)
Metro Bus	(9)													(9)
Pay Reserve	(1,418)													(1,418)
NEW - GEMS Redundancies	(78)												2	(76)
SUB TOTAL - RISK RESERVES	(13,219)	-	-	-	-	-	-	-	-	-	-	-	891	(12,328)
Capital Expenditure	(5,761)												704	(5,057)
School Works	(347)			100									15	(232)
School Reserve Other	(924)												924	-
Investment Reserve	(966)												475	(491)
Invest to Save	(9,557)												(725)	(10,282)
Super Connected Cities	(554)												128	(426)
Landfill (fines reserve)	(345)													(345)
Usable Capital Receipts	(8,901)												2,928	(5,973)
NEW - Streetscene Manager Support	(200)												52	(148)
SUB TOTAL - ENABLING RESERVES	(27,555)	-	-	100	-	-	-	-	-	-	-	-	4,501	(22,954)
STEP School Computers	(357)												357	(0)
Municipal Elections	(54)												(37)	(91)
Local Development Plan	(599)												(36)	(635)
Glan Usk PFI	(1,605)												10	(1,595)
Southern Distributor Road PFI	(44,515)												340	(44,175)
NEW - Building Control	(48)												(90)	(138)
SUB TOTAL - SMOOTHING RESERVES	(47,179)	-	-	-	-	-	-	-	-	-	-	-	544	(46,635)

Reserve	Balance at 31-Mar-18	Planned movements in year											Balance at 31-Mar-19	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Works of art	(21)													(21)
Theatre & Arts Centre	(232)													(232)
Cymorth Income	(33)												33	-
Blaen Y Pant Remodelling (Formerly Pupil Referral Unit)	(60)												60	-
Gypsy and Traveller Site	(7)													(7)
Homelessness Prevention	(38)													(38)
Environmental Health - Improve Air Quality	(49)													(49)
Refurbishment of a Children / Older People Homes	(62)				8		10						44	(0)
Apprenticeship Scheme	(84)												35	(49)
City Economic Development Reserve	(90)												45	(45)
Welsh Language Standards	(174)												60	(114)
YS Dilapidation Costs Information Shop	(41)												41	-
Port Health	(8)												(5)	(13)
Customer Relationship Management (CRM) Project	(681)												681	-
Welsh Community Care Information System (WCCIS)	(38)		36	2										-
NEW - Events	(190)												130	(60)
NEW - MTFP Reserve	(2,715)												300	(2,415)
NEW - Development of Leisure Masterplan	(15)												15	-
NEW - Voluntary Sector Grants	(66)												44	(22)
NEW - Bus Wifi	(35)												18	(17)
SUB TOTAL - OTHER RESERVES	(4,639)	-	36	2	8	-	10	-	-	-	-	-	1,501	(3,082)
RESERVES TOTAL	(102,948)	-	36	102	8	-	10	-	-	-	-	-	9,572	(93,220)

Report

Cabinet

Part 1

Date: 12 December 2018

Item No: 6

Subject **Capital Programme Monitoring and Additions September 2018**

Purpose To submit to Cabinet for approval, requests for new capital schemes to be added to the Council's Capital Programme.

To update Cabinet on current spending against the Capital Programme schemes highlighting the forecast outturn position for the programme as at September 2018.

Author Assistant Head of Finance

Ward All

Summary This report updates Cabinet on the current capital expenditure position as at the end of September 2018 along with the forecast outturn for 2018/19. The position shows an overall variance of £5,650k, this is broken down into slippage of £5,499k slippage into 2019/20 and an underspend of £151k. It is requested that the slippage is moved from 2018/19 into the 2019/20 budget.

There are capital additions of £2,165k requested to be added into the overall 5 year programme, these are funded by a variety of borrowing, grants and section 106 monies. The additions are still within the affordability headroom for capital expenditure.

The report also updates Cabinet on the current position regarding capital receipts. To date £148k of capital receipts have been received this year, it is anticipated there will be approximately £1.9m of capital receipts received by the end of 2018/19.

Proposal **To approve the additions to the Capital Programme requested in the report and approve slippage from 2018/19 budget into 2019/20.**

To note the available remaining headroom over the life of the capital programme and the need to prioritise capital expenditure within this envelope to ensure the programme remains affordable.

To note the capital expenditure forecast position as at September 2018.

To note the balance of and approve the allocation of in-year capital receipts.

Action by Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service
- Accountancy teams for relevant service areas
- Relevant Service Area Project Managers
- NORSE Property Services

Signed

Background

The table below shows the updates of the Capital Programme since the original was approved as part of the budget report in February 2018. Since the last report which is was the monitoring for July, there has been an additional £2,165k added to the programme, taking the total 5 year programme to £134,069k. Additions to the programme to date have all been within the headroom available, which is detailed later in the report.

Report	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
	Budget	Budget	Budget	Budget	Budget	
Original Programme	35,805	24,884	23,309	23,606	19,282	126,885
Outturn Report (29.05.2018)	48,877	24,884	23,309	11,606	19,282	127,958
Monitoring Report – July	50,629	29,163	27,192	6,810	18,110	131,904
This Report	34,417	35,540	27,192	18,810	18,110	134,069

Changes to the approved Capital Programme

- The changes to the capital programme identified in this report have increased the overall size of the current year programme by £2,165k since reported in the Monitoring and Additions Report in July. These budget changes and their associated funding are listed in Appendix C and are requested to be approved by Cabinet, whilst Appendix B shows the capital expenditure and detailed forecast for 2018/19. The changes to the programme are summarised in the paragraphs below:

Education

- **Lliswerry High IT Replacement (£54k)** – Two capital bids have been approved for the school to refresh their Laptops and PC programmes. This will be funded via borrowing which is repayable over four years by the school.
- **Education Asset Improvements (£288k)** – Additional section 106 monies have been ring-fenced to undertake expansion and amalgamation works at Tredegar Park Primary due to the Pencarn Way development at the former Panasonic site.
- **Gaer ASD School Flooring (net nil)** – Due to health and safety issues, £40k has been moved from Maes Ebbw School contingency which is funded by 21st Century schools in order to fund emergency works required to be undertaken on the flooring at the Gaer ASD school. As this is funding that has been vired across, this does not have an impact on borrowing.
-

Regeneration, Investment & Housing

- **Neighbourhood hubs (£1,720k)** – Following the approval of the cabinet report, £1,720k has been added into the programme for the development to develop the Neighbourhood Hub in East Newport

as a pilot project. It is anticipated that this will be delivered over the next two financial years. Grant funding is being sought to deliver the scheme, with any shortfall being funded by borrowing which will be financed by the savings the programme delivers. Further hubs will be added to the programme as the business cases are analysed and approved.

- **Mill Street Loan (net nil)** – Following the withdrawal of plans to build a hotel on the site of the IAC building in Mill Street, the loan of £12m will no longer be facilitated. Therefore it has been removed from the programme. This does not affect the overall programme as would have been repaid in 2021/22, therefore it only affects the profile. Any subsequent proposal would be subject to a report to Cabinet and subsequent due diligence.

City Services

- **Bus Station (£103k reinstated budget)** – In 2017/18 there was a reported underspend on the bus station, however there is still some work that it required to finalise the scheme, therefore the budget should have been slipped into 2018/19. £103k is required to be reinstated onto the programme to complete these works in 2018/19.

Update on available headroom

The budget report set by Cabinet in February 2018 set out a framework to ensure the Council would maximise its capital expenditure while keeping within the current affordability envelope, “headroom”, which would not cause additional pressure on the revenue budget to that currently set.

The headroom is impacted by capital expenditure that is not funded by external resources i.e. grants or cannot be funded through the revenue savings it achieves. The framework approved at Council agreed the following:

- Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and, maximising capital receipts
- Regeneration schemes would be funded from ring-fencing the capital expenditure reserve only and Joint Venture funds. Other kinds of support through making of loans etc. would then be considered to support schemes, where it was needed and appropriate e.g. Mill Street offices development.
- Any change and efficiency schemes or schemes which save money requiring capital expenditure would be funded by netting off the savings achieved
- Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

The table below gives the latest position on the available headroom as at September 2018/19 across the five year programme.

Capital Headroom to 2023/24	£'000	
Uncommitted Borrowing Headroom	2,985	Where capital cannot be funded from external sources (i.e. grants) or through the savings it makes, it will need to be funded by borrowing or capital receipts. This source of funding will reduce the headroom available.
Uncommitted Usable Capital Receipts*	213	
Forecast Capital Receipts**	1,752	
Uncommitted Headroom	4,950	
Uncommitted JV Receipts	671	As per framework available JV receipts and the capital expenditure reserve will be earmarked for regeneration schemes.
Uncommitted Capital Expenditure Reserve	5,022	
Available for Regeneration schemes	5,693	
Total Available	10,643	

*Usable Capital Receipts only include the amount that has actually been received by the authority through disposals.

** The forecast for future capital receipts only includes ones where there is a high level of certainty that they will be achieved in the year. The above headroom does not include any receipts gained through selling vehicles; this work is currently being undertaken.

Any decision to add projects to the programme must be aware of the impact that it will have on the headroom until 2023/24. As the table shows above, there is only £4,950k available headroom that has not been earmarked for other purposes. Over the remaining life of the programme this is a very challenging amount. Therefore when making decisions on capital expenditure, officers and Cabinet need to be mindful of the available headroom and the affordability of the programme, and will need to prioritise expenditure accordingly. Any expenditure over the value of the headroom will cause a pressure on the revenue medium term financial plan.

Any slippage or re-profiling of budgets within the 5 year programme does not affect the headroom, as it focuses on the overall funding required over the life of the programme and not on an individual year basis.

2018/19 Capital Expenditure Position as at September 2018

- The 2018/19 capital programme allocation now totals £39,916k. Capital expenditure incurred up to the end of September 2018 totalled £5,719k, which is low at 14.3% of the overall budget with half of the year gone. Whilst it is appreciated that a significant level of capital expenditure tends to be incurred in the third and fourth quarters of the financial year, as has been the trend for many years, this is particularly low. Considering, as well, the level of slippage which occurred in 2017/18, it is vital that budget holders forecast their outturn accurately. Project managers will be expected and are obliged to continue to control their schemes robustly and monitor them closely to ensure accurate forecasting. Failure to do so has a detrimental impact on the Council's medium term capital planning.
- The forecast outturn position for the 2018/19 programme is currently estimated to be £34,266k (85.8% of available budget) as detailed in the following table. This is a variance of £5,650k, and is broken down into slippage of £5,499k and underspends of £151k. An update on the headline/ high value schemes is provided in the next section; Appendix B summarises the progress on the remainder of this year's programme.

Service Area	Updated Budget 2018/19	Forecast Outturn	Slippage	(Under)/Over Spend
	£000's	£000's	£000's	£000's
Education	13,967	12,081	(1,834)	(52)
Regeneration, Investment & Housing	13,201	11,279	(1,922)	0
People & Business Change	540	423	(117)	0
Adult & Community Services	195	195	0	0
Children & Young People Services	1,535	635	(900)	0
City Services	10,478	9,653	(727)	(99)
TOTAL	39,916	34,266	(5,499)	(151)
Budget following slippage	34,417	34,266	N/A	(151)

Update on Headline / High Value Schemes

Education

- Within the 21st Century Schools Band A Programme, three of the original six project streams remain ongoing: Caerleon Lodge Hill Primary, Maes Ebbw Special School expansion, and Ysgol Gyfun Gwent Is Coed (YGGIC) / John Frost School. All works are complete in relation to the demountable, nursery and Welsh-medium primary programmes. The Caerleon Lodge Hill Primary rebuild was handed over to the Council in October half-term. Maes Ebbw is on target to be operational in the early part of 2019/20 following approval of the business case by Welsh Government. The construction works at Ysgol Gyfun Gwent Is Coed is substantially completed and the school is now operational.
- Newport Norse and the Education Department have been working closely together in order to robustly plan the 21st Century Schools Band B. Three schools have been identified as projects to commence in this financial year. Is Coed Secondary Band B (£554k), Bassaleg Secondary (£703k) and Whiteheads Primary (£285k). The monies will be spent on planning, consultation and fees. Workshops have been organised and undertaken with the three schools whose schemes will be beginning first to start the planning process. The five year programme has been re-profiled with the latest updated figures available, with the current 5 year capital programme still forecasting a spend of approximately £56m, with £14m expected to be spent in the next 5 year capital programme, beginning in 2023/24.
- Due to the delay in the opening of Glan Llyn, the budget required for the furniture fixtures and equipment has largely been slipped in 2019/20.

Regeneration, Investment and Housing

- Gypsy/ Traveller Site Development –The ground works are well underway, responsible officers must ensure that all Welsh Government funding is spent by the 31st March 2019, and that budget costs are tightly controlled, with robust forecasting to ensure that the costs come within the expected financial envelope and that any value engineering exercise has been undertaken where possible.
- The Renovation Grants budget, currently split between Disabled Facilities Grants (£1,199k) and Safety at Home (£300k) but can be flexed as necessary. Slippage has been forecast of £450k, due to a backlog of Occupation Therapy recommendations; Property Social Housing has not had the same level of applications as usual for this point in the year. However, this is expected to be spent in 2019/20. The DFG budget is enhanced yet again by the ENABLE Support for Independent Living grant (£197k) awarded by Welsh Government.
- The asset maintenance programme is showing slippage of £593k into 2019/20. This is due to it being looked at as a two year programme by Norse, and the size and complexity of the projects means the weighting of the spend is shifted towards 2019/20.
- The redevelopment of 123-129 Commercial Street continues to progress well. The first three storeys are beginning to take shape and the contractor is delivering significant community benefit as part of the contract.
- Both HLF bids are progressing as planned. Market Arcade has completed the development stage for the project and the delivery stage has now been offered, and Newport City Council has accepted the funding. Permission to start cannot be granted until there is a contractual agreement in place that ties participating owners to committing to the scheme. The bid for the Transporter bridge bid has been submitted and we are awaiting confirmation regarding whether we have been successful to move onto the next stage. There could potentially be some slippage if there is a delay in appointing a Project Co-ordinator post.
- As highlighted earlier in the report the facility for the Mill Street loan has now been removed from the programme.

- Neighbourhood hubs – The Ringland pilot is incorporated within the TRI capital programme and the Regeneration team are submitting the formal application to secure this funding in time for the Welsh Government panel meeting in November.

People and Business Change

- The IT System & Equipment Replacement Programme budget was reduced in 2018/19 from £225k to £150k in line with the SRS business case. However, slippage of £167k means that there is a total budget of £317k in 2018/19. Delays in the scheme mean that there is an anticipated spend in this financial year of £200k, and it is requested £117k is slipped into 2019/20.

Adult and Community Services

- Both the Telecare Service Equipment and GWICES schemes are progressing as planned. Full spend forecast.

Children and Family Services

- Three new children's homes – Following approval by cabinet, work has been ongoing to procure three new properties which will be suitable for using as children's homes. Two properties have already been identified, with one property currently being purchased by the Legal department. Another property has also been identified as a potential suitable property, and ICF funding has been agreed in principle to fund this scheme. However, we are still waiting to have approval in writing. Work continues to be undergoing to find a third suitable property. £900k has been slipped into 2019/20, the programme will be updated as the status of grants approvals are known.

City Services

- Fleet Replacement Programme – Detailed work has been undertaken to understand the total requirement for the Fleet replacement, and whilst this may change slightly as demands change, such as moving more towards the use of Electric vehicles, all known requirements have been included.. Due to the lead time of vehicles needed to be purchased, slippage of £458k has been forecast from that included in the previous report.
- Decriminalised Parking – The Council is looking to introduce Civil Parking Enforcement in 2019. Therefore it is anticipated that the majority of spend will be in 2018/19 financial. However, with draft and formal applications having to be submitted to Welsh Government and powers transferred through acts of Parliament, there are significant unknowns within the programme. The signs and lines statutory review has now been finalised. The review conducted has divided the city into 9 zones, information in respect of four zones have been passed from the contractor to the council for review and analysis. Because of the varied nature of the zones, the full extent and cost of sign and line renewals will not be known for some time. However, it is hoped that when work has been finalised analysing the information from the fourth zone, a budgetary position will be known. It is also unclear whether these works will be completed in 2018/19 as they are weather / contractor availability dependant. The forecast has assumed that a proportion of the work will carry over into 2019/20 together with some associated staff and equipment costs. It must be stressed that this is a best estimate and will be subject to reforecasting. It is anticipated at this time that the full budget will be required to deliver this project.
- Streetlighting LEDs – the scheme is on track, although it has been re-profiled across two financial years. Installation is expected to begin in January 2019. More accurate figures in terms of the split across the two financial years will be able to be given once tenders responses are received in October. Funding has been secured via Salex with the ability to claim the cash for purchases made up to three months in advance.

- Schemes have been identified under the sub-headings of road safety, street-wide improvements and lighting column replacement, within the £500k annual budget allocation for Highways Capital Maintenance. Full spend is anticipated for 2018/19.

Update on Capital Receipts

The table below shows the latest position in regards to capital receipts. Capital Receipts of £148k have been received to date with another £1.75m is forecast to be received this financial year. The table below also shows capital receipts held for Newport Unlimited, which are attributable to the previous joint arrangement between Newport City Council and Welsh Government. As previously reported to Cabinet, these funds are earmarked for city centre regeneration

Asset Disposed	Receipts Balance b/f	Receipts Received in Year	Total Available Receipts 2017/18
	£	£	£
GENERAL CAPITAL RECEIPTS			
Balance b/f from 2017/18	7,251,703		7,251,703
Clevedon Road		122,000	122,000
Ebenezer Terrace		26,000	26,000
Total Committed – 21 st Century Schools			(3,451,793)
Total Committed – Fleet Replacement Programme			(3,734,200)
Total Amount Uncommitted			213,710
NEWPORT UNLIMITED			
Balance b/f from 2017/18	1,649,570		1,649,570
Total Committed from JV monies			(978,694)
Total Amount Uncommitted			670,876
TOTAL NCC RECEIPTS (Uncommitted)			884,589

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Overspend against approved budget	M	L	Regular monitoring and reporting of expenditure in accordance with the timetables set by Cabinet/Council should identify any issues at an early stage and allow for planned slippage of spend.	Corporate Directors / Heads of Service / Head of Finance
Programme growing due to unforeseen events	M	M	Good capital monitoring procedures and effective management of the programme should identify issues and allow for plans to defer expenditure to accommodate urgent works. Priority asset management issues are now being dealt with through a specific programme allocation.	Corporate Directors / Heads of Service / Head of Finance

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The programme supports a large number of the Council's aims and objectives

Options Available and considered

- To approve the changes to the Capital Programme and note the monitoring position as set out in the report, including the use of capital receipts.
- To note the current available headroom and prioritise future capital expenditure in order to maintain spend within the current affordability envelope.
- The Cabinet has the option not to put forward some or all of the changes to the Capital Programme set out in the report.

Preferred Option and Why

- To approve the changes to the Capital Programme and note the monitoring position as set out in the report, including the use of capital receipts.
- Agree to prioritise capital expenditure to maintain spend within current affordability envelope.

Comments of Chief Financial Officer

The overall position shows that as in previous years there is anticipated to be significant slippage on the capital programme into future years. Service managers are required to be robust in their forecasting and modelling as this has a significant impact on treasury management decision making.

As the report highlights, the available non-earmarked headroom available across the life of the programme is low considering the expected demands on capital in the future. Therefore prioritisation of capital spend is essential, and any capital spend over and above this headroom will have a significant impact on the revenue pressures on the MTFP.

Comments of Monitoring Officer

There are no legal issues arising from this report.

Comments of Head of People and Business Change

There are no direct HR implications associated with the report.

The prioritisation of the capital spend will need to continue be considerate of the requirements of the Well-being of Future Generations Act

Comments of Cabinet Member

N/A

Local issues

As the report deals with the Capital Programme for the Authority as a whole, there are no local issues.

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

This update is against a backdrop of prolonged pressure on public services as a combination of reduced income, increased expectations, compliance with new legislation and the increasing costs of developing an affordable capital programme. Any changes to the capital programme will need to reflect and be consistent with the five principles underpinning the Wellbeing of Future Generation (Wales) Act 2015.

An effective capital programme enables the Council to support long term planning in line with the sustainable development principle of the Act.

Consultation

N/A

Background Papers

2018/19 Budget & Medium Term Financial Plan – February 2018
Capital Programme Outturn 2017/18 – June 2018
Monitoring and Additions Report – July 2018

Dated: 11th October 2018

APPENDIX A – Changes to 2018/19 Capital Programme

SCHEME	CAPITAL BUDGET						
	2018/19 Budget at Council	Additions / Reprofile July (Sept Cabinet)	Additions/Re -profile September (November)	Additions/Re -profile November (January)	Final Adjustments (Outturn)	Adjusted 2018/19	Potential Slippage
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
EDUCATION							
21C Schools - School Reorganisation - Lodge Hill New Build	4,351					4,351	(655)
21C Schools - Ysgol Gyfun Gwent Is Coed / John Frost School	1,958					1,958	
21C Schools - Special Sector Maes Ebbw	3,178		(40)			3,138	(378)
Gaer Unit Floor			40			40	
Iscoed Secondary Band B	554					554	(37)
Bassaleg Secondary Band B	703					703	72
Whiteheads Primary Band B	285					285	(47)
St Woolos Primary - Band B			8			8	
21st Century Schools - Band B		100	(8)			92	
Jubilee Park Primary FF&E	87					87	
Glan Llyn FF&E Works	615					615	(515)
St Gabriels RC Primary IT Replacement	10					10	
Pentrepoeth - IT Replacement	7					7	
John Frost School ICT Hardware Investment	52					52	
Blaen-y-Pant Bungalow (Educational Use)	60					60	
St Mary's Toilet Refurbishment	15					15	
Somerton Primary - ICT Equipment	12					12	
Feminine hygiene hardware & toilet facilities	34					34	
Llisbury High (106 Funds)		172				172	

Llisbury High (IT Replacement Programme)			54			54	
Reducing Classroom Size - Maesglas		521				521	
School Asset Improvements	890	21	288			1,199	(274)
Total Education	12,811	814	342	0	0	13,967	(1,834)
REGENERATION, INVESTMENT & HOUSING							
Gypsy Traveller Site Development	2,736	400				3,136	(200)
HLF Market Arcade Townscape Heritage Scheme	562	(368)				194	(115)
Indoor Market Facilities Improvements	48	(48)				0	
Civic Centre / Info Station Service Relocations	694					694	
Info Station NSA Enabling	479					479	
123 - 129 Commercial Street (Pobol Regen)	1,692	(446)				1,246	
City Deal	1,738					1,738	
Mill Street Development	12,000		(12,000)			0	
Neighbourhood hubs			842			842	
Disabled Facilities	1,200					1,200	(450)
Safety at Home	300					300	
ENABLE Adaptations Grant		197				197	
Homelessness Grant	98					98	
Asset Management	1,901	48				1,949	(594)
Flying Start Schemes	20	(20)				0	
FS Maintenance 1819		30				30	
FS Shaftsbury Community Centre		185				185	
Central Library Structural Safety Works	663					663	(563)
Transporter Bridge		250				250	
Total R I & H	24,131	228	(11,158)	0	0	13,201	(1,922)
PEOPLE & BUSINESS CHANGE							
IT Replacement Schemes	317					317	(117)
Corporate EDMS Rollout	13					13	

Replacement of High Volume Printing/ Copying Machines	210					210	
Total P & BC	540	0	0	0	0	540	(117)
ADULT & COMMUNITY SERVICES							
Telecare Service Equipment	30					30	
Appliances/Equipment for Disabled	165					165	
Total A & CS	195	0	0	0	0	195	0
CHILDREN & YOUNG PEOPLE SERVICES							
3 New Homes	1,500	0		0	0	1,500	(900)
Oaklands Respite Home		35				35	
Total C & YP	1,500	35	0	0	0	1,535	(900)
CITY SERVICES							
Fleet Replacement Programme	1,033	1,225				2,258	(458)
Bus station - Friars Walk Development			103			103	
Flood Risk Regulation Grant		91				91	
Cemetery Infrastructure Improvements	138					138	
Peterstone Sewage Scheme	223					223	
Composting	665					665	
Docksway Cell 4 Development	1,301					1,301	
Decriminalised Parking	1,386					1,386	(86)
Update Facilities in Parks		56				56	
Decommissioning of of Cemetery Office & Toilets	20	(10)				10	
Building Improvements to Lodges		80				80	
Small Scale Works Grant		34				34	
Road Refurbishment Grant Scheme	1,038					1,038	
Street Lighting LEDs	3,158	(1,658)				1,500	
Local Transport Fund - Active Travel Northern 2018/19		270				270	
Local Transport Fund - Active Travel Design 2018/19		243				243	

LTNF - ECO Stars		55				55	
Safe Routes - St Davids RC Primary		84				84	
Gwastad Mawr Flood Attenuation Improvement Works		43				43	
Pye Corner Development Works	21					21	(21)
Road Safety and Training	49					49	
General Traffic Management	33					33	
Streetwide Improvements	224					224	
Street Lighting Column Replacement	230					230	
Lliswerry Recreation Ground Changing Rooms	181	162				343	(162)
Total City Services	9,700	675	103	0	0	10,478	(727)
TOTAL EXPENDITURE	48,877	1,752	(10,713)	0	0	39,916	(5,499)
Funded By:							
General Capital Grant	2,465	0	0	0	0	2,465	0
Supported Borrowing	4,051	0	0	0	0	4,051	0
Unsupported/ Prudential Borrowing	26,388	(1,261)	(11,843)	0	0	13,284	(4,478)
Capital Receipts	4,092	1,225	0	0	0	5,317	0
External Grants	7,958	1,803	842	0	0	10,603	0
Revenue/ Reserve Contributions	2,573	182	0	0	0	2,755	(563)
S106 & Other Contributions	1,140	(197)	288	0	0	1,231	(458)
Finance Lease	210	0	0	0	0	210	0
TOTAL FUNDING	48,877	1,752	(10,713)	0	0	39,916	(5,499)

Appendix B – Update on Capital Programme

SCHEME	BUDGET 2018/19	ACTUAL 2018/19	FORECAST OUTTURN	TOTAL VARIANCE	SLIPPAGE	(UNDER)/ OVER SPEND	COMMENT
EDUCATION							
21C Schools - School Reorganisation - Lodge Hill New Build	4,351	2,293	3,696	(655)	(655)	0	Scheme progressing, slippage expected due to delays and completion due in 18/19
21C Schools - Ysgol Gyfun Gwent Is Coed / John Frost School	1,958	269	1,958	(0)	(0)	0	School is now operational, underspend to be utilised on other areas of John Frost buildings per approval.
21st Century Schools - Special Sector Maes Ebbw	3,138	442	2,760	(378)	(378)	0	Scheme progressing as planned slight underspend which is being vired to Ysgol Bryn Derw
Gaer Flooring	40	0	40	0	0	0	Health and Safety works to be done on flooring
Iscoed Secondary - Band B	554	0	517	(37)	(37)	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Bassaleg Secondary - Band B	703	0	775	72	72	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Whiteheads Primary - Band B	285	0	238	(47)	(47)	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
St Woolos Primary B	8	5	8	0	0	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
21st Century Schools - Band B	92	0	92	0	0	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Jubilee Park Primary FF&E	87	(14)	87	(0)	(0)	0	Majority spent in 17/18 IT costs to come through in 18/19

St Julians High Building Improvements	0	(36)	0	0	0	0	Final Retentions to be paid
Glan Llyn FF&E Works	615	6	100	(515)	(515)	0	Small budget this Financial Year as school opening delayed until Sept 19.
St Gabriels RC Primary IT Replacement	10	0	10	(0)	(0)	0	Funded by school
Pentrepoeth IT	7	(6)	7	(0)	(0)	0	Funded by school
John Frost School ICT Hardware Investment	52	0	0	(52)	0	(52)	Scheme came in under quote so no spend expected
Blaen-y-Pant Bungalow (Educational Use)	60	1	60	0	0	0	Slippage from 17/18
St Mary's Toilet Refurbishment.	15	0	15	0	0	0	Slippage from 17/18
Somerton Primary - ICT Equipment	12	12	12	0	0	0	Slippage from 17/18
Feminine hygiene hardward & toilet facilities	34	17	34	0	0	0	Scheme to be completed shortly
Llswerry High (S106 Funds)	172	2	172	0	0	0	Contractor appointed and scheme proceeding
Llswerry High (IT Replacement Programme)	54	0	54	0	0	0	To be completed this FY
Reducing Classroom Size - Maesglas	521	0	521	(0)	0	0	Scheme progressing
School Asset Improvements	1,199	31	925	(274)	(274)	0	2nd Yr of 2yr Scheme. Full Spend expected.
Prior Year Scheme Accruals	0	(302)	0	0	0	0	Prior year accruals/retentions under 20K waiting to be paid.
Subtotal Education	13,967	2,720	12,081	(1,886)	(1,834)	(52)	
REGENERATION, INVESTMENT & HOUSING							
Gypsy/ Traveller Site Development	3,136	161	2,936	(200)	(200)	0	Groundworks have begun and progressing
HLF Market Arcade Townscape Heritage Scheme	194	(3)	79	(115)	(115)	0	Scheme delayed, slippage likely
Indoor Market Facilities Improvements	0	(2)	0	0	0	0	No longer required due to change in Market circumstances
Civic Centre / Info Station Service Relocations	694	(13)	694	(0)	(0)	0	Scheme progressing to be completed shortly
Info Station NSA Enabling	479	0	479	(0)	(0)	0	Scheme progressing
123-129 Commercial Street (Pobol Regen)	1,246	0	1,246	(0)	(0)	0	Scheme progressing

City Deal	1,738	0	1,738	(0)	(0)	0	Scheme progressing
Mill Street Development	0	0	0	0	0	0	Loan no longer being supplied
Neighbourhood hubs	842	0	842	0	0	0	Scheme progressing
Disabled Facilities	1,200	194	750	(450)	(450)	0	Due to Backlog of OT recommendations PSH has not had the same level of applications to ensure full committal of budget but slippage of budget will be required in to 19/20
Safety at Home	300	225	300	0	0	0	On going scheme - full spend expected
ENABLE Adaptations Grant	197	101	197	0	0	0	On going scheme - full spend expected
Homelessness Grant	98	2	98	0	0	0	Scheme complete full spend expected
Asset Management	1,949	121	1,356	(593)	(593)	0	Scheme progressing but slippage expected
FS Maintenance 1819	30	0	30	0	0	0	Scheme progressing as planned, full spend expected
FS Shaftsbury Community Centre	185	0	185	0	0	0	Scheme progressing as planned, full spend expected
Central Library Structural Safety Works	663	7	100	(563)	(563)	0	Additional spend has been identified in connection with Toilets and Childrens Library
Transporter Bridge	250	0	250	0	0	0	Permission to start granted surveys and feasibility works to begin.
Prior Year Scheme Accruals	0	(172)	0	0	0	0	17/18 Outstanding Accruals under 20K
Subtotal Regeneration, Investment & Housing	13,201	622	11,279	(1,922)	(1,922)	0	
PEOPLE & BUSINESS CHANGE							
IT System & Equipment replacement	317	0	200	(117)	(117)	0	Delayed, slippage into 19/20
Corporate EDMS Roll Out	13	0	13	(0)	(0)	0	Scheme ongoing
Replacement of High Volume Printing/Copying Machines	210	0	210	0	0	0	3 year lease @ £70k per annum.

Subtotal People & Business Change	540	0	423	(117)	(117)	0	
ADULT & COMMUNITY SERVICES							
Telecare Service Equipment	30	3	30	0	0	0	Scheme ongoing
Appliance/Equipment for Disabled	165	165	165	0	0	0	Ongoing Scheme one payment per year for management fee.
ICF Centrica Lodge Improvements	0	(12)	0	0	0	0	Scheme completed 17/18 supps only
Subtotal Adult & Community Services	195	156	195	0	0	0	
CHILDREN & YOUNG PEOPLE SERVICES							
3 New Homes	1,500	475	600	(900)	(900)	0	One home purchased other feasibility works ongoing
Oaklands Respite Home	35	0	35	0	0	0	Scheme ongoing
	1,535	475	635	(900)	(900)	0	
CITY SERVICES							
Fleet Replacement Programme	2,258	168	1,800	(458)	(458)	0	Annual allocation 17/18 - full spend forecast.
Bus station - Friars Walk Development	103	0	103	0	0	0	Final infrastructure works to be completed in 18/19
Flood Risk Regulation Grant	91	12	91	0	0	0	Scheme progressing as planned full spend expected
Local Transport Fund - Active Travel 2017/18	0	(11)	0	0	0	0	17/18 Scheme supps only
Cemetery Infrastructure Improvements	138	12	138	0	0	0	Scheme ongoing.
Peterstone Sewage Scheme	223	(3)	223	(0)	(0)	0	Scheme currently being developed further, additional budget likely to be required.
Composting	665	567	567	(98)	0	(98)	Scheme complete
Docksway Cell 4 Development	1,301	939	1,301	0	0	0	Scheme progressing
Decriminalised Parking	1,386	34	1,300	(86)	(86)	0	Scheme progressing as planned full spend expected

Update Facilities in Parks	56	4	56	0	0	0	Scheme due to commence
Decommissioning of Cemetery Office & Toilets	10	11	10	0	0	0	Scheme complete
Building Improvements to Lodges	80	0	80	0	0	0	Scheme due to commence
Small Scale Works Grant	34	0	34	0	0	0	Scheme progressing as planned full spend expected
Road Refurbishment Grant Scheme	1,038	0	1,038	0	0	0	Scheme due to commence
Streetlighting LEDs	1,500	0	1,500	(0)	(0)	0	Scheme progressing as planned, full spend expected
Local Transport Fund - Active Travel Northern 2018/19	270	0	270	0	0	0	Scheme progressing as planned, full spend expected
Local Transport Fund - Active Travel Design 2018/19	243	0	243	0	0	0	Scheme progressing as planned, full spend expected
LTNF - ECO Stars	55	0	55	0	0	0	Scheme progressing as planned, full spend expected
Safe Routes - St Davids RC Primary	84	13	84	0	0	0	Scheme progressing as planned, full spend expected
Gwastad Mawr Flood Attenuation Improvement Works	43	0	43	(1)	(1)	0	Scheme progressing as planned, full spend expected
Pye Corner Railway Station Development Works	21	0	0	(21)	(21)	0	Full spend of remaining WG funding anticipated this year on Japanese Knot Weed Treatment and Landscaping. (To be tsfd to Rev).
Road Safety and Training 18/19	49	1	49	0	0	0	Annual allocation 18/19 full spend expected
General Traffic Management	33	36	33	(0)	(0)	0	Annual allocation 18/19 full spend expected
Streetwide Improvements	224	0	224	0	0	0	Annual allocation 18/19 full spend expected
Street Lighting Column Replacement	230	29	230	(0)	0	(0)	Annual allocation 18/19 full spend expected
Llswerry Recreation Ground Changing Rooms	343	0	181	(162)	(162)	0	Scheme ongoing.
Prior Year Scheme Accruals	0	(62)	0	0	0	0	Prior year retentions waiting to be paid.
Sub total City Services	10,478	1,747	9,653	(826)	(727)	(99)	
TOTAL COST OF PROGRAMME	39,916	5,719	34,266	(5,651)	(5,499)	(151)	

Appendix C - Changes to the 5 year Programme

Report / Scheme Change	Funding Source	Service Area	18/19 Budget Change (£000's)	19/20 Budget Change (£000's)	20/21 Budget Change (£000's)	21/22 Budget Change (£000's)	22/23 Budget Change (£000's)	Total Budget Change (£000's)
2018/19 budget - July monitoring report to Cabinet			50,629	29,163	27,192	6,810	18,110	131,904
Lliswerry IT Replacement	Borrowing (Repayable by school)	Education (Schools)	54					54
Education Asset Improvements	Section 106	Education (Schools)	288					288
Neighbourhood Hubs	Grant/Borrowing	Regeneration, Investment & Housing	842	878				1,720
Bus station (reinstate budget)	Borrowing	City Services	103					103
Mill Street Loan (remove)	Borrowing	Regeneration, Investment & Housing	(12,000)			12,000		0
Slippage	N/A	Various	(5,499)	5,499				0
Updated Budget 2018/19			39,916	30,041	27,192	18,810	18,110	134,069

Report

Cabinet

Part 1

Date: 12 December 2018

Item No: 7

Subject 2019/20 Budget and Medium Term Financial Projections (MTFP)

Purpose To highlight key issues affecting the development of the 2019/20 budget and MTFP, and present the draft proposals for the 2019/20 budget. Cabinet are asked to agree the draft proposals to start the budget consultation process for this year. Consultation results will be reported back to Cabinet in February 2019, when Cabinet will recommend a final budget and council tax level to full Council.

Author Head of Finance

Ward All

Summary The 2019/20 budget and medium term projections have been developed within a challenging financial environment. Cost pressures affecting the Council finances come from both (i) pay related / other price increases and (ii) increasing demand and associated costs for services. Between both issues, cost pressures are very significant; £12,198k in 2019/20 alone. On the funding side, the Council's draft 'Revenue Support Grant', which funds over 75% of its revenue budget, has, in the draft settlement, increased by only £336k. Therefore, both savings and an increase in local council tax are required to produce a balanced budget for 2019/20 which both modernises and maintains key services as best as possible for the most vulnerable in our communities and implements other key priorities for the Council in its corporate plan ambition to 'Improve People's Lives'.

The draft grant settlement announced a number of specific grants which are significant in value. This is in addition to £550 million 'new' funding for the Welsh Government budget announced in the UK budget in November. Both of these issues will affect the final 'Revenue Support Grant', which will be known on 19 December 2018 as well as bring forward new specific grants for services. These are not included in the proposals of this report and the Head of Finance will update any known details on these at the Cabinet meeting on 12 December.

The draft 2019/20 budget proposals are explained and detailed within this report and its appendices.

Section:

- 1 Our financial challenge
- 2 Setting the budget
- 3 Financial planning assumptions
- 4 Budget savings
- 5 Schools funding
- 6 Budget process and consultation
- 7 Risk, financial resilience and performance
- 8 Report review and statutory comments

Appendix:

Appendix 1	Budget investments
Appendix 2	New budget savings for consultation
Appendix 3	New budget savings implemented under delegated authority (Cabinet Member and Head of Service)
Appendix 4	Budget savings previously approved
Appendix 5	Budget savings for consultation – proposals
Appendix 6	Demand models – social care and education
Appendix 7	Fees & charges for consultation
Appendix 8	Financial resilience ‘snapshot’
Appendix 9	Medium term financial projections
Appendix 10	Projected earmarked reserves

Proposal

1. **Cabinet is asked to agree the following draft proposals for public consultation:**
 - i) Budget savings proposals in Appendix 2 (summary table) and Appendix 5 (detailed business cases)
 - ii) Proposed fees and charges in Appendix 7
 - iii) The position regarding the proposed school funding for 2019/20 in paragraphs 5.1– 5.4
2. **Cabinet is asked to note:**
 - i) The position on developing a balanced budget for 2019/20, acknowledging that the position will be subject to ongoing review and updates
 - ii) The medium term financial projections, assumptions contained within and that projections contain investments required to implement the Corporate Plan promises
 - iii) That the Cabinet Member and Head of Service decisions in Appendix 3 will be implemented with immediate effect, after following the usual Council decision making processes
 - iv) That Fairness and Equality Impact Assessments have been completed for all proposals requiring one

Action by Directors / Heads of Service

Timetable Immediate:

1. Cabinet Member and Head of Service decisions in Appendix 3 will be implemented with immediate effect, in line with internal decision making protocols.
2. Cabinet budget savings proposals, fees and charges, and schools funding position to form the basis of the budget consultation process.

This report was prepared after consultation with:

- Directors
- Head of Law and Regulation
- Head of People and Business Change

Signed

1 Our financial challenge

- 1.1 The Council provides over 800 services, for over 151,000 people, living in over 65,000 households. Newport's population is growing, with the largest growth for children under five, and people aged over 65.
- 1.2 The Council faces continuing financial challenges, namely:
- Increasing costs around pay / prices
 - Increasing demand for services and therefore costs
 - Local Government funding and Newport's City Council's own 'Revenue Support Grant (RSG)' which funds over 75% of its net budget
- 1.3 In addition, the Council is rightly ambitious in providing the best services it can and fulfilling its Corporate Plan ambition of 'Improving People's Lives'. The Council's Corporate Plan sets out 20 clear promises and, in some cases, these require financial investments which are included in the 2019/20 budget and medium term financial projections.
- 1.4 Over the last five years, the council has made savings of £45m. To achieve this we have:
- reduced the number of staff we employ by around one quarter
 - sold land, buildings and property we no longer use or need
 - set up a property services joint venture
 - set up a charitable trust for leisure services
 - reviewed our services to become more efficient
 - developed shared services such as IT
 - helped people to live independently

But ongoing public sector austerity, coupled with continuing financial pressures and demands mean that, prior to the acceptance of the proposed savings, even more 'new' savings must still be found – at least £33m by 2023.

2 Setting the budget

- 2.1 There are two main elements to the council's financial planning:
- strategic planning: the MTFP
 - within that, the annual council budget.
- 2.2 The Council is required by law to set a balanced budget every year. At the same time, we review and update our MTFP to help project our savings and investments across the next four years. For a number of years we have faced continued financial pressures together with 'cash flat' funding allocations from central government, so we have had to find savings to meet the funding gap between the income we receive through our grants and council tax collection, and our expenditure on the wide variety of services we provide.
- 2.3 To meet this gap, in putting together the budget proposals each year we review:
- budget commitments (both investments and savings) agreed in the MTFP previously
 - new areas in need of investment and growth
 - new proposals for savings and efficiencies
 - new proposals on our fees and charges
- 2.4 As in previous years, Cabinet will be asked to keep the medium term position in mind, and in February will agree the full package of new medium term savings and investments, to be added to what has already been approved within the MTFP.

National budget position

2.5 The UK Autumn budget was issued in October. Whilst this budget is subject to securing a Brexit deal, the announcement included the following headlines:

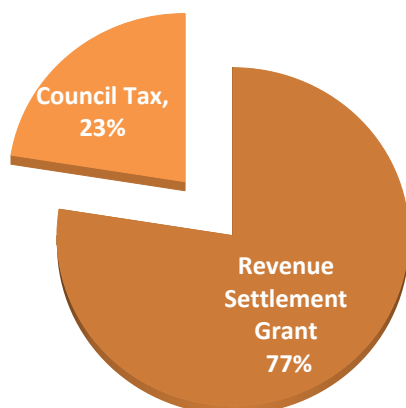
- The Chancellors budget provided over £550m additional funding to the Welsh Government budget through to 2020/21, £486m of which has been allocated as revenue funding.
- Of the £550m, all but £59m has been allocated for the current 2018/19 year - £14m for social care, £3m for Disabled Facilities Grant (DFGs), £23m for schools, £17m for business rates, and £370m for the NHS
- For 19/20 a further £24m has been allocated - £13m in the revenue support grant to provide local government with a cash flat settlement, £1.2m to raise the funding floor so that no local authority faces a reduction of more than 0.5%, a further £7.5m to help authorities meet the cost pressures of implementing teachers' pay award and £2.3m to help prevent children from being taken into care. Whilst this additional money has been allocated, Newport's share remains unknown at this time.
- Whilst there will be a spending review next year – held every three years or so to allocate money to different parts of government - the Chancellor will set out a five year path for additional departmental spending.

Welsh Government funding settlement

2.6 Welsh Government funding accounts for the largest part of the council's overall funding, equating to over three quarters of its total net revenue budget funding. This funding is provided through non-hypothecated grants – the Revenue Support Grant (RSG). In addition to this, other grants provide funding for specific purposes. Less than a quarter of our budget is raised through council tax.

2.7 As the RSG makes up such a large proportion of our budget, what happens to this grant is crucial as any reductions cannot be easily offset by an increase to council tax. For example, it would take a 4% increase in council tax to offset a 1% reduction in the RSG.

Chart 1: Newport Council funding sources – 2018/19



2.8 The council received its provisional [RSG Settlement from Welsh Government](#) (web link) on 9 October 2018. Overall, it confirmed that the council would receive £213,759k for 2019/20. After allowing for net specific grant transfers into the RSG, this is a 'cash increase' of +£336k (+0.16%) from current funding, compared to a Welsh average -0.3% reduction. There remain a number of

uncertainties around specific grants; however, these should be confirmed between this report and the final settlement from WG which is due on 19 December 2018.

- 2.9 The Councils 'final settlement' will be announced on 19th December. There are 2 issues, not yet reflected in figures contained in this report, that will change the indicative amount above:
- Additional revenue funding of £24m for the 2019/20 RSG across Wales, as a result of the UK autumn budget
 - an anticipated reduction in the Council's RSG coming from changes to council's tax-base, i.e. its ability to raise its own council tax income. If a council's tax-base changes by more or less than the Welsh average, their final grant settlement will be increased or decreased accordingly. This 'equalisation' is a key feature of the Local Government grant settlement process, but provides some challenges to those Councils, like Newport, who have significant cost pressures resulting from housing and population growth.

The Head of Finance has set the tax-base for 2019/20 and it will increase by 1.2%, significantly higher than the all Wales average of 0.5%-0.8% over the last few years. This growth has the potential to affect the RSG significantly; however, the Head of Finance will provide an update once the final settlement is known.

Implementing the Corporate Plan

- 2.10 The Council's business and financial planning is underpinned by four priority outcomes, which provide a focus for decisions about spending and will direct activity across the council.
- Resilient communities
 - A thriving city
 - Aspirational people
 - A modernised council
- 2.11 These outcomes and themes are integral to the Council's Corporate Plan 2017-22 which sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples Lives'.
- 2.12 The Council's future plans and its change/ savings programme will need to ensure a strategic approach is taken on the future direction of Council services. The current 'Medium Term Financial Projections' included in Appendix 9 already includes funding for the key priorities and promises set out in the plan. In light of the medium term financial sustainability challenge, further work is required to ensure the budget is balanced over the medium term whilst meeting our duties under the well-being objectives.

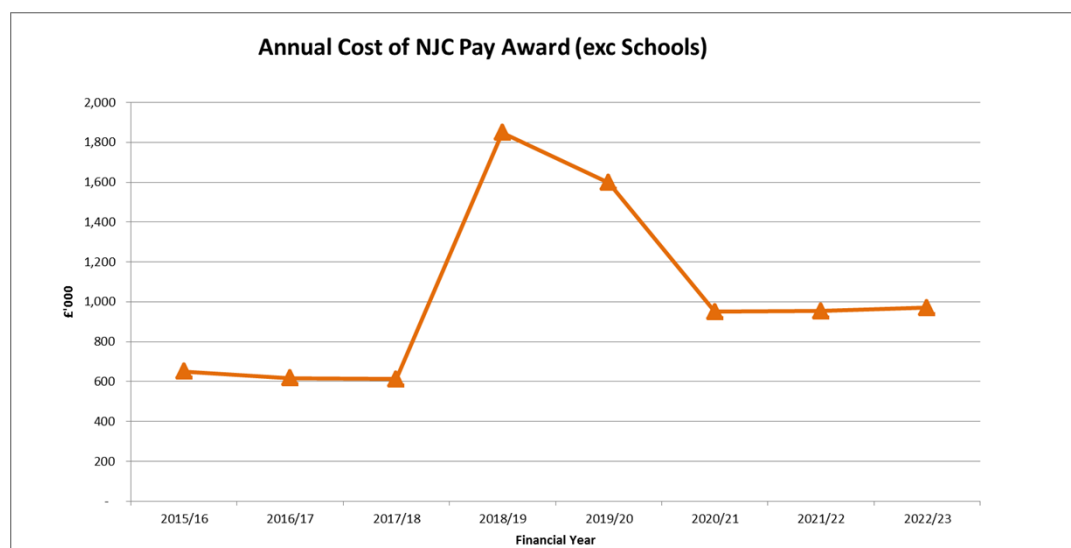
3 Financial planning assumptions

Increasing costs and demand

- 3.1 Financial pressures and demands on our services have increased over a number of years and this increase is projected to continue. Main issues include:
- Pay and inflationary cost increases
 - Significant increases in demand led services – children's social care, adult's social care and special educational needs
 - Cost of new schools
- 3.2 Unavoidable pay and inflationary cost increases, excluding schools, equate to £5,035k in 2019/20 and £15,224k over the four year period to 2022/23.
- 3.3 Since 2013 public sector pay has been capped at 1% and the Cabinet will be aware of the intense scrutiny and pressure across the UK public sector which has resulted in this cap being

lifted. The National pay award inflation has been included within current projections and represents an average increase of 3% (over £3m) in 2019/20. The following chart represents the costs associated with the National pay award since 2015/16. Current planning assumptions are based on National pay award inflation being in the region of 1.5% from 2020/21.

Chart 2: Costs associated with National Joint Council pay award



3.4 National minimum wage has too been an issue for the Council in the past for both our own staff and those employed by third party providers. In social care alone, investments of over £3.5m have been made since 2016/17 to fund increases in external provider fees as a result of the national minimum wage. Pay grades for 2019/20 will see the lowest grade in Newport being equivalent to the £9.00 per hour living wage set by the Living Wage Foundation in November 2018.

3.5 In addition to these cost increases, the Council has also seen a significant increase in demand led services since 2015/16 - some of the key demand pressures are outlined below.



3.6 In particular, the Council is currently forecasting overspends in this year's budget in the four key risk areas facing significant demand:

- Children's out of area placements £1,741k overspend
- Community care £1,239k overspend
- Special education needs £1,343k overspend
- Fostering £685k overspend

3.7 During 2018/19 these three areas alone have contributed over £5m to service area forecast overspend. This year, a one off, risk contingency of £2.2m was set aside to manage the anticipated overspending and then to re-focus and invest in these areas in 2019/20. Further investments in addition to this are proposed within 2019/20 to support the level of demand that is being experienced. However, based on current demand there is likely to be a shortfall in budget provision in these areas of approximately £1.3m as the demand has simply exceeded the estimates that were made at the beginning of this process. These unfunded pressures will need to be dealt with and/ or managed once the final settlement has been confirmed.

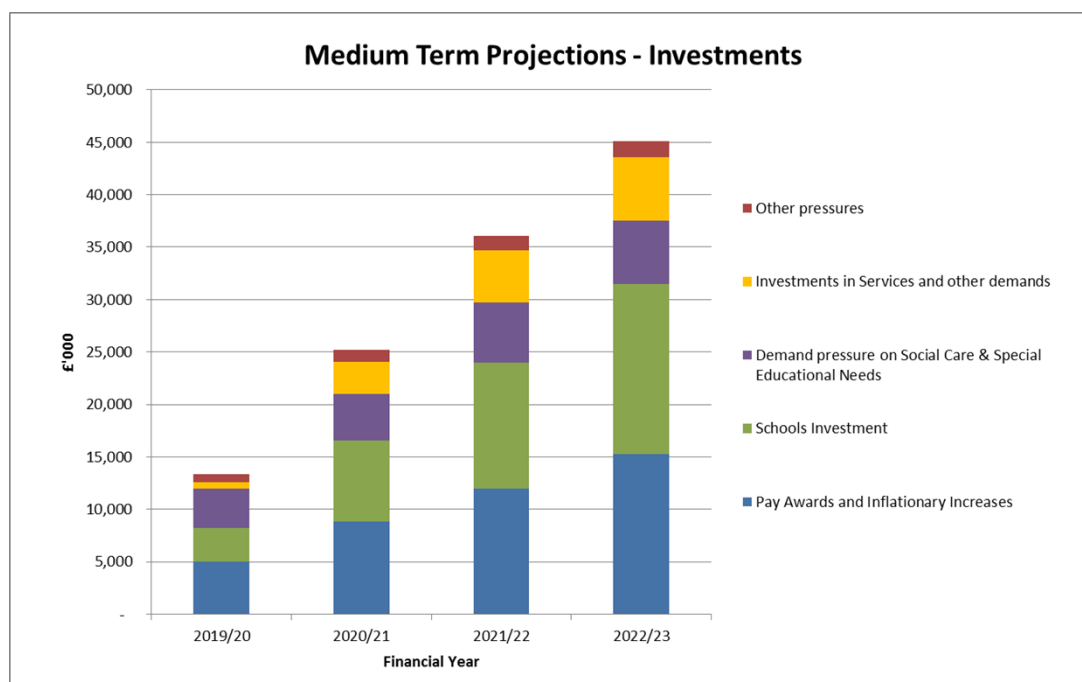
Detailed demand models for social care and education have been included within Appendix 6 and form the basis of the investments that have been put forward for inclusion within the medium term projections.

Investments

3.8 For 2019/20 specifically, the Council is currently planning on investing around £8.5m in the draft budget over and above an allowance for inflation on pay and pricing. More details on proposed investments are included in Appendix 1 and some of the key items include:

- £3,178k investment in school budgets
- £2,625k for increasing demand in social care demand for both children and adult services
- £1,170k due to increasing demand for special education needs provision
- £525k costs associated with increasing pressures placed on City services given the growth and development within the City
- £221k due to transfers into the RSG in respect of free school meals
- £220k investment to deliver the promises set out within the Corporate Plan.

Chart 3: Categorised investments included within medium term projections



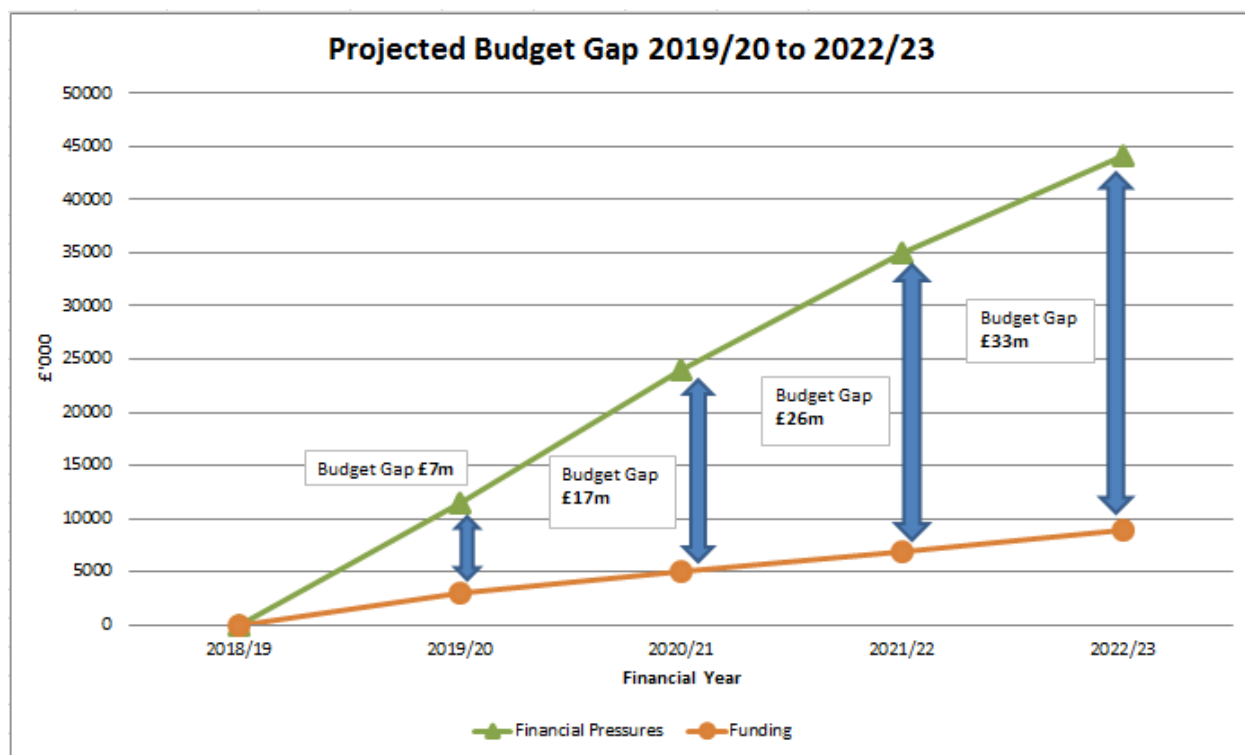
3.9 Although the financial pressures facing the Council continue to increase significantly over the four year period the funding received from Welsh Government (WG) and council tax remains relatively

static. Future year's investments beyond 2019/20 are therefore subject to review and confirmation at that time.

Council tax

- 3.10 It is well documented that Newport's council tax is low compared to others in Wales, generating approximately 23 per cent of our income, compared to around 25 per cent for most Welsh councils. This Council's current year budget is well below its 'standard spending assessment', a relative spending needs assessment between all Welsh councils, at £7.4m which is due to our low level of council tax funding.
- 3.11 A base 4% increase is already included in our MTFP each year. This year, the budget proposals include an additional 2.95% increase to council tax in 2019/20 (Appendix 2 & 5) bringing the proposed increase to 6.95%. This is subject to consultation and a final recommendation to Council on the council tax level and will be confirmed in the Cabinet's February meeting.
- 3.12 In summary, the following chart shows the impact that the cost increases and growth in demand is having on the Council when compared to assumed funding levels and its ability to balance the financial position over the medium term.

Chart 4: Projected budget gap 2019/20 to 2022/23



4 Budget savings

- 4.1 The savings identified for 2019/20 to date total £8,151k. The table below provides a summary of the savings over the 4 year planning horizon.

Table 1: Summary of projected savings

Savings Decision Type	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
Cabinet Budget Savings (Appendix 2 & 6)	1,945	19	27	0	-8.1
Cabinet Member Budget Savings (Appendix 3)	1,157	44	0	0	0.0
Delegated Head of Service Budget Savings (Appendix 3)	3,067	455	8	0	-11.4
New Budget Savings	6,169	518	35	0	-19.5
Previously agreed budget savings (Appendix 4)	1,982	46	0	0	-69.4
TOTAL BUDGET SAVINGS	8,151	564	35	0	-88.9

Staff impact for previously agreed savings refers to the total FTE impact over the life of the project.

- 4.2 Under the constitution and our scheme of delegation, some budget decisions have to be taken by the Cabinet collectively. These proposals, totalling £1,945k for 2019/20 and £1,991k over the life of the MTFP, will form the basis of the public consultation on the budget this year.
- 4.3 Some lower level, more operational and efficiency type budget proposals are delegated to Cabinet Members and Heads of Service for decision and implementation. These proposals, totalling £4,224k for 2019/20 and £4,731k over the life of the MTFP are listed in Appendix 3. These Cabinet Member and Head of Service decisions are listed for reference only and will be implemented separately from the public consultation. Some of these decisions have already been taken and implemented. Regardless of their categorisation, the normal protocols for staff, unions and any other required consultation are being adhered to in respect of all savings.
- 4.4 The savings already agreed last year are either in progress or due to be implemented in 2019/20. No further details are shown for these savings, as they have already been approved.

Fairness and Equality Impact Assessments (FEIAs)

- 4.5 All budget proposals have been reviewed, where needed, to ensure the Council understands and mitigates, where possible, fairness and equality issues. FEIAs seek to identify whether proposals will have a positive or negative impact in relation to the protected characteristics, as defined by the Equalities Act. Within Newport, they also include an assessment against the principles of fairness, as presented by Newport's Fairness Commission. Where required, proposals include mitigating measures needed to ensure we meet our equalities responsibilities. Officers have identified those specific proposals where an FEIA would be required and these have been completed. Compliance with the Equalities Impact Assessment and the Equalities Act 2010 is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

5 Schools funding

- 5.1 The current position provides a cash increase for the overall school budget. It is proposed that schools receive investment of £3,178k in 2019/20. This represents a 3% growth in schools budget but will still require savings to be made, up to a similar amount, given the additional cost of new / growing schools in particular.
- 5.2 This is a challenge for schools. Cabinet are asked to consider the level of funding that will be delegated to schools for 2019/20. Assessed budget pressures for future year's amount to £13.2m and this will need further consideration at those times, given the uncertainty of future funding for the Council.

Table 2: School budget pressures 2019/20 to 2022/23

	2019-2020 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000
Teachers - Pay award and increments	1,638	1,447	1,276	1,168
Non Teaching school staff - pay award and increments	1,540	628	547	522
Contract & Income Inflation	0	82	83	83
New Schools	0	1,931	1,688	1,446
Secondary School Transitions	0	432	738	1,024
Reduced Class Sizes	0	0	39	28
	3,178	4,520	4,370	4,272
Proposed growth as a % of net budget	3%	5%	5%	5%

- 5.3 Final allocations of grant are yet to be determined across the Education Achievement Service (EAS) region. Within the Welsh Governments draft budget report the Education Improvement Grant (EIG) is set to remain at 2018/2019 levels, although this has yet to be confirmed officially.
- 5.4 Whilst it is recognised that draft assumptions give significant challenge, school funding in overall terms is better than other parts of the Council, and has increased by 10% over the last 5 years. This included specific grants and is shown in table 3 below.

Table 3: School budgets by sector – 2013/14 to 2018/19

Year	Nursery	Primary	Secondary	Special	Total
2013/14	656	50,193	46,152	2,959	99,960
2014/15	585	52,234	47,165	2,894	102,878
2015/16	519	52,924	47,480	3,724	104,647
2016/17	494	54,627	48,619	4,040	107,780
2017/18	512	54,959	47,505	4,247	107,223
2018/19	561	57,250	47,410	4,766	109,986
Increase in funding over 5 year period (incl specific grants)					10.0%
Increase in funding (excl specific grants & delegations)					9.6%

6 Budget process and consultation

- 6.1 This report presents the draft proposals for the 2019/20 budget. The report asks Cabinet to note:
- The position on developing a balanced budget for 2019/20, acknowledging that the position will be subject to ongoing review and updates;
 - and agree that the Cabinet Member and Head of Service decisions in Appendix 3 will be implemented with immediate effect;
 - That Fairness and Equality Impact Assessments have been completed for all proposals requiring one.
- 6.2 The report also asks Cabinet to agree a series of proposals for public consultation. This includes
- The budget savings proposals in Appendix 2 (summary table) and Appendix 5 (detailed saving proposals);
 - The proposed fees and charges in Appendix 7;

- The position regarding the proposed school funding for 2019/20 in section 5.
- 6.3 Seeking to capture and understand the opinions needs and suggestions of the public, specific service users and other stakeholders has been an important part of the Council's budget setting process in recent years. Each year the budget is informed by extensive consultation, which allows our knowledge and understanding to grow over time. Over the last three budget cycles we received more than 11,000 responses from the public with over 5,600 in the last financial year.
- 6.4 In addition to external public consultation, proposals will be reported to Scrutiny Committees, the Fairness Commission, Unions, School Forum and Third sector/Business community throughout December / January. As already noted, further work is required on the Council's Corporate Plan, Change programme and proposals to balance the overall MTFP both in total and over individual years.
- 6.5 A second budget report will be presented to Cabinet on 13 February 2019. This will ask Cabinet to agree its final proposals for the 2019/20 budget and the resulting recommended level of council tax to fund that. The February report to Cabinet will include:
- The results of the public consultation process
 - Details and analysis of the final grant settlement from Welsh Government
 - Any updates from Welsh Government about future grant settlements
 - Any emerging details on specific grants which have financial implications.
- 6.6 Setting the council tax level and resulting total net revenue budget is the responsibility of full Council, so Cabinet's recommendations will be presented to the Council meeting on 26 February for approval and adoption.
- 6.7 Below is this year's timetable for consulting on and approving the 2019/20 budget:

Table 4: Budget consultation timetable 2019/20

Cabinet agrees budget proposals as a basis for consultation	12 December 2018
Consultation period	13 December 2018 to 30 January 2019
Cabinet considers feedback from consultation and agrees final budget proposals for recommendation to Council	13 February 2019
Council approves the 2019/20 budget and council tax level	26 February 2019

7 Risk, financial resilience and performance

- 7.1 A key driver in setting out our budget strategy and MTFP framework is the need to manage the Council's general and financial risks, its financial resilience and performance. This next section looks at these issues and identifies how they are dealt with currently and issues which need to be considered in setting out the Council's 2019/20 and medium term budgets.

Risk

- 7.2 The Council maintains a corporate risk register which is regularly reviewed by the Corporate Leadership Team and Cabinet, as well as the Audit Committee from a procedural/ risk management framework viewpoint. The Council's budget strategy and MTFP framework needs to reflect risks and incorporate appropriate financial mitigation, where required. The quarter 2 corporate risk register report will also be presented to Cabinet in December.
- 7.3 Key mitigation issues include the Council's (i) revenue contingency budget (ii) capacity provided by the 'Invest to Save' reserve to support and fund implementation costs of the current and future change programme, and (iii) capacity to develop the strategic and change programmes to meet the corporate plan within financial context.
- 7.4 At this point, the Council's finances and reserves provide the financial capacity to deal with the current risks identified. Appendix 6 also details other risks which have the potential to have financial impact for the Council.

Financial Resilience

- 7.5 A robust view is being taken in managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and Appendix 8 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council at this time. Key headlines include:
- The council maintains a good level of reserves. The contingency base budget and other risk reserves held by the Council are all taken into consideration when assessing the level of the general reserve, and help to mitigate the risk to the Council. A cautionary note should be made in respect of the decline in school reserves over the last few years. Schools are using reserves to manage spending and this is proving increasingly difficult to maintain. In future, schools will need to ensure that they manage within the approved annual budgets.
 - The Council has identified and continues to monitor budget reductions of £8.6 million in 2018/19. This is alongside delivering outturn within budget over recent years, despite the delivery of c£45m savings over the last 5 years. This needs to be viewed within the context of continued significant pressures within service areas, namely social care, education and schools into 2018/19, which have been highlighted as part of the budget monitoring process.
 - Although the 2018/19 forecast overspending across service areas is significant this has been offset by one off underspending/ better income in non-service budget areas. A forecast underspend of over £3 million allows Cabinet to assess the potential for one off investment to support Corporate plan priorities.
 - In light of the continuing financial pressures and demands placed on the Council further savings of at least £33m need to be found by 2023.
- 7.6 Overall, the Council's financial resilience remains strong and it has financial capacity to develop and change services in response to continuing pressure on funding and increased demand for services.

8 Report review and statutory comments

8.1 Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Planning parameters around	M	M	1 Use of contingency, where required 2 Use of reserves, where appropriate	Head of Finance SLT

inflation are incorrect				
Planning parameters around Welsh Government revenue grant are incorrect over medium term	H	M	<ol style="list-style-type: none"> 1. Use of contingency, where required 2. Keep the assumptions under constant review 3. Use of conservative assumptions 	Head of Finance
Increasing budget pressures over medium term	M	M	<ol style="list-style-type: none"> 1. Manage demand, where possible 2. Keep MTFP under constant review 3. SLT review of all budget pressures within MTFP 	SLT

* Taking account of proposed mitigation measures

8.2 Links to Council Policies and Priorities

The overall aim of the budget and MTFP is to ensure resource allocation is based on priorities, supports the delivery of the Council's change programme and saving proposals and protects the financial health of the Council.

8.3 Options Available and considered

There are few options available as the Council is required to consult on its budget where decisions do not fall under delegated authority and therefore needs to agree the basis of its consultation.

8.4 Preferred Option and Why

To consult on the new medium term package to ensure that savings are deliverable from the earliest opportunity.

8.5 Comments of Chief Financial Officer

The main financial issues are contained within the body of the report. The proposals here invest significantly in current areas experiencing growing demand and costs on services plus schools and will contribute towards a robust budget for 2019/20. The Council has good financial resilience, including financial capacity to develop and change services in response to pressure on future funding.

Of particular importance is the need for the Council to develop a strategic approach to change the way services are delivered, within the context of a new, updated Corporate Plan. The on-going financial challenges will require significant changes in how services are delivered. In the meantime, the significant budget pressures in Social Care and SEN education will need to be managed before plans are brought forward to mitigate and stabilise.

8.6 Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to approve the draft savings proposals set out in the Report in order to deliver a balanced budget for 19/20 and as the basis for public consultation, where the relevant business cases are not delegated to Heads of Service and Cabinet Members in accordance with the Council's scheme of delegation. Cabinet will then take the final decisions on those business cases in the light of the responses to the public consultation, prior to making a recommendation to Council regarding the budget for 19/20. The implementation of all these business cases are executive matters, with the exception of any consequential staffing proposals which are non-executive matters delegated to Heads of Service. However, whichever decision-making process applies, all of the business cases have been the subject of

equality and fairness impact assessments to ensure that the Council has regard to its public sector equality duties under the Equality Act and is also acting fairly in terms of the impact of the proposed changes on service delivery. In addition, where specific proposals require more focussed consultation with staff and key stakeholders, this will be carried out prior to the implementation of any proposed changes. The setting of the overall base budget and council tax rate for 19/20 is a matter for full Council as these are non-executive reserved matters under the Constitution.

8.7 Comments of Head of People and Business Change

The report outlines the proposals for Cabinet consideration in order to set a balanced budget for 2019/20 with consideration to the medium term financial plan. Proposals which have an impact on staff will be subject to the required consultation and consultation with trade unions will also take place on a more broad basis. As is the case each year when setting the budget, there is a conscious effort to minimise impacts on staff, whilst focusing on priority services and setting a robust and balanced budget. With the continued constriction of governmental funding and the increase in cost pressures, this becomes more and more difficult each year. Due to this the decisions presented for consideration and public consultation are often a series of 'trade-offs' between service priorities.

The business case development has further embedded the five ways of working expressed within the Well-being of Future Generations Act and the organisation has moved to the development of a broader equality impact process, which also includes these five ways of working, alongside protected characteristics and concepts of fairness (developed with the Newport Fairness Commission).

Public consultation on the proposals seeking Cabinet agreement will commence on December 13th and continue until January 30th. Alongside the traditional paper based consultation process and on-line questionnaires, public and bus WiFi will be used extensively and there will also be face to face consultation activity during this period. As usual the Fairness Commission will be asked to provide a response.

8.8 Comments of Cabinet Member

The Chair of Cabinet has approved the report for consideration by Cabinet.

8.9 Scrutiny Committees

The constitution requires that Scrutiny Committees are consulted on Cabinet's draft budget proposals.

8.10 Equalities Impact Assessment and the Equalities Act 2010

This is referenced in paragraph 4.6 of the report.

8.11 Children and Families (Wales) Measure

All proposals will be consulted on widely, as required.

8.12 Wellbeing of Future Generations (Wales) Act 2015

The Act is referenced in the report.

8.13 Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Dated: 12 December 2018

APPENDIX 1 – Budget Investments

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
PEOPLE								
Adult & Community Services	SOC10.1-10.3	Community Care Packages		Demand on Adult Community Care budgets - Whilst it is impossible to predict how this might change throughout the year it is known with certainty new learning disability (LD) children turning 18 and LD clients who were previously looked after by relatives who can no longer look after them, this is expected to cost £500k full year. In addition to this there is a liability of £120k for a legislative ruling on night payments which was introduced in the first quarter of 2018. The pressure requested rebases the budget to what is expected at a point in time and should be reviewed annually due to the volatility of this budget. Pressures for 20/21 onwards is the on-going increase in demand from children turning 18 and new service users. It is anticipated that there will be a programme of reviews undertaken to keep reduce the pressure on demand which is assumed in these figures.	451	465	1,265	315
Adult & Community Services	SOC2	Older people residential units		Internal residential units income - shortfall due to change of long term residential clients e.g. full payers deceased replaced with non payers, clients paid for from other local authorities moving back to area. This change started towards the end of 2016 and is anticipated to cause an income shortfall for a few years. A significant change in the current cohort could affect this again, therefore this income target needs to be reviewed periodically.	45	0	0	0
Children & Young People Services	SOC27	SE Wales adoption		Inter-Agency Adoption - based on current trends of adoptions. Once this budget has been rebased at the level needed, the service area will aim to maintain volumes.	180	0	0	0
Children & Young People Services	SOC31	Out of Area Resi Plac		Children's Out of Authority Residential Placements - This is the new budget requirement needed to accommodate current placements and to maintain numbers at approximately 20. The service will look to manage this budget going forward although difficult to predict changes in placements and costs.	1,686	0	0	0
Education	EDU6	SEN Recoup OOC		Special Education Needs (SEN) Recoupment Income - Due to the increase in demand for in-house SEN provision, the number of places available for other local authorities to utilise and pay to us has reduced. Therefore there is an under-recovery of income of £250k.	250	0	0	0
Education	EDU6	SEN Recoup OOC		SEN - Demands placed upon a number of special educational needs budgets. There are a number of provision types for SEN. These include Out of County placements but also a number of in-house provisions. There is an increasing demand for placements of which the costs can be high.	920	tbc	tbc	tbc

APPENDIX 1 – Budget Investments

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
PEOPLE								
Education	EDU14	Breakfast clubs		Breakfast Clubs - the number of breakfast clubs is increasing, it is anticipated that in September 2021 all primary schools will offer breakfast club provision.	0	20	35	15
Education (Schools)	EDU1	Schools		Teachers pension increase - Association for Directors of Education in Wales (ADEW) suggesting increase from 16.48% to 23.6% from Sept 2019-March 2021, while this increase will be significant, we are awaiting confirmation on how this will be funded.	tbc	tbc	0	0
Education (Schools)	EDU1	Schools		Reduced class sizes - the funding of an additional class is being funded by Welsh Government until September 2021. If this funding isn't made permanent this will require a pressure of the equivalent amount to be funded.	0	0	39	28
Education	n/a	n/a		Revenue Support Grant (RSG) Transfer in - Free school meals grant	221	0	0	0
PLACE								
RIH	RIH9	Centralised Properties		Norse JV - Increased contract payment as a result of assumed 2% pay award in 19/20. Subsequent years assume 1% pay award as per NJC staff	99	122	154	186
RIH	RIH30	Transporter Bridge		Discovery Centre - A Heritage discovery centre, tourist trail and garden trail in the city will be launched. Likely to be established beyond 20/21	0	0	tbc	tbc
City Services	STR26	Customer Services		Customer Care Manager - resource to adequately manage the councils complaints and feedback policy and processes in order to meet our statutory and regulatory obligations	43	0	0	0
City Services	STR4	Asset Management		Legislative requirements of the Flood and Water Management Act - the authority must establish an approval body team to consider applications submitted from developers	60	0	0	0
City Services	STR11	Sustainable waste		Corporate Plan promise - New Household Waste Recycling Centre (HWRC) - the opening of a second HWRC supports the corporate plan and the waste strategy. Investment required to meet the promises set out in the Corporate Plan	0	349	0	0
City Services	STR12	Refuse Collection		Waste collections from additional properties - Newport is constantly growing with significant number of new developments being built or designed therefore existing services need to be provided to these properties	190	0	0	0

APPENDIX 1 – Budget Investments

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
City Services	Various	Various		City Services - investment across a number of services including grounds maintenance income adjustment, drainage surveys and other pressures within the service to support the delivery of the function.	335	0	0	0
CORPORATE								
People Services	n/a	n/a		Risk Contingency set aside from minimum revenue provision (MRP) saving to mitigate demand pressures associated with People Services	(2,200)	0	0	0
People & Business Change	PBC1	HR Strategy & Op		Clear Review - to establish a budget for the licence costs of the Clear Review performance management system	22	0	0	0
People & Business Change	PBC1	HR Strategy & Op		Newport Live SLA - The HR SLA with NL has come to an end meaning that the income target is no longer achievable	22	0	0	0
People & Business Change	PBC3	Bus Chg et al		BIPT Income generation - unable to meet future years income target, therefore pressure required to remove unachievable income.	48	0	0	0
People & Business Change	PBC10	Digital		Corporate Plan Promise - Delivery of digital aspirations - improvement of the IT infrastructure and other digital services. Investment required to meet the promises set out in the Corporate Plan	220	500	500	0
People & Business Change	PBC1	HR Strategy & Op		Implementation of new Talent Management Framework to deliver commitment to develop a motivated, capable and engaged workforce, alongside building capacity and managerial leadership.	56	0	0	0
NON-SERVICE								
Non-Service	n/a	n/a		Capital Financing pressure from an additional capital expenditure of £10m	0	tbc	tbc	0
Non-Service	n/a	n/a		Interest payable - future pressures due to increasing capital expenditure and reduced capacity to use our own cash reserves to fund this.	0	287	155	122
Council Wide	n/a	n/a		Universal Credit - Impact of universal credit across the whole council	tbc	tbc	0	0
NEW BUDGET INVESTMENTS TOTAL					2,648	1,743	2,148	666

APPENDIX 1 – Budget Investments

Agreed/ Revised Investments

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	18/19 (£'000)	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)
PEOPLE								
Adult & Community Services	SOC10.2	Community Care Packages		Supporting People Grant Reductions: Due to the correct application of the pricing policy of learning disability (LD) supported living following Welsh Government review, costs previously funded from this grant are no longer eligible resulting in a £726k budget pressure profiled over four years (17/18 to 20/21). These pressures were offset with corresponding saving proposals.	138	138	0	0
Adult & Community Services	SOC10.1-10.3	Community Care Packages/ Mental Health		Price Inflation within Adult social care budgets - From April 2016 all organisations are required to pay the National Living Wage rate therefore increasing our external provider fees. This amount is in additional to general inflation applied to the budget.	385	549	0	0
Adult & Community Services	SOC10.1	Community Care Packages - Older People		Adults Capital Limit Change in relation to charging for Residential Care - One of Governments top six 'Taking Wales Forward' campaign. The limit rose to £30k in 2017, £40k in 18/19 then £50k in 19/20 thereby reducing clients contribution towards their cost of care. There is no indication of further increases after 2020.	209	0	0	0
Children & Young People Services	SOC32/ 33	Independent Foster Agency Placements/ In house fostering		Fostering Service - The 19/20 pressure is to accommodate 185 in-house foster placements (average over the last 5 years) and an average of 37 Independent Fostering Placements (externally commissioned). 20/21 pressure is to reflect the expectation that the higher level of in house fostering placements now being experienced in 2018/19 (currently 200) will continue. This pressure will enable the service to maintain independent fostering agency placements at the 37 level.	263	205	0	0
Education (Schools)	EDU1	Schools		Corporate Plan Promise - Demand and Pricing Investment in schools - there are a number of pressures identified within schools. For 19/20 this includes pay inflation, price inflation & increments (£3,259k) and demand on new & growing schools (£2,980k). It is proposed an investment of £3,178k is made into the schools budget an increase of 3.3%. Future years show the pricing and demand pressures that have been identified for schools. Investment required to meet the promises set out in the Corporate Plan	3,178	4,520	4,331	4,244

APPENDIX 1 – Budget Investments

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	18/19 (£'000)	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)
PLACE								
RIH	RIH9	Centralised Properties		Norse joint venture (JV) - pension deficit. A regular tri-annual review of the pension fund attributed to those staff that transferred was undertaken by the fund managers, Greater Gwent (Torfaen) which has highlighted an annual shortfall of pension contribution as well as a deficit payment.	5	5	5	5
City Services	STR9	Leisure Trust		Newport Live - Pension Deficit	3	3	2	2
City Services	STR9	Leisure Trust		Newport Live - contract fee increases as a result of National Minimum Wage. Newport Live bear the costs of inflationary pay increases therefore no pay award pressure	87	19	19	18
CORPORATE								
People & Business Change	PBC12	Shared Res Serv		Shared Resource Service (SRS) - Increased contract payment as a result of assumed 2% pay award in 19/20. Subsequent years assumes 1% pay award as per NJC staff. Pension deficit costs is also included.	62	51	53	55
NON-SERVICE								
Non-Service	n/a	n/a		Other pressures' - To Be Identified as annual detailed budget work undertaken - there is normally miscellaneous budget pressures identified. This amount here provides an 'allowance' for this - so that the overall budget gap in each year takes account of some amount for this.	0	1,000	1,000	1,000
Non-Service	n/a	n/a		Corporate Plan Promise - Capital Programme - To fund the capital financing costs of the current (in principle) capital programme. Investment required to meet the promises set out in the Corporate Plan	0	568	351	101
AGREED/ REVISED BUDGET INVESTMENTS TOTAL					4,330	7,058	5,761	5,425
BUDGET INVESTMENT TOTAL					6,978	8,801	7,909	6,091

APPENDIX 1 – Budget Investments

Pressures Summarised:

Pressures by Type	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
New budget pressures	2,648	1,743	2,148	666
Previously agreed budget pressures	4,330	7,058	5,761	5,425
New and previously agreed pressures	6,978	8,801	7,909	6,091
Inflationary pressures	4,394	3,050	2,921	2,970
Specific grant - capital limit pressure	(209)	0	0	0
TOTAL BUDGET PRESSURES	11,163	11,851	10,830	9,061

APPENDIX 2 – New Budget Savings for Consultation (Cabinet)

Cabinet

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
PEOPLE									
Education	Various	Various	EDU1920/01	Central Education Budget Savings Proposals 2019/20	250	0	0	0	-6.9
PLACE									
City Services	STR12	Refuse Collection	CS1920/06	Review of Charging for Waste Special Collections	66	0	0	0	0.0
City Services	STR20	Off street parking	CS1920/07	Changes to Council Parking Charges	86	0	0	0	0.0
City Services	STR26	Customer Services	CS1920/08	Reduction in Customer Services Operating Hours – Information Station only	31	0	0	0	-1.2
CORPORATE									
People and Business Change	PBC6	Partnership	PBC1920/02	Reduction in Voluntary Sector Grants	54	19	27	0	0.0
NON SERVICE									
Non-Service	n/a	n/a	NS1920/05	Additional 2.95% increase in council tax resulting on total increase of 6.95%	1,458	0	0	0	0.0
NEW BUDGET SAVINGS FOR CONSULTATION - Cabinet					1,945	19	27	0	-8.1

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APPENDIX 3 – New Budget Savings Implemented Under Delegated Authority (Cabinet Member and Head of Service)

Cabinet Member

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
PEOPLE									
Children and Family Services	SOC31	Out of Authority Residential Places	CFS1920/01	Improving Residential Care for Children within Newport	330	10	0	0	0.0
Adult and Community Services	SOC14	Service Development & Commissioning	AS1920/03	Preventions Review to Deliver £250k Saving	250	0	0	0	0.0
Education	EDU23	Joint Services	EDU1920/02	Withdrawal from the regional SENCOM partnership and the introduction of a Newport Service beginning April 1st 2019.	250	0	0	0	tbc
PLACE									
City Services / Place	STR1	Env Serv	CS1920/10	Introduce Parking Charges within Tredegar Park and Fourteen Locks	31	0	0	0	0.0
City Services	STR2	Cemeteries	CS1920/01	Gwent Crematorium Fee Increase	55	34	0	0	0.0
City Services	STR11	Sustainable Waste	CS1920/05	Increased recycling from the introduction of smaller bins and a period of enforcement and education. This also mitigates the risk of additional fines from Welsh Government for the non-achievement of increased recycling targets.	110	0	0	0	0.0
NON SERVICE									
Non-Service	n/a	n/a	NS1920/03	Cessation of Concurrent Grants to Community Councils	131	0	0	0	0.0
NEW BUDGET SAVINGS TOTAL - Cabinet Member					1,157	44	0	0	0.00

APPENDIX 3 – New Budget Savings Implemented Under Delegated Authority (Cabinet Member and Head of Service)

Head of Service

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
PEOPLE									
Children and Family Services	SOC32	Independent Foster Agency Placements	CFS1920/02	Reduction in the use of Private Fostering Agencies	125	0	0	0	0.0
Children and Family Services	SOC20	Leaving Care	CFS1920/03	Reduction in the When I'm Ready leaving care budget	90	0	0	0	0.0
Children and Family Services	SOC34	Kinship Payments	CFS1920/04	Kinship Payments	150	0	0	0	0.0
Children and Family Services	SOC26	Integrated Family Support Team	CFS1920/05	Integrated Family Support Team - deletion of vacant post	26	26	0	0	0.0
Adult and Community Services	SOC10	Community care packs	AS1920/01	Change in Fee Structure for Shared Lives Placements	100	0	0	0	0.0
Adult and Community Services	SOC13	Adults Mgt Account	AS1920/02	Staffing Review	200	0	0	0	-4.5
Education	EDU23	Joint Services	EDU1920/03	Reduction in core funding to EAS of 2% for the financial year 2019/20	17	12	8	0	0.0
PLACE									
Regeneration, Investment and Housing	RIH8	Station Buildings	RIH1920/01	National Software Academy move to Information Station	40	0	0	0	0.0
Regeneration, Investment and Housing	RIH10	Carbon Reduction	RIH1920/02	Reducing Carbon Emissions and Associated Costs	50	0	0	0	0.0
Regeneration, Investment and Housing	RIH12; RIH16	Plan + Dev Mngt Acc/ Development management	RIH1920/03	Reduction of Development Management Legal Fees Budget and Training budget	22	0	0	0	0.0
Regeneration, Investment and Housing	RIH18-21 & RIH25	Various	RIH1920/04	Implementation of Neighbourhood Hubs	267	387	0	0	-5.0
City Services	STR3	Public Transport	CS1920/02	In-house Management of Real Time Passenger Information (RTPI) System.	32	0	0	0	0.5
City Services	STR9	Leisure Trust	CS1920/03	Newport Live Delivery Arrangements	63	0	0	0	0.0
City Services	STR10	Waste Disposal Site	CS1920/04	Increase Waste Income	50	0	0	0	0.0
City Services	STR27	Benefits	CS1920/09	Benefits Section Efficiency Savings	39	0	0	0	0.0

APPENDIX 3 – New Budget Savings Implemented Under Delegated Authority (Cabinet Member and Head of Service)

Head of Service

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
CORPORATE									
Finance	FIN1	Accountancy	FIN1920/01	Deletion of 0.4 Full Time Equivalent Post within Accountancy	9	0	0	0	-0.4
Finance	FIN1	Accountancy	FIN1920/02	Increase Schools SLA Charge for the Schools Resources Team	30	0	0	0	0.0
People and Business Change	PBC3	Business Chg Improv	PBC1920/01	Service Restructure	50	0	0	0	tbc
People and Business Change	DIR01; PBC2; PBC9	Various	PBC1920/03	HR Proposals - including deletion of vacant posts.	65	0	0	0	-2.0
People and Business Change	PBC10; PBC12	Digital/ Shared Res Serv	PBC1920/04	Renegotiated IT support, public Wi-Fi and print room printer contracts will enable budget to be reduced from April 2019 with no adverse impact on service delivery.	75	0	0	0	0.0
People and Business Change	PBC6	Partnership	PBC1920/05	Reduction in Planned Welsh Language Translation Annual Spend	47	30	0	0	0.0
Law and Regulation	n/a	Insurance	LR1920/01	Absorb inflationary uplift in insurance premiums	14	0	0	0	0.0
Law and Regulation	n/a	Licensing Fees	LR1920/02	Additional Licensing Income	8	0	0	0	0.0
NON SERVICE									
Non-Service	n/a	n/a	NS1920/01	Additional Saving on Interest Budget	590	0	0	0	0.0
Non-Service	n/a	n/a	NS1920/02	Reduction in unfunded pension liability	29	0	0	0	0.0
Non-Service	n/a	n/a	NS1920/04	Reduction in the Council Tax Reduction Scheme Budget	879	0	0	0	0.0
NEW BUDGET SAVINGS TOTAL - Delegated Head of Service					3,067	455	8	0	-11.4

A link to view the Business cases for the above delegated Cabinet Member and Head of Service savings will be available shortly.

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APPENDIX 4 – Budget Savings Previously Approved

Cabinet

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact
PEOPLE									
Education	EDU9 / EDU4	Inclusion Management Account/ Psychology Services	EDU181902	Consolidation of the Educational Psychology, Additional Learning Needs, and Specific Learning Needs Teams into a 'Inclusion Enrichment Team'	53	0	0	0	-6.3
City Services	STR26	Customer Services	SS181904	Reducing Telephone and Face to Face Services within Customer Services	16	0	0	0	-0.9
PREVIOUSLY AGREED SAVING - Cabinet					69	0	0	0	-7.2

Cabinet Member

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact
PEOPLE									
Adult and Community Services	SOC1	Homecare & Extracare	ACS181903	Extra care housing - reduce expenditure by proceeding with the outsourcing of the domiciliary care service, deployed within four Linc Extracare housing schemes	150	0	0	0	-57.2 (2 year impact)
Adult and Community Services	SOC3	Supported Living Agency	ACS181904	Supported Living - reduce expenditure by out sourcing the Council's in-house Supported Living Agency for people with learning disabilities	93	0	0	0	-7.0
PLACE									
City Services	STR11	Sustainable Waste	SS181901	Re-instate the composting facility at Docks way avoiding higher contract costs with external provider	14	0	0	0	2.0
PREVIOUSLY AGREED SAVING - Cabinet Member					257	0	0	0	-62.2

APPENDIX 4 – Budget Savings Previously Approved

Head of Service

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact
PEOPLE									
Children and Family Services	SOC28	Child Protection	CFS181909	To reduce the legal fees budget which is used for court ordered testing and the use of counsel to represent the Local Authority in family proceedings	50	0	0	0	0.0
Children and Family Services	SOC33	In House Fostering	CFS181910	To reduce the provision of Career and Specialist Carers and reduce the number of external fostering assessments commissioned	26	26	0	0	0.0
Adult and Community Services	SOC13	Adults Management Account	AS171802	Savings from adults management account (previously Strategic Director put forward to come from inflationary uplift on S28a income from health but Adult HoS says this is not possible and negotiations could even result in a reduction in funding from ABUHB)	20	20	0	0	0.0
PLACE									
City Services	STR9	Leisure Trust	STS27	Newport LIVE - Efficiency savings from Newport Live operation	60	0	0	0	0.0
NON SERVICE									
Non-Service	n/a	n/a	NS171802	MRP/ Interest budgets - Expected interest rate savings when bonds mature	1,500	0	0	0	0.0
PREVIOUSLY AGREED SAVING - Delegated Head of Service					1,656	46	0	0	0.0

Savings Decision Type	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
Previously Agreed Cabinet Savings	69	0	0	0	-7.2
Previously Agreed Cabinet Member Savings	257	0	0	0	-62.2
Previously Agreed Delegated Head of Service Savings	1,656	46	0	0	0.0
PREVIOUSLY AGREED BUDGET SAVINGS	1,982	46	0	0	-69.4

Staff impact refers to the total FTE impact over the life of the project

Appendix 5 – Budget Savings for Consultation - Proposals

Proposal Number	Unique ID	Service Area	Proposal Title
1	EDU1920/01	Education	Central Education Budget Savings Proposals 2019/20
2	CS1920/06	City Services	Review of Charging for Waste Special Collections
3	CS1920/07	City Services	Changes to Council Parking Charges
4	CS1920/08	City Services	Reduction in Customer Services Operating Hours – Information Station only
5	PBC1920/02	People and Business Change	Reduction in Voluntary Sector Grants
6	NS1920/05	Non-Service	Additional 2.95% Increase in Council Tax resulting in Total Increase of 6.95%

MTRP Budget Proposal – 2019/20 to 2022/23

Service Area	Central Education			
Proposal Title	Central Education Budget Savings Proposals 2019/20			
Summary Description, Delivery Arrangements and Timescales	Education Services is required to save a further £250k from 2019/20. There are no non-staff budget options left within the service area to consider. As a result savings can only be acquired from the removal of staff posts. This proposal describes the options for staff saving costs equating to £250k for 2019/20			
Decision Point (Please tick appropriate box)	Head of Service	<input type="checkbox"/>	Cabinet Member	Cabinet <input checked="" type="checkbox"/>

PART ONE

Net Savings (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
	250			
One-Off Implementation Costs (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
Revenue – Redundancy/Pension	TBC This is likely to be circa £150k			
Revenue – Other				
Capital – Building related				
Capital – Other				
Implementation Cost - Total				

Impact on FTE Count	Education Business Support Team : 1.91 FTE Educational Welfare Officer Team: 4 FTE Educational Psychology Team: 1 FTE
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Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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MTRP Budget Proposal – 2019/20 to 2022/23

PART TWO

Options Considered

There are no other options available within Education Services other than to make savings linked to staff reductions. Without Education Services making a significant saving, there will be exacerbated pressure on other frontline services across the city. Education Services is at a point where any post lost will significantly impact on deliverable outcomes of the service area. With this in mind consideration has been given to posts which will have the least impact overall. These have been presented through a series of option choices.

1 x FTE Grade 4 Administrative post: The deletion of this post creates the amount of least risk to Education Services. There are a limited amount of Administrative staff within the service area and as a result there will be additional pressure on other colleagues and a reduction in the volume of work that Education Services can achieve. This post presents a cost saving of £23,858 per year.

1 x 0.91 FTE Education Business Manager: The complete deletion of this post would deplete business continuity unless there are backfill arrangements in part. This post manages the Education Business Team and is responsible for all Statutory School Organisation Proposals. This job function will need to be distributed among the 21st Century Team. This will not result in a full cost saving as there will be pay grading implications for the 21st Century Team in taking on additional duties and an additional grade 5 officer will need to be recruited. Therefore the cost savings set against this post are £14,700.

4 x FTE Educational Welfare Officers (EWO's): The deletion of these posts are likely to have an impact on the local authority's rate of primary and secondary attendance and the increased rate of persistent absence of pupils. Both measures are linked. EWO's play a pivotal part in ensuring that the culture of poor attendance is avoided within families. EWO's support schools with attendance issues and attend home visits, providing welfare checks to pupils with poor rates of attendance of those which are home tutored. At present the EWO Team consists of 1 Senior EWO (0.9 FTE) and 9 x EWOs (8.42 FTE). This proposal would reduce the team to 1 Senior EWO (0.9 FTE) and either 5.42 FTE EWO's or 4.42 FTE EWO's. In light of this budget saving proposal, the Education Welfare Team would continue to work across all schools, but focus on pupils with a higher rate of non-attendance. Each FTE EWO saving equals £37,771.

1 x FTE Education Psychologist: In 2017-18 the Educational Psychology Service reduced from 5.8 to 4.6 FTE, a loss of 1.2. Therefore the Educational Psychology Service is currently core funded for 4.6 FTE and the proposal is to further reduce staffing to 3.6 FTE. The Principal EP at 0.8 FTE predominantly performs managerial duties leaving a capacity of 2.8 FTE Educational Psychologists to service all of the schools within Newport LA. The deletion of 1 FTE would reduce Newport LA's capacity to address the needs of pupils with ALN within the city. The team is in receipt of external funding until May 2019 to collaboratively deliver and support mental health programmes to schools. This additional funding provides an additional 0.4 of an equivalent member of staff on a temporary basis only. Further income is generated to support the Early Years. This provides an additional 0.4 until the end of March 2019 only. There is currently no vacant position within the team and therefore there would be a need for a redundancy of 1 FTE member of staff if this decision is upheld. The cost saving of one FTE Educational Psychologist is £61,880

MTRP Budget Proposal – 2019/20 to 2022/23

1. To delete 7 posts within Education Services: 4 FTE Education Welfare Officers, 1 FTE Educational Psychologist, 0.91 FTE Education Business Manager, 1 FTE grade 4 Administrative Post. This would equal a cost saving of £251,522
2. To delete 4 posts within Education Services: 2 FTE Education Welfare Officers, 0.91 FTE Education Business Manager, 1 FTE grade 4 Administrative Post. This would equal a cost saving of £114,100
3. To delete 3 FTE posts in Education Services: 1 FTE Education Welfare Officer and 1 FTE grade 4 Administrative Post and 0.91 FTE Education Business Manager. This would equal a cost saving of £76,329

Recommended Option

In order to make balanced savings across the Council, option 1 would be recommended.

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration – This proposal is not supportive of improving educational attainment or supporting pupils disadvantaged by poverty. However, adding additional funding pressure to other service areas also puts council wide services at further risk, particularly those services which are aligned to vulnerable groups.

Long Term & Prevention – The Council must achieve a balanced budget and maintain the best service for its customers. Customers are wider than those in schools alone. This budget proposal prevents a further, disproportionate funding reduction to wider Council services.

Collaboration - This proposal does not aid greater collaboration. In the case of the removal of EWO's or an Educational Psychologist, it requires more support and independence from school based staff.

Involvement – All budget proposals will be consulted upon. Key stakeholders linked to this proposal include Chairs of Governors, Head teachers, Trade Unions, parents, pupils and Schools Forum and Newport City Council staff.

Fairness and Equality Impact Assessment

Yes

For internal use:

<i>Unique reference number</i>	EDU1920/01
<i>Activity Code</i>	various

MTRP Budget Proposal – 2019/20 to 2022/23

Service Area	City Services					
Proposal Title	Review of Charging for Waste Special Collections					
Summary Description, Delivery Arrangements and Timescales	<p>Review of charging for special collections - apply a new pricing mechanism, ensuring the cost of service to our citizens covers the operating and disposal costs of the service.</p> <p>Proposal is to apply new pricing with immediate effect following business case and decision from Cabinet, February 2019.</p> <p>Note that a full year impact has been included following implementation by the beginning of 19/20; any delay in the approval process would therefore affect the savings to be achieved during 19/20</p>					
Decision Point (Please tick appropriate box)	Head of Service		Cabinet Member		Cabinet	✓

PART ONE

Net Savings (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
	66			
One-Off Implementation Costs (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
Revenue – Redundancy/Pension				
Revenue – Other				
Capital – Building related				
Capital – Other				
Implementation Cost - Total				

Impact on FTE Count	No impact on FTE count
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Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box)	YES	✓	NO	
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MTRP Budget Proposal – 2019/20 to 2022/23

PART TWO

Options Considered

Option A - do nothing - continue charging at existing rates and operate the service subsidised by the council. This is not seen as a viable option as it is not financially acceptable to continue running the service at a loss.

Option B - apply new pricing mechanisms by introducing a flat rate for up to 3 items to maximise efficiency of collections and also ensure the minimum charge covers the operating and disposal costs of the service.

Option C – alternative pricing mechanism to reduce financial deficit of running the service but without introducing a flat rate for several items.

Option D - remove the service. This is not seen as a viable option as this is likely to have a direct impact on fly-tipping volumes and associated costs to Newport City Council (as opposed to service continuity in the previous options, where by providing a dedicated service for items difficult to get rid of chances of them being fly tipped are significantly reduced). It would also reduce the opportunity for recycling the special collections which contribute towards Newport's overall targets.

Recommended Option

Option B - ensuring sustainable service delivery by implementing a different price structure on a cost neutral basis.

The proposal would involve changing the current pricing structure (items are requested on an individual basis at an average price of £6 per item) to a minimum charge of £20 for up to 3 items, then £6 per additional item.

Benchmarking information has been collated and 19 out of 22 Welsh Local Authorities include an initial charge for more than 1 item, as indicated in the table below:

<u>Council</u>	<u>Minimum payment</u>	<u>Additional</u>
Blaenau Gwent	£6.00 per item	
Bridgend County Borough	£15.50 for 3 items	£5.20 per additional item
Caerphilly	£15.30 for 3 items	£20.40 for 6 items
Camarthenshire	£15.00 for 3 items	
Ceredigion	£42.00 for 6 items	
City and County of Swansea	£17.00 for 3 items	£34.00 for 6 items
City of Cardiff Council	£12.50 for 2 items	£25.00 for 4 items, £37.50

MTRP Budget Proposal – 2019/20 to 2022/23

			for 6 items
Conwy County Borough	£20.00 for 4 items		
Denbighshire	£5.00 per item		
Flintshire	£40.00 for 5 items	£5.00 for anything additional	
Gwynedd	£23.00 up to 5 items	£46.00 for up to 10 items, £69.00 for 15 items	
Isle of Anglesey	£28.00 for 4 items		
Merthyr Tydfil	£15.00 for 3 items		
Monmouthshire Council	£15.00 per 3 items		
Neath Port Talbot	£21.00 per call out		
Newport City Council	£6.00 per item		
Pembrokeshire	£20.00 per 10 items		
Powys	£25.00 for 3 items		
Rhondda Cynon Taff	£11.70 for 3 items		
Torfaen Council	£27.00 for 3 items.	£7.00 per additional item	
Vale of Glamorgan Council	£15.00 for 3 items		
Wrexham	£42.50 up to 8 items		

The proposal would mean services provided are aligned to what other local authorities provide and it would incentivise residents to dispose of their items in a single collection, which would have a positive impact on the efficiency of the service overall, and at the same time allow for the average cost per item to be maintained at current levels.

This proposal has been deemed as preferable to the alternative proposal to increase prices, based on the increase of the average price per item from £6 to £10 whilst involving an increase in cost for all users, the total income delivered by the service would be £157k, thus falling £5k short of covering the cost of delivering the service.

Some specific items such as bathroom suites or pianos will have a different price due to their volume or weight. However, these will be exceptions and the price to pay will be clearly stated before the residents place the collection request. Specific activities such as house clearances will also be priced individually after inspection, but the service will remain available upon request.

Also, it is proposed that the council stops giving refunds for cancelled collections. Up until now there is a £10 limit and the council will not give any refunds for

MTRP Budget Proposal – 2019/20 to 2022/23

collections booked under £10 due to the administrative cost of dealing with a refund. The refunds do have an impact on back office and therefore it is recommended there is a No Refund policy in place from 1st April 2019.

Basing collection volumes on a projection from 2018/19 data to date, the new pricing would realise a gross income of £162k, thus covering the cost of the service:

Forecast 2019/2020 - New Pricing	
Collections completed	8,220
Average charge per visit	£19.62
Cost of providing the service	£161,826
Income (current budget)	-£95,000
Income generated new pricing	-£161,304
Budget position	-£66,304

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration – Links to greener city due to increased recycling and reduced flytipping; also ties in with channel shift and better use of new technologies for referrals – modernised council.

Long Term – Covering the cost of the service we ensure its long term viability to ensure we provide a good service to our residents.

Prevention – This service works towards a greener way of disposing bulky items, as reuse and recycling are prioritised and it also helps prevent and reduce fly-tipping by providing a simple option to dispose of items not collected in standard waste collections.

Collaboration - Link with working with communities - many items get reused through our reuse shop, where we work together with charities to provide an affordable resource to people in need.

Involvement – This is a very popular service by ensuring its continuity and making it more efficient we can address some of the complaints received from our residents

Fairness and Equality Impact Assessment

Equality Act 2010 and Welsh Language

This measure could have a potential negative impact on elderly and disabled people, who are more likely to make use of the service and on areas with higher percentage of people on low income/benefits. However, the proposal in itself does not represent an increase in the cost per item so minimum fee can be mitigated by having residents grouping them for collection.

On the other hand, the new pricing schedule ensures the service remains viable so all protected groups can keep benefiting from it.

Wellbeing of Future Generations (Wales) Act 2015

By ensuring service continuity by adjusting the pricing structure, we are helping to increase the reuse and recycling of municipal waste, as the service area will keep

MTRP Budget Proposal – 2019/20 to 2022/23

focusing on enhanced reuse of bulky items, hence contributing to a healthier Wales. Collaboration with third sector organisations also contributes to create cohesive, more resilient communities.

For internal use:

<i>Unique reference number</i>	CS1920/06
<i>Activity Code</i>	STR12

MTRP Budget Proposal – 2019/20 to 2022/23

Service Area	City Services					
Proposal Title	Changes to Council Parking Charges					
Summary Description, Delivery Arrangements and Timescales	<p>Increase in tariffs for off-street parking, business parking and resident parking zones.</p> <p>All changes to be implemented April 2019</p> <p>Civil Parking Enforcement (CPE) within the city will cover both on and off street parking enforcement. The take up of resident parking permits has declined in recent years due to resident dissatisfaction over the lack of enforcement delivered by the police. It is anticipated that this decline will continue until the introduction of CPE on the 1st July 2019.</p> <p>The maintenance of affordable parking within the city together with CPE, will ensure residents have their streets appropriately patrolled to maximise their opportunities to park outside their homes, business parking is not obstructed and visitors to our car parks benefit from a well-controlled parking environment.</p> <p>Newport has historically provided low cost off street parking in comparison to other city centres and this proposed increase ensures that parking in Newport remains excellent value.</p> <p>The proposed resident permit parking charge is again excellent value and combined with improved enforcement through CPE, presents an excellent offer and service to residents.</p>					
Decision Point (Please tick appropriate box)	Head of Service		Cabinet Member		Cabinet	✓

PART ONE

Net Savings (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
Parking	86			
One-Off Implementation Costs (£000's)				
Revenue – Redundancy/Pension				
Revenue – Traffic Order Legal Costs/ Tariff Board Changes	3			
Capital – Building related	4			
Capital – Signage /	1			

MTRP Budget Proposal – 2019/20 to 2022/23

Implementation Cost - Total	8			
Impact on FTE Count	No impact on FTE count			
Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

PART TWO

Options Considered
<p>Off Street Parking</p> <p>City Services operate 7 off street parking facilities, 6 within the city centre and 1 at Maindee. All are outdoor surface car parks with the exception of Park Square which is a multi-story.</p> <p>The core MTFP income projections assume a 4% annual increase in all fees and charges. However, it is impractical and costly to change parking tariffs so frequently. Tariffs have been maintained at reduced rates in recent years to encourage high turnover of vehicles and increased footfall within the city and Maindee centres.</p> <p>Various tariff bands were initially considered for this review but it was acknowledged that any increase must not present a barrier to maintaining or increasing footfall within the city and Maindee centres. Therefore a modest increase of 50p across all tariff bands is the only option within this business case.</p> <p>The following tables set out:</p> <ul style="list-style-type: none"> • The total income in 2017/18 • Forecasted income for 2019/20 based on full year 2017/18 usage with the proposed 50p increase on all tariff bands <p>Current Tariff</p> <p>Costings using full year 2017/18</p>

MTRP Budget Proposal – 2019/20 to 2022/23

City Centre	up to 3 hr	3hr - 5hr	over 5 hr	Full Year
Tariff	2.00	4.00	5.50	
Usage (2017/18)	134,151	14,094	14,713	
Income	£268,302	£56,376	£80,921	£405,599

Maindee	up to 3 hr	3hr - 5hr	over 5 hr	Full Year
Tariff	£0.50	£2.00	£2.50	
Usage (2017/18)	30,546	2,471	907	
Income	£15,273	£4,942	£2,267	£22,482

Total income across all off street parking in 2017/18 £428,082 less VAT repayable equates to £356,735

Proposed Tariff 2019/20

Forecast based on full year 2017/18 usage with the proposed 50p increase on all tariff bands

City Centre	up to 3 hr	3hr - 5hr	over 5 hr	Full Year Forecast
Tariff	£2.50	£4.50	£6.00	
Usage (2017/18)	134,151	14,094	14,713	
Income	£335,377	£63,423	£88,278	£487,078

Maindee	up to 3 hr	3hr - 5hr	over 5 hr	Full Year Forecast
Tariff	£1.00	£2.50	£3.00	

MTRP Budget Proposal – 2019/20 to 2022/23

Usage (2017/18)	30,546	2,471	907	
Income	£30,546.00	£6,177.50	£2,721.00	£39,444

Total forecasted income across all off street paid for parking £526,523, less VAT repayable equates to £438,769.

This equates to an increase of £82,034 against the base budget.

The implementation of these charges will require a one off spend of £8k in order to place the appropriate traffic orders, alter signage and update the machines.

Business Parking Permits

The current occupancy of business parking bays within the city centre stands at 43 which at the current tariff of £936 per annum generate £40,248 per annum, less VAT repayable equates to £33,540.

In previous years the rate was calculated using the cheapest all day parking tariff and an assumption on likely usage.

Using this assessment and the proposed new tariff of £6.00 against an assumed usage of 260 days, paid for parking would cost £1,560 per annum.

Given the need to support business in the City Centre, a much lower increase to £1,000 per annum is proposed. This would generate £43,000 per annum, less VAT repayable equates to £35,833 per annum.

This is an additional £2,293 per annum against the base budget

Residents Parking

Resident Parking's Zones are designated on street parking areas restricted for use by local residents, residents pay a small fee for a disc to display in the window of a vehicle Visitor permits are available in books of 10.

Newport currently charges £17 per permit. 12 other councils in Wales operate Resident Parking Zones, with an average charge of £40.08 and highest of £114. As such we propose an increase to £30, which is still 25% lower than the Welsh average

MTRP Budget Proposal – 2019/20 to 2022/23

2017/18 Actual

	Cost	Number	Income
Residents Permits	£17.00	1252	£21,284
Visitor Permits (book of 10)	£7.00	246	£1,722
Total income			£23,006

Forecast for 2019/20 applying the proposed tariff of £30 / £12.00

	Cost	Number	Income
Residents Permits	£30.00	1,252	£37,560
Visitor Permits (Book of 10)	£12.00	246	£2,952
Total income			£40,512

These changes would generate an additional £17,506 per annum which is £2,045 in excess of base budget

Recommended Option

To increase all off street parking charges by 50p (except for Bell Vue Park)
 To increase business parking permits by £65 per annum from £935 to £1,000
 To increase Resident Parking Permits from £17 to £30
 To increase Visitor Permits from £7 to £12 per book of 10

Specific Links with Wellbeing of Future Generations (WFG) Act

Long Term – These proposals ensure that a sustainable service is provided that meets both the short and long term needs of our residents, businesses and visitors to the city

Prevention – An effective and sustainable parking strategy within the city promotes social, economic and environmental wellbeing of the residents, businesses and

MTRP Budget Proposal – 2019/20 to 2022/23

visitors to the city.

Involvement – Stakeholders will be consulted on this MTFP proposal

Fairness and Equality Impact Assessment

Yes

For internal use:

<i>Unique reference number</i>	CS1920/07
<i>Activity Code</i>	STR20

MTRP Budget Proposal – 2019/20 to 2022/23

Service Area	City Services					
Proposal Title	Reduction in Customer Services Operating Hours					
Summary Description, Delivery Arrangements and Timescales	<p>To reduce the operating hours of the council's face-to-face customer services provision and encourage increased use of self-service facilities.</p> <p>There are a number of potential options, however the proposed option is to reduce the opening times of the Information Station from five days to four days a week. Opening days and times for the City Contact Centre (01633 656656) would remain unchanged (Mon-Fri 8am-6pm).</p> <p>Implementation timescales would need to take into consideration full consultation with service areas and a public awareness campaign.</p>					
Decision Point (Please tick appropriate box)	Head of Service		Cabinet Member		Cabinet	✓

PART ONE

Net Savings (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
	31			
One-Off Implementation Costs (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
Revenue – Redundancy/Pension				
Revenue – Other				
Capital – Building related				
Capital – Other				
Implementation Cost - Total				

Impact on FTE Count	1.2 full time equivalent posts reduction in the Customer Service Officer posts at Grade 4. This should be achievable through natural turnover and movement within the service without putting any officers at risk of redundancy.
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MTRP Budget Proposal – 2019/20 to 2022/23

Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box)	YES	✓	NO	
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PART TWO

Options Considered	
Option 1	Keep current service arrangements – This is a viable option but does not create any savings and does not support the Council’s aim of 80% of all transactions being dealt with by self-service by 2020.
Option 2	Close the main reception, Civic Centre at 6pm each evening. This would deliver a saving of up to £9.7k in the first full year of savings. This would have an impact on meetings that are held at the Civic Centre post 6pm e.g. Council and Cabinet meetings, charity meetings, sports and leisure meetings. Alternative arrangements would need to be made for visitors attending these meetings so they could access and egress the building, and so that ad-hoc changes to meeting rooms and arrangements could be managed.
Option 3	Reduce the operating hours for the Information Station service so that it is open 4 days a week instead of 5 days a week. This would deliver a saving of up to £31.6k in the first full year of savings. This is likely to create bottlenecks as although the overall demand would remain the same, the operating hours would be reduced. In effect this would cause longer queues and wait times during the remaining opening hours.
Option 4	Close the Main Reception, Civic Centre at 6pm each evening and reinvest the saving to create more Customer Service Officer posts. This would create additional frontline resource of between 0.4 FTE. This would reduce call wait times and complaints received about the wait time.
Recommended Option	
<p>Option 3 - Reduce the operating hours for the Information Station service so that it is open on Mondays, Tuesdays, Thursdays and Fridays but no longer open on Wednesdays. This would deliver a saving of up to £31.6k in the first full year of savings from PP 64571 C000.</p> <p>This would encourage residents to use automated services during this time such as webforms and automated payment lines, but would also increase the number of callers to the Council on the day the Information Station was closed.</p> <p>This is likely to create bottlenecks as although the overall demand for services would remain the same, the operating hours would be reduced. In effect this would cause longer queues and wait times during the remaining opening hours both on the phone and face to face. However, following implementation of My Newport in February 2019 there will be additional functionality to mitigate the impact e.g. pre-booked appointments for face to face services, online accounts for customers etc. Engagement with other service areas and partners is required to understand the impact of the change for them – for example emergency homeless cases would need to have clear alternative arrangements in place to get in touch with the Council on the day the Information Station was closed.</p> <p>As the Customer Service Officers are multi-skilled and cover the City Contact Centre, Main Reception, Information Station and administrative support, the reduction in FTE would mean there was less flexibility and resilience in the team to manage the impact of holidays, sickness absence and any exceptional circumstances.</p>	

Risk	Probability	Impact	Total score
Little/No reduction in calls/footfall and increased bottlenecks/ wait times as a result of change	5	5	25
Increase in complaints	5	3	15
Impact on NCC reputation	2	2	4
Impact on ability to manage demand across all customer services channels effectively with reduced resource	5	5	25
Impact on service areas	4	3	12
Impact on services for vulnerable customers	5	5	25
Little reduction in calls/footfall as a result of change	4	2	8
Increase in complaints	5	3	15
Impact on NCC reputation	2	2	4

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration - The proposal to support the council’s aim to carry out 80% of all transactions by self-service options by 2020 (Newport 2020). The Customer Services Strategy will be reviewed by April 2019 and will include the council’s approach to managing customer demand.

Long Term - The proposal balances meeting current demand for mediated services in the short term with supporting customers to carry out more transactions via self-service in accordance with the aspirations of Newport 2020. Focussing on the move from face to face / telephone contact onto digitally enabled channels this proposal supports the aims of the Digital City Strategy.

Prevention - This proposal takes steps towards reducing reliance on mediated channels for basic transactions and this first step towards ‘switching off’ channels can be developed further in the next few years. This in turn creates better opportunities to focus limited resources on complex, challenging enquiries which benefit from mediated interactions.

Collaboration - In order to create ‘Digital by Design’ services which are intuitive, easy to access, readily available and designed around the customer will require

MTRP Budget Proposal – 2019/20 to 2022/23

working in collaboration with Streetscene and IT to understand and refine the end to end process that the customer experiences. The impact of reduced opening hours on back offices and statutory obligations would need to be explored with all service areas, particularly Social Services and Housing. Consultation with service areas, residents and partners to identify the impact of this change will form part of the FEIA.

Involvement - Customer Services have been working with City Services, Finance and SRS for some time to understand customer drivers, and design better end to end processes supported by digital channels. Work will continue with the Senior Leadership Team and Cabinet Member for Community Services, Work and Skills to review and refine the customer service offering and deliver a refreshed Customer Services strategy. Consultation has already taken place with customers to understand drivers for contact with the Council (see attached).



Involve Npt Panel
Results (Spring 2016)

A further survey is currently underway via public access Wi-Fi and will be rolled out to customers calling the City Contact Centre and the Information Station during 2018.



Public Wifi Survey
September 2018.jpg

Fairness and Equality Impact Assessment

Yes – FEIA completed however the full outcome will not be known until consultation is completed in November 2018.

For internal use:

Unique reference number	CS1920/08
Activity Code	STR26

MTRP Budget Proposal – 2019/20 to 2022/23

Service Area	People and Business Change					
Proposal Title	Reduction in voluntary sector grants					
Summary Description, Delivery Arrangements and Timescales	<p>The Council currently provides £286k per year through a series of operational and rent grants to a number of voluntary sector organisations operating within Newport. There is already a commitment to reduce this amount by £46k for 2019/20 following a Cabinet decision in 2016.</p> <p>This additional proposal would reduce the grant further over the next three years to £140k by 2021/22. This will mean an additional saving of £100k. Applying these savings over the next three years will allow for some adjustment time for the organisations involved.</p> <p>In line with Welsh Governments Code of Practice for Voluntary Sector Funding, an early discussion is required with the affected organisations.</p>					
Decision Point (Please tick appropriate box)	Head of Service		Cabinet Member		Cabinet	✓

PART ONE

Net Savings (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
	54	19	27	0
One-Off Implementation Costs (£000's)				
Revenue – Redundancy/Pension				
Revenue – Other				
Capital – Building related				
Capital – Other				
Implementation Cost - Total				

Impact on FTE Count	No impact on FTE count
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MTRP Budget Proposal – 2019/20 to 2022/23

Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box)	YES	✓	NO
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PART TWO

Options Considered

The options presented make the following assumptions:

- a. That the original saving allocated to these grants of £46k will be achieved in 2019/20
- b. That the previous internal audit report which called into question the process for allocating grants will be addressed
- c. SEWREC is in administration and will no longer be a grant recipient. This provides more flexibility in the distribution of funds however it is important to note that the voluntary sector is facing uncertainty due to the overall reduction in funding available from other sources.

Options as follows:

1. Total savings of £100k made over the next 3 years to be made up of £54k in 19/20, 19k in 20/21 and £27k in 21/22 reviewing the existing grants allocated to each organisation and removing smaller rent grants with immediate effect.
2. Give notice to all grant recipients and undertake a tendering process (mid 2019) to commission a service (approx. value £140k) to deliver against a contract set to the corporate plan priorities. Successful organisation(s) will be funded up to 2021/22
3. Maintain status quo and not make any additional reductions. The dissolution of SEWREC will provide a £44k saving for 2019/20 and removing the smaller rent grants will release a further £2k in total. All other grant recipients to receive same level of grant as 18/19.

Recommended Option

The option recommended in the summary is Option 2.

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration – This proposal demonstrates a number of the integrated principles of the Well-being agenda, namely:

By delivering public services which are financially considered, Newport City Council is contributing to the delivery of sustainable and resilient public services for the future. We have also set out a model of ongoing partnership working which will ensure that much of the positive work already carried out by SLA recipients receives greater support from the authority in the future, consisting of a contribution to a Wales and a city which strives to be more equal, cohesive and vibrant in the future.

Long Term – The proposal should be understood within the wider context of budgetary constraints within the public sector. The cuts proposed will help the authority

MTRP Budget Proposal – 2019/20 to 2022/23

develop a sustainable and balanced budget moving forward. The proposal also sets out a new way of working with current grant recipients which it feels will allow it to work collaboratively and on a long term basis.

Prevention – While the grant reduction is unfortunate, the authority has set out what it feels is an on-going, collaborative and sustainable model of partnership working between itself and current grant recipients for the future.

Collaboration - This proposal sets out a new partnership for collaborative working which balances the immediate short-term challenges faced by the public sector and the longer term need for voluntary sector flexibility and involvement to resolve the diverse range of issues we face in the twenty-first century.

However, as was made clear in the SLA review forms, SLA recipients, particularly GAVO, make positive contributions to Newport’s Well-being Plan not only through their membership of the PSB, but also via their strong engagement and involvement of the third sector more broadly. Indeed GAVO have stated within their SLA sector review form that “Without the funding through this SLA with Newport City Council our ability to meet the demands of the sector will be further diminished to the detriment of Newport as a whole”.

Involvement – Current grant recipients were first consulted on the proposed changes to the SLA funding arrangements in 2016. On-going consultation is currently taking place to set out the details of a future partnership.

Fairness and Equality Impact Assessment

Yes

For internal use:

<i>Unique reference number</i>	PBC1920/02
<i>Activity Code</i>	PBC6

MTRP Budget Proposal – 2019/20 to 2022/23

Service Area	Non-Service																														
Proposal Title	Increase in Council Tax																														
Summary Description, Delivery Arrangements and Timescales	<p>A base 4% increase is already included in our medium term financial projections each year. This year, it is proposed that an additional 2.95% increase is applied to council tax in 2019/20 bringing the proposed increase to 6.95%.</p> <table border="1" data-bbox="958 395 1892 528"> <tr> <td>Percentage Increase</td> <td>6.95%</td> </tr> <tr> <td>Newport Band D Tax 2019/20</td> <td>£1,130.61</td> </tr> <tr> <td>Increase per annum</td> <td>£73.47</td> </tr> <tr> <td>Increase per week</td> <td>£1.41</td> </tr> </table> <p>It is well documented that Newport’s council tax is low compared to others in Wales, generating approximately 23% of our income, compared to around 25% for most Welsh councils. Newport continues to have the second lowest council tax levels in Wales.</p> <table border="1" data-bbox="853 679 1998 970"> <tr> <th colspan="2">Comparison with existing Band D Council Tax (rounded)</th> </tr> <tr> <th colspan="2">Current year (2018/19) before any increase</th> </tr> <tr> <td>NEWPORT</td> <td>£1,057</td> </tr> <tr> <td>Caerphilly</td> <td>£1,058</td> </tr> <tr> <td>Wrexham</td> <td>£1,093</td> </tr> <tr> <td>Cardiff</td> <td>£1,155</td> </tr> <tr> <td>Torfaen</td> <td>£1,242</td> </tr> <tr> <td>Monmouthshire</td> <td>£1,242</td> </tr> <tr> <td>Swansea</td> <td>£1,269</td> </tr> </table> <p>The Welsh Government uses the Standard Spending Assessment (SSA) to calculate the level of spending required to deliver a ‘standard level’ of service in each council area. However, our actual spend is well below our SSA (around £7.4m in 2018/19), which is mainly due to our low level of council tax funding.</p>					Percentage Increase	6.95%	Newport Band D Tax 2019/20	£1,130.61	Increase per annum	£73.47	Increase per week	£1.41	Comparison with existing Band D Council Tax (rounded)		Current year (2018/19) before any increase		NEWPORT	£1,057	Caerphilly	£1,058	Wrexham	£1,093	Cardiff	£1,155	Torfaen	£1,242	Monmouthshire	£1,242	Swansea	£1,269
Percentage Increase	6.95%																														
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Monmouthshire	£1,242																														
Swansea	£1,269																														
Decision Point (Please tick appropriate box)	Head of Service		Cabinet Member		Cabinet	✓																									

MTRP Budget Proposal – 2019/20 to 2022/23

PART ONE

Net Savings (£000's)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
	1,458			
One-Off Implementation Costs (£000's)				
	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)
Revenue – Redundancy/Pension				
Revenue – Other				
Capital – Building related				
Capital – Other				
Implementation Cost - Total				

Impact on FTE Count	n/a
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Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box)	YES		NO	✓
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For internal use:

Unique reference number	NS1920/05
Activity Code	n/a

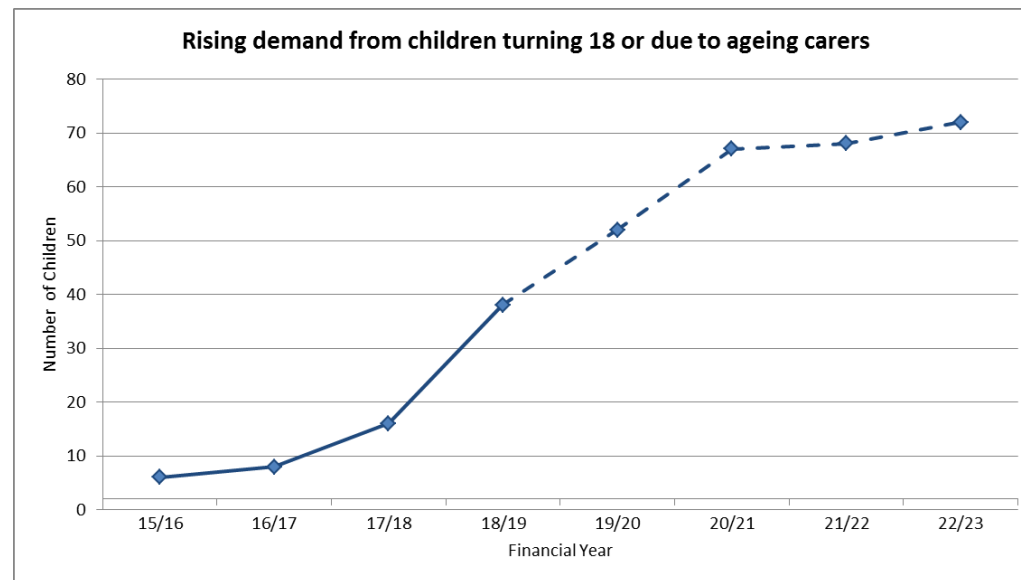
APPENDIX 6 – Demand Models for Social Care and Education

ADULT & COMMUNITY SERVICES

Demand on Adult Community Care budget

This is a very complex area and is made up of a number of provisions and demand fluctuates. Modelling is based on current known users and trend analysis. The main impact here is where children are turning 18 with significant learning disabilities (including those on the high end autistic spectrum) and where relatively younger adults having ageing carers that can no longer support the young adult. Modelling for demand stats are as follows:

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Average Value per place
Known Children moving into Supported Living	1	3	8	22	26	26	24	25	£50,000 increasing
Direct Payments Turning 18	4	5	8	14	23	24	26	28	£6,500
Ageing Carers	0	0	0	2	4	6	8	10	£31,200
Supported Living	0	0	0	0	1	2	3	4	£62,400
High end Autism Placements	0	0	0	0	0	8	8	8	£59,800
Physical disability	0	0	0	0	0	5	5	5	£93,600
Placements ending	1	0	0	0	-2	-4	-6	-8	£62,400
Additional Demand	6	8	16	38	52	67	68	72	



Figures are cumulative

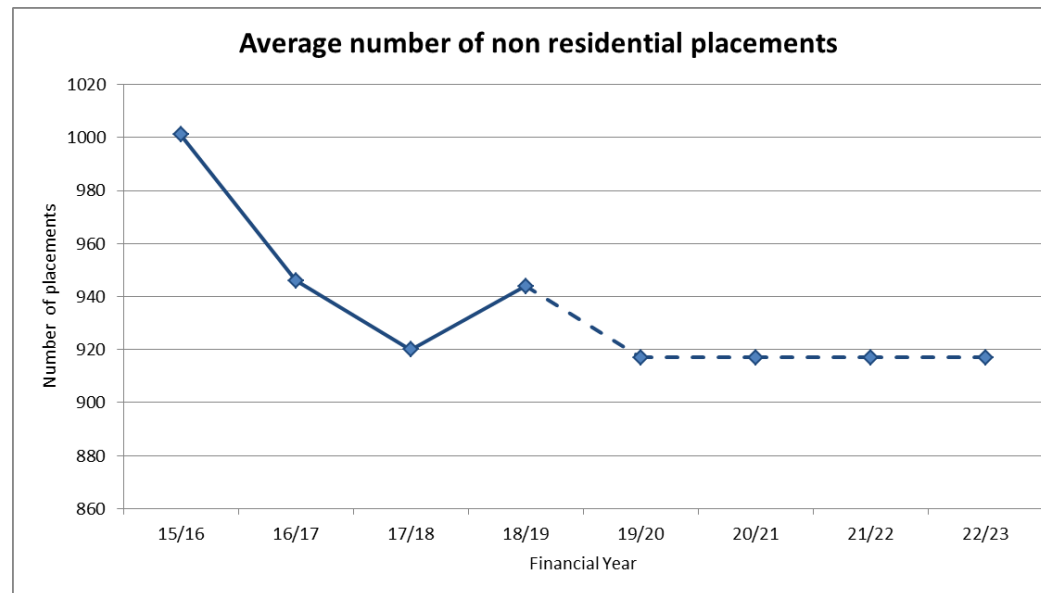
The above shows additional demand due to known children turning 18 or ageing parents. Unit costs are significant – see table.

APPENDIX 6 – Demand Models for Social Care and Education

Non-residential placements – older persons / mental health

The table below shows the number of users dating back to 2015/16 as well as the projected numbers over the medium term.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2015/16	952	979	1046	1010	1026	1007	1007	1008	1009	1001	1003	968
2016/17	963	963	963	965	960	986	985	960	918	910	893	887
2017/18	886	916	937	941	935	934	919	950	928	912	892	892
2018/19	892	917	919	933	936	966	979	979	965	957	949	939
2019/20	917	917	917	917	917	917	917	917	917	917	917	917
2020/21	917	917	917	917	917	917	917	917	917	917	917	917
2021/22	917	917	917	917	917	917	917	917	917	917	917	917
2022/23	917	917	917	917	917	917	917	917	917	917	917	917

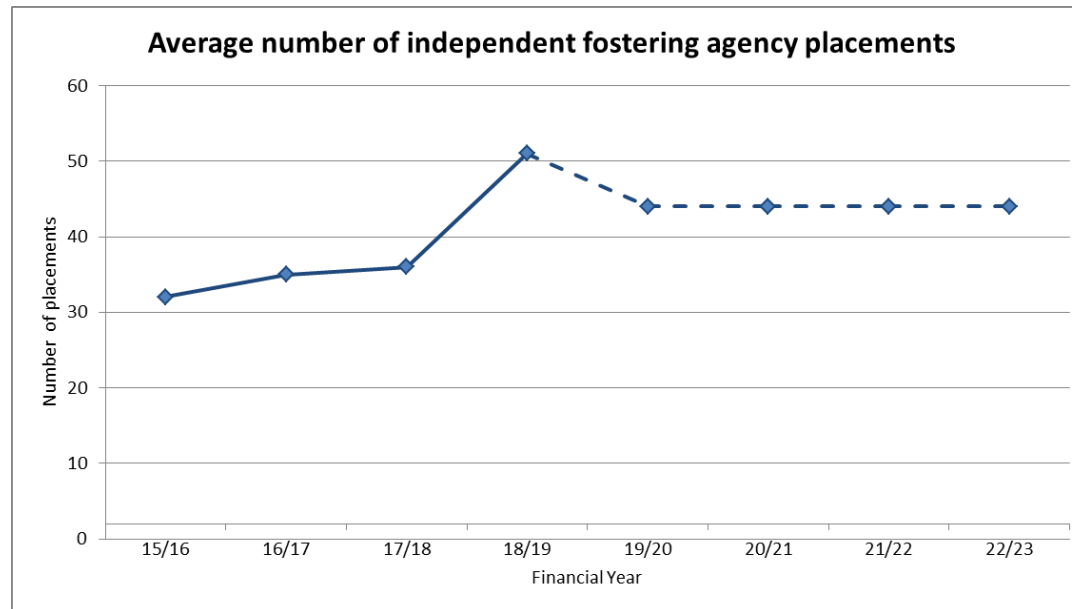


APPENDIX 6 – Demand Models for Social Care and Education

CHILDREN & YOUNGER PEOPLE

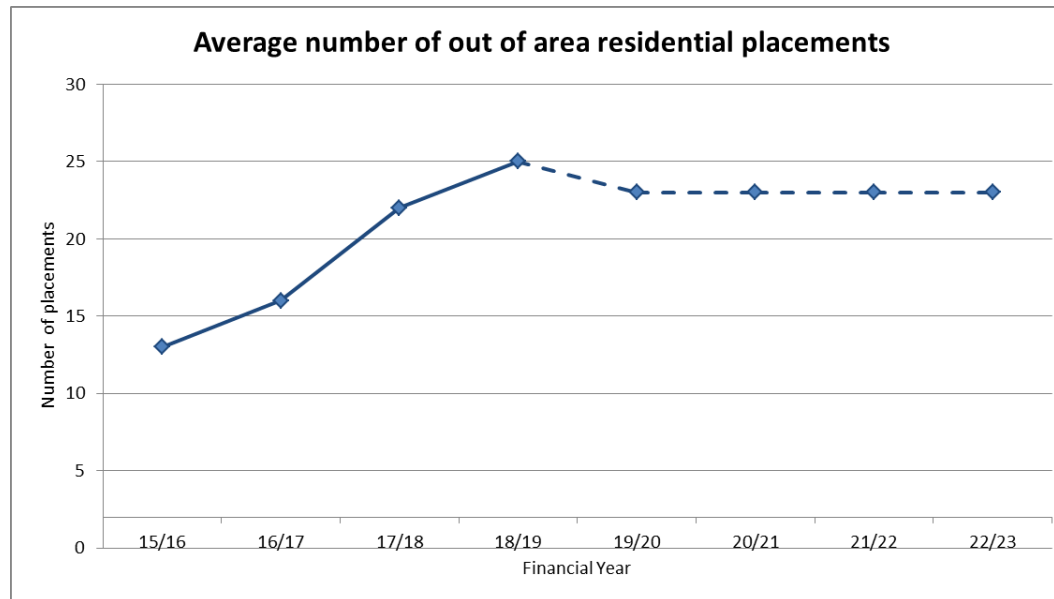
Fostering Service

This is made up of 2 elements, i) in-house fostering service and ii) independent fostering agencies (IFA's). The number of in house foster placements has increased from 173 to an average of 185 and this has been case for the last 6-9 months. In 17/18 the average number of IFAs was 36, therefore pressure to rebase budget was put in at an average of 37 placements. However during 18/19 this has increased dramatically.



Children’s Out of Area Residential

The chart shows the significant increase in the number of children in Out of Area Residential placements since 2015/16. While there is an expected drop off from children turning 18 (linked to adult pressures) by the end of the year, the placements remain above current budget, and each placement is expensive averaging at approx. £192k per placement per annum. The drop off will put numbers at c20 budget projections assume an average of 22 placements from 2019/20.



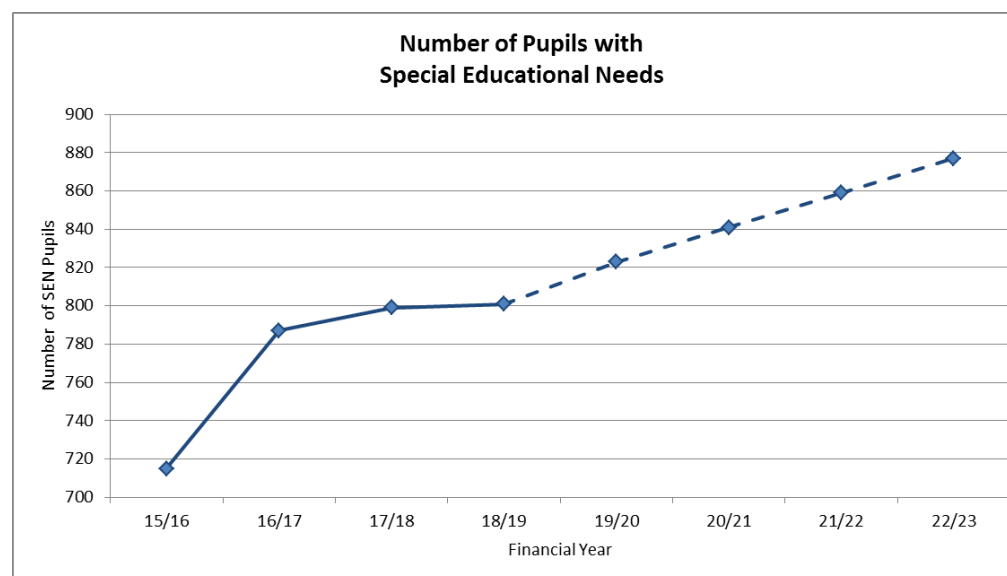
APPENDIX 6 – Demand Models for Social Care and Education

Special Educational Needs (SEN)

As demand has been increasing we have been utilising our in house provision, meaning we can't "sell" those places to other LA's therefore recoupment income falls. There is also demand on SEN which has put significant pressures on out of county (OOC) placements. This increase is shown in the table below:

SEN Type	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Average OOC Placement Cost (£)
Autistic Spectrum Disorder	190	195	229	230	248	266	284	302	44,760
Hearing Impaired	18	19	19	19	19	19	19	19	22,742
Medical/Physical Disabilities	33	30	27	21	21	21	21	21	
Moderate Learning Difficulties	55	50	51	49	48	47	46	45	18,226
Profound and Multiple Learning Difficulties	50	53	48	42	45	45	45	45	47,805
Social and Emotional Behaviour Disorder	213	274	266	280	283	286	289	292	38,683
Speech, language and Communication Disorder	122	131	120	111	101	91	81	71	13,419
Severe Learning Difficulties	23	27	32	42	50	58	66	74	
Specific Learning Difficulties	8	6	4	4	4	4	4	4	3,204
Visually Impaired	3	2	3	3	4	4	4	4	65,589
Total	715	787	799	801	823	841	859	877	

Table includes specialist placements only



Projections anticipate that that the number of placements will increase by circa 20 per annum over the next few years.

New and Growing Schools

All, bar 3, budget investments included within the medium term financial projections are schools that are already opened/ growing. The proposed budget investment for schools is £3,178k in 2019/20 and £16,273k over the medium term.

APPENDIX 7 – Fees and Charges for Consultation

SERVICE AREA: Social Services

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)
Other Local Authority Charges			
NCC Residential Homes (£ per week)			
Blaen-y-pant - Residential Care	560.00	577	per week
Blaen-y-pant - Dementia Care	650.00	670	per week
Parklands - Residential Care	560.00	577	per week
Spring Gardens - Dementia Care	650.00	670	per week
External Respite Facilities (£ per week)			
Centrica	975.00	1005	per week
Day Services (£ per week)			
Day Services/Opportunities – Learning Disability	97.00	100	per day
Day Services/Opportunities – Mental Health/Older People	84.00	87	per day
Spring Gardens Day Opportunities	84.00	87	per day
Supported Housing (£ per week)			
Supported Housing for Learning Disability clients	1,022.00	1053	per week
Newport Residents Charges			
NCC Residential Homes (£ per week – short term stays over 8 weeks and permanent admissions).			
Blaen-y-pant - Residential Care	560.00	577	per week
Blaen-y-pant - Dementia Care	650.00	670	per week
Parklands - Residential Care	560.00	577	per week
Spring Gardens - Dementia Care	650.00	670	per week
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>			
NCC Residential Homes (£ per week - short term stays upto 8 weeks duration)			
Blaen-y-pant - Residential Care			
Blaen-y-pant - Dementia Care			
Parklands - Residential Care			
Spring Gardens - Dementia Care			
External Respite Facilities (£ per week – short term stays up to 8 weeks duration)			
Centrica			
Supported Housing (£ per week)			
Supported Housing for Learning Disability clients			
Day Services (£ per day)			
Day Services/Opportunities – Learning Disability			
Day Services/Opportunities – Mental Health/Older People			
Spring Gardens Day Opportunities			
Meal Income (per meal)			
All establishments (service users, visitors and staff)	3.50	3.60	per meal
Legal and Administration Charges			
Deferred Payment Administration Charge (DPA)	100.00	100	each
Legal charge	50.00	50	each
Residential care - provided by external providers			
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>			
Residents charge will be dependent on weekly charge from external provider			
Non-residential care - provided by external providers			
Direct payments			
Telecare			
<i>Where services are provided by external providers the charges made are based on actual costs paid to providers (after income assessment has been made)</i>			
Charged under non-residential charging policy and capped at £80 per week (current rate set by WG which may increase from April 2019)			
Pendant Alarm basic package			
Paid for by all residents direct to the alarm provider irrespective of tenancy, at a cost of between £1 and £4 per week			

SERVICE AREA: Regeneration, Investment and Housing

Income Source		Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Building Control Fees							
Single Storey Extensions							
Single storey extension, floor area not exceeding 10m ²							
	Full plans charge	325.00	325.00	487.50	487.50	each	0.00%
Single storey extension, floor area exceeding 10m ² but not exceeding 40m ²							
	Full plans charge	404.17	404.17	606.26	606.26	each	0.00%
Single storey extension, floor area exceeding 40m ² but not exceeding 100m ²							
	Full plans charge	570.83	570.83	856.25	856.25	each	0.00%
Two Storey Extensions							
Two storey extension not exceeding 40m ²							
	Building notice charge	466.67	466.67	700.00	700.00	each	0.00%
Two storey extension, floor area exceeding 40m ² but not exceeding 100m ²							
	Full plans charge	570.83	570.83	856.25	856.25	each	0.00%
Loft Conversions							
	Loft conversion that does not include the construction of a dormer	420.83	420.83	631.25	631.25	each	0.00%
	Loft conversion that does include the construction of a dormer	466.67	466.67	700.00	700.00	each	0.00%
Garages and Carports							
	Erection of extension of a non exempt detached domestic garage or carport up to 100m ²	245.83	245.83	368.75	368.75	each	0.00%
	Erection of a non exempt attached single storey extension of a domestic garage or carport up to 100m ²	245.83	245.83	368.75	368.75	each	0.00%
Other							
	Conversion of a garage to a habitable room(s)	245.83	245.83	368.75	368.75	each	0.00%
	Alterations to extend or create a basement up to 100m ²	466.67	466.67	700.00	700.00	each	0.00%
	Underpinning	229.17	229.17	343.76	343.76	each	0.00%
	Renovation of a thermal element to a single dwelling	87.50	87.50	131.25	131.25	each	0.00%
Creation of New Dwelling							
	i) Plan charge	203.13	203.13			each	0.00%

ii) Inspection charge	406.87	406.87			each	0.00%
iii) Building notice charge	610.00	610.00	915.00	915.00	each	0.00%
Internal Alterations						
i) cost of works <£2,000	125.00	125.00	187.50	187.50	each	0.00%
ii) cost of works £2,001 to £5,000	204.17	204.17	306.26	306.26	each	0.00%
iii) cost of works £5,001 to £15,000	245.83	245.83	368.00	368.00	each	0.00%
iv) cost of works £15,001 to £25,000	345.83	345.83	368.75	368.75	each	0.00%
v) cost of works £25,001 to £40,000	441.67	441.67	662.50	662.50	each	0.00%
vi) cost of works £40,001 to £60,000	537.50	537.50	806.35	806.35	each	0.00%
Window Replacement						
Window replacement (non competent persons scheme) - 1 to 3 windows	83.33	83.33	125.00	125.00	each	0.00%
Window replacement (non competent persons scheme) - 4 to 20 windows	125.00	125.00	187.50	187.50	each	0.00%
Window replacement (non competent persons scheme) - 20+ windows	208.33	208.33	312.50	312.50	each	0.00%
Electrical Work						
Electrical work (not competent persons scheme) carried out by a qualified electrician in accordance with BS7671	133.33	133.33	200.00	200.00	each	0.00%
Electrical work carried out by others	279.17	279.17	418.76	418.76	each	0.00%
Installation of Heat Producing Appliance						
Installation of solid fuel heat producing appliance where the installer is not a member of a competent persons scheme	125.00	125.00	187.50	187.50	each	0.00%
Non Domestic Work						
Commercial Building - Floor Area not exceeding 40m ²	533.00	533.00	799.50	799.50	each	0.00%
Commercial Building - Floor Area exceeding 40m ² but not exceeding 100m ²	612.50	612.50	918.75	918.75	each	0.00%
Commercial Building - Floor Area exceeding 100m ² but not exceeding 200m ²	891.67	891.67	1,337.51	1,337.51	each	0.00%
Underpinning - Est. cost up to £50,000	341.67	341.67	512.51	512.51	each	0.00%
Underpinning - Est. cost exceeding £50,000 and up to £100,000	441.67	441.67	662.51	662.51	each	0.00%
Underpinning - Est. cost up to £100,000 and up to £250,000	550.00	550.00	825.00	825.00	each	0.00%
Window Replacement						
Window Replacement - 1 to 20 windows	204.17	204.17	306.63	306.63	each	0.00%
Window Replacement - 21 to 50 windows	325.00	325.00	487.50	487.50	each	0.00%
New Shop front(s)						
Window Replacement - 1 to 20 windows	291.67	291.67	437.51	437.51	each	0.00%
Window Replacement - 21 to 50 windows	370.83	370.83	556.25	556.25	each	0.00%

Renovation of a thermal element - Est. cost up to £50,000	204.17	204.17	306.63	306.63	each	0.00%
Renovation of a thermal element - Est. cost exceeding £50,000 and up to £100,000	245.83	245.83	368.75	368.75	each	0.00%
Renovation of a thermal element - Est. cost exceeding £100,000 and up to £250,000	312.50	312.50	468.75	468.75	each	0.00%
Alterations not described elsewhere inc. structural alterations and installation of controlled fittings						
Estimated cost up to £5,000	204.17	204.17	306.63	306.63	each	0.00%
Estimated cost exceeding £5,000 and up to £15,000	262.50	262.50	393.75	393.75	each	0.00%
Estimated cost exceeding £15,000 and up to £25,000	345.83	345.83	518.75	518.75	each	0.00%
Estimated cost exceeding £25,000 and up to £50,000	508.33	508.33	762.50	762.50	each	0.00%
Estimated cost exceeding £50,000 and up to £75,000	675.00	675.00	1,012.50	1,012.50	each	0.00%
Estimated cost exceeding £75,000 and up to £100,000	795.83	795.83	1193.75	1193.75	each	0.00%
Installation of Mezzanine floor up to 500m ²	587.50	587.50	881.25	881.25	each	0.00%
Office Fit Out - floor up to 500m ²	570.83	570.83	858.25	858.25	each	0.00%
Office Fit Out - floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0.00%
Shop fit out - Floor up to 500m ²	570.83	570.83	856.25	856.25	each	0.00%
Shop fit out - Floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0.00%
Letter of acceptance to AIs	20.00	20.00	20.00	20.00	each	0.00%
Preliminary enquiries	50% of plan fee		50% of plan fee		each	
Market Rents						
	various based on size of stall and facilities	various based on size of stall and facilities			each	0.00%
Civic Centre Room Hire						
<i>The charges for the Civic Centre below are subject to charging under the following criteria:</i>						
- Full Charge: Industrial or Business Organisations; Organisations whose members are engaged in trade, business or professional practice (other than student associations); Statutory official or Government Bodies including Local Government except where reciprocal arrangements apply.						
- Half Price: Political, Social or Trade Union Groups not included under full price or free						
- Free (this applies to evening sessions only): Organisations devoted exclusively to charitable causes; Societies for the handicapped; Organisations for promotion of recreational activities for young people; Trade Union Branches whose members are employed by Newport City Council; Any political group meetings of Councillors and invited guests are free of charge (provided that not more than 25 % of the people attending the political group meetings are non Councillors). NB Any registered charities chaired by the Mayor of Newport can use the meeting rooms free of charge at any time						
Council Chamber	71.00	74			per session	4.23%
	221.50	232			per day	4.74%
Committee Room 1	37.50	40			per session	6.67%
	113.00	118			per day	4.42%
Committee Room 2	27.00	28			per session	3.70%
	81.00	85			per day	4.94%
Committee Room 3	27.00	28			per session	3.70%

	81.00	85			per day	4.94%
Committee Room 4	27.00	28			per session	3.70%
	81.00	85			per day	4.94%
Committee Room 5	21.80	23			per session	5.50%
	64.50	67			per day	3.88%
Committee Room 7	64.50	67			per session	3.88%
	194.50	202			per day	3.86%
Equipment Hire						
Full facilities in Committee Room 7 including staff assistance	59.50	62			per meeting	4.20%
Council Chamber Microphones	29.75	31			per meeting	4.20%
Council Chamber 1 Microphone	13.00	14			per meeting	7.69%
Community Centres Room Hire						
Caerleon Town Hall						
Non Profit Making/ Voluntary Organisations						
Town Hall	9.80	10.20			per hour	4.08%
Memorial Hall	7.70	8.00			per hour	3.90%
Council Chamber	7.70	8.00			per hour	3.90%
Hire of Kitchen	5.90	6.15			per hour	4.24%
First Floor	7.70	8.00			per hour	3.90%
Small Group Organisations						
Town Hall	12.45	12.95			per hour	4.02%
Memorial Hall	9.75	10.15			per hour	4.10%
Council Chamber	9.75	10.15			per hour	4.10%
Hire of Kitchen	6.80	7.10			per hour	4.41%
First Floor	9.75	10.15			per hour	4.10%
Commercial/ Business (per hour)						
Town Hall	15.35	16.00			per hour	
Memorial Hall	12.45	12.95			per hour	4.02%
Council Chamber	12.45	12.95			per hour	4.02%
Hire of Kitchen	7.95	8.25			per hour	3.77%
First Floor	12.45	12.95			per hour	4.02%
Ringland Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall	9.80	10.20			per hour	4.08%
Meeting Rooms	7.70	8.00			per hour	3.90%
Hire of Kitchen	5.90	6.15			per hour	4.24%
Small Group Organisations (per hour)						
Main Hall	12.45	12.95			per hour	4.02%

Meeting Rooms	9.75	10.15			per hour	4.10%
Hire of Kitchen	6.80	7.10			per hour	4.41%
Commercial/ Business (per hour)						
Main Hall	15.35	16.00			per hour	4.23%
Meeting Rooms	12.45	12.95			per hour	4.02%
Hire of Kitchen	7.95	8.25			per hour	3.77%
Always Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall	7.45	7.75			per hour	4.03%
Meeting Rooms	6.65	6.90			per hour	3.76%
Hire of Kitchen	5.30	5.50			per hour	3.77%
Small Group Organisations (per hour)						
Main Hall	10.65	11.10			per hour	4.23%
Meeting Rooms	8.50	8.85			per hour	4.12%
Hire of Kitchen	5.50	5.75			per hour	4.55%
Commercial/ Business (per hour)						
Main Hall	12.75	13.20			per hour	3.53%
Meeting Rooms	9.50	9.90			per hour	4.21%
Hire of Kitchen	5.75	6.00			per hour	4.35%
Rivermead Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Both Halls	19.60	20.40			per hour	4.08%
Main Hall	9.80	10.20			per hour	4.08%
Meeting Rooms	9.50	9.90			per hour	4.21%
Hire of Kitchen	7.10	7.40			per hour	4.23%
Small Group Organisations (per hour)						
Both Halls	22.50	23.40			per hour	4.00%
Main Hall	11.30	11.75			per hour	3.98%
Meeting Rooms	10.90	11.35			per hour	4.13%
Hire of Kitchen	7.40	7.70			per hour	4.05%
Commercial/ Business (per hour)						
Both Halls	28.00	29.10			per hour	3.93%
Main Hall	14.00	14.55			per hour	3.93%
Meeting Rooms	13.30	13.85			per hour	4.14%
Hire of Kitchen	7.70	8.00			per hour	3.90%
Bettws Day Centre						
Non Profit Making/ Voluntary Organisations (per hour)						

Main Hall	9.80	10.20			per hour	4.08%
Day Club	7.70	8.00			per hour	3.90%
Hire of Kitchen	5.90	6.15			per hour	4.24%
Small Group Organisations (per hour)						
Main Hall	11.70	12.15			per hour	3.85%
Day Club	9.20	9.55			per hour	3.80%
Hire of Kitchen	6.40	6.65			per hour	3.91%
Commercial/ Business (per hour)						
Main Hall	15.35	15.95			per hour	3.91%
Day Club	12.45	12.95			per hour	4.02%
Hire of Kitchen	7.95	8.25			per hour	3.77%
Cefn Wood Centre						
Small Group Organisations (per hour)						
Leased to Jitterbug Childcare (From Nov 2018)						
Nov 18 - Apr 19	100.00				per hour	
May 19 - Oct 19		150.00			per hour	
Nov 19 onwards		200.00			per hour	
Museum and Art Gallery						
Educational Publications UK Rights	18.75	18.75				0.00%
Educational Publications World Rights	36.50	36.50				0.00%
Commercial Publications & Websites UK rights	37.50	37.50				0.00%
Commercial Publications & Websites world rights	78.50	78.50				0.00%
Publication Jacket, Covers & Homepages UK Rights	89.00	89.00				0.00%
Publication Jacket, Covers & Homepages World Rights	182.00	182.00				0.00%
Television Flash Fees UK rights	89.50	89.50				0.00%
Television Flash Fees world rights	177.00	177.00				0.00%
Digital Image 300 dpi	6.80	6.80				0.00%
Ship Project						
Staff Consultancy and Training services						
Hourly Rate	40.50	40.50			per hour	0.00%
Staff Consultancy and Training services						
Day Rate	281.00	281.00			per day	0.00%
Faro Arm Rental	79.00	79.00			per day	0.00%
Libraries						
Fines (per day)	0.20	0.20			per day	0.00%
Overdue Administration Adult	0.30	0.30			per letter	0.00%

Replacement Library Card	4.00	4.00			each	0.00%
Lost Books and other items	Sliding scale linked to Book Price	Sliding scale linked to Book Price			each	
Photocopying B&W A4	0.15	0.20			per copy	33.33%
Photocopying B&W A3	0.25	0.30			per copy	20.00%
Photocopying Colour A4	1.10	1.10			per copy	0.00%
Photocopying Colour A3	1.60	1.60			per copy	0.00%
Computer Printout A4	0.15	0.20			per copy	33.33%
Computer Printout A3	0.25	0.30			per copy	20.00%
Hire of Talking Books	1.40	1.40			each	0.00%
Charge for late return of Talking Books	0.20	0.20			per day	0.00%
Family History Research	28.00	28.00			per hour	0.00%
Hire of Rooms	15/ 20	15/ 20			per hour	
Transporter Bridge						
Day Ticket - Adult	3.00	4.00			per ticket	33.33%
Day Ticket - Child	2.00	3.00			per ticket	50.00%
Gondola - Adult (one way)	1.00	1.50			per ticket	50.00%
Gondola - Adult (return)	1.50	2.00			per ticket	33.33%
Gondola - Child (one way)	0.50	1.00			per ticket	100.00%
Gondola - Child (return)	1.00	1.50			per ticket	50.00%
Development Management Fees						
Development Management Fees	Various based on scale of development	Various based on scale of development			per application	0.00%
Pre-application advice	Various depending on the scale of development	Various depending on the scale of development			per application	0.00%
Dangerous Structures - Building Control	0.00	0			per application	0.00%
Demolition Notice	0.00	0			per application	0.00%

Schedule of Fees and Charges 2019/20 - City Services

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Exclusive right of burial and issue deed and marker	1,030.00	1,071.00	per plot	3.98%
Standard grave space not exceeding 2.15m x 0.76m (30") including headstone permit	1,030.00	1,071.00	per plot	3.98%
Grave space exceeding 0.92m (36") width (double plot required) including headstone	1,677.00	1,744.00	per plot	4.00%
Purchase of two grave spaces to accommodate Fibreglass burial cube, including headstone	1,705.00	1,773.00	per plot	3.99%
Cremated remains in Garden of Rest – grave space not exceeding 0.23m x 0.92m	492.00	512.00	per plot	4.07%
Interments – including use of grass mats as necessary				
Stillborn child or child not exceeding one month	no charge	no charge	per plot	
Child one month to eighteen years	no charge	no charge	per plot	
Persons exceeding eighteen years	1,119.00	1,164.00	per plot	4.02%
Interment of second person in grave space on same day	178.00	185.00	per plot	3.93%
Cremated remains in full grave space	248.00	258.00	per plot	4.03%
Cremated remains in garden of rest	248.00	258.00	per plot	4.03%
Interment of second person cremated remains in same space on same day	58.25	60.50	per plot	3.86%
Scattering of ashes	135.25	140.50	each	3.88%
Scattering of ashes of second person at same time	58.25	60.50	each	3.86%
Headstones and Tablets – including all inscriptions				
Columbaria Sanctum 2000 Units – above ground	1,592.20	1,656.00	each	4.01%
second and subsequent Interment Sanctum 2000 units	58.25	60.50	each	3.86%
Other Services and Items				
Administrative research of burial records (per 30 minute period)	15.00	15.60	per 30 minutes	4.00%
Provision of fibreglass burial cube	789.40	821.00	each	4.00%
Provision of BROXAP bench and concrete plinth	903.60	940.00	each	4.03%
New Charges for 2019/20				
Exhumation of Ashes		248.00		
Exhumation Full - Facilitation undertaken by approved contractors.		170.00		
Statutory Declaration		50.00		
Change in Circumstances (Grant name, marriage etc)		30.00		
Cancellation of Funeral (48hrs)		300.00		
Change in Funeral Times		30.00		
Copy of Exclusive Right of Burial (LOST/MISPLACED)		15.00		
Grant of Exclusive Right - 50 YEARS		700.00		
Grant of Exclusive Right - 25 YEARS		350.00		
Fee for plot for Non Newport resident		2,060.00		
Additional Tablet on Existing plot with Headstone		176.80		
Transport Highways And Green Services				
RASWA	420.83	420.83	each	0.00%
Skip licence	41.00	41.00	each	0.00%
Unauthorised skips	158.00	158.00	each	0.00%
Private works: new apparatus Sec 50	398.00	398.00	each	0.00%
Sec 50 – Single dwelling new apparatus	398.00	398.00	each	0.00%
Sec 50 – Licence for repair or replace	398.00	398.00	each	0.00%
Sec 50 inspection – repair or replace	257.00	257.00	each	0.00%
Sec 50 inspection of excavations >200m long	398.00	398.00	each	0.00%

S171 Highway Excavation	211.00	211.00	each	0.00%
Tower Crane Over sailing the Highway Licence: 10 working days notice required.	140.40	140.40	each	0.00%
Road space booking	141.00	141.00	each	0.00%
Filming on the highway (new charge)	141.00	141.00	each	0.00%
Vehicle crossing inspections	97.00	97.00	each	0.00%
Pavement cafe - charge for table plus 4 chairs	133.15	133.15	each	0.00%
Application to erect sign	214.00	214.00	each	0.00%
Traffic Sign – application to extend for excess 12 months	36.50	36.50	each	0.00%
Parking				
Residents parking permits	17.00	30.00	each	76.47%
Visitor parking permits (Book of 10)	7.00	12.00	per book of 10	71.43%
Bus service departure Fees (Market Square)	0.78	0.78	each	0.00%
Business Parking	936.00	1,000.00	per annum	6.84%
ECN's - Excessive Charge Notice	£35/£70	£35/£70	each	
Car Park Charges (exc Maindee)				
Up to 3 hours	2.00	2.50		25.00%
Up to 5 hours	4.00	4.50		12.50%
Over 5 hours	5.50	6.00		9.09%
Maindee Car Park				
Up to 2 hours	0.50	1.00		100.00%
Up to 5 hours	2.00	2.50		25.00%
Over 5 hours	2.50	3.00		20.00%
Allotment Rents	27.40	28.50		4.00%
Waste Collection				
Trade waste collection:-				
Trade sacks				
Trade blue sacks	27.99	29.11	per roll of 13	4.00%
Trade blue labels	55.99	58.23	per pack of 26	4.00%
Recycling sacks	13.50	14.04	per roll of 13	4.00%
Cardboard labels	10.61	11.03	per pack of 10	3.96%
240 Litre bin	5.80	5.86	each	1.03%
360 Litre bin	7.75	7.81	each	0.77%
660 Litre bin	14.20	14.31	each	0.77%
1100 Litre bin	23.65	23.87	each	0.93%
Residual bin replacement	n/a	16.00		n/a
Bulky/Special Collection	6.25	18.00	up to 3 items	188.00%
Cesspit emptying:				
1,000 gallons	168.00	168.00	per 1,000 gallons	0.00%
2,000 gallons	212.00	212.00	per 2,000 gallons	0.00%
Waste Disposal Charges				
Active Waste				
Disposal Charge	50.25	52.26	per tonne	4.00%
Inactive Waste				
Disposal Charge	50.25	52.26	per tonne	4.00%
Parks And Open Spaces				
Belle Vue Park				
Wedding Photography - Annual Permit	76.00	79.00	annually	3.95%

Bandstand Per Events (<i>no VAT</i>)	44.00	46.00	each	4.55%
Caerleon Pavilion				
Caerleon Pavilion (<i>no VAT</i>)	12.30	12.80	per hour	4.07%
Sport and Leisure Pitch Hire				
Football				
Pitch only (adult) (per match/pitch) summer and winter	30.20	32.00	each	5.96%
Pitch and 1 x changing (adult) (per all sports summer and winter)	38.50	40.00	each	3.90%
Changing room (per U16 age group)	20.00	21.00	each	5.00%
Seasonal football charge exclusive use – football pitch only	906.90	943.00	each	3.98%
Seasonal football charge exclusive use - football pitch and changing room	1,034.00	1,075.00	each	3.97%
Seasonal football charge priority - pitch only	476.50	495.00	each	3.88%
Seasonal football charge priority - pitch & changing room	584.00	607.00	each	3.94%
Seasonal football charge standard - pitch only	346.00	360.00	each	4.05%
Seasonal football charge standard - pitch and changing room	466.00	485.00	each	4.08%
Seasonal football charge general use - Sunday sides - pitch only	315.00	328.00	each	4.13%
Seasonal football charge general use - Sunday sides - pitch and changing room	397.00	413.00	each	4.03%
Rugby				
Rugby - exclusive use pitch and changing	1,034.00	1,075.00	each	3.97%
Rugby - exclusive pitch only	907.00	943.00	each	3.97%
Rugby - standard pitch	346.00	360.00	each	4.05%
Rugby - standard pitch and changing	466.00	485.00	each	4.08%
Events				
Charity events (discretionary)	208.00	216.00	each	3.85%
Commercial events per day (minimum per day)	520.00	540.00	each	3.85%
Lodges - Rental Costs				
Grove Park Lodge	516.00	537.00	per month	4.07%
Shaftesbury Park Lodge	508.00	528.00	per month	3.94%
Christchurch Cemetery Lodge	466.00	485.00	per month	4.08%
St. Woolos Cemetery Lodge	531.00	552.00	per month	3.95%
Belle Vue Park - Residential Lodge Rent	531.00	552.00	per month	3.95%

SERVICE AREA: Corporate Services

Income Source		Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
CCTV for NCC clients		Variable		per SLA	
Environmental Health Advice and Training		Variable	Variable	per contract	
Houses in Multiple Occupation Pre-licensing Advice Service					
Property inspection and report with one schedule & fire plan		N/A	200.00	per survey	
Property inspection and report with 2 schedules & fire plans		N/A	250.00	per survey	
Each additional proposal over 2 proposals above		N/A	50.00	per additional proposal	
Property Surveys (Non-Statutory)		178.88	186.04	per survey	4.00%
Health and Safety - swimming pool/spa pool resamples following unsatisfactory result (plus VAT)		65.52	68.14	per sample	4.00%
Port Health Ship Sanitation Certificates					
Gross Tonnage					
Up to 1,000		85.00	90.00	per certificate	5.88%
1,001 to 3,000		120.00	125.00	per certificate	4.17%
3001 to 10,000		180.00	190.00	per certificate	5.56%
10,001 to 20,000		235.00	245.00	per certificate	4.26%
20,001 to 30,000		305.00	320.00	per certificate	4.92%
Over 30,000		360.00	375.00	per certificate	4.17%
With exception of vessels with capacity to carry between 50 and 100 persons		360.00	375.00	per certificate	4.17%
With exception of vessels with capacity to carry more than 1,000 persons		615.00	640.00	per certificate	4.07%
Extensions to Certificates		55.00	60.00	per certificate	9.09%
Tables and Chairs (Licence)					
Annual Fee		156.00	162.24	per licence	4.00%
4 chairs		57.20	59.49	per licence	4.00%
12 Chairs		88.40	91.94	per licence	4.00%
24 chairs		156.00	162.24	per licence	4.00%
24+ chairs		192.40	200.10	per licence	4.00%
smoking area		52.00	54.08	per licence	4.00%
change name on licence		26.00	27.04	per licence	4.00%
[a] Riding Establishments					
Up to 10 horses		118.56	123.30	per licence	4.00%
11 to 20 horses		144.56	150.34	per licence	4.00%
21 to 30 horses		154.96	161.16	per licence	4.00%
[b] Animal Boarding Establishments					
Pet Sitters		83.20	140.61	per licence	69.00%
Up to 25 animals		135.20	140.61	per licence	4.00%
25 to 50 animals		153.92	160.08	per licence	4.00%
Over 51 animals		179.92	187.12	per licence	4.00%
[c] Pet Shops					
[d] Dangerous Wild Animals		112.32	116.81	per licence	4.00%
[e] Dog Breeding Establishments		516.88	537.56	per licence	4.00%
[f] Zoo Licence		112.32	116.81	per licence	4.00%
		985.92	1025.36	per licence	4.00%

<i>For [a] to [f] above, in addition to the licence fee, the licensee to pay the Council's veterinary fees</i>				
Legal Services				
Local Land Charges Nlis Official Search (LLC1 and Con 29 R)	108.00	108.00	per search	0.00%
Local Land Charges Official Search (LLC1 and Con 29 R)	110.00	110.00	per search	0.00%
Optional questions	12 (for 20 out of 22 questions) 15 (2 out of the 22 questions)	12 (for 20 out of 22 questions) 15 (2 out of the 22 questions)	per search	
Solicitors own questions	25.00	25.00	per search	0.00%
Additional parcel fee (Con29 R)	24.00	24.00	per search	0.00%
Additional parcel fee (total)	25.00	25.00	per search	0.00%
Query re: personal search (dealing with errors etc)	25.00	25.00	per search	0.00%
Stray Dogs Reclaiming Fees:				
Dogs reclaimed after one day	90.48	94.10	per dog	4.00%
Dogs reclaimed after two day	104.00	108.16	per dog	4.00%
Dogs reclaimed after three day	117.52	122.22	per dog	4.00%
Dogs reclaimed after four day	131.04	136.28	per dog	4.00%
Dogs reclaimed after five day	144.56	150.34	per dog	4.00%
Dogs reclaimed after six overnight stays	158.08	164.40	per dog	4.00%
Dogs reclaimed after seven overnight stays	171.60	178.46	per dog	4.00%
Dogs reclaimed and staying with the kennels for an extended period (charge per night)	11.00	11.44	per dog	4.00%
<i>However there will be discretion given to the Kennels Officer on the level of charging due to unusual circumstances. Further, where the Council has found it necessary to pay for vet treatment, these fees should be passed on to the owner reclaiming the dog.</i>				
Dog re-homing fee :				
Puppies up to 1 years old	160.00	166.40	per dog	4.00%
Dogs aged 1-3 years old	140.00	145.60	per dog	4.00%
Dogs aged 3-6 years old	120.00	124.80	per dog	4.00%
Dogs aged 6 years old +	100.00	104.00	per dog	4.00%
Tagging inc. VAT	15.00	15.60	per tag	4.00%
Removal from home	49.00	50.96	per removal	4.00%
<i>However there will be discretion given to the Kennels Officer on the level of charging due to unusual circumstances</i>				
Property naming/renaming (does not cover newly built properties)	43.26	43.26	per property	0.00%
Single Plot Development	118.98	118.98	per plot	0.00%
Development 2+ Plots	118.98 + 43.26 per additional plot	118.98 + 43.26 per additional plot	per site/plot	
Changes to Development Layout after Notification	43.26 per plot affected	43.26 per plot affected	per plot	
Street Renaming at Residents Request	118.98 + 43.26 per property	118.98 + 43.26 per property	per street/property	
Confirmation of Address to Conveyancers etc	43.26	43.26	per property	0.00%
[a] Ear piercing, acupuncture, electrolysis and Tattooing - Registration				
Premises	95.68	99.51	per registration	4.00%
Practitioners	95.68	99.51	per registration	4.00%
Replacement Certificates	23.92	24.88	per certificate	4.00%
Temporary Premises for Public Event	66.00	68.64	per registration	4.00%
Temporary Practitioners for Public Event	33.00	34.32	per registration	4.00%

Voluntary Surrender of Food Certificate	57.20 for first half hour and 57.20 for every additional half hour or part thereof plus VAT	59.49 for first half hour and 59.49 for every additional half hour or part thereof plus VAT	per certificate	4.00%
Collection and Disposal of Food (with or without agreement)	To be determined by weight and cost of disposal	To be determined by cost of disposal and officer time	per disposal & hour	
Food Hygiene Rating Scheme - Rescore Fee	160.00	180.00	per certificate/ abortive visit	12.50%
[c] Export Health Certificates				
Export Health Certificate - Food Safety (per certificate)	112.32	116.81	per certificate	4.00%
Local land searches/Environmental Information Regulations requests in respect of contaminated land etc. [other than those under the Local Land Charges Act 1975]	56.16 for first hour and 56.16 for each additional hour or part thereof	58.40 for first hour and 58.40 for each additional hour or part thereof	per hour	4.00%
UK Entrance Clearance - Premises Assessment				
Property inspection	178.88	186.04	per inspection	4.00%
Re-assessment for additional person (within 6 months)	91.52	95.18	per assessment	4.00%
Houses In Multiple Occupation Licensing Fees				
(i) Initial Licence	937.04	974.52	per licence	4.00%
(For larger HMO (6+ units of accommodation/households))	54.08 extra per additional unit up to a max of 1,639	56.24 extra per additional unit up to a max of 1,704	per additional accommodation unit	4.00%
(ii) Renewal of Licence made before expiry of existing licence	740.48	770.10	per renewal	4.00%
(For larger HMO (6+ units of accommodation/households))	£54.08 extra per additional unit up to a max of 1,442	£56.24 extra per additional unit up to a max of 1,499	per additional accommodation unit	4.00%
(iii) Renewal of Licence made after expiry of existing licence	937.04	974.52	per renewal	4.00%
(For larger HMO (6+ units of accommodation/households))	£54.08 extra per additional unit up to a max of 1,442	£56.24 extra per additional unit up to a max of 1,499	per additional accommodation unit	4.00%
(iv) Licensing following revocation of previous licence (where ownership unchanged)	740.48	770.10	per application	4.00%
(For larger HMO (6+ units of accommodation/households))	54.08 extra per additional unit up to a max of 1,442	£56.24 extra per additional unit up to a max of 1,499	per additional accommodation unit	4.00%
(v) Licence Variations				
Property inspection required	84.24	87.61	per Variation	
Camp Site Licences	648.96	674.92	per site licence	4.00%
Mobile Homes				
Site Licence fees - small site (3-10 caravans)	648.96	674.92	per site licence	4.00%
Site Licence fees - medium site (11-49 caravans)	724.88	753.88	per site licence	4.00%
Site Licence fees - large site (50+ caravans)	865.28	899.89	per site licence	4.00%
Site Licence fees - sites of 2 or fewer pitches	0.00	0.00	per site licence	

Amendment to site licence conditions - variation	59.28	61.65	per amendment	4.00%
Amendment to site licence conditions - variation requiring an inspection	151.84	157.91	per amendment	4.00%
Fee to deposit site rules	48.88	50.84	per fee	4.00%
Fee for replacement licence	14.56	15.14	per replacement licence	4.00%
Fixed Penalty Notice charge	81.12	84.36	per FPN charge	4.00%
Housing Act 2004 Notice Fees				
Each additional notice (where schedule is identical) served on another recipient at the same time (charges added and split equally across recipients)	400.00	400.00	per notice	0.00%
	54.00	54.00	per notice	0.00%
Works in Default - Administration fee				
	Fee charges by the contractor (ex.VAT) plus:	Fee charged by the contractor (ex.VAT) plus:		
	20% for fees up to £1,000	20% for fees up to £1,000		
	10% for fees £1,001+	10% for fees £1,001+		
	*Fee charged by contractor plus "officer time" charge (up to a mx. Of the above charge) where EH Manager agree defaulter has special circumstances.	*Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances.		
Port Health – Water Sampling				
(i) Drinking water – Microbiological (First Sample) (Plus VAT)	95.06	98.86	per sample	4.00%
(ii) Drinking water – Microbiological (each subsequent sample) (plus VAT)	67.16	69.85	per sample	4.00%
(iii) Legionella water sample (first sample) (plus VAT)	113.44	117.98	per sample	4.00%
(iv) Legionella water sample (each subsequent sample) (plus VAT)	84.84	88.24	per sample	4.00%
Port Health – Organic Animal Feed and Food Import Certificate				
	45.00	46.80	Research on internet there is a national flat rate charge of £45	4.00%
Sports Grounds General Safety Certificates				
General Safety Certificates	Cost recovery up to maximum of £500	Cost recovery up to maximum of £500	per certificate	0.00%
Special Safety Certificates for Sports Grounds	150.00	156.00	per certificate	4.00%
CCTV Monitoring for external clients				
	Variable		per SLA	
Street Trading				
City centre pitch - application fee (monthly)	54.08	56.24	per licence	4.00%
City centre pitch - application fee (quarterly/full year)	162.24	168.73	per licence	4.00%
License fee (daily) - static trader	48.88	50.84	per licence	4.00%
License fee (weekly) - static trader	97.76	101.67	per licence	4.00%

License fee (monthly) - static trader	270.40	281.22	per licence	4.00%
License fee (quarterly) - static trader	378.56	393.70	per licence	4.00%
License fee (full year) - static trader	865.28	899.89	per licence	4.00%
City centre pitch - license fee (full year) - static trader	2,704.00	2,812.16	per licence	4.00%
License fee (daily) - mobile trader	48.88	50.84	per licence	4.00%
License fee (weekly) - mobile trader	97.76	101.67	per licence	4.00%
License fee (monthly) - mobile trader	130.00	135.20	per licence	4.00%
License fee (quarterly) - mobile trader	162.24	168.73	per licence	4.00%
License fee (full year) - mobile trader	324.48	337.46	per licence	4.00%
Taxi Licensing Fees				
Vehicles - less than 5 years	83.00	83.00	per licence	0.00%
Vehicles – more than 5 years, less than 10	114.00	114.00	per licence	0.00%
Vehicles – over 10 Years	166.00	166.00	per licence	0.00%
Drivers 3 year	249.00	249.00	per licence	0.00%
Driver instalments	83.00	83.00	per licence	0.00%
Operators 1-9 vehicles	1,000.00	1,000.00	per licence	0.00%
Operators 10-19 vehicles	1,500.00	1,500.00	per licence	0.00%
Operators 19-35 vehicles	2,000.00	2,000.00	per licence	0.00%
Operators 35+ vehicles	2,500.00	2,500.00	per licence	0.00%
Replacement rear plate	19.00	19.00	per item	0.00%
Replacement internal plate	12.00	12.00	per item	0.00%
Replacement licence	6.00	6.00	per licence	0.00%
Replacement bracket	13.00	13.00	per item	0.00%
Replacement Badge	19.00	19.00	per item	0.00%
Transfer Plate	65.00	65.00	per item	0.00%
Change of vehicle	115.00	115.00	per licence	0.00%
Knowledge test	65.00	65.00	per test	0.00%
Scrap Metal				
Site Licence	431.60	448.86	per licence	4.00%
Variation of licence	48.88	50.84	per licence	4.00%
Collectors licence	280.80	292.03	per licence	4.00%
Ceremony Charges for Naming and Vow Renewal Ceremonies				
Booking fee	70.00	70.00		0.00%
Mansion House - Monday to Thursday	250.00	270.00	per event	8.00%
Mansion House - Friday	305.00	325.00	per event	6.56%
Mansion House - Saturday (includes Premier Package)	340.00	360.00	per event	5.88%
Approved Venue - Monday to Thursday	355.00	375.00	per event	5.63%
Approved Venue - Friday	410.00	430.00	per event	4.88%
Approved Venue - Saturday	445.00	475.00	per event	6.74%
Approved Venue - Sunday, Bank holidays	515.00	535.00	per event	3.88%
Commemorative certificate packs	10.00	10.00	per pack	0.00%
Save the Date Fee	25.00	25.00	per request	0.00%
Certificate Fees				
	341.67	355.34	each	4.00%
Certificate Search Fees				
Search 1 year either side of date	0.00			
Search a further 5 years	10.00	10.00	per request	0.00%
Search a further 10 years	18.00	18.00	per request	0.00%
Same Day Service				
Standard Certificate - premium for issuing certificate on same day	7.00	10.00	per certificate	42.86%
Short Certificate - premium for issuing certificate on same day	7.00	10.00	per certificate	42.86%
Telephone Orders				
Administration Charge - Registrar Certificate	2.00	3.00	per application	50.00%

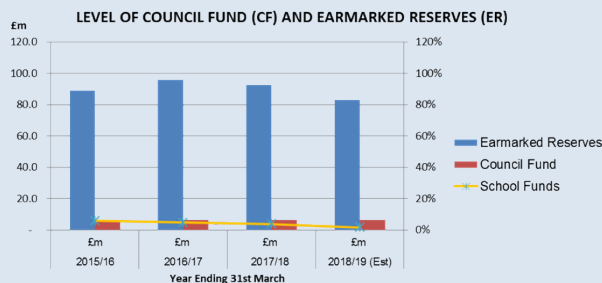
Administration Charge - Superintendent Certificate	4.00	5.00	per certificate	25.00%
Same day service certificates *	21.00	25.00		19.05%
Regular service applications *	14.00	15.00		7.14%
<i>* These total charges are made up of 3 elements - the certificate (statutory fee) plus same day issue (non-statutory, if applicable) and telephone order elements (non-statutory) - see sections above</i>				
Private Water Supplies				
Risk Assessment (each assessment) - Up to 3 hours	£168.48 for up to 3 hours plus £56.16 for each additional hour or part thereof, up to a maximum of £500*	£174.72 for up to 3 hours plus £58.41 for each additional hour or part thereof, up to a maximum of £500*	per assessment	4.00%
Sampling (each visit)	£100*	£100*	per sample	0.00%
Investigation (each investigation)	£100* plus the analysis cost	£100* plus the analysis cost	per investigation	0.00%
Grant of an authorisation (each authorisation)	£100*	£100*	per authorisation	0.00%
Analysis (taken under regulation 10)	£25*	£25*	per analysis	0.00%
Analysis (taken during check monitoring)	Analysis cost up to £100*	Analysis cost up to £100*	per analysis	0.00%
Analysis (taken during audit monitoring))	Analysis cost up to £500*	Analysis cost up to £500*	per analysis	0.00%
<i>* Maximum permitted by regulation</i>				
Fireworks - all year sales licence (set at statutory maximum)	500.00	500.00	per licence	0.00%
Ceremony Charges for Marriage and Civil Partnership				
Approved Premises License	1,560.00	1,600.00	per licence	2.56%
Mansion House - Monday to Thursday	250.00	270.00	per event	8.00%
Mansion House - Friday	305.00	325.00	per event	6.56%
Mansion House - Saturday (includes Premier Package)	340.00	360.00	per event	5.88%
Approved Venue - Monday to Thursday	355.00	375.00	per event	5.63%
Approved Venue - Friday	410.00	430.00	per event	4.88%
Approved Venue - Saturday	445.00	465.00	per event	4.49%
Approved Venue - Sunday, Bank holidays	515.00	535.00	per event	3.88%
Register Office (simple ceremony)	46.00	46.00	per event	0.00%
Church/Chapel ceremony attendance	86.00	86.00	per event	0.00%
Legal notice of marriage or civil partnership	35.00	35.00	per notice	0.00%
Certificate (issued at time of registration)	4.00	4.00	per certificate	0.00%
Certificate (issued within 28 days)	7.00	7.00	per certificate	0.00%
Citizenship Ceremonies	90.00	95.00	per event	5.56%
Single Adult	30.00	35.00	per event	16.67%
Same Day Service				
Certificate (from archive)	10.00	10.00	per certificate	0.00%
Regular Service				
Standard Certificate (from archive)	10.00	10.00	per certificate	0.00%
Short Certificate (from archive)	10.00	10.00	per certificate	0.00%
Legal Services				
Local Land Charges (LLC1 only)	6.00	6.00	per search	0.00%
Local Land Charges (Nlis LLC1)	4.00	4.00	per search	0.00%
Additional parcel fee (LLC1)	1.00	1.00	per search	0.00%

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Appendix 8 - Financial Resilience

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts

Level of Council Fund (CF) and Earmarked Reserves (ER)



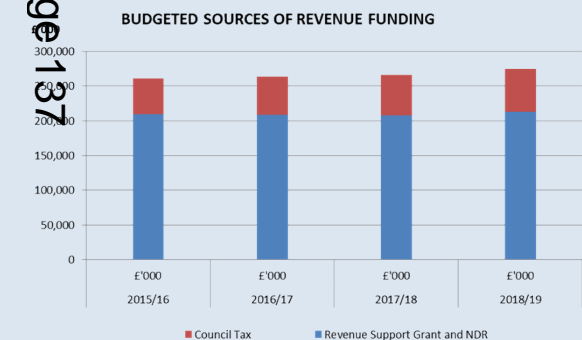
Level of Reserves

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 (Est) £m
Earmarked Reserves	88.9	95.8	92.5	83.0
Council Fund	6.5	6.5	6.5	6.5
School Funds	5.9	4.8	3.9	1.7

Budgeted Sources of Funding

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Total Revenue Funding					
Revenue Support Grant and NDR	214,826	209,254	209,142	208,250	212,790
Council Tax	49,104	52,117	54,796	58,122	61,806

Budgeted Revenue Funding Split



Financial Performance and Ratios

Ratio	Calculation	2014/2015 £'000	2015/2016 £'000	2016/2017 £'000	2017/2018 £'000
Net Worth (Assets - Liabilities)	(Asset - Liabilities)	45,887	61,095	20,785	19,704
Net Worth (exc Pension Liab.)	(Asset - Liabilities)	298,037	340,816	345,530	343,721
Working Capital Ratio	(Curr. Assets / Curr. Liabilities)	0.89	1.82	1.17	1.01
Gearing Ratio	(Borrowing / Total Reserves)	45.5%	44.0%	49.9%	67.0%

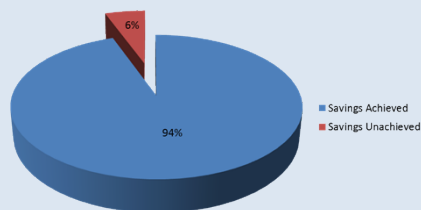
The figures below shows the 18/19 forecast position for both revenue and capital

2018/19 Revenue Forecast Position - October

Directorate	Current Budget £'000	Budget Forecast £'000	Variance £'000	Variance %
Children & Young People	22,405	24,675	2,270	10.1
Adult & Community Services	44,529	45,785	1,256	2.8
Education	12,769	14,510	1,741	13.6
Schools	92,977	95,112	2,135	2.3
Regeneration, Investment & Housing	9,933	10,024	91	0.9
City Services	22,914	22,960	46	0.2
Corporate Services	17,665	17,409	(256)	(1.4)
Total Directorates	223,192	230,474	7,282	3.3
Capital Financing	25,080	24,967	(113)	(0.5)
Contingency/ Provisions	5,192	(634)	(5,826)	(112.2)
Levies / other	22,521	20,824	(1,696)	(7.5)
Reserves / Transfer	(1,388)	(3,523)	(2,135)	153.8
Total Budget	274,596	272,108	(2,488)	(0.9)
Additional funding - C T surplus	-	(650)	(650)	-
Projected Over/ (Under) spend	274,596	271,458	(3,138)	(1.1)

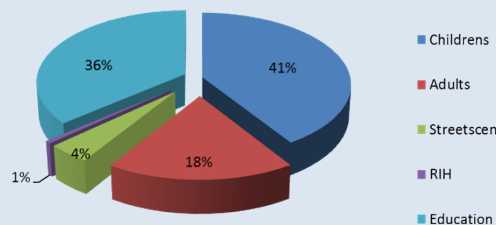
Revenue Savings Achieved and Unachieved (October 2018/19)

2018/19 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



Analysis of Unachieved Savings

Analysis of Unachieved Savings - 2018/19



2018/19 Capital Forecast Position - October

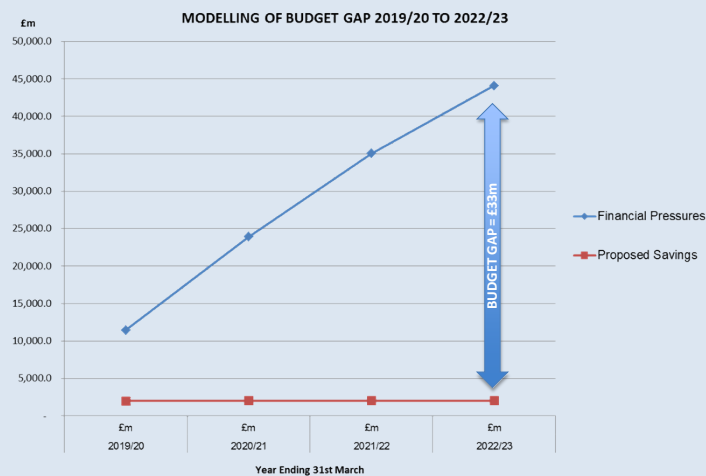
Directorate	Final Budget £'000	Budget Forecast £'000	Variance Slippage £'000	Variance (Under)/ Overspend £'000
Education	13,967	12,081	(1,884)	(52)
Regeneration, Investment & Housing	13,201	11,279	(1,922)	-
People & Business Change	540	423	(117)	-
Adult & Community Services	195	195	-	-
Children & Young People Services	1,535	635	(900)	-
City Services	10,478	9,653	(726)	(99)
Total Budget	39,916	34,266	(5,699)	(151)

The tables below show the Medium Term Financial Projections (MFTP) and the risks facing the Council.

MFTP Scenario (prior to 'new' savings being approved)

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Financial Pressures	11,163	11,851	10,830	9,061	42,904
Transfer to/ (from) reserves	300	600	300	0	1,199
Funding Reductions	(979)	0	0	0	(980)
Budget Requirement Reduction	10,484	12,451	11,130	9,061	43,125
Increase in Ctax/ tax base	(1,978)	(1,994)	(2,010)	(2,025)	(8,006)
Savings	(1,982)	(45)	0	0	(2,028)
Budget Gap	6,524	10,412	9,120	7,036	33,092

Modelling of Budget Gap 2019/20 to 2022/23



Capital Expenditure & Need to borrow

Capital Expenditure	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Total capital expenditure	30.6	35.5	N/A	N/A
Capital Financing Requirement				
Financing requirement	18.0	11.0	8.2	4.4
CFR	286.5	294.8	296.7	294.9

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APPENDIX 9 – MEDIUM TERM FINANCIAL PROJECTIONS

	2019/20	2020/21	2021/22	2022/23	Total
Income / Funding					
Change in WG Revenue Support Grant (+0.46% increase and assumed cash flat thereafter)	(979)	-	-	-	(979)
Increase in tax base - C.Tax @ 18/19 rate	-	-	-	-	-
C. Tax @ 4% from 19/20 onwards	(2,472)	(2,492)	(2,512)	(2,532)	(10,009)
Less consequential increase in benefits	494	498	502	506	2,002
Change in Income/Funding	(2,957)	(1,994)	(2,010)	(2,026)	(8,986)
Revenue Investments / Increased Costs					
Pricing - Pay, inc pensions, NLW & Increments exc. Schools	3,230	1,918	1,219	1,248	7,615
Pricing - Contract/ Income Inflation exc. Schools	1,805	1,881	1,935	1,989	7,610
Pricing & Demand - Schools	3,178	4,520	4,331	4,244	16,273
Demand - Social Care	2,625	670	1,265	315	4,875
Demand - Other	1,360	20	35	15	1,430
Other	754	425	194	150	1,523
Investments	411	2,417	1,851	1,101	5,780
Risk Contingency	(2,200)	-	-	-	(2,200)
Total Pressures	11,163	11,851	10,830	9,061	42,905
General budget transfer to / (from) Reserves	300	600	300	-	1,200
Gap Before Cost Reduction Plans	8,506	10,457	9,120	7,036	35,119
Cost Reduction - Transformation / Change Programme					
Cost reduction - other savings	1,982	46	-	-	2,028
Balance - @ WG cash flat 2019/20 onwards	6,524	10,411	9,120	7,036	33,091

The MTFP represents the budget gap prior to any 'new' savings being approved

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APPENDIX 10 – Projected earmarked reserves

Reserve	Balance at 31-Mar-18	Balance at 31-Mar-19	Balance at 31-Mar-20	Balance at 31-Mar-21	Balance at 31-Mar-22
	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(3,857)	(1,722)	(1,722)	(1,722)	(1,722)
		-			
Earmarked Reserves:		-			
Insurance Reserve	(1,594)	(1,594)	(1,594)	(1,594)	(1,594)
MMI Insurance Reserve	(602)	(302)	(302)	(302)	(302)
Health & Safety	(16)	-	-	-	-
Music Service	(124)	(35)	(35)	(35)	(35)
Education Achievement Service	(92)	(92)	(92)	(92)	(92)
Schools Redundancies	(708)	(708)	-	-	-
Friars Walk	(8,405)	(7,905)	(7,500)	(7,500)	(7,000)
European Funding IZA & CFW	(173)	(190)	(190)	(190)	(190)
Metro Bus	(9)	(9)	(9)	-	-
Pay Reserve	(1,418)	(1,418)	(1,418)	(1,418)	(1,418)
GEMS Redundancies	(78)	(76)	(76)	(76)	(76)
SUB TOTAL - RISK RESERVES	(13,219)	(12,328)	(11,215)	(11,206)	(10,706)
		-			
Capital Expenditure	(5,761)	(5,057)	(3,557)	(2,057)	(796)
School Works	(347)	(232)	(232)	(232)	(232)
School Reserve Other	(924)	-	-	-	-
Investment Reserve	(966)	(491)	-	-	-
Invest to Save	(9,557)	(10,282)	(9,802)	(9,442)	(9,232)
Super Connected Cities	(554)	(426)	(306)	(186)	(66)
Landfill (fines reserve)	(345)	(345)	(175)	(175)	(175)
Usable Capital Receipts	(8,901)	(5,973)	(5,473)	(4,973)	(4,473)
City Services Manager Support	(200)	(148)	-	-	-
SUB TOTAL - ENABLING RESERVES	(27,555)	(22,954)	(19,545)	(17,065)	(14,974)
		-			
STEP School Computers	(357)	(0)	(0)	(0)	(0)
Municipal Elections	(54)	(91)	(128)	(165)	(202)
Local Development Plan	(599)	(635)	(462)	(362)	(262)
Glan Usk PFI	(1,605)	(1,595)	(1,575)	(1,545)	(1,505)
Southern Distributor Road PFI	(44,515)	(44,175)	(43,697)	(43,147)	(42,597)
Building Control	(48)	(138)	(138)	(138)	(138)
SUB TOTAL - SMOOTHING RESERVES	(47,179)	(46,635)	(46,001)	(45,358)	(44,705)
		-			
Works of art	(21)	(21)	(21)	(21)	(21)
Theatre & Arts Centre	(232)	(232)	(232)	(232)	(232)
Cymorth Income	(33)	-	-	-	-
Blaen Y Pant Remodelling (Formerly Pupil Referral Unit)	(60)	-	-	-	-
Gypsy and Traveller Site	(7)	(7)	-	-	-
Homelessness Prevention	(38)	(38)	-	-	-
Environmental Health - Improve Air Quality	(49)	(49)	-	-	-
Refurbishment of a Children / Older People Homes	(62)	(0)	(0)	(0)	(0)
Apprenticeship Scheme	(84)	(49)	-	-	-
City Economic Development Reserve	(90)	(45)	-	-	-
Welsh Language Standards	(174)	(114)	(54)	-	-
YS Dilapidation Costs Information Shop	(41)	-	-	-	-
Port Health	(8)	(13)	(13)	(13)	(13)
Customer Relationship Management (CRM) Project	(681)	-	-	-	-
Welsh Community Care Information System (WCCIS)	(38)	-	-	-	-
Events	(190)	(60)	(30)	-	-
MTFP Reserve	(2,715)	(2,415)	(2,715)	(3,315)	(3,615)
Development of Leisure Masterplan	(15)	-	-	-	-
Voluntary Sector Grants	(66)	(22)	(22)	(22)	(22)
Bus Wifi	(35)	(17)	-	-	-
SUB TOTAL - OTHER RESERVES	(4,639)	(3,082)	(3,087)	(3,603)	(3,903)
		-			
RESERVES TOTAL	(102,948)	(93,220)	(88,069)	(85,453)	(82,509)

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Report

Cabinet

Part 1

Date: 12 December 2018

Item No: 8

Subject **Report on Treasury Management for the period to 30 September 2018**

Purpose This report is to inform the Cabinet of treasury activities undertaken during the period to 30 September 2018 and confirms that all treasury and prudential indicators have been adhered to in the first half of the financial year.

Author Assistant Head of Finance

Ward General

Summary The Council continues to be both a short term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicate that in the future, temporary borrowing will continue to be required to fund normal day to day cash flow activities.

All borrowing and investments undertaken during the first half of the year was expected and within the Council's agreed limits.

Proposal **To note the report on treasury management activities for the period to 30 September 2018 and provide comments to Council.**

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Treasury Advisors
- Head of Finance

Please list here those officers and members you have consulted on this report.

Signed

BACKGROUND

1. The Council's Treasury Management Strategy and Prudential Indicators were approved by Council in February 2018 alongside the Medium Term Financial Plan and the 2018/19 Budget.
2. The Treasury Management Strategy for 2018/19 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.
3. Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter.
4. The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority will be producing its Capital Strategy later in 2018/19 for approval by full Council.
5. The Welsh Government (WG) asked for comments on changes to its Guidance on Minimum Revenue Provision (MRP). These include clarification or changes to terminology and the calculation of MRP.
6. The report has been prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code, and reviews and reports on:
 - Borrowing Strategy / Activity
 - Investment Strategy / Activity
 - Economic Background
 - Compliance with Prudential Indicators approved by Council

BORROWING STRATEGY / ACTIVITY

Short and Long Term Borrowing

7. Whilst the Council has significant long term borrowing requirements, the Council's current strategy of funding capital expenditure is through reducing investments ('internal borrowing') rather than undertaking new borrowing i.e. we defer taking out new long term borrowing and fund capital expenditure from day to day positive cash-flows for as long as we can.

By using this strategy the Council can also minimise cash holding at a time when counterparty risk remains high. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long term borrowing and this remains the main reason for our current 'internally borrowed' strategy.

8. Whilst the strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current low longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.
9. As shown in Appendix B, during the first half of the year the amount of borrowing has reduced by a small amount of £0.7m to £146.8m, this relates to loans which we have taken out on an interest and principal repayment basis.
10. No further long term loans have been taken out in the first half of the financial year. However, it is anticipated that the Council will need to undertake additional borrowing on a short term basis for the remainder of the year in order to cover normal day to day cash flow activity. With current estimates it

is not expected that any additional long-term borrowing would be required in this financial year. However, the £40m stock issue is maturing on 10th April 2019, therefore is the possibility if it is deemed beneficial to do so with advice from our external advisors that we would take out borrowing early if the cost of carry is favourable.

11. Appendix B summarises the Council's debt position as at 30 September 2018. The changes in debt outstanding relate to the raising and repaying of temporary loans.
12. In regards to LOBOs, no loans were called during the period. All £30m outstanding is subject to potential change of interest rates by the lender (which would automatically trigger a right to the Council to repay these loans) prior to the end of this financial year. Should a change of interest rate be requested, then it will be considered in detail and a decision on how we proceed will be made in conjunction with our treasury advisors.

INVESTMENTS ACTIVITY / POSITION

13. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

The Council's strategy of being a short-term investor has been maintained, though the repayment of the Friar's Walk loans has increased cash holdings temporarily. In line with our strategy, this will be allowed to reduce over the next year or so. As at 30 September 2018, there was a £22.6m balance of short-term investments.

14. All investments are placed on a temporary basis and are placed in high security institutions, in line with our other strategy in this area, dealing with our investing priorities of (i) security (ii) liquidity and (iii) yield, in that order. At the 30 September 2018 £21.0m was placed with various local authorities and £1.6m with Santander Call Account with the maximum maturity date of 14 June 2019.
15. January 2018 saw the implementation in the UK of the second Markets in Financial Instruments Directive (MiFID II), where firms will be obliged to treat all local authorities as retail clients unless they opt up to professional client status and meet certain criteria. These criteria include holding a minimum of £10m investment balance and employing knowledgeable and experienced staff to carry out investment transactions. It is anticipated that our investment balances will remain well above the minimum £10m, until the start of 2019/20, when the stock issue of £40m will be due, at this point the Council will need re-finance and undertake new long-term borrowing.
16. The Council does not hold any long-term (more than 364 days) investments as at 30 September 2018.

OTHER MID YEAR TREASURY MATTERS

Economic background and Counter Party Update

17. Appendix A outlines the underlying economic environment during the first half of the financial year, as provided by the Council's Treasury Management Advisors Arlingclose.
18. As discussed previously in this report the Council does not have any long-term investments, and the investments that it currently undertakes is mainly with other local authorities which are deemed very secure, therefore the risk is currently limited. There were no significant changes in credit ratings advised in the first half of the financial year that had implications for the approved lending list. The long term rating of Santander UK, the Council's bankers, remains at A above the Council's minimum level of A-.

19. The Authority measures and manages its exposures to treasury management risks using various indicators which can be found in Appendix B. The Authority has complied with the Prudential Indicators for 2018/19, set in March 2018 as part of the Treasury Management Strategy. Details of treasury-related Prudential Indicators can be found in Appendix B.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Investment counterparty not repaying investments	High but depending on investment value	Low	The Council only invests with Institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds available for investment will also alleviate the risk.	Members, Head of Finance, Treasury staff, based on advice from treasury advisors
Interest Rates moving adversely against expectations	Low	Low	Despite recent increase in the bank rate to 0.75%, future expectations for higher short term rates are subdued. The Treasury strategy approved allows for the use of short term borrowing once investment funds are exhausted to take advantage of these low rates.	Head of Finance, Treasury staff, treasury advisors

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

It is the Council's policy to ensure that the security of the capital sums invested is fully recognised and has absolute priority. The Council follows the advice of the Welsh Governments that any investment decisions take account of security, liquidity and yield in that order.

Options Available

The Prudential Code and statute requires that, during and at the end of each financial year, reports on these matters are presented to Council for approval. Thus the only option available is consider the report and provide comments to the Council.

Preferred Option and Why

Note the contents of the report and provide comments to the Council.

Comments of Chief Financial Officer

Decisions made on treasury matters will be made with a view the Treasury Management Strategy, Treasury Advisors and Prudential Indicators.

Comments of Monitoring Officer

There are no legal implications. The in-year and annual treasury management report is consistent with relevant Chartered Institute of Public Finance and Accountancy Guidance, Treasury Management principles and the Council's investment strategy.

Staffing Implications: Comments of Head of People and Business Change

There are no staffing implications arising from this report.

Comments of Cabinet Member

N/A.

Background Papers

Treasury Management Strategy report to Audit Committee January 2018.

Report to Council February 2018: 2018/19 Budget and Medium Term Financial Plan

Dated: 04 November 2018

APPENDIX A

External Context

Economic background: Oil prices rose by 23% over the six months to around \$82/barrel. UK Consumer Price Inflation (CPI) for August rose to 2.7% year/year, above the consensus forecast and that of the Bank of England's in its August *Inflation Report*, as the effects of sterling's large depreciation in 2016 began to fade. The most recent labour market data for July 2018 showed the unemployment rate at 4%, its lowest since 1975. The 3-month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9% providing some evidence that a shortage of workers is providing support to wages. However real wages (i.e. adjusted for inflation) grew only by 0.2%, a marginal increase unlikely to have had much effect on households.

The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year/year GDP growth at 1.2% also remains below trend. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking Bank Rate to 0.75%, which it has remained at since.

Having raised rates in March, the US Federal Reserve again increased its target range of official interest rates in each of June and September by 0.25% to the current 2%-2.25%. Markets now expect one further rise in 2018.

The escalating trade war between the US and China as tariffs announced by the Trump administration appeared to become an entrenched dispute, damaging not just to China but also other Asian economies in the supply chain. The fallout, combined with tighter monetary policy, risks contributing to a slowdown in global economic activity and growth in 2019.

The EU Withdrawal Bill, which repeals the European Communities Act 1972 that took the UK into the EU and enables EU law to be transferred into UK law, narrowly made it through Parliament. With just six months to go when Article 50 expires on 29th March 2019, neither the Withdrawal Agreement between the UK and the EU which will be legally binding on separation issues and the financial settlement, nor its annex which will outline the shape of their future relationship, have been finalised, extending the period of economic uncertainty.

Financial markets: Gilt yields displayed marked volatility during the period, particularly following Italy's political crisis in late May when government bond yields saw sharp moves akin to those at the height of the European financial crisis with falls in yield in safe-haven UK, German and US government bonds. Over the period, despite the volatility, the net change in gilt yields was small. The 5-year benchmark gilt only rose marginally from 1.13% to 1.16%. There was a larger increase in 10-year gilt yields from 1.37% to 1.57% and in the 20-year gilt yield from 1.74% to 1.89%. The increase in Bank Rate resulted in higher money market rates. 1-month, 3-month and 12-month LIBID rates averaged 0.56%, 0.70% and 0.95% respectively over the period.

Credit background: Reflecting its perceived higher risk, the Credit Default Swap (CDS) spread for non-ringfenced bank NatWest Markets plc rose relatively sharply over the period to around 96bps. The CDS for the ringfenced entity, National Westminster Bank plc, has held steady below 40bps. Although the CDS of other UK banks rose marginally over the period, they continue to remain low compared to historic averages.

The ringfencing of the big four UK banks - Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc - is complete, the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) is progressing and will need to be completed by the end of 2018.

There were a few credit rating changes during the period. Moody's downgraded Barclays Bank plc's long-term rating to A2 from A1 and NatWest Markets plc to Baa2 from A3 on its view of the credit metrics of the entities post ringfencing. Upgrades to long-term ratings included those for Royal Bank of Scotland plc, NatWest Bank and Ulster Bank to A2 from A3 by Moody's and to A- from BBB+ by both Fitch and Standard & Poor's (S&P). Lloyds Bank plc and Bank of Scotland plc were upgraded to A+ from A by S&P and to Aa3 from A1 by Moody's.

Our treasury advisor Arlingclose will henceforth provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in. Arlingclose's creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

APPENDIX B

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.18 Actual £m
General Fund CFR	282.2
Less: Other debt liabilities *	-45.1
Borrowing CFR	237.1
Less: Usable reserves	-102.9
Less: Working capital	4.0
Net borrowing	130.2

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position as at 30 September 2018 and the change over the period is show in table 2 below.

Table 2: Treasury Management Summary

	31.3.18 Balance £m	Movement £m	30.9.18 Balance £m	30.9.18 Rate %
Long-term borrowing	145.5	(40.7)	104.8	4.44
Short-term borrowing	2.0	40.0	42.0	8.48
Total borrowing	147.5	(0.7)	146.8	5.60
Long-term investments	-	-	-	-
Short-term investments	(21.0)	-	(21.0)	0.75
Cash and cash equivalents	(3.2)	1.6	(1.6)	0.65
Total investments	(24.2)	1.6	(22.6)	0.74
Net borrowing	123.3	0.9	124.2	N/A

Borrowing Strategy during the half year

At 30th September 2018 the Authority held £146.8m of loans, (a decrease of £0.7m on 31st March 2018), as part of its strategy for funding previous years' capital programmes. The 30th September 2018 borrowing position is show in table 3 below.

Table 3: Borrowing Position

	31.3.18 Balance £m	Movement £m	30.9.18 Balance £m	30.9.18 Weighted average rate %	30.9.18 Weighted average maturity years
Public Works Loan Board	70.5	(0.7)	68.8	4.50	15.8
Banks (LOBO)	30.0	0	30.0	4.43	35.7
Banks (fixed-term)	5.0	0	5.0	3.77	59.4
Stock Issue	40.0	0	40.0	8.875	0.5
Local authorities (long-term)	0	0	0	-	-
Local authorities (short-term)	2.0	0	2.0	0.62	0
Total borrowing	147.5	(0.7)	146.8	5.60%	17.0

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In keeping with these objectives, no new long term borrowing was undertaken while £0.7m of existing loans were allowed to mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

The "cost of carry" analysis performed by the Authority's treasury management advisor Arlingclose did not indicate any value in borrowing in advance for future years' planned expenditure and therefore none was taken.

The Authority continues to hold £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the first half of 2018/19.

Investment Activity

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2018/19 the Authority's investment balance ranged between £20m and £46m due to timing differences between income and expenditure. The investment position during the half year is shown in table 4 below.

Table 4: Investment Position

	31.3.18 Balance £m	Movement £m	30.9.18 Balance £m	30.9.18 Weighted average rate %	30.9.18 Weighted average maturity Years
Banks & building societies (unsecured)	1.0	0.6	1.6	0.65	0
Government (incl. local authorities)	20.0	1.0	21.0	0.75	0.28
Total investments	21.0	1.6	22.6	0.74	0.28

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The

Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Compliance Report

The Head of Finance is pleased to report that all treasury management activities undertaken during the first half of 2018/19 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 5 below.

Table 5: Investment Limits

	30.9.18 Actual (£m)	2018/19 Limit (£m)	Complied
Any single organisation, except UK Central Government	1.6	£10m	✓
UK Central Government	21.0	Unlimited	✓
Any group of organisations under the same ownership	0	£10m per group	✓
Registered Providers	0	£5m	✓
Loans to unrated corporates	0	£5m	
Unsecured investments with Building Societies	0	£5m	✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below.

Table 6: Debt Limits

	H1 Maximum (£m)	30.9.18 Actual (£m)	2018/19 Operational Boundary (£m)	2018/19 Authorised Limit (£m)	Complied
Borrowing	150	147	197	217	✓
PFI & finance leases	45	45	46	46	✓
Total debt	195	192	243	263	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed was:

	30.9.18 Actual	2018/19 Limit	Complied
Upper limit on fixed interest rate exposure	100%	100%	✓
Upper limit on variable interest rate exposure	0	50%	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	30.9.18 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	22%	70%	0%	✓
12 months and within 24 months	27%	60%	0%	✓
24 months and within 5 years	6%	60%	0%	✓
5 years and within 10 years	23%	50%	0%	✓
10 years and within 20 years	7%	30%	0%	✓
20 years and within 30 years	0%	20%	0%	✓
30 years and within 40 years	10%	20%	0%	✓
40 years and within 50 years	2%	20%	0%	✓
50 years and above	3%	20%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2018/19	2019/20	2020/21
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	40	10	10
Complied	✓	✓	✓

Outlook for the remainder of 2018/19

Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.

The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. While policymakers are wary of domestic inflationary pressures over the next two years, it is believed that the MPC members consider both that (a) ultra-low interest rates result in other economic problems, and that (b) higher Bank Rate will be a more effective weapon should downside Brexit risks crystallise and cuts are required.

Arlingclose's central case is for Bank Rate to rise twice in 2019. The risks are weighted to the downside. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Ca:	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Downside risk	0.00	0.00	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

The view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

Report

Cabinet

Part 1

Date: 12 December 2018

Item No: 9

Subject Corporate Risk Register Update

Purpose To present an update of the Corporate Risk Register and to note the recommendations and feedback provided by the Council's Audit Committee.

Author Head of People and Business Change

Ward All

Summary The Council's Risk Management Strategy and Risk Register enables the Council to effectively identify, manage and monitor those risks to ensure that the Council realises its Plan and ensure service delivery is provided to its communities and citizens.

At the end of quarter two (30th September 2018) there were 14 risks identified in the risk register made up of 5 high risks and 9 medium risks. At the end of this quarter Risk 14 (Recruitment of specialist staff) was closed, the risk rating for Risk 6 (Medium Term budget) increased from 16 to 20 due to budget pressures and Risk 2 (Capacity & Capability) reduced from 12 to 9 following the implementation of the Talent Management Framework and Management in Action course. All remaining 11 risk ratings remained the same in the last quarter.

The Risk Register was submitted to the Council's Audit Committee in November 2018 and the Committee comments are included in the report.

The next quarter report will include a re-evaluation of all risks including the risks and mitigations relating to Brexit and a new risk relating to the city centre security and safety.

Proposal Cabinet is asked to consider the contents of the Corporate Risk Register and to note the recommendations raised by the Council's Audit Committee by the Quarter 3 update.

Action by Chief Executive, Strategic Directors and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Audit Committee
- Corporate Management Team
- Head of Law and Regulation
- Head of People and Business Change
- Head of Finance

Signed

Background

As part of the Wellbeing for Future Generations (Wales) Act 2015, it is a requirement for all public sector bodies to set Wellbeing objectives in their Corporate Plans. This enables the Council to set its vision future and how it will improve lives of the current and future generations. With any Corporate Plan there will be risks that may prevent the Council from achieving its objectives. The Council's Risk Management Strategy and Risk Register enables the Council to effectively identify, manage and monitor those risks to ensure that the Council realises its Plan and ensure service delivery is provided to its communities and citizens.

1. Risk Management Strategy

The Risk Management Strategy outlines how the Council manages its risk management process in identifying, managing and monitoring corporate risks in the Council's risk register using the Management Information Hub system. All risks identified in the risk register are owned by a member(s) of the Senior Leadership Team and a Cabinet Member. Mitigating actions to minimise the risk from occurring are managed by members of the Corporate Management Team with updates on progress of delivery provided every quarter.

Below the Council's Corporate Risk Register sits other risk management activities, which are managed through their own governance processes and control frameworks. Escalation processes are in place to for potential corporate wide risks to be escalated into the Corporate Risk Register. These activities include:

- **Programme / Project Risk Management** – managed through the programme / project boards;
- **Civil Contingencies (emergency planning and business continuity)** – Managed through People & Business Change service area and the Gwent Local Resilience Forum;
- **Newport Well-being Plan / Partnership risks** – managed through the One Newport Public Services Board and supporting delivery boards;
- **Newport Council Service Area risks** – Managed through their Senior Management Boards;
- **Information Governance Risk** – managed through the Council's Information Governance Board;
- **Health & Safety** – managed by the Council's Health & Safety team and service areas.

2. Summary of risks in this report

At the end of quarter two (30th September 2018) there were 14 corporate risks consisting of 5 high risks and 9 medium risks. The risk mitigation actions identified for each risk is imperative for outlining how these risks are managed and enable the Council achieve its objectives. Appendix 1 of this report provides a summary of the risk register and movement of risks in the last 4 quarters. During quarter two, there has been three changes to the Corporate Risk Register:

- **Risk 2 (Capacity and Capability to meet the Council's Objectives)** – During quarter 2, the Council launched 2 key programmes: Talent Management Framework and the Management in Action course for 350 managers. Both of these will enable the Council to provide its existing and future managers with the capability to deliver its objectives. As a result of this work it was agreed to reduce the risk score from 12 to 9.
- **Risk 14 (Recruitment & Retention of Specialist staff)** – This risk has now been closed because of the completion of the two mitigating actions assigned to the risk. It is also recognised that Risk 2 (Capacity & Capability to meet Council's objectives) is also managing aspects in relation to workforce planning, succession planning and the Council's Talent Management Framework.
- **Risk 6 (Balancing of the Council's Medium Term Budget)** - It is recognised by the council that there are still significant challenges in balancing the 2019/20 budget and delivering the medium term plan because of the ongoing demand pressures, pay awards and funding challenges. As a result of these challenges the impact of this risk has been increased to reflect the importance of setting a balanced budget.
- **Risk 4 (Brexit)** - The Council (led by the Strategic Director for Place) has received guidance from the Welsh Local Government Association (WLGA) and is in the process of undertaking a detailed analysis to identify any gaps across the organisation, which could be directly or indirectly affected by Brexit

over the next 5 years. The outcome(s) of this work will enable us to reassess the risk and implement the necessary mitigation actions, which will be reported at the quarter 3 update.

All of the remaining risks have remained at the same risk level. Appendix 2 contains the detail and planned mitigating actions for each risk. These take the form of screenshots from the Council's Management Information Hub. In quarter three, there will also be the inclusion of a new risk relating to the city centre security and safety.

3. Risk Management Assurance and Feedback from the Council's Audit Committee

All risks identified in the Council's Corporate Risk Register are subject to quarterly reviews and are reported to the Council's Audit Committee. The Audit Committee's role is to ensure that the corporate governance, internal control and risk management arrangements are operating effectively and efficiently. The Council's Internal Audit team delivers a risk-based plan to provide ongoing assurance of the Council's corporate governance, internal control and risk management arrangements. Quarterly updates on the delivery of the plan and assurance over the Council's systems and processes are provided to the Council's Audit Committee with an overall assurance statement provided at the end of every financial year.

On 22nd November 2018, the Audit Committee was presented with the quarter two risk report. The Committee discussed several areas of the Risk Report in relation to the risk management process and activities undertaken by the Council's Corporate Management Team to manage and mitigate the risks identified in the report. A summary of the feedback and recommendations raised is provided below:

- **Risk 4 (Brexit)** – the Audit Committee discussed the activity undertaken by the Council's Corporate Management Team in managing this risk. The Committee would like to inform Cabinet Members that the risk had been identified but it was not known the totality of its impact in relation to the different Brexit scenarios and that senior management should be aware of that at the end of quarter two. It was recommended that:
 - There should be more visibility at a higher level bringing together the knowledge and information from individual service areas;
 - There should be more reflection on the Partnership working being undertaken to address the Brexit Risk; and
 - The Brexit risk in the Corporate Risk Register should be re-examined and provide a more comprehensive overview of the mitigating activity being undertaken across the Council to address the risk.
- **Risk 7 (Increased pressure on demand led services)** – The Committee noted that the management updates on the progress against the mitigating actions had not fully demonstrated the partnership / collaborative working that takes place between the Council, Health bodies and third sector organisations. This was exemplified in by the Older Persons Pathway (Risk 7.06) not fully demonstrating the work being undertaken to reduce the demand on Health and Social Care. It was recommended:
 - That Risk Owners and Action Owners consider the collaborative working being undertaken between the Council and its partners to help reduce the risk on the Council in delivering services.
- **Risk 13 (Asset Management: Carriageways and Buildings)** - The Committee discussed the rationale for the risk score of 25 and why this risk has stayed at the same score and whether the mitigating actions identified in the risk register were effective in reducing risk for the Council. The Committee acknowledged the rationale for the scoring was a reflection on the cost to maintain the highway assets and council buildings and that there is a significant shortfall in the Council's revenue and capital budgets to meet these demands. The Committee also challenged why Highways assets and Council buildings were combined into one risk. The Audit Committee recommended:
 - That Cabinet should take action to raise these concerns with the Welsh Government over the funding levels to maintain Council assets;

- Senior Management re-evaluate this risk and determine whether the risk effectively covers both risk areas relating to highways / building assets and if mitigating actions are sufficient to address the risk;
- That if the risk cannot be mitigated that the annual governance statement and accounts reflect this risk on the Council.

Senior Management will be considering these recommendations during quarter three and will report back to Cabinet at the next quarter three report what action has been undertaken and outcomes of the risk management activity.

Financial Summary

There are no direct costs associated with this report.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council does not achieve its objectives as corporate level risks are not adequately managed and monitored.	M	L	Risk Management Strategy has been adopted and mechanisms are in place to identify, manage and escalate emerging and new risks / mitigation strategies.	Directors, Heads of Service and Performance Team

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Robust risk management practices increase the chances that all of the council's priorities and plans will be implemented successfully

Options Available and considered

1. To consider the contents of the Corporate Risk Register and request an update on the progress of actions taken to address the recommendations raised by the Audit Committee and Cabinet, in the quarter three report.
2. To request further information or reject the contents of the risk register

Preferred Option and Why

1. To consider the contents of the Corporate Risk Register and request an update on recommendations raised in the quarter three report. This will give the Cabinet sufficient assurance and oversight of the main overarching risks that the council faces in delivering the objectives of the Corporate Plan.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report. The corporate risk register forms an important part of the governance and budget setting arrangements for the council and the risk register is used to guide the internal audit plan.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. As part of the Council's risk management strategy, the corporate risk register identifies those high-level risks that could impact upon the Council's ability to deliver its corporate plan objectives and essential public services. Although Audit Committee are responsible for reviewing and assessing the Council's risk management, internal control and corporate governance arrangements, the identification of corporate risks within the risk register and monitoring the effectiveness of the mitigation measures are matters for Cabinet.

Comments of Head of People and Business Change

Risk Management in the Council is a key area to implementing Wellbeing of Future Generations Act (Wales) 2015. The Corporate Risk Register enables the Council to capture, manage and monitor those risks, which could prevent the achievement of the objectives in the Corporate Plan and the Wellbeing plan. The risks and the mitigating actions identified in the Corporate Risk Register are subject to ongoing assessment, which also enables the Council to identify any new and emerging risks.

Comments of Cabinet Member

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Cabinet for consideration, including the Audit Committee comments.

Local issues

None

Scrutiny Committees

Audit Committee have a role in reviewing and assessing the risk management arrangements of the authority. Meetings with the committee have resulted in some changes to the processes used to compile and update the risk register, leading to clarity of detail within the report. The views of the Committee are considered in this report.

Equalities Impact Assessment

Not applicable.

Children and Families (Wales) Measure

Not applicable.

Wellbeing of Future Generations (Wales) Act 2015

Risk management is a key area to implementing the Wellbeing of Future Generations Act (Wales) 2015. The council must ensure that it considers risks in the short, medium and longer term and that it manages risks in a manner that protects current service delivery and communities as well as considering the longer term impact. It supports the delivery of the wellbeing objectives that are identified in the council's Corporate Plan by considering the risks to delivering these objectives and by defining and monitoring actions to mitigate those risks.

The Corporate Risk Register helps the council to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs by considering the sustainable development principle set out in the Wellbeing of Future Generations (Wales) Act 2015.

Crime and Disorder Act 1998

Not applicable.

Consultation

As above, the Risk Register is also considered by Audit Committee

Background Papers

Corporate Risk Register, Cabinet, 23rd May 2018

Corporate Risk Register, Audit Committee, 24th May 2018

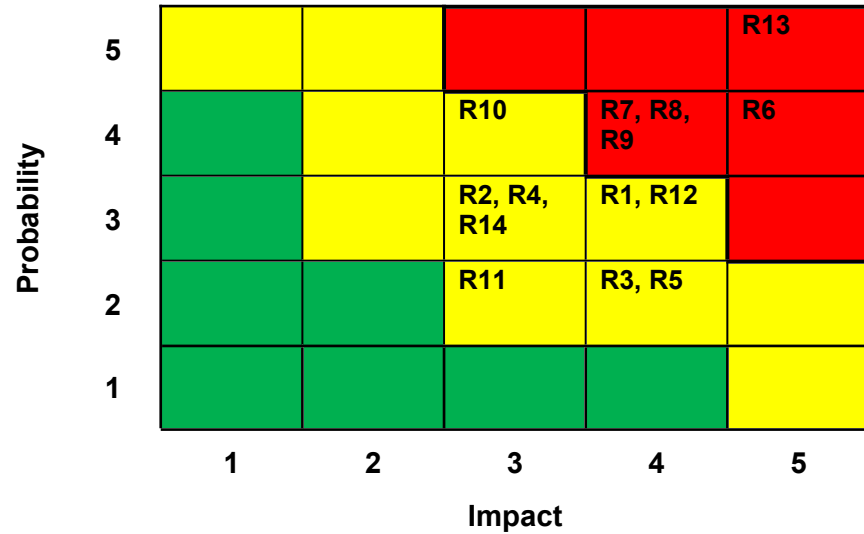
Corporate Risk Register, Cabinet 19th September 2018

Corporate Risk Register, Audit Committee, 20th September 2018

Dated: December 2018

Appendix 1

Quarter 2 Corporate Risk Heat Map



Corporate Risk Heat Map Key	
R1 – Legislative Requirements	R8 – Risk of Stability of External Suppliers
R2 – Capacity and Capability to meet the Council’s Objectives	R9 – Increasing pressure on Existing Infrastructure
R3 – Safeguarding	R10 – Climate Change
R4 – Brexit	R11 – Increasing demands on IT Services and the Modernised Agenda
R5 – In Year Financial Management	R12 – Increasing Risk of Cyber Attack
R6 – Balancing the Council’s Medium Term Budget	R13 – Asset Management Carriageways and Buildings
R7 – Increased Pressure on Demand Led Services	R14 – Recruitment and retention of Specialist Professional staff

Risk Score Profile between Quarter 3 2017/18 and Quarter 2 2018/19

Risk Position	Risk No. - Description	Risk Score Quarter 3 2017/18	Risk Score Quarter 4 2017/18	Risk Score Quarter 1 2018/19	(Current) Risk Score Quarter 2 2018/19
1	R13 – Asset Management: Carriageways and Buildings.	20	25	25	25
2	R06 – Balancing the Council’s Medium Term budget.	16	16	16	20
3	R09 – Increasing Pressure on Existing Infrastructure.	16	16	16	16
4	R07 – Increased pressure on demand led services	16	16	16	16
5	R08 – Risk of stability of external suppliers	20	20	16	16
6	R10 – Climate Change	12	12	12	12
7	R01 – Legislative Requirements	12	12	12	12
8	R12 – Increasing risk of Cyber Attack	9	9	12	12
9	R02 – Capacity and capability to meet the Council’s Objectives.	12	12	12	9
10	R04 – Brexit	9	9	9	9
11	R05 – In Year Financial Management	12	9	8	8
12	R14 – Recruitment and Retention of specialist Professional Staff	12	12	9	9
13	R03 – Safeguarding	8	8	8	8
14	R11 – Increasing demands on IT services and the Modernised agenda	6	6	6	6

Appendix 2.

Corporate Risks

RISK 01 - Legislative Requirements

Responsible Officer	Chief Executive
Lead Cabinet Member	Leader of the Council The Deputy Leader and Cabinet Member for Assets and Member Development

Risk rating prior to mitigation

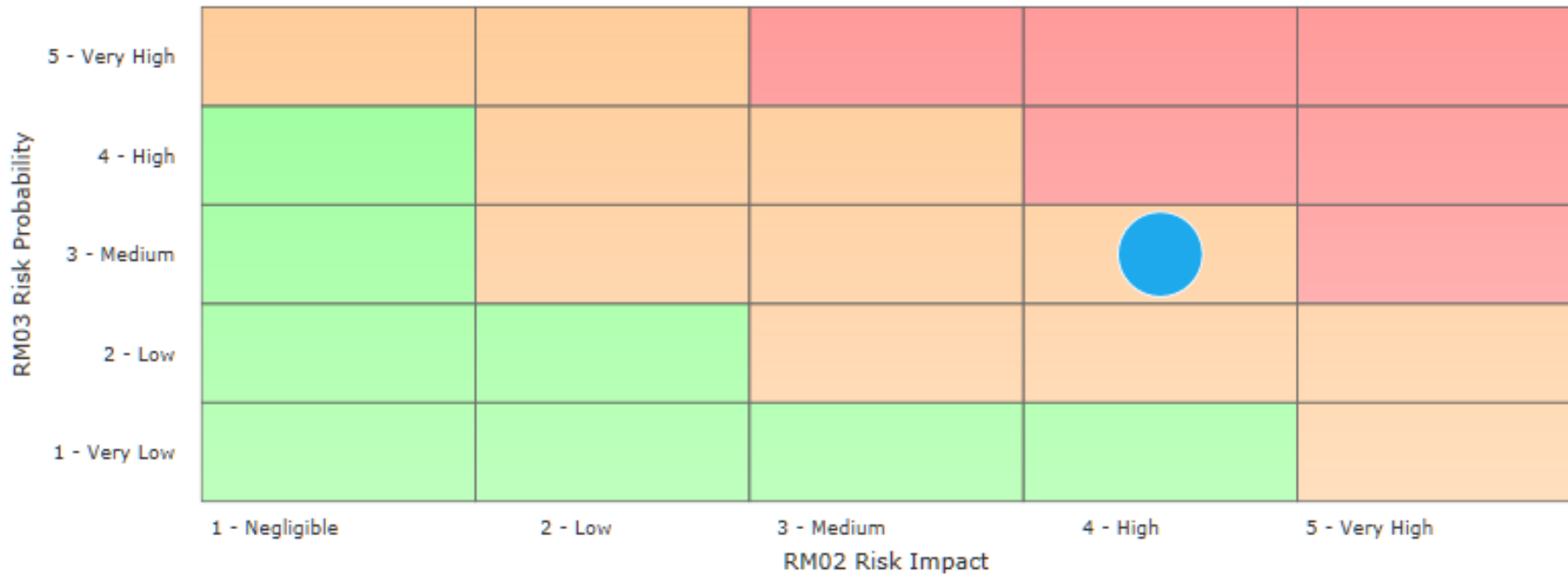
August 2015 - high (16)

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Risk	Description	Sep 2018	
		Identified	Links To
RISK 01 - Legislative Requirements	That new legislative requirements potentially place significant duties on the Authority that it cannot fulfil (resulting in adverse judgements from regulators, significant fines and potential court proceedings and/or existing services are compromised), includes Well-being of Future Generations Act.	Jun 2015	<ul style="list-style-type: none"> Service Planning

Risk 01 - Description/Rationale

- That new legislative requirements potentially place significant duties on the Authority that it cannot fulfil (resulting in adverse judgements from regulators, significant fines and potential court proceedings and/or existing services are compromised), includes Well-being of Future Generations Act.
- Risk of not meeting increasingly challenging nationally set waste management targets.
- The Welsh Government is consulting on local government reform, it is likely that the Welsh Government will repeal or change the Local Government Measure 2009 which will mean changes to the way the council plans and manages its services.
- Welsh Government drive towards regionalisation and collaborative working - including possible legislation.
- Welsh Language Act - gaps in service provision remain, and this remains a reputational risk for the council.
- The General Data Protection Requirement (GDPR) enhances data protection requirements for bodies and offers further protection to individuals. Whilst similar to previous data protection legislation, there are new requirements which the Council will need to meet.



Risk 01 - Assessment Date & Score					
Series					
	Risk Score				
	Risk Rating				
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	12	12	12	12
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
As reported previously there remains significant pressure on the Council to implement the new duties required by legislation and compliance standards. Significant work has been completed, but there are resource implications and remain major risk factors.	➔

Planned Mitigation

Mitigating Action

All 12 selected

		Sep 2018
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 01.01	Welsh Language Act: Strategic Equalities Group monitors implementation supported by Welsh Language Group.	<p>To reflect the significance of the Equalities Agenda the Strategic Equalities Group (SEG) now meets every other month, engaging with a different Equality Objective in each meeting. The group continues to be chaired by Deputy Leader Mark Whitcutt, and also has ongoing representation from Trade Unions, Senior Management, and a members of the political opposition.</p> <p>The Welsh Language Implementation Group continues to be an internal working group charged with the responsibility of delivering and implementing the Welsh Language Standards across the authority. The group is facilitated by the authority's Welsh Language Officer and enjoys broad support from senior management from across the authority.</p>
<input checked="" type="checkbox"/> Risk 01.02	Welsh Language Act: Action plans in place and being monitored. This has shown significant progress.	Welsh Language Action Plans are still being monitored and returned to the Welsh Language Officer on a regular basis. A review of these plans since the implementation of the standards demonstrates a broad move towards compliance with the Welsh Language Measure and subsequent Welsh Language Standards.
<input checked="" type="checkbox"/> Risk 01.03	Welsh Language Act: Progress includes increasing awareness of the Welsh Language Standards across the authority. Leaflets, posters, desk prompts and video available.	The authority has continued to promote awareness of Welsh Language Standards and has publicized the availability of guidance on the intranet and staff notice boards. Over the coming year, we will be looking to refresh this material to ensure we keep momentum in regards to Welsh Language Standards moving forward.

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 01.04	Welsh Language Act: Partnership arrangements with another Council now in place and £280k budget allocated, additional resources now available to support service areas and work such as website development now underway.	Translation arrangements via an SLA with Cardiff Council are now in place and are working effectively. Cardiff Council's translation unit has proved able to accommodate the specific requirements of the authority, particularly in regards to the translation of the Newport City Council's Corporate Website. Access to Cardiff's translation portal has been decentralized and made available to council staff and a guidance document on using the portal has been produced.
<input checked="" type="checkbox"/> Risk 01.05	Welsh Language Act: 5 year strategy developed through consultation.	<p>The authority has demonstrated good progress in delivering on many of the actions established within the 5 Year Welsh Language Strategy. The authority has refreshed its promotional materials through the launched the its 'Benefits of Bilingualism' campaign.</p> <p>The authority also successfully led on a grant application to encourage BAME engagement with the Welsh Language, a project which has been highlighted by the Welsh Language Commissioner's Office as being good practice which should be emulated by other local authorities.</p>
<input checked="" type="checkbox"/> Risk 01.06	Future Generations Act: Cabinet reports updating members on progress and approach. Awareness raising sessions with officers and members completed and work with consultants to develop organisational readiness for the Act underway.	Further awareness raising sessions with senior managers and members are planned. Work on the mid year service plan reviews has reinforced the five ways of working. as have reviews by Wales Audit Office particularly around corporate plan progress. The annual report has been compiled and published supporting the developing work on wellbeing objectives.
<input checked="" type="checkbox"/> Risk 01.07	Future Generations Act: Formal report, service plan and business case templates updated to ensure the principles of the Act are reflected in all decision making.	All report templates, service plans and business case templates updated to reflect the principles of the Act. Mid year service plan reviews will reinforce this. Head of People and Business Change comments on formal reports consider the five ways of working of the WFG Act.

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 01.08	Future Generations Act: Public Services Board established with agreed Terms of Reference, formal meetings are held at least quarterly.	Formal PSB meetings take place on a quarterly basis, focus currently on delivery of the Well-being Plan published May 2018. Representation of all sectors are involved in delivery of the plan although formal performance reporting has not yet commenced.
<input checked="" type="checkbox"/> Risk 01.09	Future Generations Act: Draft Wellbeing Assessment in place in conjunction with the assessment required for the Social Services Act. Work being undertaken on a Gwent basis to inform the Wellbeing Assessment and Plan - funding secured from Welsh Government to support this work.	Wellbeing assessment published and will be reviewed this year. Work programme reported to PSB, behind schedule owing to resource commitments. Development work with colleagues across the Gwent local authorities through the GSWAG officer group.
<input checked="" type="checkbox"/> Risk 01.10	Future Generations Act: Development of wellbeing objectives finalised, and aligned with performance reporting.	First combined annual report has been received by Cabinet. Scrutiny are also reviewing progress against the corporate plan and how this is reported - this will incorporate wellbeing objectives.
<input checked="" type="checkbox"/> Risk 01.11	Waste Management Legislation/targets: We commenced new contract last week with trade waste diverted for sorting to GD Environmental Services. Dates this financial year run from August 9th 2017 through to March 31st 2018 to divert approx. 2500 tonnes this year.	With standard processes in place, plus diversion of municipal waste for sorting is in place and increased tonnage for recycling from different City Services departments, all is on track to meet the recycling targets in 18/19. Proposals to further increase recycling performance in order to meet an increased target of 64% for 19/20 have been included as part of the waste strategy proposal, currently being considered for approval
<input checked="" type="checkbox"/> Risk 01.12	General Data Protection Requirement (GDPR): The Council is ensuring compliance through the Information Governance Group and a cross-organisation Task and Finish Group, making recommendations and changes as required.	Good progress in relation to General Data Protection Regulation (GDPR) made by GDPR Task and Finish Group. Publication of privacy notices for services areas and general information published at www.newport.gov.uk/privacynotice . Data Protection Officer role formally assigned to Digital Services Manager post. Further work on GDPR being progressed as part of what will become the on-going Data Protection group.

RISK 02 - Capacity and Capability to Meet the Council's Objectives

Responsible Officer Chief Executive

Lead Cabinet Member Cabinet Member for Community and Resources

Risk rating prior to mitigation

August 2015 - Medium (12)

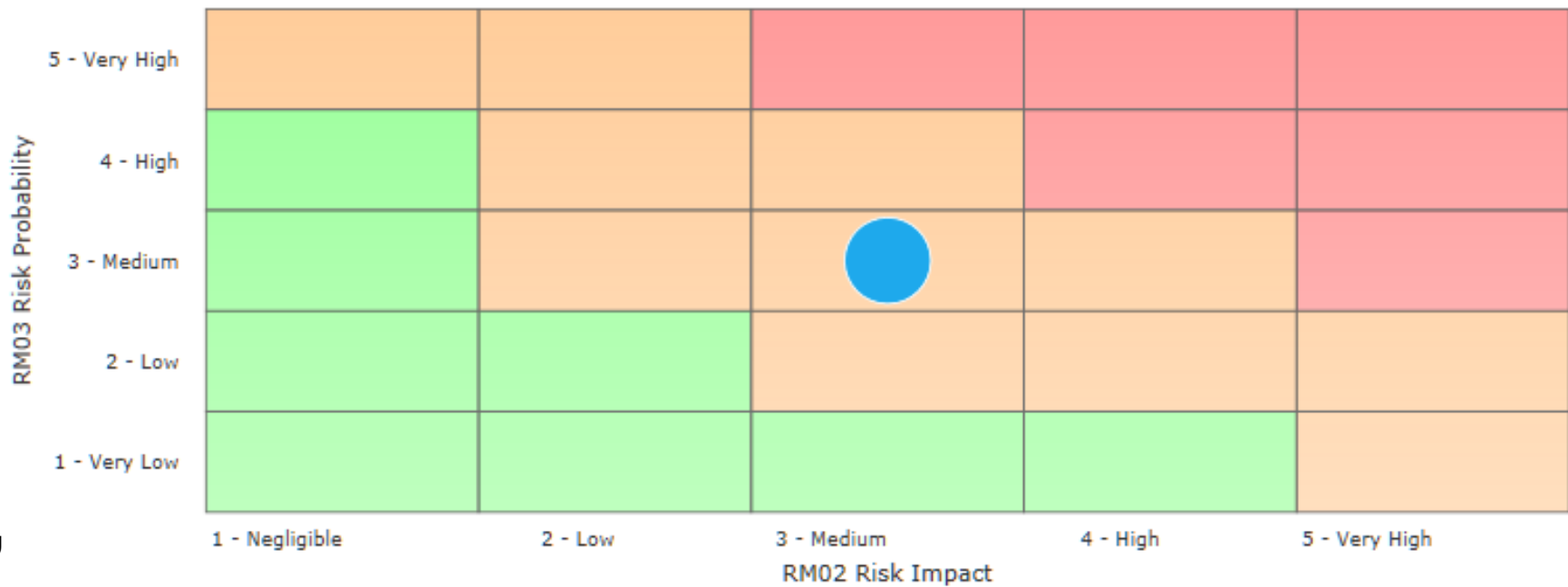
Risk	Description	Sep 2018	
		Identified	Links To
RISK 02 - Capacity and Capability to Meet the Council's Objectives	That there are not skills and or capacity within the workforce to deliver both operational services and also the pace of change needed to modernise services and balance the budget.	Jun 2015	<ul style="list-style-type: none"> ▪ Corporate Plan ▪ People and Business Change Service Plan

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Risk 02 - Description/Rationale

That there are not skills and or capacity within the workforce to deliver both operational services and also the pace of change needed to modernise services and balance the budget.

There are continued capacity and capability gaps across the council; these are more prevalent in some areas than others. Although there are a number of actions (see below) that are being undertaken to remediate this situation, there are still risks going forward which will potentially exacerbate this current situation; these include further required financial savings and issues with recruiting to key position.



Risk 02 - Assessment Date & Score					
Series					
Risk Score		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	12	12	9	9
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
	➔

Planned Mitigation

Mitigating Action

4 selected

	Sep 2018	
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 02.01	People and Business Change will pilot career pathway planning in Autumn 2017 to role model to other service areas.	Since the restructure we have embarked on a process to develop the career pathways across HR services. This is anticipated to be completed by the end of December 2018 followed by wider roll out in 2019.
<input checked="" type="checkbox"/> Risk 02.02	Pilot taking place in Education Services for the roll out of greater NVQ/ILM opportunities for those in the workplace wanting to enhance current skill level. Intention to offer to wider workforce in 2017 linked to workforce planning for each service area.	Other service areas have taken advantage of completing NVQ qualifications since 2017 and wherever possible, requests are supported.
<input checked="" type="checkbox"/> Risk 02.03	Mandatory training will be identified for each post and linked to job descriptions to set out the expectation of ability, skill and experience at the point of recruitment and to form a development path throughout induction, probation and longer term.	Work has not yet started on this activity but it is anticipated that progress will be updated in the next quarter.
<input checked="" type="checkbox"/> Risk 02.04	Additional Investment in Project Management and business change resources.	The organisation has changed its governance arrangements to embed change and innovation within Boards delivering the Corporate Plan and Innovation Programme. The role of project management is changing within this context and responsibility has been broadened to increase capacity, with HOS directly responsible for delivery of change and innovation, supported by a re-structured professional HR provision and other corporate services. This will ensure greater resilience over time and will be monitored.

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 02.05	Coaching, shadowing and mentoring opportunities delivered as part of the change programme.	The 2 day coaching programme remains popular and is booked for November, with ILM offered post course. The Newport Manager Network will be considering ways in which to develop coaching and mentoring across senior leadership. A mentoring network will be established across the organisation for those employees looking for a mentor in early 2019.
<input checked="" type="checkbox"/> Risk 02.06	Specific business support and training provided for business change, project and program management, continuous change and specific tools including business case development and project management.	The organisation has invested in a Talent Management Programme to develop the skills of management tiers in delivering the changes required to meet the financial challenge. This will develop over 300 hundred staff and improve leadership, management and programme delivery skills.
<input checked="" type="checkbox"/> Risk 02.07	People service plan to heavily focus on workforce planning and OD for next 12 months.	One of the key OD interventions has commenced in September 2018. The Talent Management Framework was approved by SLT and the first element, Management in Action, has started roll out of 350 managers accessing leadership development. 4 employees applied for and were selected to take part in the first cohort of the MBA in Emerging leadership and have started their studies. Two other elements - coaching and mentoring, and job shadowing opportunities are due to follow.

RISK 03 - Safeguarding

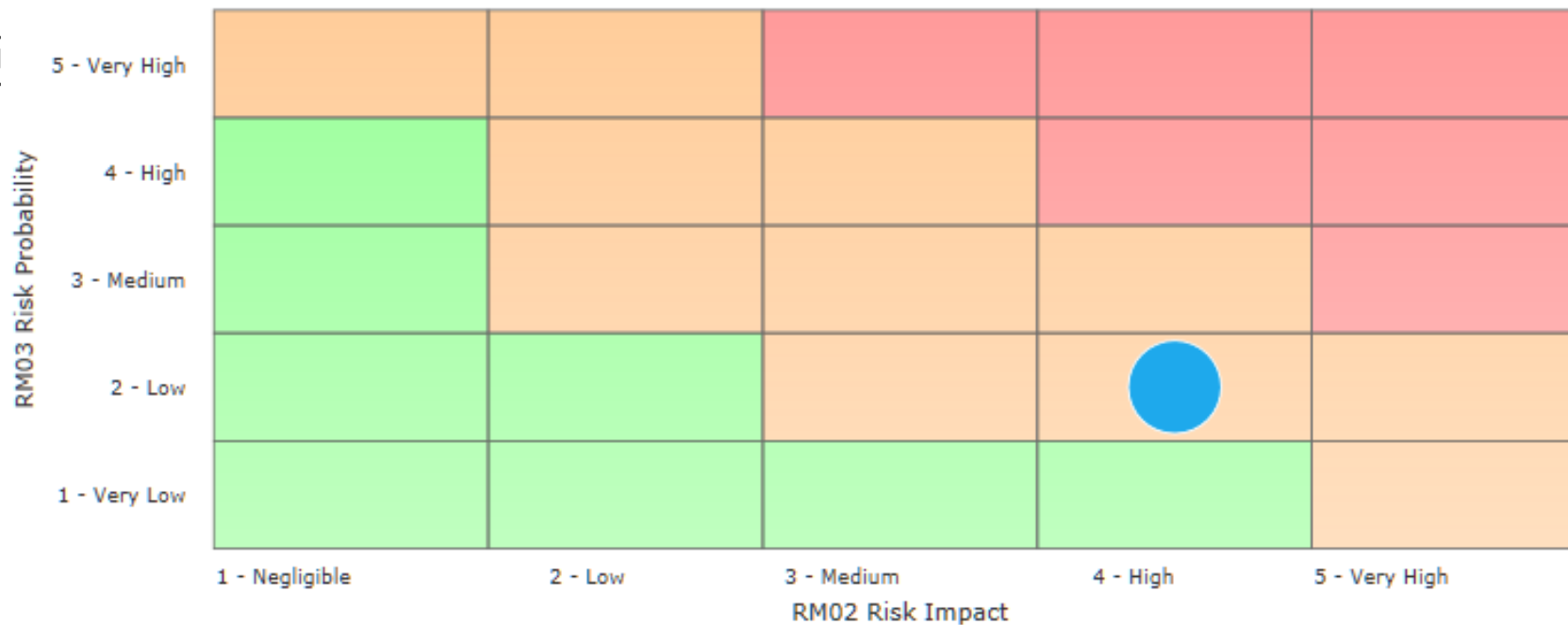
Responsible Officer	Strategic Director - People
Lead Cabinet Member	Cabinet Member for Social Services

Risk rating prior to mitigation

March 2017 - Medium (8)

Risk	Description	Sep 2018	
		Identified	Links To
RISK 03 - Safeguarding	That the arrangements and the implementation of policies and procedures by the council (and its partners) are not adequate to protect vulnerable adults and children who may be at risk of significant harm	Jun 2014	<ul style="list-style-type: none"> Corporate Plan Service Planning

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Risk 03 - Assessment Date & Score					
Series					
Risk Score		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	8	8	8	8
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
The risk score for Safeguarding remains unchanged for Quarter 2 following an email from the Strategic Director of People dated 23/10/2018 (See attached). Since the last quarter update, 2 actions have now been closed but 3 new actions have been created and approved by the Strategic Director of People.	→

Planned Mitigation

Object Measure Name

All 7 selected

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Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 03.01	Safeguarding Action Plan agreed and implementation underway.	This action has now been implemented. Close mitigating action.
<input checked="" type="checkbox"/> Risk 03.02	Continuous review of policies and procedures.	This action has now been implemented. Close mitigating action.
<input checked="" type="checkbox"/> Risk 03.03	Raising awareness of policies and procedures with staff.	<p>Safeguarding Strategy has been drafted.</p> <p>Policies have been drafted & ratified - these need to be uploaded onto the intranet. Plan is to re-launch Safeguarding policies once on the intranet to raise awareness and notify staff where they are held.</p> <p>Social care staff are also directed to the Gwent Safeguarding website for additional guidance.</p> <p>We are currently in the 2nd phase of the Safeguarding Hub pilot. The pilot phase will continue until February 2019.</p>

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 03.04	Partnership working.	<p>Children Safeguarding, Adult Safeguarding, Police, IDVA, Prevention Services are all partners of the Safeguarding hub. Education will be joining w/c 1st October, with additional police resource to gather immediate lateral information before informing the schools of a domestic incident. Incidents will be reported to the hub and RAG rated and forwarded to schools. Due to the success of the safeguarding Hub Housing, Probation & YoS want to join and be co-located - currently investigating suitable premises & options.</p> <p>The Local Safeguarding Network meets every 6wks. Safeguarding practitioner events are held and this addresses all local issues. Practitioner events are open to all professionals within Newport who want more information. Information is shared from Local Authorities and care providers.</p>
<input checked="" type="checkbox"/> Risk 03.05	Establishment of Safeguarding Champions across the service areas.	Rollout Safeguarding Champions across all service areas to specifically address all safeguarding information e.g. duty to report concerns, safe recruitment, general support.
<input checked="" type="checkbox"/> Risk 03.06	Review Schools DBS procedure.	Schools DBS checks are currently completed on employment & then only if someone changes post/school. It has recommended that reviews to take place every 3-5 yrs to allow for catch up. HR currently scoping costs etc.
<input checked="" type="checkbox"/> Risk 03.07	Safeguarding Training to be provided to Council Members and staff	Training sessions have been held with members. Training in-house and Regional Safeguarding Boards for both Adults & Children. Safeguarding Champions have been tasked with raising awareness across all service areas. Will be looking into e-learning as part of the induction. All members have to complete Ask & Act e-learning, considering how this can be conducted for why safeguarding is important for everyone.

RISK 04 - Brexit

Responsible Officer	Chief Executive
Lead Cabinet Member	Leader of the Council

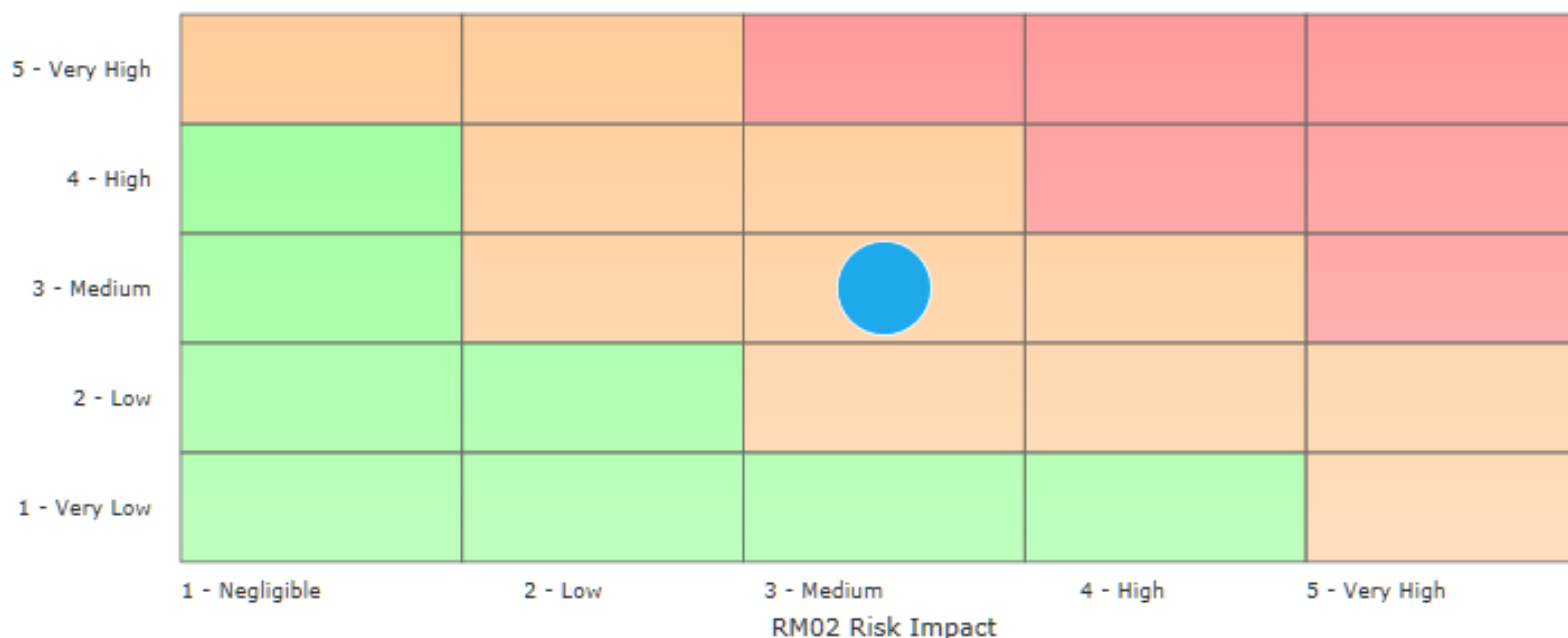
Risk rating prior to mitigation

August 2017 - Medium (9)

Risk	Description	Sep 2018	
		Identified	Links To
RISK 04 - Brexit	That the financial implications of leaving the European Union have a negative impact on the councils financial position.	Jun 2016	<ul style="list-style-type: none"> Corporate Plan Service Plans

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RM03 Risk Probability



Risk 04 - Assessment Date & Score					
Series					
Actual		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Actual	9	9	9	9
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
Work has been ongoing with the WLGA to better understand the impact of Brexit on the Council. As there is still uncertainty about the direction which the UK will go the score will remain the same.	→

Planned Mitigation

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Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 04.01	This needs to be monitored carefully. The result of the referendum in June 2016 has resulted in further uncertainty for the overall financial outlook for the UK. This may have an impact on future funding for the council. (see risks 5 and 6).	As the outcome of the UK position as to whether a 'Hard' brexit or 'Soft' brexit will be the preferred model there still remains uncertainty over the financial impact which Brexit will have on the Council's financial position in 2019/20 and beyond. Collaboration is still ongoing between the Council, the WLGA and other Gwent Local Authorities in developing appropriate strategies to manage any financial impact on the Council. Work with the Council's Finance Service Area is ongoing to examine the potential financial impacts on the Council services.
<input checked="" type="checkbox"/> Risk 04.02	A good deal of our activity is also guided by EU regulation. It remains unclear when the UK will formally exit the EU and how these regulations may change.	The UK government has initially indicated that any existing EU regulation passed now and during the transition period will be passed into UK law. However, there will remain some uncertainty until the UK government has agreed its final position. The Council will continue to work in accordance with EU regulations until further direction is received from the UK Government.
<input checked="" type="checkbox"/> Risk 04.03	This remains uncertain, further discussion and engagement from the Welsh Government and UK Government is needed to confirm timescales.	This area remains under development in line with central government advice, however the Council has identified key risks as community cohesion, potential for loss of key businesses, congestion (port), staff recruitment and retention, and impacts on local government budget settlements.

Risk 05 - In Year Financial Management

Responsible Officer	Chief Executive Directors Heads of Service
Lead Cabinet Member	Leader of the Council

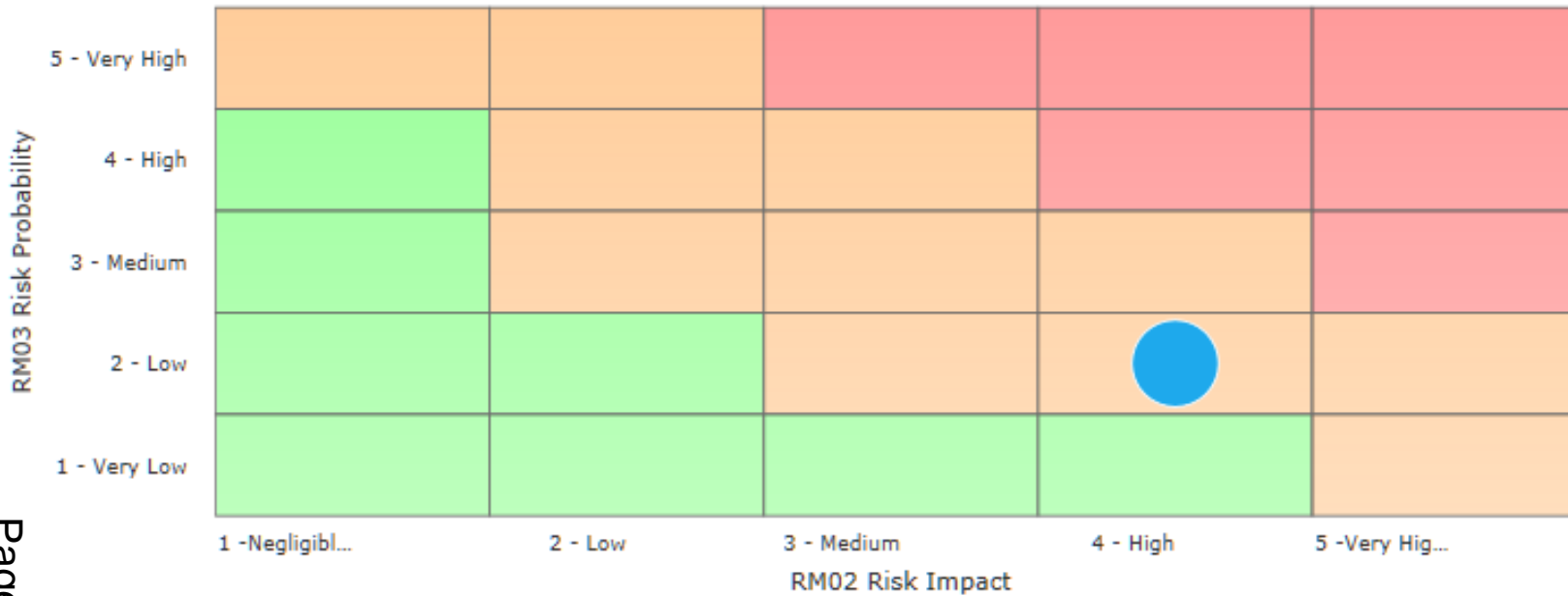
Risk rating prior to mitigation

August 2017 - Medium (12)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 05 - In Year Financial Management	Overspending can undermine service delivery and medium term planning where significant mitigation means services need to defer spending to manage the overall budget.	Sep 2017	<ul style="list-style-type: none"> All services depending on severity & mitigation put in place

Risk 05 - Description/Rationale

- Historical overspending in key areas are increasingly difficult to mitigate - Community Care budgets, Children's out of area education and social care budgets in particular.
- Step change in level of overspending in 2016/17 and forecasted overspending in 2017/18 shows significantly worsening position.
- Level of overspending is significantly over and above revenue budget contingency and over current/previous year only mitigated from strong Council Tax collection due to accelerated house building - which cannot be guaranteed in future years and Council Tax reduction scheme underspending.
- Overspending can undermine service delivery and medium term planning where significant mitigation means services need to defer spending to manage the overall budget.
- Risk to requiring additional on-going budget in service areas affected which makes the 2018/19 and future budget challenge more difficult to manage/achieve.



Risk 05 - Assessment Date & Score						
Series						
Actual		Risk Rating				
		Dec 2017	Mar 2018	Jun 2018	Sep 2018	
>	RM01 Risk Rating	Actual	12	9	8	8
		Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
September monitoring continues to show an underspend for the year. This however is due to a number of one off non-service savings from VAT refund, NDR rebates and crematorium income, as well as unused contingency. Service areas including schools are continuing to see a significant challenge and are currently overspending by c£7.5m. This will need to be addressed going forward by Heads of Service.	➔

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 05.01	CMT instigated targeted spending freeze on non-essential spending.	It has been confirmed that this mitigation action has now been completed. As a result of this action it has been agreed for this action to close and for a new planned mitigation action to be implemented for Quarter 3 onwards.
<input checked="" type="checkbox"/> Risk 05.02	Chief Executive and Head of Finance will be holding monthly meetings with adult social care management team to look and review actions for reducing spend.	As a result of a review of the planned mitigation it has been agreed for this action to close as arrangements are in place. A new planned mitigation action has been shared with CMT members.
<input checked="" type="checkbox"/> Risk 05.03	Head of Service for adults/children social care and education have reviewed and improved decision making panels who assess individual cases accessing services.	This action has been completed and as a result a new planned mitigation action has been shared with CMT and agreed to be implemented for Quarter 3 onwards.
<input checked="" type="checkbox"/> Risk 05.04	Heads of Service with their service managers, supported by corporate business partners will plan actions to mitigate and bring down overspends in the future.	This is a new mitigating action and an update will be provided from quarter 3.
<input checked="" type="checkbox"/> Risk 05.05	Focus on forward planning to ensure early identification of potential overspending to enable early resolution and incorporate into medium term financial projections, where unavoidable, as appropriate.	This is a new mitigating action and an update will be provided from quarter 3.
<input checked="" type="checkbox"/> Risk 05.06	Ensure medium term planning based on robust information on key cost drivers and risk areas.	This is a new mitigating action and an update will be provided from quarter 3.

Risk 06 - Balancing the Council's Medium Term Budget

Responsible Officer	Chief Executive Directors Heads of Service
Lead Cabinet Member	Leader of the Council

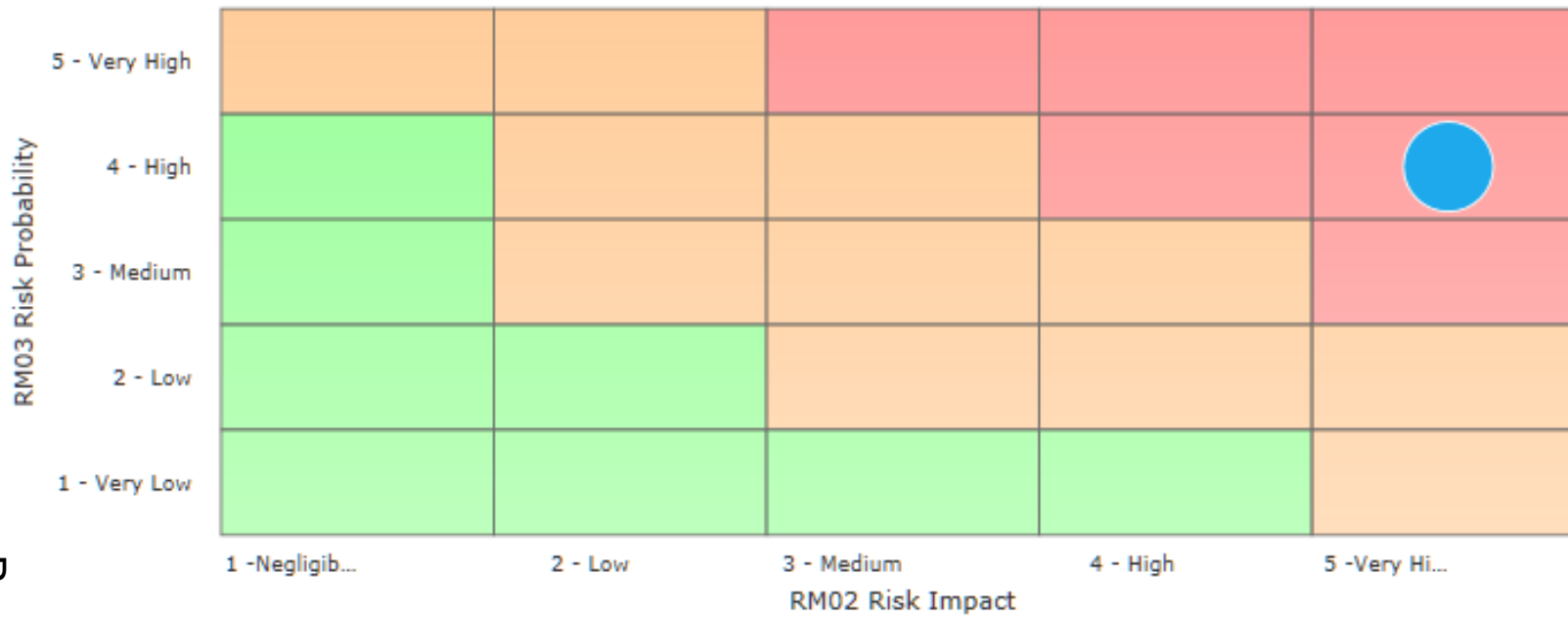
Risk rating prior to mitigation

August 2017 - High (16)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 06 - Balancing the Council's Medium Term Budget	Risk of not meeting / funding key priorities.	Sep 2017	<ul style="list-style-type: none"> All council services and priorities

Risk 06 - Description/Rationale

- Council does not have a change programme which addresses the financial shortfall in the Council's Medium Term Financial Plan.
- Not balancing the budget over a longer timeframe than has currently been achieved may challenge and could damage the Council's on-going Financial Resilience.
- Risk of not meeting/funding key priorities.
- Using 'reserves' to balance the budget is time limited and require permanent savings to be identified in due course.
- Lack of on-going medium term financial settlements from WG continue makes meaningful medium term financial planning more difficult.



Risk 06 - Assessment Date & Score						
Series						
		Actual	Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018	
>	RM01 Risk Rating	Actual	16	16	16	20
		Risk Rating	▲	▲	▲	▲

Sep 2018	
Risk - Direction of Risk	Direction
There is still a significant challenge in balancing the 2019/20 budget, and the medium term gap has significant challenges including increased demand pressure, pay awards and funding challenges. It has been decided to increase the impact of the risk to very high, as has been seen by Northamptonshire not setting a balanced budget can have severe consequences.	⚡

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 06.01	On-going review and challenge to budget pressures within the MTFP	Reviews were carried out with Heads of Service and Strategic Directors of their budget pressures in May. These were updated in June. Following a few months of monitoring, these pressures have been reviewed once more, with the focus on the medium term and have been updated on the MTFP. During October there will again be meeting with Heads of Service and Strategic Directors to ensure robust forecasts for future pressures are included.
<input checked="" type="checkbox"/> Risk 06.02	Discussions with SLT to review cash-limits for each service areas with view to identify savings and mitigation of pressures	Discussions have taken place with SLT on all service areas cash limits, a number of savings/budget proposals have been identified and this has closed the budget gap for 2019/20.
<input checked="" type="checkbox"/> Risk 06.03	Project initiated to draw up a medium term change programme by June 2018 latest.	4 strategic boards deliver change programmes that deliver savings. The work on these is ongoing.
<input checked="" type="checkbox"/> Risk 06.04	4 boards to discuss and draw up strategic projects that will deliver savings over the medium term to mitigate the budget gap.	CMT are reviewing arrangements and processes regarding how best to draw up a medium term view of services, alongside the work of Boards.

Risk 07 - Increased Pressure on Demand Led Services

Responsible Officer	Strategic Director - People Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Education and Skills Cabinet Member for Regeneration and Housing Cabinet Member for Social Services

Risk rating prior to mitigation

August 2017 - High (16). This rated high for Education Services and Medium for Social Services, an overall rating of High has been assigned.

Risk	Description	Sep 2018	
		Identified	Links To
Risk 07 - Increased Pressure on Demand Led Services	As the population grows and certain groups within the population increase this will affect many services across the council that deliver services to meet demand. The growing population also places pressures on universal services that are provided to everyone.	Sep 2017	<ul style="list-style-type: none"> Corporate Plan Service Plans

Risk 07 - Description/Rationale

Education

As the population grows and certain groups within the population increase this will affect many services across the council that deliver services to meet demand. The growing population also places pressures on universal services that are provided to everyone.

- That an increasing percentage of the population are over 65 putting an increasing strain on demand led services, particularly those that are statutory and raising the risk of unplanned significant budgetary overspends.
- Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.
- Increasing population putting extra pressure on school places across Newport.
- As children with complex need live longer, the number of children requiring care will increase and the length of care that they require will increase.

- Growing population of vulnerable children.
- Increasing demand for refuse collection.
- Increasing number of households and highways.

Social Services

As the population grows and certain groups within the population increase this will affect many services across the council that deliver services to meet demand. The growing population also places pressures on universal services that are provided to everyone.

- That an increasing percentage of the population are over 65 putting an increasing strain on demand led services, particularly those that are statutory and raising the risk of unplanned significant budgetary overspends.
- Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.
- Increasing population putting extra pressure on school places across Newport.
- As children with complex needs live longer, the number of children requiring care will increase and the length of care that they require will increase.
- Growing population of highly vulnerable children.
- Increasing demand for refuse collection.
- Increasing number of households and highways.

Community Regeneration

The changes to funding packages will have an impact on the level of services that we as an authority can deliver. The termination of Communities First has put pressure on existing statutory services and specifically community provisions as many projects were partnership arrangements with the Communities First programme. In addition Welsh Government has changed the way in which it administers various grants, providing local authorities the opportunity to distribute funding to areas it identifies as its priorities. Collectively the service area is grant funded, therefore any changes to future grants is a risk for many services, specifically statutory services who could be left to maintain high levels of users. Groups at risk are:

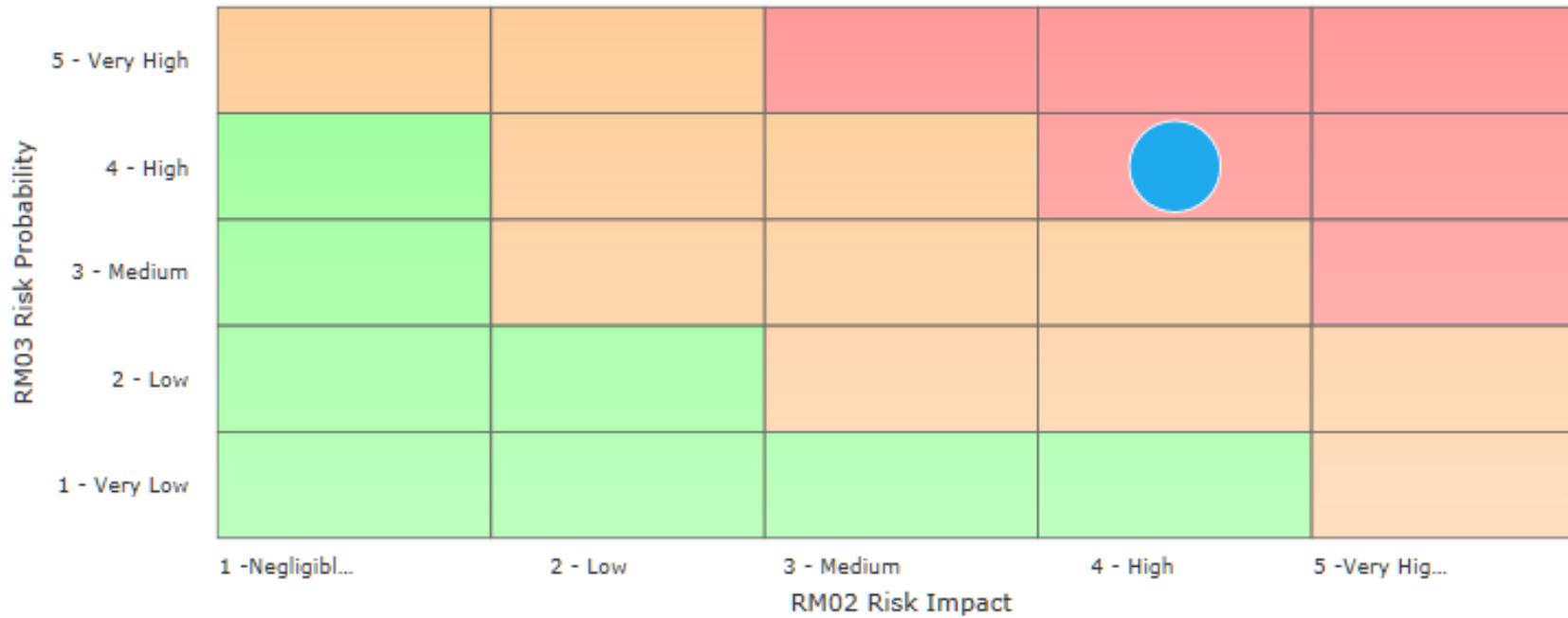
- Community centre groups - less services delivering from facilities.
- Young people - many of our services are reliant on grant funding.
- Work & Skills - all provision is reliant on grant funding.

- Work & Skills - all provision is reliant on grant funding.
- Children - all provision is reliant on grant funding.
- Community engagement/resilience - all provision is reliant on grant funding.

Housing

Population growth will see an inevitable rise in demand for housing and this will place further pressure upon housing services provided by Newport City Council in order to seek to meet this growth in demand;

- An increasing percentage of the population are over 65 putting an increasing strain on demand led housing services, particularly those that are statutory and raising the risk of unplanned significant budget overspends.
- Removal, reduction or more widely dissipated preventative housing services could impact on statutory services by increasing the demand and complexity of need.
- Increasing population growth will put extra pressure on demand for affordable housing and/or specialised housing solutions.
- Upward population of highly vulnerable children requiring housing solutions within the care system and those leaving the care system.
- Increasing shift away from owner occupation towards private renting, as well as increasing concerns about the standard and fitness within the existing housing stock in Newport.
- An expanding population of older people will increase demand for mandatory home adaptation services and increasing number of people choosing to remain living in their own homes will increase demand for mandatory home adaptation services.
- Implementation and effect of universal credit is still being calculated and affect being monitored, as well as further pressure upon household incomes due to welfare reform implementation measures.
- Increased level of rough sleeping throughout the City.
- Greater demand for homelessness and housing related services throughout all sectors of housing within NCC.



Risk 07 - Assessment Date & Score					
Series					
	Actual	Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Actual	16	16	16	16
	Risk Rating	▲	▲	▲	▲

Sep 2018	
Risk - Direction of Risk	Direction
	➔

Planned Mitigation

Planned mitigation

All 32 selected

		Sep 2018
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.01	<p>Education</p> <p>Increasing population putting extra pressure on school places across Newport. One new school (due to open September 2017) and second new school (due to open September 2018). Both established largely through 106 funding. Additional school places have been established across the city through a capacity exercise. Where schools are being re-developed, (e.g. Bryn Derw, Caerleon Lodge Hill) additional places have been included.</p>	<p>The 4th Welsh Medium Primary in Newport will be funded. This will open as a seedling school in 2020. This additional school will support the pupil place challenge in the long term.</p>
<input checked="" type="checkbox"/> Risk 07.02	<p>Education</p> <p>Increasing population putting extra pressure on school places across Newport. Three further new build schools are planned through 106 monies funding from 2019 – 2024 (NB: shortfall in funding that will need to be made up by Authority). Forecasts show that there is also a need for expansion on existing school sites, in specific areas of the city, with significant population growth. A Welsh Government 21st Century Band B' schools bid has been made which focusses on Newport's urgent need for additional school places as our key priority.</p>	<p>Further work has been completed on the Band B strategic Outline Programme. This has included specific workshop activities with Caerleon and Bassaleg Schools to scope out their needs and plan future provision.</p>

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.03	As children with complex needs live longer, the number of children requiring care will increase and the length of care that they require will increase. The number of educational places within the city need to grow in order to provide provision for pupils with complex needs.	SEN data trends have been established and are currently being used to consider which future provisions are required within the city. There will be 2 new 20 place LRB's opening in 2019 (Lodge Hill Primary and Glan Llyn Primary).
<input checked="" type="checkbox"/> Risk 07.04	Growing population of highly vulnerable children: The number of Learning Resources Bases across the city will expand to support increased demand of pupils with Special Educational Needs, allowing them to maintain mainstream school places.	SEN data trends have been established and are currently being used to consider which future provisions are required within the city. There will be 2 new 20 place LRB's opening in 2019 (Lodge Hill Primary and Glan Llyn Primary).
<input checked="" type="checkbox"/> Risk 07.05	The total cost of Out of County placements continues to grow. Education Services will develop an analysis and forecast of Out of County Placements in order to facilitate a strategic plan of supporting these needs in the most affordable way over the next five years.	The trend analysis for SEN places is largely concluded and will be used to plan future provision and for medium term financial planning
<input checked="" type="checkbox"/> Risk 07.06	MANAGING DEMAND – PREVENTION EARLY INTERVENTION Older Person's Pathway - joint initiative with Health, people identified from GP surgeries and offered a Stay Well Plan that is individualised and focused on maintaining well-being and health.	The Older Persons Pathway is fully embedded across all participating GP surgeries and the recent evaluation demonstrates a positive impact on reducing demand for Health and Social Care Services

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.07	<p>MANAGING DEMAND – PREVENTION EARLY INTERVENTION</p> <p>Reconfiguring a number of service pathways including Frailty & Reablement to reduce duplication, streamline provision, facilitate hospital discharge and provide services focused on maintaining independence.</p>	<p>Reablement integration has now been implemented and a single team now delivers the service. Work is ongoing to upskill the workforce to operate in a more outcome focussed way.</p> <p>An intake model is being developed to ensure that all those previously without a care and support plan prior to entering hospital are automatically referred on discharge. This will maximise independence, prevent the need for reliance on statutory services in the future and reduce the risk of hospital re-admission.</p>
<input checked="" type="checkbox"/> Risk 07.08	<p>MANAGING DEMAND – PREVENTION EARLY INTERVENTION</p> <p>Investment in preventative services including 2 Third Sector consortiums offering information, advice and assistance for any Newport citizen.</p>	<p>The Consortiums are established and have been effective in managing demand. A review of preventative services is planned to ensure Newport citizens are able to access the right service at the right time.</p> <p>ABUHB are now investing in information and advice and this presents an opportunity to mitigate the risks of duplication and to plan future commissioning requirements.</p>
<input checked="" type="checkbox"/> Risk 07.09	<p>MANAGING DEMAND – PREVENTION EARLY INTERVENTION</p> <p>Utilisation of ICF for Community Connectors offering community based assistance to people who require support to access low level services</p>	<p>Intermediate Care Funding (ICF) is continuing to fund the Community Connector Team. Several new support groups have been established that offer community solutions for people who have experienced social isolation.</p> <p>The Connectors signpost and advise on a range of issues offering low level and short term assistance to those who would not be eligible for a statutory service.</p> <p>The team of 8 are a stable group and have extensive knowledge and experience. A recruitment process is underway to appoint a new full time member of staff who will complement the team.</p>

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.10	<p>MARKET MANAGEMENT</p> <p>Domiciliary care and Residential and Nursing provision commissioned robustly. Working closely with providers to ensure services are fit for purpose in terms of quality and capacity. Relationship management ensures flexibility and responsiveness.</p>	<p>Relationship management is ongoing with all commissioned providers. Contract review and monitoring processes are cyclical with additional contact in relation to safeguarding issues or complaints. All intelligence is captured to ensure no opportunity to identify themes or recurring issues is lost.</p> <p>In addition, dialogue with providers occurs around the development of new contracts, and fee discussions for 19/20 will commence internally this quarter.</p> <p>Winter pressures discussions with dom care providers have started with options to ensure full city coverage during bad weather and collaborative approaches to manage periods of high demand.</p>
<input checked="" type="checkbox"/> Risk 07.11	<p>MARKET MANAGEMENT</p> <p>Ensuring in house services are cost effective and targeted at community need.</p>	<p>Work to reduce the Supported Living service from 4 properties to 2 has been progressed and consultation with the staff is in process to confirm the closure of 2 properties by the end of November 2018. Several tenants have been successfully moved on and the remaining service is now subject to further review.</p> <p>The appointment of an external partner to manage the Extracare service is ongoing.</p> <p>Residential provision has been subject to re-registration under the RISCA legislation.</p>
<input checked="" type="checkbox"/> Risk 07.12	<p>MARKET MANAGEMENT</p> <p>Cost control –negotiating sustainable fees with providers that offer value for money whilst protecting the social care workforce</p>	<p>Within the context of a challenging financial settlement meetings are scheduled internally to develop an early fee negotiation strategy for 2019/20</p>
<input checked="" type="checkbox"/> Risk 07.13	<p>MARKET MANAGEMENT</p> <p>Engagement with Regional workstreams to address National issues around the purchase of domiciliary and residential care services</p>	<p>NCC continues to engage with Regional workstreams around domiciliary and residential care.</p> <p>Specifically, work around the development of a pooled budget and common contracts are in progress and joint monitoring and intelligence exchange with Health and partner Authorities continue to develop.</p>

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.14	<p>MARKET MANAGEMENT</p> <p>Early engagement with Health to maximise CHC funding for people with Health needs.</p>	Ongoing - Where CHC triggers are identified there is an established process to ensure referrals are progressed
<input checked="" type="checkbox"/> Risk 07.15	<p>Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.</p> <ul style="list-style-type: none"> Investment in a consortium model of third sector preventative services to offer a single point of contact for all Newport citizens 	Ongoing measurement of preventative services to monitor effectiveness and value for money
<input checked="" type="checkbox"/> Risk 07.16	<p>Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.</p> <ul style="list-style-type: none"> Investment in a Third Sector mental health consortium in partnership with Health – offering a single point of contact for citizens in Gwent. 	Ongoing measurement of preventative services to monitor effectiveness and value for money in terms of managing demand and offering appropriate support to those who would not meet statutory eligibility criteria
<input checked="" type="checkbox"/> Risk 07.17	<p>Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.</p> <ul style="list-style-type: none"> Utilisation of ICF to deliver a Community Connector Service – offering community support for people to access services. 	Ongoing measurement to monitor effectiveness and value for money in managing demand and building community capacity.
<input checked="" type="checkbox"/> Risk 07.18	<p>Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.</p> <ul style="list-style-type: none"> Utilisation of ICF to employ a Carers Development Officer 	The Carers Network has established improvements in communication opportunities with carers across the City. Regular events are arranged and information about NCC services and available support is provided.

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.19	<p>Growing population of highly vulnerable children Investment in developing preventative services to work with families to build resilience and to prevent children from being accommodated:</p> <ul style="list-style-type: none"> • Re-tendering for the Strategic Collaborative Partnership that delivers the Family Assessment Support Service (FASS) and Family Support Team (FST). 	<p>Update provided by Sally Jenkins (26/10/18). The Partnership has been successfully retendered. The service is being remodelled with changes to enhance practice and address emerging issues. Across Children's Services Family Group Conferencing is being introduced to ensure family participation and build on family strengths at an early stage and so avoid children coming into care. Work is being undertaken with partner agencies with the support from the PCC to target resources at early intervention with primary aged children to build models of intervention to address emerging issues of criminal exploitation and the risk of involvement in serious and organised crime.</p>
<input checked="" type="checkbox"/> Risk 07.20	<p>As children with complex needs live longer, the number of children requiring care will increase and the length of care that they require will increase.</p> <p>Investment in developing preventative services to work with families to build resilience and to prevent children from being accommodated:</p> <ul style="list-style-type: none"> • Full review of short break services for families with Children with disabilities. • Full review of providing house respite service for families with Children with disabilities. 	<p>Update provided by Sally Jenkins on 26/10/18. The short breaks services are being reviewed. The in-house residential provision has been reviewed. A bid for capital funding from the Intermediate Care Fund is awaiting final sign off from Welsh Government. The funding will ensure the building can be made fit for purpose and be remodelled to enhance and improve the service. Parents and the staff from Oaklands are involved in the planning for the remodelling and ensuring the design meets the needs of the children.</p>
<input checked="" type="checkbox"/> Risk 07.21	<p>Investment in developing preventative services to work with families to build resilience and to prevent children from being accommodated:</p> <ul style="list-style-type: none"> • Carers Development Officer supports families with Children with disabilities. 	<p>We are continuing to ensure our preventative services are targeted on those most in need of preventative support and more able to access it. We are working closely across the region to ensure transformation funding is aligned with our preventative services to enhance the current offer.</p>
<input checked="" type="checkbox"/> Risk 07.22	<p>Engagement with Regional work streams to address developing a consistent framework around Continuing Health Care Process.</p>	<p>Update provided by Sally Jenkins on 26/10/18. The pathway and protocol has been completed and will be presented at the next Children and Families Partnership Board. The implementation will then commence. In order to be ready the existing Brighter Futures and Complex Needs Panels in Newport are currently being reviewed.</p>

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.23	<p>Cost control – negotiating sustainable fees with providers that offer value for money whilst protecting the social care workforce.</p>	<p>Close scrutiny is applied to cost management with ongoing review of the impact on budgets. Monitoring processes oversee quality, value for money and identify risks around service continuity and sustainability.</p> <p>Fee negotiations with providers take place annually and are overseen by the Commissioning & Contracts Team who work closely with Finance. Payment rates take account of the real cost of delivering services based on economic factors and an in-depth knowledge of the social care market. Ongoing dialogue is maintained with providers who must demonstrate ethical terms and conditions of employment.</p>
<input checked="" type="checkbox"/> Risk 07.24	<p>Community Regeneration Aligning services and grants into one programme (Neighbourhood Hubs) will support a rationalization process across all the grants, this process will help us to achieve smarter ways of working that could support a long term vision of sustainability. Processes such as;</p> <ul style="list-style-type: none"> • Staffing – the alignment of staff can reduce the requirement for current levels in finance and management functions. • Duplication – aligning programmes will support projects who share outcomes to end specific projects therefore reducing wasted expenditure. • Commissioning – a single commissioning model will provide the less duplication and savings in regards to management fees to other organisations. • Assets – The colocation and integration of teams through Neighbourhood Hubs will negate the requirement for different facilities and will provide greater focused usage in specific centres. 	<p>The Neighbourhood Hub business plan has been approved. The process of restructuring services that will deliver from the Neighbourhood Hub model has begun.</p> <p>Reviews of staffing structures, duplication of delivery, duplication of commissioning and the improvement of facilities for the community will be on going and will be ready for implementation between April and May 2019.</p> <p>Recent announcements from Welsh Government regarding the security of grant funded programmes up to 2021 has provided confidence to plan and implement services for the next 3 years.</p>

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.25	<p>Community Regeneration</p> <p>Work with funders to identify further opportunities to provide additional resource to community delivery.</p>	Funding has been secured from the European Social Fund for the skills at work project up to 2021. The council is waiting for the decision outcomes for application submitted. Those decisions are likely to be December 2019.
<input checked="" type="checkbox"/> Risk 07.26	<p>Housing Services</p> <p>That an increasing percentage of the population are over 65 putting an increasing strain on demand led services, particularly those that are statutory and raising the risk of unplanned significant budgetary overspends.</p> <p>The number of older people in Newport is growing. More than 600 owner-occupiers aged over 55 currently have active applications for some form of affordable housing</p>	Actions from previous commentary are ongoing
<input checked="" type="checkbox"/> Risk 07.27	<p>Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.</p> <ul style="list-style-type: none"> • Increased resources provided to assist in homeless prevention and to secure additional staffing to meet need • Grant funding available from Welsh Government targeted to key demand areas of the homelessness prevention service across a range of partners • Links with third sector agencies in place and being developed to meet demand for services • Regional Homelessness Strategy under development in order to explore regional opportunities for service development/initiatives 	Actions from previous commentary are ongoing

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.28	<p>Increasing population putting extra pressure on demand for affordable housing or specialised housing</p> <p>Increased pressure to deliver affordable housing, but in a climate when viability issues on sites regularly see the development industry reducing the percentage of affordable housing they are willing to deliver</p> <ul style="list-style-type: none"> • Homeless prevention work to secure alternative affordable accommodation options established and embedded within statutory services • Procurement of temporary accommodation for homeless households in place to meet the changing demands and needs for the service 	As expected, the level of affordable housing being achieved on developments is below target
<input checked="" type="checkbox"/> Risk 07.29	<p>Growing population of highly vulnerable children requiring housing solutions within the care system and once leaving the care system.</p>	Actions from previous commentary are ongoing

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 07.30	<p>Increasing shift away from owner occupation towards private renting</p> <p>A study for the Welsh Government into the fees charged by letting agents showed that Newport has a relatively high proportion, 36% of registered rental properties managed by agents, and was designated a high rent area and the total number of properties registered was 8,252. The study found that, although the work required and the costs incurred by the agents were similar in all areas, the fees charged to applicants varied considerably, according to the size of agency and the local housing market. Fees can make it difficult for low-income tenants to secure private rented housing, especially if they are obliged to move more frequently than owner-occupiers would when assured shorthold tenancies come to an end.</p>	<p>The impact of changes to the private rental market is still evolving and will feed into future updates of the Local Housing Market Assessment. A more proactive, collaborative approach is being developed to empty homes.</p>
<input checked="" type="checkbox"/> Risk 07.31	<p>Increasing concerns about the standard and fitness within the existing housing stock</p> <p>Much of Newport's housing stock is pre-1920's and, in 2017, the council's Environmental Health team identified nearly 13,000 serious hazards in Newport homes, most of them privately rented.</p>	<p>A partner organisation to administer owner-occupier loans on behalf of the council has now been appointed.</p>
<input checked="" type="checkbox"/> Risk 07.32	<p>An expanding population of older people along with increasing numbers of people choosing to remain living in their own homes will increase demand for mandatory home adaptation services</p> <p>Increasing pressure on the adaptations capital budget.</p>	<p>Unchanged</p>

Risk 08 - Risk of Stability of External Suppliers

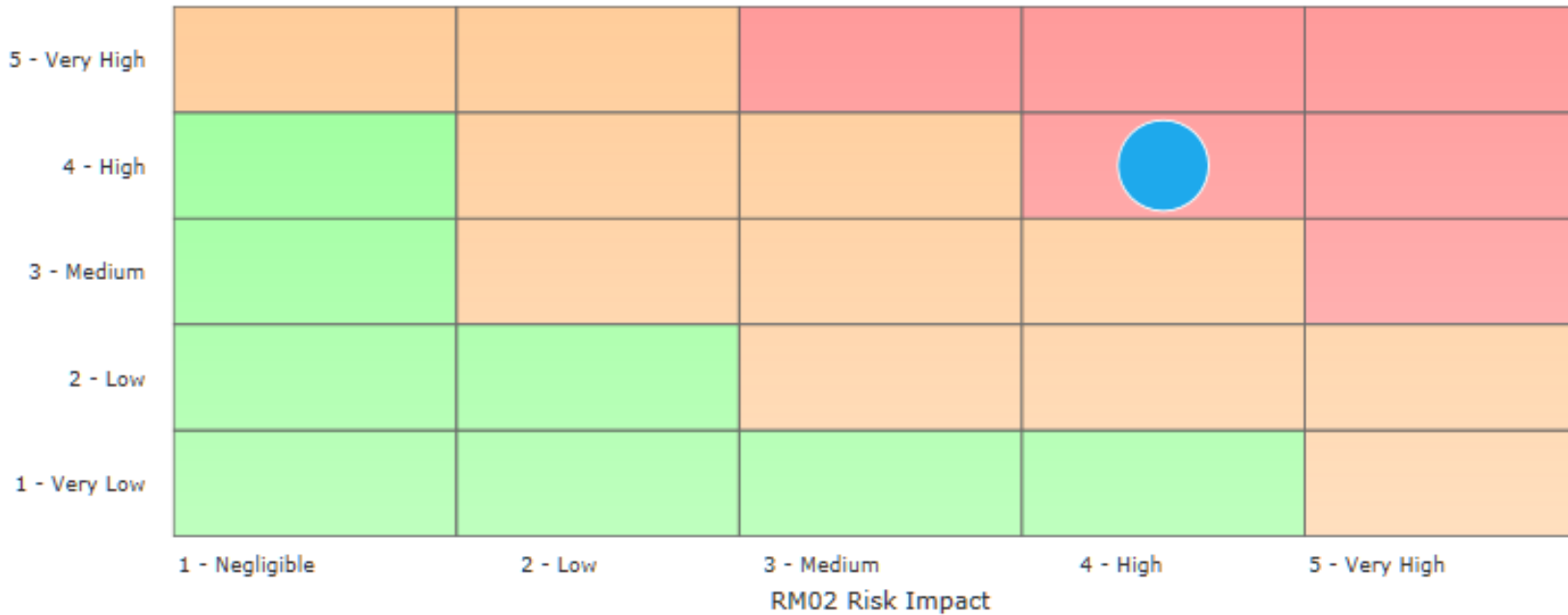
Responsible Officer Strategic Director - People
 Lead Cabinet Member Cabinet Member for Social Services

Risk rating prior to mitigation

August 2017 - High (20)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 08 - Risk of Stability of External Suppliers	Growing cost of delivering services and purchasing materials will impact on external supplier's ability to continue to fulfil contract obligations. Potentially short notice of inability to provide services.	Sep 2017	<ul style="list-style-type: none"> Change Programme Corporate Plan Service Planning

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 RM03 Risk Probability



Risk 08 - Assessment Date & Score					
Series					
Actual		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Actual	20	20	16	16
	Risk Rating	▲	▲	▲	▲

Sep 2018	
Risk - Direction of Risk	Direction
	➔

Planned Mitigation

Object Measure Name
 All 6 selected

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 08.01	Market Management Consultation and engagement with social care providers	Commissioning and Contracts Team have regular dialogue with providers around a range of issues.
<input checked="" type="checkbox"/> Risk 08.02	Encouraging New Providers To Enter The Market The offer of block contracts for domiciliary care hours that provides incentive for new providers and creates a diverse market place.	We continue to operate a spot contract approach to the commissioning of new care packages. Our brokerage team are in constant contact with providers and have up to date market knowledge. We now have 26 providers operating in the Newport area so currently have capacity to respond to the upcoming winter pressures. Discussions with providers around how to respond to the predicted demand spike have already begun.

	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 08.03	Encouraging New Providers To Enter The Market Open dialogue with providers interested in entering the market to ensure they are fully informed about service demand and future commissioning intentions.	The Commissioning and Contracts Team take every opportunity to talk to new providers to ensure as much flexibility as possible in the market. New commissioning opportunities are advertised and supplier days arranged to ensure transparency and open dialogue.
<input checked="" type="checkbox"/> Risk 08.04	Developing New Sustainable Models of Service & Maximising Alternative Funding Working with partners such as Housing and Health to develop new services that are more financially sustainable and offer better opportunities for people to live independently.	The Independent Living Strategy has been signed off by Cabinet as an example of how NCC will work with partners to develop sustainable models of accommodation and care over the next 5 years. Several tenants have been moved to a new development in Bettws offering new opportunities for independent living.
<input checked="" type="checkbox"/> Risk 08.05	Working With Commissioning Partners Working Regionally & Nationally to share knowledge, best practice, market intelligence and to develop commissioning strategies in both adults and children's services.	NCC continue to engage with Regional workstreams around specific areas of work. The Regional Commissioning Group is attended by all Gwent Local Authority Commissioners. Joint work with Health around Domiciliary and Residential Nursing provision is well established.
<input checked="" type="checkbox"/> Risk 08.06	Commissioning Function Strong, well organised Commissioning function and agreed strategies that effectively oversees and controls all purchasing activity and understands the local market. The Commissioning team are fully sighted on market issues, have well developed relationships with providers and work closely with operational teams to source good quality sustainable services.	Work around the development of a People Commissioning Hub is ongoing. It has been agreed that members of the Education Team currently overseeing the School Meals contract will move permanently into the team. A proposal has been developed following the completion of a scoping exercise to identify staff currently engaged in commissioning activity in Education and Children's Services. Negotiation with Heads of Service around how to facilitate implementation is underway.

Risk 09 - Increasing Pressure on Existing Infrastructure

Responsible Officer	Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Streetscene

Risk rating prior to mitigation

August 2017 - High (16)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 09 - Increasing Pressure on Existing Infrastructure	The M4 Bridge tolls will be abolished for all vehicles at the end of 2018 with an interim reduction in tolls being introduced on the 8th January 2018. This is a positive opportunity for the city but the council must consider the potential impact on existing infrastructure.	Sep 2017	<ul style="list-style-type: none"> ▪ Corporate Plan ▪ Service Plans

Risk 09 - Description/Rationale

The M4 Bridge tolls will be abolished for all vehicles at the end of 2018 with an interim reduction in tolls being introduced on the 8th January 2018. This is a positive opportunity for the city but the council must consider the potential impact on existing infrastructure.

Traffic at the Toll's is currently 'held' back and released creating a pulsing effect on traffic entering Wales.. Removal of this effect will result in more traffic reaching the 2 lane sections at Magor and the Brynglas tunnels quicker, with associated congestion.

Although that is primarily a network management issue for the SW Trunk Road Agency, it is likely to result in rat running on alternative routes impacting on the city's network. Increased use of the Steelworks Access Road, SDR and Chepstow Road is anticipated as the main alternatives motorists will seek to use. We know this with some confidence due to the regular effect on our network of congestion, road collisions and roadworks on the M4.

The tolls are a barrier to logistics companies (some firms spend £200k per annum in toll fees); therefore many logistics and distribution firms locate on the English side of the bridge. Removal of the tolls is likely to result in a review of location, with the potential relocation in and around Newport increasing the impact on local networks.

House prices in Bristol are relatively expensive; therefore removal of the tolls could increase the attractiveness of living on the Welsh side and commuting to Bristol. This presents an opportunity for Newport, especially locations with good motorway access east of the tunnels but it will attract significant additional car journeys.

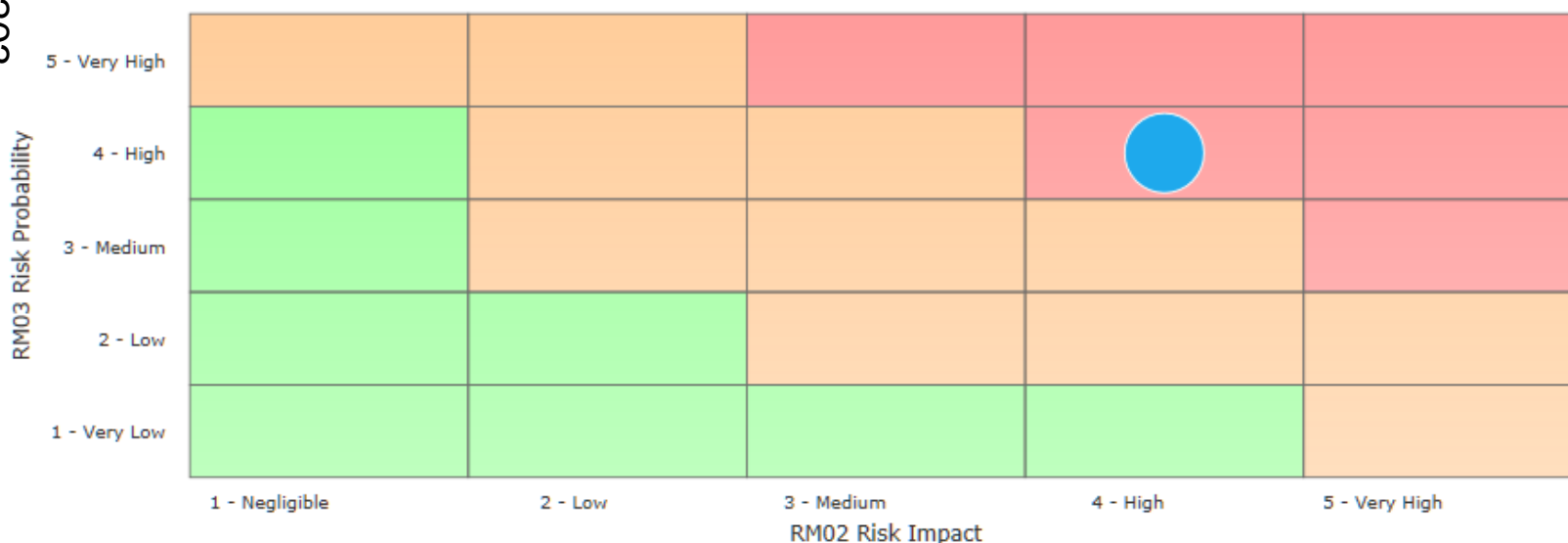
Increased light and heavy vehicular usage will impact on the whole life of our highway assets and result in increased routine maintenance and associated revenue and capital investment.

Any additional traffic will be detrimental to air quality – particularly within the city’s existing AQMAs

Impact on public transport and Council services

Increased traffic on local roads will have a detrimental impact on journey time/reliability. It will also increase operating costs for public transport and council services that rely on road based delivery models. (The Welsh Assembly Enterprise and skills committee are undertaking an inquiry into the impact of congestion on bus services).

Consideration of additional resources or different delivery models may be required as mitigation.



Risk 09 - Assessment Date & Score					
Series					
Risk Score		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	16	16	16	16
	Risk Rating	▲	▲	▲	▲

Sep 2018	
Risk - Direction of Risk	Direction
With the date for the removal of the Tolls on the Prince of Wales bridge confirmed as 17th December 2018, the impact on traffic, transportation, road safety and maintenance will be monitored through the city. The current risk rating will remain for September.	➔

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
☑ Risk 09.01	In the long term, the successful delivery of the proposed M4 would have the potential to mitigate the effects of the toll removal through Newport.	The inquiry inspectors will shortly report on their findings to inform Welsh Governments decision on whether to proceed.
☑ Risk 09.03	Improved links to existing M4.	Welsh Governments redesign of the Forge Road, Tredgar Park and Junction 28 roundabouts are substantially completed.

Risk 10 - Climate Change

Responsible Officer	Strategic Director - Place Cabinet Member for Streetscene
Lead Cabinet Member	The Deputy Leader and Cabinet Member for Assets and Member Development

Risk rating prior to mitigation

August 2017 - Medium (12). There are a number of risks within this document, each with an individual risk ranging from low to high. The average risk as a whole has been calculated as upper medium.

Risk	Description	Sep 2018	
		Identified	Links To
Risk 10 - Climate Change	It is generally accepted that the effects of global warming will result in: <ul style="list-style-type: none"> - All areas of the UK get warmer and the warming is greater in summer than in winter; - Little change in the amount of precipitation (rain, hail, snow etc) that falls annually but it is likely that more of it will fall in the winter with drier summers for much of the UK - Sea levels rise - more in the south of the UK than the North. 	Sep 2017	<ul style="list-style-type: none"> ▪ Civil Emergencies ▪ NCC Assets ▪ Severe Weather Emergency Plans ▪ Streetscene Service

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Risk 10 - Description/Rationale

It is generally accepted that the effects of global warming will result in:

- All areas of the UK get warmer and the warming is greater in summer than in winter;
- Little change in the amount of precipitation (rain, hail, snow etc) that falls annually but it is likely that more of it will fall in the winter with drier summers for much of the UK
- Sea levels rise – more in the south of the UK than the North.

To tackle the challenge of climate change, Newport needs to act on two fronts;

- Prepare for the changes that are already happening because of the greenhouse gases which have already been released
- Reduce the greenhouse gases we emit through our operation by reducing and decarbonising our energy consumption

Preparing for the changes

Newport should consider how various climate change variables such as intense or prolonged rainfall; hotter temperatures and higher wind speed will impact on the type of highway assets that they manage and the likelihood of these events occurring. By doing this the greatest generic risks to network closure or restriction can be identified. These are likely to be;

- Flooding (pluvial, fluvial, groundwater and coastal)
- Snow
- Landslips
- Scour
- Wind damage
- Heat/ water and frost damage
- Disruption at interchanges with other transport modes such as rail and bus.
- Inadequate or over stretched resources to meet demand

Newport should review and apply the latest UK Climate Projections, as developed by the Met Office and Environment Agency, when assessing future risk and vulnerability. These projections for future changes to both average climatic conditions and also the frequency of extreme weather events, allow for an understanding of where risk levels may change, and the identification of new risks which may emerge as the climate changes. When applied alongside records of past incidents, and other information sources (such as flood maps), climate projections may also help to identify when and what action should be taken to adapt to the risks.

The locations where there is potential for these events to occur on the Network should be identified. This can be done using the highway asset inventory and records of past incidents of weather related damage or incidents such as flooding or landslips.

The local Flood Risk Management Plans should also be used to identify areas prone to flooding. Where possible, local knowledge should be used to validate the findings.

Decarbonising and reducing our energy consumption

The Environment (Wales) Act 2016 requires that Wales reduce its carbon emissions by 80% by 2050; at the time of writing the Welsh Government are consulting on the Public Sector being Carbon neutral by 2030 as well as how targets and budgets will be implemented from now until 2050.

In 2016/17 Newport City Council was responsible for the direct (scope 1 and 2) green house gas emissions of 17,224 Tonnes of CO₂eq from our electricity and gas supply alone. Although a significant improvement on previous years, with fleet vehicles adding to this total, the impact of the day to day operation of the council is substantial. Indirect emissions, such as from procurement of goods and services, waste and employee commuting may also be considered in the future. Achieving the required reduction will be a challenge, but there is considerable potential for improvement with the correct investment.

The need for a greener national electricity system is contributing towards increasing energy costs for consumers. The UK Government (BEIS) mid-range forecast predicts that prices will increase at circa 4% per annum until 2025. This represents a significant increase in the cost of electricity for Newport City Council if no reductions are made.

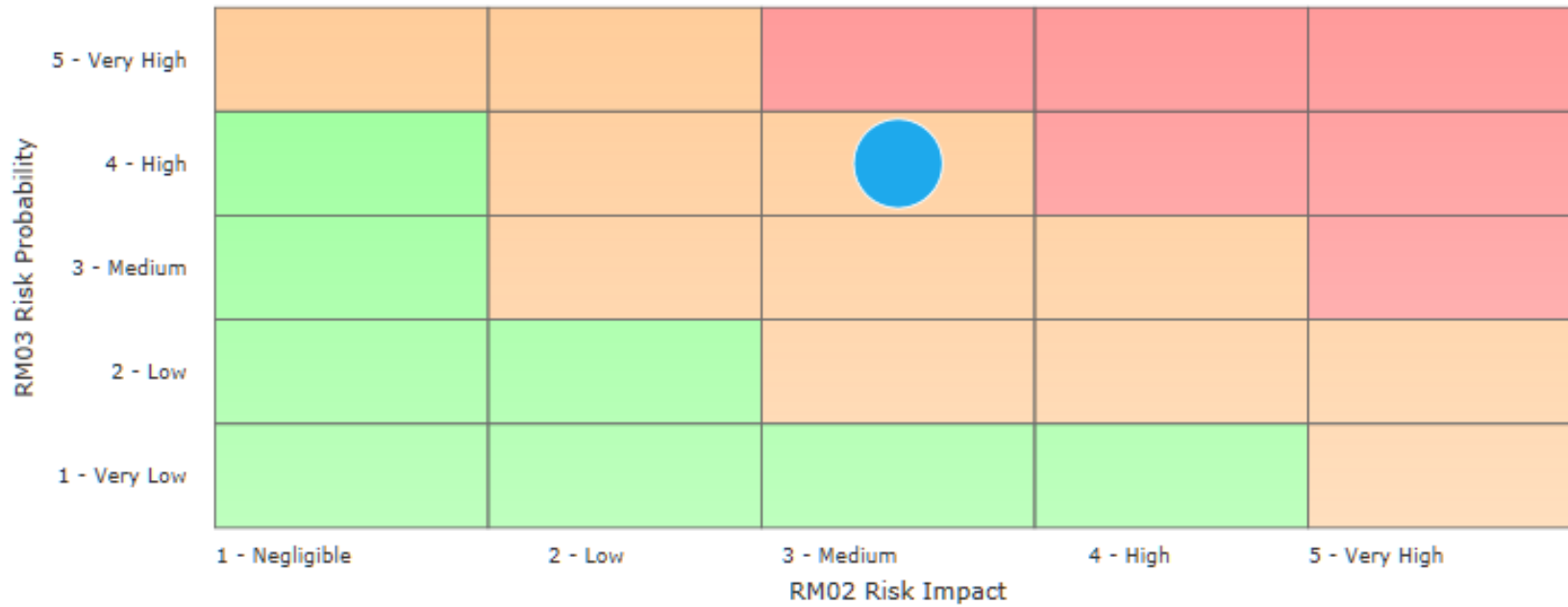
Newport City Council has limited renewable energy generation across our estate, increasing this significantly would be a major step towards meeting emission reduction targets. Potential locations for installations will be reviewed and options for implementation considered.

Some of the risks may have the potential to be reduced by mitigation action. Such action could range from improved routine inspection or maintenance regimes to major asset improvement or replacement works. Options for mitigating the greatest risks should be explored with a view to prioritising those measures that will provide the greatest return on investment in terms of reduced risk. These measures should be integrated with the asset management plan with an appropriate weighting.

Welsh Government are currently consulting on the national actions required to meet the upcoming carbon budgets and are putting forward some major actions for the public sector. The requirements on the Local Authority to take action are only going to increase as the national requirements to decarbonise increase, measures currently being consulted on include:

- 1) **The public sector to baseline, monitor and report progress towards carbon neutrality** (including scope 3 emissions)
- 2) **All new cars and light goods vehicles in the Public Sector fleet are ultra low emission by 2025 and where practicably possible, all heavy goods are ultra low emission by 2030**, and the toughest of all,
- 3) **Public Sector buildings are supplied with low-carbon heat by 2030**. Which means a move away from traditional gas heating.

It is likely that there will ultimately be additional carbon taxes or penalties for not achieving reductions.



Risk 10 - Assessment Date & Score						
Series						
		Risk Score	Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018	
>	RM01 Risk Rating	Risk Score	12	12	12	12
		Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
	➔

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 10.01	Produce and implement a Carbon Management and Implementation plan to set out a strategy, objectives and programme to reduce overall carbon emissions, provide investment opportunities and to mitigate against anticipated increases in energy supply costs.	Draft on hold, awaiting further information.
<input checked="" type="checkbox"/> Risk 10.02	Aim to get the best value for money from procurement of utilities through the National Procurement Service. Wherever possible purchase electricity backed by Renewable Energy Guarantee of Origin Certificates.	No change.
<input checked="" type="checkbox"/> Risk 10.03	Undertake a full review of the Council's assets and their suitability for the application of renewable energy technologies to deliver Carbon and financial benefits.	<ul style="list-style-type: none"> - Building related renewable energy schemes to be included in building energy efficiency programme which is now in development. - Further feasibility being undertaken on potential solar farm site.
<input checked="" type="checkbox"/> Risk 10.04	Plan and deliver Sustainable Urban Drainage Systems (SuDS) - SuDS such as permeable surfaces, swales, wetlands and ponds can play an important role in managing local flood risk in urban areas since they replicate natural surface water drainage systems.	Business case agreed for the creation of a flood risk and SUD's enforcement team to ensure the statutory duties are delivered.
<input checked="" type="checkbox"/> Risk 10.05	Comprehensive and robust Adverse Weather Plans.	Severe weather and winter maintenance plans are in place to mitigate the risks of severe weather.

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 10.06	Plan and deliver green infrastructure - green infrastructure (trees, parks, open space etc) is important because it can help to keep cities cool in the summer, provide drainage routes for surface water and provide pathways through the urban environment for biodiversity to migrate as the climate changes.	Green infrastructure strategy draft in progress with NRW. Draft to be circulated in 2019.
<input checked="" type="checkbox"/> Risk 10.07	Selection of road surfacing materials that have a higher resistance to heat damage and /or heat reflectivity. Increased preventative maintenance to seal surfaces to water ingress and arrest disintegration.	£1m highway maintenance funding from Welsh Government facilitated a programme of highway improvement works in 2018/19. Where appropriate, preventative treatments were applied that extends the residual life of the asset by sealing it against water and arresting disintegration.
<input checked="" type="checkbox"/> Risk 10.08	Maximise on available Welsh Government funding to improve the defence of the city against fluvial and coastal flooding.	Welsh Government have provided small value grant funding in relation to flood risk regulation works, small scale preventative works and attenuation at Gwastedd Gate. With total funding standing at £167k, mitigation of the risks is limited.

Risk II - Increasing Demands on IT Services and the Modernised Agenda

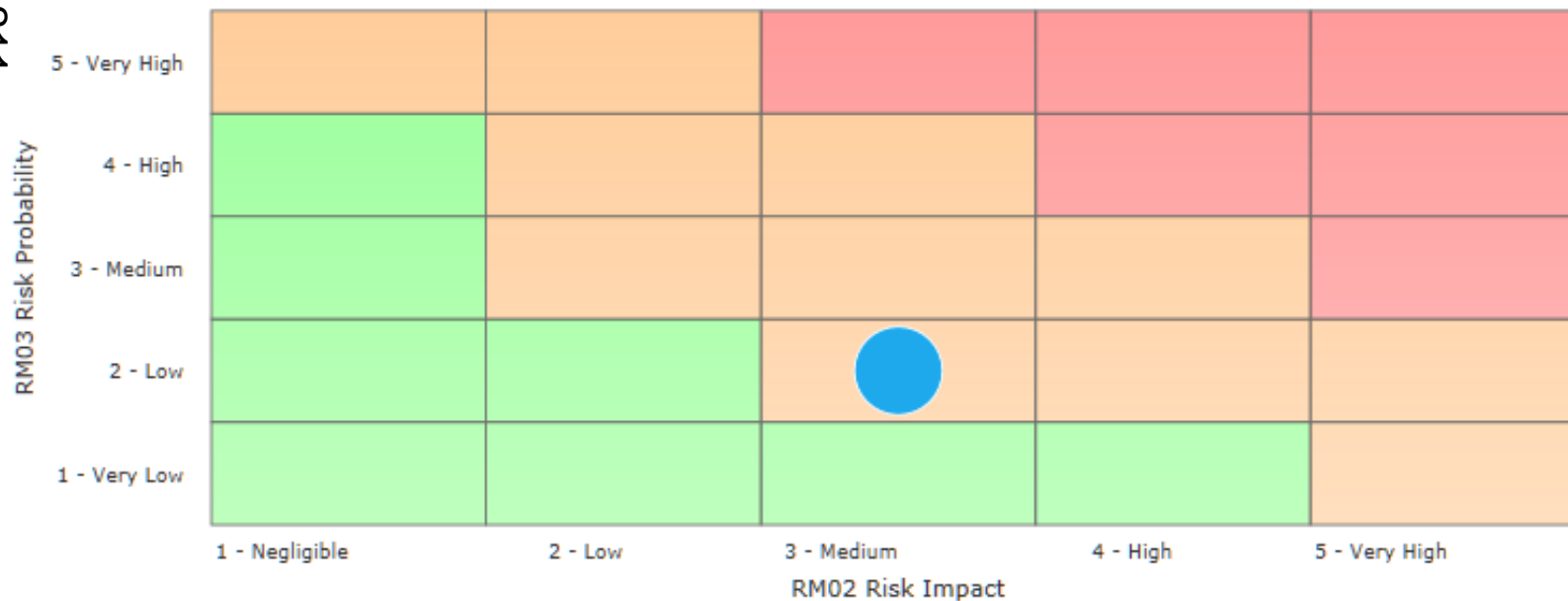
Responsible Officer	Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Community and Resources

Risk rating prior to mitigation

August 2017 - Medium (6)

Risk	Description	Sep 2018	
		Identified	Links To
Risk II - Increasing Demands on IT Services and the Modernised Agenda	Increased demand for IT services with a reducing budget poses a risk to the future development of IT infrastructure and the development and delivery of the modernised council agenda.	Sep 2017	<ul style="list-style-type: none"> Corporate Plan Modernised Council Agenda People and Business Change Service Plan

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Risk 11 - Assessment Date & Score					
Series					
Risk Score		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	6	6	6	6
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
No perceived change to level of risk this quarter	➔

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 11.01	Manage and develop effective IT services following transition to SRS by establishing strong retained client-side management arrangements, processes and procedures.	External review of IT/Digital included meetings with key stakeholders and report to be produced in October. This will include strengths, weaknesses and opportunities for improvement. Ongoing scheduling and prioritisation of work in Delivery Group with IT Service.
<input checked="" type="checkbox"/> Risk 11.02	Development and implementation of digital by default by committing to move all transactional services online and fully digitising the back-office.	Good progress made in the implementation of new Customer Relationship Management (CRM) system which will provide a comprehensive digital platform for the council. Initial phase will replace the existing e-forms and later phases will replace the existing core CRM system.
<input checked="" type="checkbox"/> Risk 11.03	Monitoring of carefully considered data set to manage performance of the SRS arrangement/demand on services.	Performance monitoring as part of SRS Delivery Group. External review of progress as detailed in risk 11.01. Further report on SRS progress at Partnerships Scrutiny in April 2019.

Risk 12 - Increasing Risk of Cyber Attack

Responsible Officer	Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Community and Resources

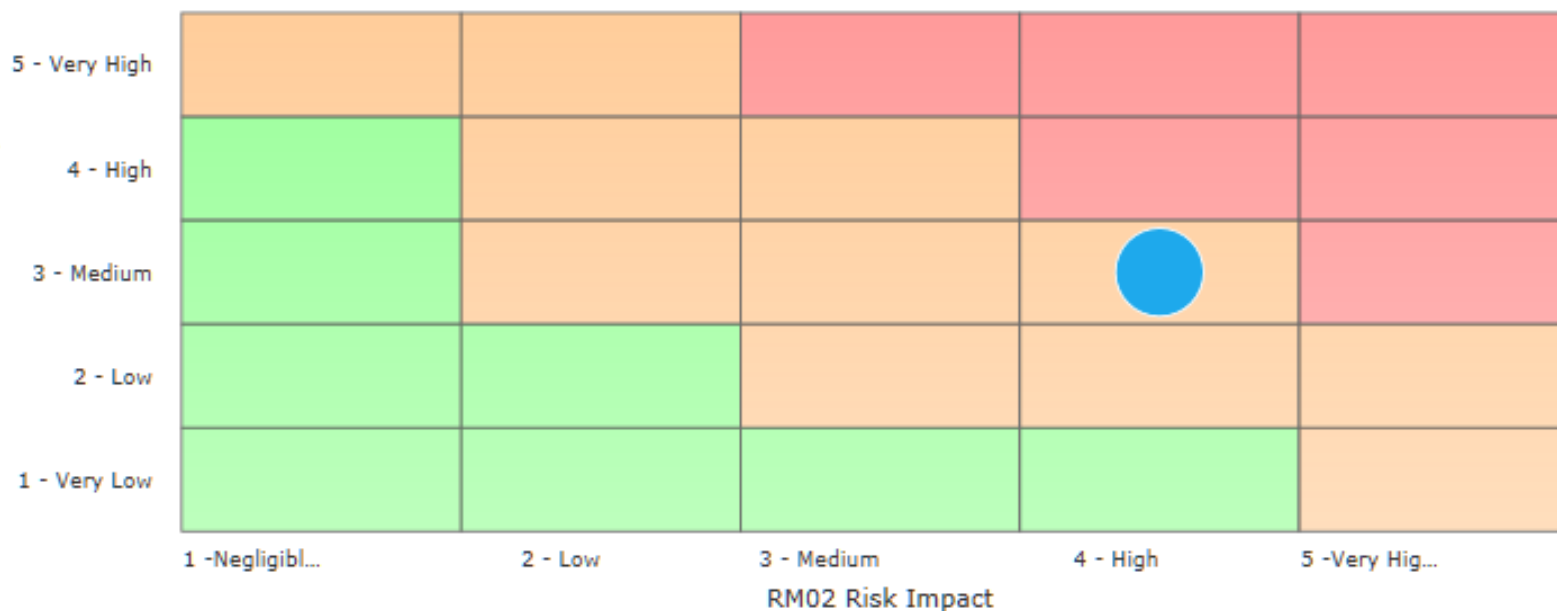
Risk rating prior to mitigation

August 2017 - Medium (9)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 12 - Increasing Risk of Cyber Attack	Risk of data loss, disaster recovery, impact of possible fines.	Sep 2017	<ul style="list-style-type: none"> Corporate Plan Modernised Council Agenda People and Business Change Service Plan

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RM03 Risk Probability



Risk 12 - Assessment Date & Score					
Series					
Risk Score		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	9	9	12	12
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
There is no change to the perceived level of risk since the previous quarter	→

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 12.01	Using and Securing Data in line with the council's Digital Strategy. Numerous information risk management activities including the role of the Information Governance Group, Senior Information Risk Owner (SIRO), and Annual Information Risk Report. Also managing compliance, information security incident management, training and awareness raising.	Information risk management activities continue to be managed by the Information Governance Group, SIRO and information governance team. A PSN resubmission will be made at the end of October once the final high vulnerability identified in the Annual IT Health Check is resolved. This work has been prioritised by the IT Service for a number of months . The annual information risk report has been presented to the Cabinet Member and will be reviewed by Scrutiny Management Committee. Improvements to business continuity are being progressed with the IT Service.
<input checked="" type="checkbox"/> Risk 12.02	Working with SRS to implement Office 365, including cyber security suite.	This project is on-going, this will be implemented in quarter 4.

Risk 13 - Asset Management: Carriageways and Buildings

Responsible Officer	Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Streetscene The Deputy Leader and Cabinet Member for Assets and Member Development

Risk rating prior to mitigation

August 2017 - High (20)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 13 - Asset Management: Carriageways and Buildings	This links to budget challenge and Government changes to financial settlement and grant funding. This refers to the council's ability to maintain assets in the short, medium and long term due to increasing budget pressures.	Sep 2017	<ul style="list-style-type: none"> ▪ Corporate Asset Management Plan 2018-2023 ▪ Corporate Property Strategy and Strategic Asset Management Plan 2013-2018 ▪ Streetscene Service Plan

Risk 13 - Description/Rationale

Carriageways

It is acknowledged throughout Wales that current funding levels fail to ensure a minimum of steady state in highway condition and untreated highway assets continue to deteriorate. Although Newport has proactively used its powers to fund highway condition improvements through prudential borrowing and has benefited from Welsh Government's Local Government Borrowing Initiative (LGBI), the cessation of the Welsh Government's Road Maintenance Grant has resulted in under investment into the city's carriageway asset stock since 2014/15.

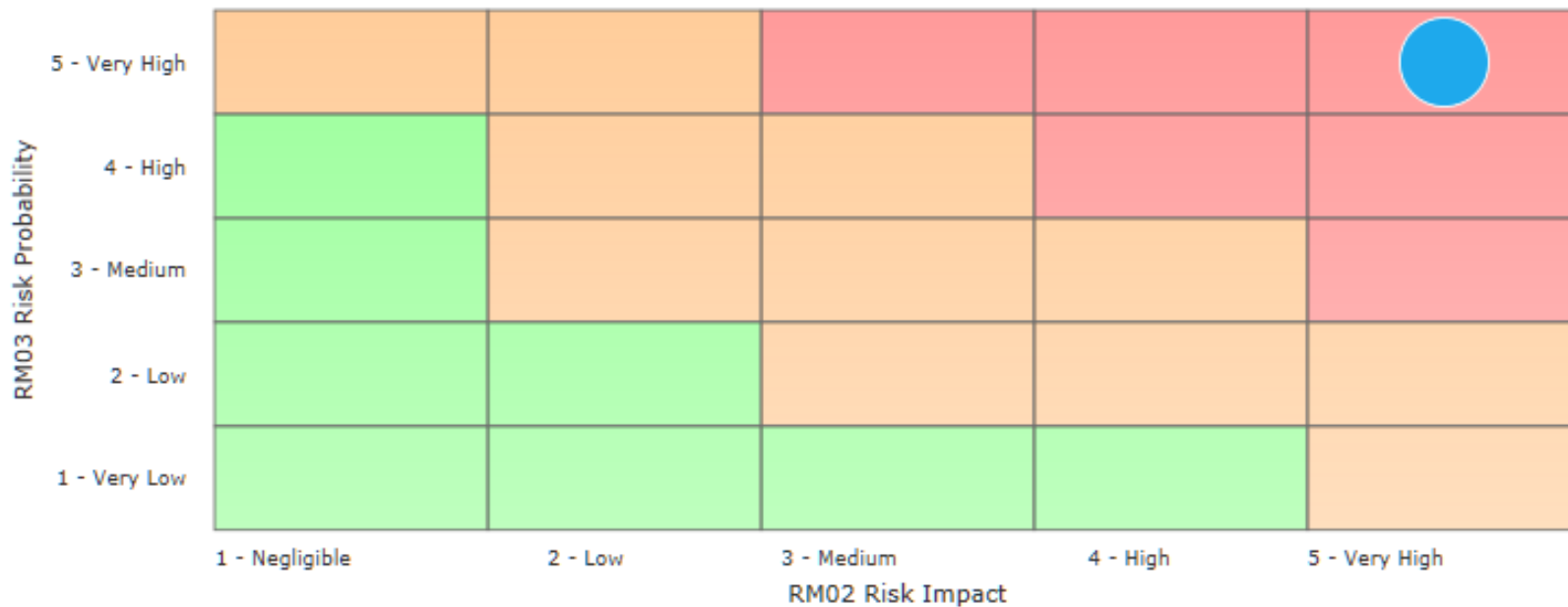
Carriageway condition is a Public Accountability Measure within the council's suite of performance indicators. using the Horizons asset management tool, highway condition can be forecasted for future years against differing levels of capital funding. Using a zero capital budget scenario, the condition evaluations are:

- Cost (over 5 year period) to bring the network up to standard (clear maintenance backlog) = £31.8M.
- Cost (over 5 year period) to keep the PIs PAM 020,021 and 022 at a steady state (maintain current network condition) = £13.4M.
- Gross replacement cost £646M.

Buildings

Newport City Council has a significant property estate, many of which have suffered from a lack of annual and cyclical repair, maintenance and investment. £1.5M is invested annually within the NCC estate from the Capital Maintenance Programme, however, this is not enabling a meaningful impact in reducing the maintenance backlog, which is estimated to be at a value of £50M (dated May 2017). NCC is investing its repair and maintenance programme at a rate of £105/m² which is particularly low compared to adjacent authorities and public sector organisations.

The majority of backlog is contained within building elements such as roofs, timber windows, boilers and electrical works. Based on a maintenance backlog estimate of £50M and assuming a £3M annual depreciation across the estate an investment of £8M per annum would be required.



Risk 13 - Assessment Date & Score					
Series					
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	20	25	25	25
	Risk Rating	▲	▲	▲	▲

Sep 2018	
Risk - Direction of Risk	Direction
Carriageway Assets- Current funding levels are not maintaining steady state in asset condition as a minimum. As a result, condition continues to decline. £1m road resurfacing grant was received from Welsh Government for implementation in 2018/19. Although this was welcomed, it has little impact on the current asset condition. The way that the backlog is calculated is refining as we collect more data. The current backlog on assets ranked as red and amber is £21m	➔

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 13.01	Carriageways – The limited capital investment has been implemented to maximise the safety, serviceability and sustainability of the highway asset. However, asset condition continues to decline.	Steve Davies Carriageways - Insufficient funding continues to impact of highway condition. Refinements in the way that highway authorities road condition is forecasted shows that current maintenance backlog for 2018/19 is predicted to be approximately £21m
<input checked="" type="checkbox"/> Risk 13.02	Carriageways – Robust highway inspection and repair regimes mitigate the risk of 3rd party claims as a result of failure of duty to maintain the highway under Section 41 Highways Act.	Carriageways – Robust highway inspection and repair regimes mitigate the risk of 3rd party claims as a result of failure of duty to maintain the highway under Section 41 Highways Act.
<input checked="" type="checkbox"/> Risk 13.03	Carriageways – Support WLGA in its lobbying of Welsh Government for the reintroduction of funding through another round of LGFI.	Welsh Government provided £1m one off grant for highway capital maintenance in 2018/19.
<input checked="" type="checkbox"/> Risk 13.04	Buildings – Condition surveys are being enhanced for 2017/18 and 2018/19 to better understand the entire estate, with a reduced commitment for each year thereafter for cyclical condition surveys and specialist surveys to accompany.	Work continues on the condition surveys. An interim status has been requested by the Capital Strategy and Asset Management Group (CSAMG) as to comparing the knowledge held upon the estate and the recent condition surveys to understand the level of accuracy and/or disparity.
<input checked="" type="checkbox"/> Risk 13.05	Buildings – A greater level of programming and prioritisation of the Capital Maintenance Programme for delivery to include life expectancy, building sufficiency and suitability, as well as backlog value.	Significant work has been undertaken over recent months with programme management, matrix and prioritisation calculations and weighted evaluations. This work will continue throughout the financial year due to the level of contingency and risk associated with the Council estate.

Risk 14 - Recruitment and Retention of Specialist Professional Staff

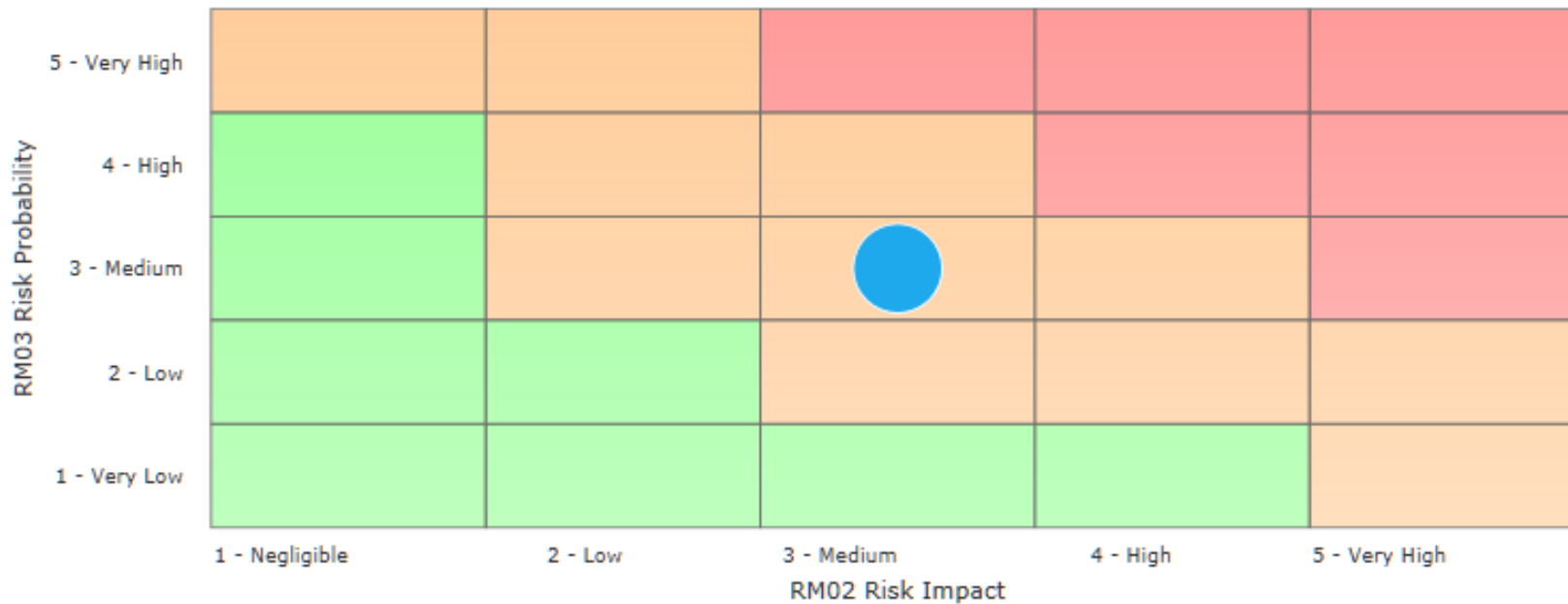
Responsible Officer	Chief Executive
Lead Cabinet Member	Cabinet Member for Community and Resources

Risk rating prior to mitigation

August 2017 - Medium (12)

Risk	Description	Sep 2018	
		Identified	Links To
Risk 14 - Recruitment and Retention of Specialist Professional Staff	Resilience of council services and ability to retain specialist professional staff and attract new employees in a competitive market place.	Sep 2017	<ul style="list-style-type: none"> Corporate Plan

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Risk 14 - Assessment Date & Score					
Series					
Risk Score		Risk Rating			
		Dec 2017	Mar 2018	Jun 2018	Sep 2018
> RM01 Risk Rating	Risk Score	12	12	9	9
	Risk Rating	●	●	●	●

Sep 2018	
Risk - Direction of Risk	Direction
Through discussion with the Risk Owner (Chief Executive) on 01/11/2018 that this risk can now be closed for the following reasons: 1. Both Risk Mitigation Actions have been implemented and are now closed. 2. The Capacity and Capability Risk already covers the risk relating to workforce recruitment, succession planning and training of existing staff. 3. A new risk mitigation action will be raised in the Capacity and Capability risk to oversee the implementation of the Talent Management Framework and Succession Planning.	➔

Planned Mitigation

Sep 2018		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 14.01	Review of equal pay audit in March 2018 to ensure integrity of the Council's pay and grading system.	In Quarter 1 this action was resolved and will now be closed from Q3 onwards.
<input checked="" type="checkbox"/> Risk 14.02	Effective succession planning practices demonstrated in key service areas where risk is perceived to be high.	The Council has now launched the talent management framework and also the management in action workshops for all line managers, service managers. this will now enable the Council to identify potential leaders and successors going forward within the service areas. As a result of this work it has been agreed by the Risk Owner (will Godfrey) to close this action within the risk and to move it over to the Capacity and capability risk.

Appendix 2

How the Council Assesses Risk

An assessment of the likelihood and impact of risk is important to measure, compare and monitor risks to ensure efficient use of resources and effective decision making. This assessment is carried out using the risk matrix as described below.

Risk Assessment Matrix

A Corporate Risk Register will contain the high level risks for the whole authority. In order to differentiate between these high level risks a 5x5 risk assessment matrix will be applied. The matrix is shown below and further detail is included in appendix 3.

Risks are scored using the scoring system for probability and impact and assigned a rating based on the tolerances set out in the matrix below

Risk Scoring

Probability description	Score
Very Low probability	1
Low probability	2
Medium probability	3
High probability	4
Very high probability	5
Impact description	Score
Negligible	1
Low	2
Medium	3
High	4
Very High	5

Risk Matrix

Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Impact				

Appendix 3

Impact Matrix

Rating	Severity of impact	General description	Impact factors (and examples of what they might look like)							
			Strategic	Operational	Financial	Resources	Governance	Health & Safety	Reputational	
1	Negligible	Low impact. Localised effect		Minor disturbance of non-key area of operations	Unplanned budgetary disturbance <£100k	Loss of asset/money with value >£2k			Reportable (non-serious) accident affecting one employee/member of public/service user	Isolated complaint(s)
2	Low	Low impact for organisation as a whole. Medium localised impact		Minor disruption of a key area of operations or more significant disruption to a non-key area of operations	Unplanned budgetary disturbance £100-£500k	Loss of asset/money with value £2-10k	Mild WAO criticism in report. Mild criticism from a legal/regulatory authority. Isolated fraud	Reportable (non-serious) accident affecting small number of employees/members of public/service users	Formal complaints from a section of stakeholders or an institution	
3	Medium	Medium impact for organisation as a whole	Noticeable constraint on achievement of a key strategic objective	Major disruption of a service area for a short period or more minor disruption of a service area for a prolonged period	Unplanned budgetary disturbance £500k-£2M	Loss of asset/money with value £10-50k	Adverse WAO report. Significant criticism from a legal/regulatory authority requiring a change of policy/procedures. Small-scale fraud relating to a number of people or more significant fraud relating to one person	Reportable (non-serious) accident(s) affecting a significant number of employees/members of public/service users or a serious injury to a single employee/member of public/service user	Formal complaints from a wide range of stakeholders (e.g. several institutions), adverse local press, complaint/s upheld by Ombudsman	

Rating	Severity of impact	General description	Impact factors (and examples of what they might look like)						
			Strategic	Operational	Financial	Resources	Governance	Health & Safety	Reputational
4	High	High impact for organisation as a whole	Severe constraint on achievement of a key strategic objective	Major disruption of a service area for a prolonged period or major disruption of several service areas for a shorter period	Unplanned budgetary disturbance £2-5M	Loss of asset/money with value £50-100k	Qualified account. Severe criticism from WAO/legal/regulatory authority requiring major overhaul of policy/procedures, Significant fraud relating to several employees	Serious injury of several employees/members of public/service users	Significant loss of confidence amongst a key stakeholder group. Adverse national press
Page 223	Very High	Catastrophic	Failure of a key strategic objective	Major disruption of several key areas of operations for a prolonged period	Unplanned budgetary disturbance >£5M	Loss of asset/money with value >£100k	Severe service failure resulting in WAG intervention/special measures Widespread significant fraud	Death of employee(s)	Severe loss of confidence amongst several key stakeholder groups. Damning national press

Probability

Score	General Description	Definition
1	Very Low probability	2% chance of occurrence
2	Low probability	5% chance of occurrence
3	Medium probability	10% chance of occurrence
4	High probability	20% chance of occurrence
5	Very high probability	50% chance of occurrence



Report

Cabinet

Part 1

Date: 12 December 2018

Item No: 10

Subject Wales Audit Office Second Certificate of Compliance

Purpose To present Cabinet with the second Certificate of Compliance issued by the Wales Audit Office (WAO) following an audit of the Council's 2017/18 performance in accordance with section 17 of the Local Government (Wales) Measure 2009. This certifies that the Council has published its assessment of performance before 31st October 2018.

Author Head of People and Business Change

Ward All

Summary As part of the programme of regulatory activity in accordance with the Local Government Measure 2009, the Auditor General is required to issue two Certificates of Compliance to demonstrate that Council is discharging its duties under the Measure. The first certificate presented to Cabinet in September 2018 and the second certificate was issued in November 2018 following the publication of the Council's Annual Review of Wellbeing Objectives and Improvement Programme 2017/18 in October 2018.

Proposal Cabinet is requested to note the positive outcome of the Certificate of Compliance in relation to the Council's 2017/18 performance.

Action by Cabinet

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors
- Heads of Service

Signed

Background

As part of the programme of regulatory activity in accordance with the Local Government Measure 2009, the Auditor General is required to issue two Certificates of Compliance to demonstrate that Council is discharging its duties under the Measure. In September 2018, the first certificate was presented to Cabinet where it was reported that the Auditor General for Wales certified that:

“...the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.”

As part of the Local Government Measure 2009, the Council is also required to publish an assessment of its performance in 2017/18 by the 31st October 2018. In doing so, the Annual Review of the Wellbeing Objectives and Improvement Plan 2017/18 was published on the Council's website.

As a result of this action completed by the Council, the Wales Audit Office published its second Certificate of Compliance (Appendix 1), with the Auditor General for Wales certifying that:

“...As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.”

Financial Summary

The financial implications of actions and projects identified by this and other regulatory work will be reported and considered in the normal way, in accordance with the council's financial plans and regulations.

Risks

As with the financial implications above, each individual action and wider Corporate Planning agenda will consider risk management practices and policy.

Links to Council Policies and Priorities

The Wellbeing Plan, Corporate Plan and associated regulatory work all contribute to the council's strategic objectives.

Options Available and considered

- a) To note the positive Certificate of Compliance from the Auditor General for Wales in respect of the audit of the Council's 2017/18 performance; or
- b) To disregard the Certificate.

Preferred Option and Why

The preferred option is (a) The Certificate of Compliance is positive and confirms that the Council has discharged its duties under the Local Government Measure 2009 with regards to its performance.

Comments of Chief Financial Officer

There are no financial implications arising from the report as all the actions identified will be contained within existing approved budgets.

Comments of Monitoring Officer

There are no legal implications arising from the Report. The WAO Certificate of Compliance confirms that the Council has discharged its statutory duties in respect of improvement reporting in accordance with the requirements of the Local Government Measure 2009.

Comments of Head of People and Business Change

There are no direct staffing implications arising from this report. The certificate verifies that the Council has met its obligation of demonstrating continuous improvement under the Local Government Measure 2009. This is an on-going aim for the Council to deliver its services in accordance with the principles set out in the Wellbeing of future Generations (Wales) act 2015.

Comments of Cabinet Member

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Cabinet for consideration.

Local issues

None

Scrutiny Committees

Scrutiny committees receive performance management Cabinet Reports for information.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Children and Families (Wales) Measure

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

Wellbeing of Future Generations (Wales) Act 2015

The contents of the Wales Audit Office report consider the five ways of working and sustainable principle.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Not applicable

Background Papers

Cabinet Report (September 2018) – WAO Certificate of Compliance 2018/19.

Corporate Plan 2017-22

Annual Review of the Well-being Objectives and Improvement Plan 2017/18

Dated: November 2018



Reference: 888A2018-19

Date issued: November 2018

Audit of Newport City Council's assessment of 2017-18 performance

Certificate

I certify that I have audited Newport City Council's (the Council) assessment of its performance in 2017-18 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.



Adrian Crompton

Auditor General for Wales

CC: Alun Davies – Cabinet Secretary for Local Government and Public Services
Non Jenkins, Manager
Gareth Jones, Performance Audit Lead



Cyfeirnod: 888A2018-19

Dyddiad y'i cyhoeddwyd: Tachwedd 2018

Archwiliad o asesiad o berfformiad 2017-18 Cyngor Dinas Casnewydd

Tystysgrif

Rwyf yn ardystio fy mod i wedi archwilio asesiad Cyngor Dinas Casnewydd (y Cyngor) o'i berfformiad yn 2013-14 yn unol ag adran 17 Mesur Llywodraeth Leol (Cymru) 2009 (y Mesur) a'm Cod Ymarfer Archwilio.

O ganlyniad i'm harchwiliad, rwyf o'r farn bod y Cyngor wedi cyflawni ei ddyletswyddau dan adrannau 15(2), (3), (8) a (9) y Mesur a'i fod wedi ymddwyn yn unol â chanllawiau Llywodraeth Cymru yn ddigonol i gyflawni ei ddyletswyddau.

Priod gyfrifoldebau'r Cyngor a'r Archwilydd Cyffredinol

Dan y Mesur, mae'n ofynnol i'r Cyngor gyhoeddi asesiad yn flynyddol sy'n disgrifio ei berfformiad o ran y canlynol:

- cyflawni ei ddyletswydd i wneud trefniadau i sicrhau gwelliant parhaus wrth gyflawni ei swyddogaethau;
- cyflawni'r amcanion gwella y mae wedi'u pennu iddo'i hun;
- trwy gyfeirio at ddangosyddion perfformiad a nodwyd gan Weinidogion Cymru a dangosyddion perfformiad a bennwyd gan y Cyngor ei hun; a
- chyflawni unrhyw safonau perfformiad a nodwyd gan Weinidogion Cymru a safonau perfformiad a bennwyd gan y Cyngor ei hun.

Mae'r Mesur yn ei gwneud yn ofynnol i'r Cyngor gyhoeddi ei asesiad cyn 31 Hydref yn ystod y flwyddyn ariannol yn dilyn y flwyddyn ariannol y mae'r wybodaeth yn ymwneud â hi, neu erbyn unrhyw ddyddiad arall a allai gael ei bennu trwy orchymyn gan Weinidogion Cymru.

Mae'r Mesur yn ei gwneud yn ofynnol i'r Cyngor ystyried canllawiau a gyhoeddir gan Weinidogion Cymru, wrth gyhoeddi ei asesiad.

Fel archwilydd y Cyngor, mae'n ofynnol dan adrannau 17 ac 19 y Mesur i mi gynnal archwiliad er mwyn penderfynu a yw'r Cyngor wedi cyflawni ei ddyletswydd i gyhoeddi asesiad o berfformiad, ardystio fy mod i wedi gwneud hynny ac adrodd ynghylch a wyf o'r farn bod y Cyngor wedi cyflawni ei ddyletswyddau'n unol â'r gofynion statudol a eglurir yn adran 15 ac mewn canllawiau statudol.

Cwmpas yr archwiliad

At ddibenion fy ngwaith archwilio byddaf yn derbyn, os yw awdurdod yn bodloni ei ofynion statudol, y bydd hefyd wedi cydymffurfio â chanllawiau statudol Llywodraeth Cymru yn ddigonol i gyflawni ei ddyletswyddau.

Ar gyfer yr archwiliad hwn, nid yw'n ofynnol i mi ffurfio barn ynghylch pa mor gyflawn neu gywir yw'r wybodaeth. Mae'n bosibl y bydd gwaith asesu arall y byddaf yn ymgymryd ag ef dan adran 18 y Mesur yn ystyried y materion hynny. Felly, roedd fy archwiliad o asesiad o berfformiad y Cyngor yn cynnwys adolygu cyhoeddiad y Cyngor er mwyn gweld a oedd yn cynnwys yr elfennau a bennir mewn deddfwriaeth. Euthum ati hefyd i asesu a oedd y trefniadau ar gyfer cyhoeddi'r asesiad yn cydymffurfio â gofynion y ddeddfwriaeth, ac a oedd y Cyngor wedi ystyried canllawiau statudol wrth baratoi a chyhoeddi ei asesiad.

Nid yw'r gwaith yr wyf i wedi'i gyflawni er mwyn adrodd a gwneud argymhellion yn unol ag adrannau 17 ac 19 y Mesur yn waith y gellir dibynnu'n gyfan gwbl arno i nodi pob gwendid neu bob cyfle i wella.



Adrian Crompton

Archwilydd Cyffredinol Cymru

CC: Alun Davies – Ysgrifennydd y Cabinet dros Llywodraeth Leol a Gwasnaethau
Cyhoeddus

Non Jenkins, Rheolwr

Gareth Jones, Swyddog Arweiniol Archwilio Perfformiad

Report

Cabinet

Part 1

Date: 12 December 2018

Item No. 11

Subject Cabinet Work Programme

Purpose To report and agree the details of the Cabinet's Work Programme.

Author Cabinet Office Manager

Ward All Wards

Summary The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The current work programme runs to June 2019, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Proposal To agree the updated work programme.

Action by Cabinet Office Manager

Timetable Immediate

This report was prepared after consultation with:

- Chief Officers
- Monitoring Officer
- Head of Finance
- Head of People and Business Change

Background

The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The Wales Audit Office's Corporate Assessment of Newport City Council, published in September 2013, highlighted the need to "strengthen committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up". Since that report was published, these monthly reports have been introduced to provide Cabinet with regular updates on its work programme, and the opportunity to comment upon and shape its priorities as an executive group. The Democratic Services team have also been working to improve the links between this and other work programmes under its management (e.g. Council, Scrutiny, Audit) to ensure the various programmes are properly coordinated.

The current work programme runs to June 2019, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Financial Summary

There is no direct cost to adopting a programme of work.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
No action taken	M	L	Work programming arrangements are in place to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.	Head of Democratic Services
The process is not embraced by report authors and members	M	M	If there is proliferation of unplanned or late items, the opportunity to ensure work programming is timely, meaningful, informative, and transparent, balanced, monitored, and joined up will diminish	Head of Democratic Services

Links to Council Policies and Priorities

These proposals will help the Council provide the best possible service to members and will provide information to the public and elected members.

Options Available and considered

- To adopt the process and adopt or amend the work programme
- To consider any alternative proposals raised by Cabinet members
- To take no action

Preferred Option and Why

To adopt the proposals which should help to ensure work programming arrangements are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

Comments of Chief Financial Officer

There are no financial implications in adopting a programme of work.

Comments of Monitoring Officer

There are no legal implications in adopting a programme of work.

Staffing Implications: Comments of Head of People and Business Change

There are no specific staffing implications in adopting a programme of work.

Comments of Cabinet Member

The Chair has approved the report for consideration by cabinet.

Local issues

There are no local issues as this report relates to the Council's processes

Scrutiny Committees

Monthly update reports allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny team and Members are currently developing new ways of working through the new Committees, and continually reviewing the work programmes to focus more on risk, and ensure all scrutiny activity has a defined purpose and constructive outcome.

Equalities Impact Assessment and the Equalities Act 2010

This does not apply to this procedural report.

Children and Families (Wales) Measure

This procedural report does not impact on Children and Young People although certain reports contained in the programme may do and will need appropriate consultation and comment when they are presented to cabinet.

Wellbeing of Future Generations (Wales) Act 2015

This is a procedural report but reports contained within the programme will need to show how consideration has been given to the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act.

Crime and Disorder Act 1998

This does not apply to this procedural report

Consultation

As set out above

Background Papers

[Newport City Council Corporate Assessment](#), Wales Audit Office (September 2013)

[Newport City Council – Corporate Assessment Follow Up 2015](#), Wales Audit Office (May 2015)

Dated: 22 November 2018

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NEWPORT CITY COUNCIL: CABINET/COUNCIL WORK PROGRAMME

MEETING	AGENDA ITEMS	LEAD OFFICER
CABINET 18-JUL-18	Revenue Budget Monitor	HoF
	Welsh Language Annual Report	HP&BC
	Performance Update – Early Year End PI Analysis	HP&BC
	Strategic Equality Plan Annual Report	HP&BC
	Improvement Plan Quarter 4 Update	HP&BC
	City Centre Regeneration	SD – Place
	Work Programme	COM
COUNCIL 24-JUL-18	City Centre/Maesglas PSPOs NNDR Relief Scheme	
COUNCIL 11-SEP-18	Treasury Management Democratic Services Annual Reports Welsh Language Annual Report Strategic Equality Plan Annual Report Member/Officer Protocol Scrutiny Annual Report Standards Committee Annual Report Improvement Plan 2016-18	
CABINET 19-SEP-18	Capital Programme Monitoring July 2018	HoF
	WAO Annual Improvement Report	HP&BC
	WAO Certificate of Compliance 1	HP&BC
	July Revenue Budget Monitor	HoF
	Corporate Risk Register Update	HP&BC
	Work Programme	COM
CABINET 17-OCT-18	Final Year End Analysis of PIs (All Wales Data)	HP&BC
	WAO Annual Improvement Report	HP&BC
	WAO Scrutiny Fit for the Future Report	HP&BC
	Academic Results for Newport Schools	CEdO
	Independent Living Strategy 2017-2022	HA&CS
	Director of Social Services Annual Report	SD – People
	Work Programme	COM
CABINET 14-NOV-18	Meeting cancelled – reports moved to December/January cycles	
COUNCIL 27-NOV-18	Director of Social Services Annual Report	
CABINET 12-DEC-18	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Revenue Budget and MTFP: Draft Proposals	HoF

	Treasury Management 6 monthly Report	HoF
	Corporate Risk Register Update	HP&BC
	WAO Certificate of Compliance 2	HP&BC
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
CABINET 16-JAN-19	Mid-Year Analysis of PIs	HP&BC
	Education and Pupil Performance Data	CEdO
	Corporate Safeguarding	HC&YPS
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
COUNCIL 29-JAN-19	Mayoral Nomination 2019/20 Council Schedule of Meetings Treasury Management 6 monthly report Council Tax Reduction Scheme	
CABINET 13-FEB-19	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Revenue Budget and MTFP: Final Proposals	HoF
	Verified Key Stage 4 and 5 Pupil Outcomes	CEdO
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
COUNCIL 26-FEB-19	Budget and Medium Term Financial Plan	
CABINET 13-MAR-19	Pay and Reward Statement 2019/20	HP&BC
	EAS Business Plan	CEdO
	Categorisation of Schools	CEdO
	Corporate Risk Register Update	HP&BC
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
CABINET 17-APR-19	Items TBC	
	Corporate Safeguarding	HC&YPS
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
COUNCIL 30-APR-19	IRP Annual Report NNDR Rate Relief Pay and Reward Policy	
COUNCIL 14-MAY-19	AGM	
CABINET 22-MAY-19	Items TBC	

	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
CABINET JUN-19	Corporate Risk Register Update	HP&BC
	Risk Management Strategy	HP&BC
	Air Quality Management Plan (Provisional – dependant on whether public consultation and engagement with stakeholders has been carried out)	HL&R
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM

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One Newport Public Services Board (PSB)

Summary of Business: 02 October 2018

Serious and Organised Crime (SOC)

Newport has been selected by the Home Office as one of five pilot sites across England and Wales (the only pilot in Wales) to host a Coordinator for Serious Organised Crime. Chief Inspector Paul Davies is the Co-ordinator in Newport in a post funded for one year, with possible funding for a second year. A number of projects are already underway.

The PSB is supporting the programme and maintaining links between Newport's Well-being Plan and the work to tackle SOC.

Local Well-being Plan Delivery – Feedback from Intervention Leads

The Intervention Leads provided progress updates on each of the interventions in the Well-being Plan. The five interventions in the Well-being Plan are:

- The Newport Offer
- Strong Resilient Communities
- Right Skills
- Green and Safe Spaces
- Sustainable Travel

View the Well-being Plan ([English version](#)) ([Welsh version](#))

View a short video about the Well-being Plan ([English version](#)) ([Welsh version](#))

Updates to Community Well-being Profiles

Community Well-being Profiles (Well-being Assessments) for Newport were last published by the PSB in May 2017. Work is now underway to update the profiles and present the latest data.

Profiles are published for the whole of Newport and for its twenty communities. They contain information relating to economic, social, environmental and cultural well-being in Newport, including data on population, diversity, households, health, education, housing, benefits and levels of deprivation.

The 2017 profiles are available [here](#). The latest information will be published on a phased basis over the coming months.

PSB Apprenticeships Scheme

The PSB has agreed a way forward for creating an apprentice scheme which could operate across PSB members in Newport. The Right Skills Intervention Board will develop a model for the scheme.

The scheme will support the skills agenda in Newport and contribute to Welsh Government's commitment to create 100,000 apprenticeships in Wales over the next five years.

Flexible Funding

The PSB considered proposals for a review on how the Welsh Government's Flexible Fund will operate in Newport. The new Fund draws together funding for such programmes as Flying Start, Families First, Child Care & Play, Communities 4 Work +, Supporting People and Homeless Prevention into two funding streams: Children and Communities; and Housing Support.

Newport City Council is one of seven local authorities piloting the new Flexible Fund which gives the opportunity to integrate programmes and focus funding on the priorities of local authorities and PSB partners.

Partnership Evaluation Action Plan

In 2017, the PSB carried out a self-evaluation of its governance, capacity and engagement work and developed an action plan for improvement.

The PSB noted good progress against the improvement plan and agreed a communications protocol to aid public understanding of the PSB's work, particularly through the Well-being Plan.

PSB Support Funding

The Welsh Government Minister for Public Services has awarded funding to support the work of PSBs on a regional basis. The Gwent region's approved funding is for work to identify local adaptations that can be made to help cope with the negative impacts of climate change, plus futures analysis work to support Well-being Plans going forward.

A Gwent wide Futures Conference in November will help PSBs better prepare and plan for the future.

Wales Audit Office Good Practice Vlogs

Wales Audit Office has recently published vlogs on good practice which showcase collaborative partnership and data work by the Gwent Strategic Well-being Assessment Group (GSWAG)

GSWAG is made up of the five local authorities in Gwent, Natural Resources Wales, South Wales Fire and Rescue Service, Public Health Wales representing Aneurin Bevan University Health Board, Gwent Police, the Police and Crime Commissioner's Office and the Gwent Health and Social Care Transformation Team.

The Group was set up to share best practice in developing Well-being Assessments and Plans, and has worked on a number of regional projects.

The good practice vlogs can be viewed here:

[GSWAG collaborative partnership work](#)

[GSWAG work to keep data live](#)

Single Integrated Programme 2017-18

The PSB has published its Annual Report on the Single Integrated Plan (SIP) 2017-18. This was the final year of the five year SIP which has been superseded by the Well-being Plan.

[View press release outlining key achievements](#)

View the SIP Annual Report 2017-18 ([English version](#)) ([Welsh version](#))

PSB Meetings and Papers

One Newport PSB publishes its meeting papers and minutes online. View papers [here](#).

One Newport Bulletin

One Newport issues a monthly bulletin containing a host of activities and events organised by partners across the city for people of all ages. View the latest bulletin [here](#).

Get Involved – Newport Citizen’s Panel

The PSB welcomes the views of local people. One way to get involved is to join our Citizen’s panel and give us your opinions through quarterly questionnaires on issues, services and projects in the city. Find out more [here](#)

Twitter: Follow us [@onewport](#)

Website: Visit us at <http://onewportlsb.newport.gov.uk/>

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