

Agenda



Overview and Scrutiny Management Committee

Date: Friday, 24 January 2020

Time: 10.00 am

Venue: Committee Room 1 - Civic Centre

To: Councillors L Lacey (Chair), G Berry, R Hayat, P Hourahine, M Al-Nuaimi, Y Forsey, C Evans, M Evans and C Ferris

Item

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes of the Meeting held on 1 November 2019 (Pages 3 - 10)
- 4 2020-21 Budget and Medium Term Financial Projections (MTFP)
(Pages 11 - 58)
- 5 Conclusion of Committee Reports
Following the completion of the Committee reports, the Committee will be asked to formalise its conclusions, recommendations and comments on previous items for actioning.

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Date of Issue: Monday, 20 January 2020

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Minutes



Overview and Scrutiny Management Committee

Date: 1 November 2019

Time: 10.00 am

Present: Councillors L Lacey (Chair), M Al-Nuaimi, G Berry, C Evans, M Evans, C Ferris, Y Forsey, K Thomas and P Hourahine

In Attendance: D Cooke (Scrutiny Adviser), L Davies (Governance Officer), J Harris (Strategic Director - People), J Keen (Regulatory Services Manager Environment and Community) and T McKim (Partnership Policy & Involvement Manager)

1 Declarations of Interest

None

2 Minutes of the Meeting held on 26/09/2019

The minutes of the meeting held on 26 September 2019 was approved as a true and accurate record.

3 Draft Director of Social Services Report 2018 - 2019

Attendee:

- James Harris, Strategic Director – People
- Jenny Jenkins, Service Manager - Adult & Community Services

The Strategic Director – People presented a brief overview to the Committee and highlighted the key areas for consideration.

2018/19 was another demanding year characterised by the maintenance of quality and standards of service delivery. The task of embedding the 2014 Social Services and Well Being Act continued and had helped positively in the re-shaping of Early Intervention and Preventative Services. This had assisted in the ongoing work to manage demand. The well-being objectives wind through all social services operations and tie closely to the Newport City Council (NCC) Corporate Plan, notably:

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

Each year financial constraints become more significant when available budgets are set against rising costs and increasing demand. There was a continuous striving to minimise costs and identify savings. In Children Services efforts have continued to concentrate 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 had included the managing of demand and the building of capacity through the integration of health and social care, the Integrated Care Fund and the Transformation Fund being key enablers. As usual, there had also been a drive to minimise delayed transfers of care and these were kept at manageable levels, although there remains scope to improve. The Care

in Wales inspection reports and performance indicators demonstrate however, that the service delivered to children and adults was being maintained, a significant achievement. In addition to legislative change and financial challenges, the use and application of the Welsh Community Care and Information System (WCCIS) had been developed during the year. Partnership working had developed further with the other South East Wales Local Authorities with numerous joint initiatives maintained and developed. The integrated partnership with Barnardo's has also 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 continues to be an important route for the transformation of health and social care and Newport City Council engages fully in this process. 2019/20 will prove no less challenging but social services in Newport City Council were lean, efficient and well-placed to respond.

Members asked the following:

- A Member asked for clarification on staff turnover and the movement of Social Workers within the authority. The Strategic Director for People replied explaining that it had been a challenge in the past, but turnover of staff in recent years had been low, and that all posts are currently filled. Feedback received from Social Workers was positive, saying that working in Newport holds more of a challenge, which could be an attraction to some people. Pay was less inferior than in previous years to neighbouring authorities and a thorough training pathway.
- A Member raised concerns regarding child abuse in Newport, asking if there had been a robust program in place when dealing with the challenges society currently face. The Member asked Officers for assurances that the system had not let the children down as it had done in some of the high profile towns in England. Officers replied but incidents reported in Newport were of a lower scale than those reported on in England. The Officer explained that systems and processes within the Authority's Safeguarding hub were unique and robust, sharing information with key front line professionals, holding regular conferences to discuss cases as all of the agencies are located together within the hub.
- A Member of the Committee asked if Newport had adopted a Believe Policy. Officers replied confirming that the Authority's approach is one of an assessed belief, not of a blind belief.
- A Member commented on the targets set by Welsh Government expressing concerns around the drive to reduce the number of young people in care by placing targets on returning the children to their families, and whether the Authority were still under pressure to return children home. The Officer replied explaining that in some cases the circumstances it were not right to return the child to the family and in these cases the child would not return home. The Council would not put a child in an environment where they might be harmed, other options were considered for those young people such as fostering and adoption.
- The Committee expressed concerns that Newport had seen a rise in care leavers becoming homeless. Members questioned why the figure was so disturbingly high was and did it include sofa surfers. The Officer replied explaining that it was an immense challenge compared to six/eight years ago when resources were at a higher level. Newport had more residential accommodation than any other authority in Wales. Currently homelessness was a national crisis but there had been significant work carried out in Newport working with private landlords and floating support with help to enhance and develop skills to maintain a home tenancy.

- A Member of the Committee expressed concerns regarding funding received by third sector organisations to work with the homeless in Newport but the Authority were still facing a substantial issue.
- A Member thanked the Strategic Director – People, for the positives and the targets achieved on the report. Asking for clarification on what the arrangements had been made taking the report forward to Cabinet and Council after his retirement. The Officer replied confirming that the Interim Strategic Director - People would take the report forward with support of the Interim Chief Executive, Strategic Director – Place, Head of Children and Young People Services and the Head of Adult and Community Services.
- A Member of the Committee asked Officers if the Authority had the ability to earn money from accommodating children from other Authorities. Officers replied explaining that it would not be the intention to earn money but there would be the potential. The focus would be on the achieving the correct blend of children in the home, not the financial gain. The other five Authorities in Gwent do not have the same facilities or capacity as Newport do, the intention of the Council was to develop further places.
- A Member asked for clarity on the process of identifying Adults on the edge of needing support, further enquiring whether the Authority were proactive in supporting those individuals. The Officer confirmed that unless an individual self identifies or a partner agency picks up the situation the Authority would not have sight of the issue. When a referral has been made, there would be two routes for engagement, Safeguarding Hub and the First Contact Team. Newport would then be able to identify the individual with their records to ensure support is maintained.
- Members of the Committee commented on the percentage of children seen by a registered dentist within three months of becoming looked after, asking if data could be added to the report to incorporate if a child had been registered or not. The Officer confirmed that there was an improved performance for looked after Children registered with a dentist, however the measure would require revision as the child might have seen a dentist just before becoming looked after, or may have left care before dental appointments were sourced. The figures were low due to the Authority having to disclose information that the child was looked after and registered with a GP ten working days after placement, the figures were low but were accurate.
- Committee Members committed on the revenue out-turn showing an underspend of budget, asking Officers for an explanation. Officers confirmed that whilst the position was positive there were areas of budget pressure that had been highlighted throughout most of the year, one of which was the demand led pressures within social care. Within Childrens Services, there was a significant financial pressure due to out of authority placement costs.
- A Member commented on young carers and the challenges of meeting the needs of those types of carers, currently there was not a statement to make those values clear. The resilience of the family was not always great. Friends act as a support network. Reports from schools indicate that extra support was required as pressure on staffing and have problems finding staff. The Officer replied to Members explaining that there was a challenge with resources in schools, the connection with Education does not show on this report but could be added in the future, however the issue does come up In the Performance Scrutiny Committee - People as well as Overview Management Scrutiny Committee.

The Chair thanked the officers for attending.

Conclusion – Actions and Comments to the Cabinet

The Committee noted the Director of Social Services Annual Report and agreed to forward the minutes to the Cabinet as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet:

1. The Committee wished to comment on the increasing pressure from the Welsh Government to lower the number of Looked After Young People in Newport. They explained that the Cabinet Member and Officers would receive their full support if they did not meet WG targets due to the risks to the young people returning home.
2. Strategic Director – People to add further information on staff turnover within Social Services to the annual report.
3. Strategic Director – People to add further information on the Grooming/Child Exploitation Strategy to the annual report and provide the information to the Committee.
4. Strategic Director – People to add more information on Education involvement and support to the annual report.
5. The Committee found that the rise of homeless young people after leaving care was unacceptable and requested more information as a report.

4 Performance Management Strategy - Recommendations Monitoring

Attendee:

- Tracy McKim - Policy Partnership & Involvement Manager
- Howard Mason - Senior HR & OD Business Partner

The Policy Partnership & Involvement Manager presented a brief overview to the Committee and highlighted the key areas for consideration. The Performance Management Strategy (The Strategy) has been developed by the Business Improvement and Development Team to 'embed' a strong performance culture where everyone was aware of their contribution to the council's vision. This was the first Strategy of its kind in the Council and works to the overall mission statement. The Strategy uses 'The Golden Thread' strategic map to explain the process of how the Public Service Board's Wellbeing Plan influences everything between the Council's Corporate Plan and the work done by frontline staff. The Strategy claims to be relevant to two groups of people;

- All employees of the Council who each contribute to delivering the Council's vision through their day-to-day activities.
- All Members and managers who are responsible for assessing the Council's progress against planned objectives.

Members asked the following:

- A Member drew attention to the Clear Review (Individual Performance Management System) section of the report, asking for clarification of the percentage of constructive anonymous feedback given. The Officer confirmed that the constructive feedback is continuing to improve, however the wording around the 4% would be amended to reflect.
- Members of the Committee enquired about the Clear Review, asking if setting meetings every four weeks was too frequent, who defined the demand for four

weekly reviews and not quarterly. Does the system cover everybody in the Authority? Officers explained that for the most part the system was very robust and worked very well for full time staff, meetings generally would take between 20 minutes and 2 hours dependant to how regularly staff interact with their managers. Officers confirmed that for the Leader, Chief Executive and schools the system was slightly different.

- Members of the Committee asked for an explanation on how the reporting was monitored, asking was there a RAG Status being used, and if the system had given two-way recognition. Officers confirmed that feedback and comments were recorded. Objectives set by staff in Clear Review were linked to the service plan objectives. Tasks and actions were set between the Line Manager and the Officer, these were monitored between both Officers.
- A Member enquired if the Authority were allowing enough time in the working day to collate information, asking if it was counterproductive. The Officer responded by explaining that other forms of communication took place for staff including corridor conversations, co setting of KPI's or more formal coaching. It remained a two-way conversation between line managers and their staff. Officers confirmed that the system was paperless. The drawbacks to the system included how conversations outside of the 1-1 environment were not captured, however there was an emphasis on coaching, additional support and training, and for exceptional performance.

The Chair thanked the officers for attending.

Conclusion - Comments to the Cabinet

The Committee noted the Performance Management Strategy – Recommendations Monitoring and agreed to forward the minutes to the Cabinet Member as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet:

1. The Officers stated that they would seek staff feedback from those that had received anonymous feedback.

5 Local Toilet Strategy

Attendee:

- Jonathan Keen - Regulatory Services Manager Environment and Community

The Regulatory Services Manager Environment and Community presented a brief overview to the Committee and highlighted the key areas for consideration.

The Council are required to produce a Local Toilet Strategy by Part 8 of the Public Health (Wales) Act 2017: Provision of Toilets. This came into force on the 31 May 2018. The overall aim of this Strategy was to review where public toilets are currently provided in Newport and establish an action plan to ensure adequate toilet facilities are available in the future to meet the needs of the public.

Members asked the following:

- Members of the Committee expressed an interest and welcomed the strategy, stating that they would like to see a commitment from the strategy, so that residents and

visitors to Newport know about the facilities and the Council commit to keeping them open and available.

- A Member of the Committee commented on the list of toilet facilities recorded in the report, advising that there were more toilets to be added to the list mentioning Newport Centre as one of them. The Officers replied to the Committee confirming that a list of additional public toilets in Newport would be welcomed to add to the draft strategy. The Officer confirmed that Newport Centre was not happy to open all of their toilet facilities to the public.
- A Member asked the Officer to confirm timescales for the Toilet Strategy. The Officer replied explaining that strategy needed to be added to the forward work plan by the summer, going back out to public consultation before heading back to Cabinet in 2020.
- A Member of the Committee spoke about Welsh Government recognising the issues with public toilets and offering funding for private owned toilets, stating that it might be an idea for Newport to take on board. The Officer confirmed that money from the funding for that was no longer separated out, but may look at a Neutral Gender facility to save space.
- Members commented on the key points raised by Newport Access Group, agreeing that some of the points raised needed to be taken into consideration as modern electrical wheelchairs are very wide and would possibly need a double width toilet for disabled residents and visitors to the area.
- A Member expressed concerns regarding the need for a range of the following toilet facilities in the City Centre; 24-hour toilets, temporary toilets and attended toilets. It was also mentioned that a contribution could be sought from nightclubs and pubs for providing the facility.

The Chair thanked the officers for attending.

Conclusion - Comments to the Cabinet

The Committee noted the Draft Toilet Strategy and agreed to forward the minutes to the Cabinet Member as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet Member:

1. Updated Action Plan to be circulated to the Committee
2. The Committee requested that the final report be added to the forward work programme for July.
3. The Committee requested that a feasibility study be undertaken to assess the need for a 24hr provision for City Centre
4. The Committee commented that the Council should commit to supporting public toilets in parks.

6 Scrutiny Adviser Reports

Attendees:

- Daniel Cooke (Scrutiny Adviser)

a) Forward Work Programme Update

The Scrutiny Adviser presented the Forward Work Programme, and informed the Committee of the topics due to be discussed at the next two committee meetings:

24 January 2020, the agenda items;

- Draft Budget and MTFP 2020/21

19 March 2020, the agenda item;

- Annual Corporate Safeguarding Report
- Civil Parking Enforcement Implementation Monitoring

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Scrutiny Report

Overview and Scrutiny Management Committee

Part 1

Date: 24 January 2020

Subject 2020/21 Budget and Medium Term Financial Projections

Author Scrutiny Adviser

The following have been invited to attend for this item:

Role / Areas of responsibility	Lead Officer
Budget Overview and Process	Meirion Rushworth, Head of Finance
Budget Public Engagement	Rhys Cornwall, Head of People and Business Change
Comments from the Performance Scrutiny Committee – Place and Corporate	Cllr Chris Evans, Chair of Performance Scrutiny Committee – Place and Corporate
Comments from the Performance Scrutiny Committee – People	Cllr David Williams, Chair of Performance Scrutiny Committee – People

Section A – Committee Guidance and Recommendations

<p>1 Recommendations to the Committee</p> <p>The Committee is asked to:</p> <p>(i) Consider:</p> <ul style="list-style-type: none"> • the process undertaken for this year’s Draft budget proposals; • the public engagement undertaken for this year’s Draft budget proposals; <p>(ii) Determine if it wishes to make any comments on the budget process or the public engagement to the Cabinet;</p> <p>(iii) Endorse the comments made by the Performance Scrutiny Committee – People, and Performance Scrutiny Committee – Place and Corporate to be forwarded to the Cabinet.</p>

2 Context

- 2.1 In accordance with the Council's Constitution, the Cabinet is required to consult on the proposals, before recommending an overall budget and required council tax to the Council for approval in February. Scrutiny Committees must be consulted as part of this process. The timetable for the consultation on the budget is as follows:

Cabinet agrees budget proposals as a basis for consultation	20 December 2019
Consultation period	20 December 2019 (afternoon) to 31 January 2020
Cabinet considers feedback from consultation and agrees final budget proposals for recommendation to Council	12 February 2020
Council approves the 2020/21 budget and council tax level	27 February 2020

Structure of Scrutiny of the Budget Proposals

- 2.2 Each Committee will meet to discuss the budget proposals in detail and formulate comments relating to their portfolio:

Committee	Date	Role
Performance Scrutiny Committee - Place and Corporate	13 January 2020	Savings proposals within the Place and Corporate Service Areas
Performance Scrutiny Committee - People	14 January 2020	Savings proposal within the People Service Areas
Overview and Scrutiny Management Committee	24 January 2020	<ul style="list-style-type: none">• Coordination of comments from all Scrutiny Committees• Comments on the budget process• Comments on public engagement

- 2.3 The Cabinet approved the following Draft 2020-21 Budget proposals for consultation at the meeting held on 20 December 2019:
- The budget savings proposals in Appendix 2 (summary table) and Appendix 5 (detailed business cases).
 - The proposed increases to fees and charges in Appendix 7 of the Cabinet Report.
 - **The proposed school funding position for 2020/21 in Section 3, paragraphs 3.9 to 3.14.** (A link to the full Cabinet Report and Appendices is provided, in Section 7 of this report.)
- 2.4 The draft proposals have been considered by the relevant Scrutiny Committees as per the schedule in paragraph 2.2 above. Recommendations from the Place and Corporate Committee on 13 January and the People Committee on 14 January are being reported to this Committee

Meeting, and the Chairs of the Place and Corporate Committee and the People Committee are invited to attend the meeting for consideration of their Scrutiny Committees' comments.

- 2.5 The role of the Overview and Scrutiny Management Committee is to coordinate the comments from Scrutiny to ensure that there are no overlaps in what is being recommended, and ensure that scrutiny as a whole provides a cohesive and consistent response to Cabinet.
- 2.6 **The Committee also has overall responsibility for comments on the budget process and public engagement, and may wish to draw out key themes from the two Scrutiny Committees' comments to highlight any overarching issues on the budget to the Cabinet.**

3 Information Submitted to the Committee

- 3.1 The following information is attached for the Committee's consideration:

Appendix 1 - Cabinet Report – 2020-21 Budget and Medium Term Financial Projections

Appendix 2 - Comments from the Performance Scrutiny Committee - Place and Corporate

Appendix 3 - Comments from the Performance Scrutiny Committee - People

- 3.2 **The Cabinet report (Appendix 1) contains background information on the budget setting process, financial planning assumptions as well as outlining the budget process and planned consultation. This is the focus of the Overview and Scrutiny Management Committee's consideration of the budget.**

4. Suggested Areas of Focus

Role of the Committee

The role of the Committee in considering the report is to:

- **Assess and make comment** on the overall budget process and public engagement:
 - Is there evidence of links to the Corporate Plan and a strategic long term approach to budget;
 - Fairness and Equalities Impact Assessments – have these been completed consistently and used to develop the proposals?
 - Whether the Wellbeing of Future Generations (Wales) Act Sustainable Development Principle has been considered in the proposals in terms of the need for long term thinking and planning?
 - Approach to public engagement - is there a cohesive and consistent approach demonstrated to how the public have been involved and consulted on the proposals.
- **Conclusions:**
 - Determine comments / recommendations to Cabinet upon:
 - Budget process;
 - Public Engagement;
 - Fairness and Equality Impact Assessments;
 - Wellbeing of Future Generations Act.
 - Any overarching issues emerging from the two Performance Scrutiny Committee meetings.
 - Agree to forward the comments of the two performance Scrutiny Committees to the Cabinet on the specific Budget proposals.

Suggested Lines of Enquiry

- 4.1 Councillors have a fundamental democratic right to commission financial information and provide challenge to executives and officers about finances. Scrutiny councillors are not expected to be financial experts, but they have a key role in ensuring **accountability** and **value for money** are demonstrated to the public.
- 4.2 The following has been adapted from Section 3.1-3.4: Source: Grant Thornton – Local Government Financial Resilience Review 2012 (“Towards a tipping point?”) to provide examples of the questioning and lines of enquiry that the Committee may wish to consider:

Links to Strategic Planning	How does the proposal contribute to the achieving corporate priorities?
	How do these proposals fit into an overall budget strategy / what is the long-term approach to budget at the Council?
Fairness and Equalities Impact Assessments	Have these been completed? Is there a consistent approach to competing FEIAs and have they been used to inform the proposals?
	Have any impacts identified within the FEIA been considered within the business case?
Public Consultation	How has the public been consulted on the budget proposals?
	Has there been a consistent approach to public engagement and involvement upon this year’s budget proposals?

Wellbeing of Future Generation (Wales) Act

- 4.3 The Committee’s consideration of this report should consider to the extent the five ways of working are being considered in the budget process and public engagement. Below are examples of the types of questions to consider:

5 Ways of Working	Types of Questions to consider:
Long-term The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.	What consideration have you given to the long-term trends that could affect your budget process and public engagement?
	How will the needs of the citizens of Newport potentially change in the future?
Prevention Prevent problems occurring or getting worse.	How are you addressing these issues to prevent a future problem?
	How have the decisions, so far, come about? What alternatives were considered?
Integration Considering how public bodies’ wellbeing objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.	Have you consulted with the health board, third sector, emergency services, businesses and anyone else you think might be impacted?
	What practical steps will you take to integrate your project with existing plans and strategies of other public organisations to help us all contribute fully to the seven national well-being goals?

<p style="text-align: center;">Collaboration</p> <p>Acting in collaboration with any other person (or different parts of the organisation itself).</p>	Who have you been working with? Why? Who have you collaborated with in finding out more about this problem and potential solutions?
	How are you co-working with other sectors?
	How are you using the knowledge / information / good practice of others to inform / influence the Council's work?
<p style="text-align: center;">Involvement</p> <p>The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area, which the body serves.</p>	How have you involved the people who are being impacted by this decision?
	How have you taken into account the diverse communities in your decision-making?
	How have you used different / alternative methods to reach people and involve them?
	How will you communicate the outcome of your decision?

Section B – Supporting Information

5. Further Guidance on the Scrutiny Role

- 5.1 The information in the following section has been taken and adapted from the CfPS / Grant Thornton Finance Scrutiny Guide (pdf) published in June 2014. The extracts reproduced here focus predominantly on Councillors' role in the annual budget setting process.
- 5.2 For further information, Members are invited to read the publication, which includes more detail about scrutiny's role in financial planning and management, as well as case studies and best practice examples. *(A link to the publication is provided in Section 7 of this report.)*

Understanding Roles and Responsibilities

- 5.3 Councillors and officers have a collective and individual responsibility for ensuring that a council's finances are effectively managed. Within the Annual Budget process:

Council	Agrees the policy and budget framework.
Cabinet/Executive	Cabinet agrees a series of proposals for public consultation, which form the draft budget proposals. Scrutiny must be consulted as part of this process. Responsible for proposing the policy and budget framework and key strategies, including the MTFP and annual budget. It has power to take all executive decisions within the policy and budget framework agreed by the Council.
Scrutiny Chairs	The Chair should encourage all scrutiny councillors to take a full part in scrutiny, including taking part in any agreed work outside of the formal meetings. Focus the Committee on their role in providing constructive challenge as a consultee in the budget process.

<p style="text-align: center;">Scrutiny Councillors</p>	<p>The role of scrutiny councillors is to review policy and challenge whether the executive is making the right decisions to deliver policy goals and achieve Council's agreed objectives. Their role comprises</p> <ul style="list-style-type: none"> ○ Providing constructive challenge on the draft budget proposals and ensure that properly costed policy and budget proposals are implemented. ○ Monitoring the service and financial performance of the council and its partners and examining the impact and implementation of cabinet decisions and policies ○ Holding the council leader, cabinet and senior officers to account in how effectively they deliver a balanced budget.
<p style="text-align: center;">Heads of Service</p>	<p>Within the policy and budget framework and decisions taken by executives, Chief Executives, Chief Finance Officers and Monitoring Officers have key responsibilities for the way Councils are run in terms of compliance with legal duties.</p> <p>Section 151 of the Local Government Act sets out requirements to prepare a prudent and balanced annual budget including maintaining reasonable levels of reserves and the role of the Head of Finance (as the designated 151 Officer) within this. Other members of the corporate management team are responsible for administering annual service budgets.</p>
<p style="text-align: center;">Finance Professionals</p>	<p>Such as auditors and accountants, should identify how financial planning and management processes can ensure time and space for scrutiny to add value and make a difference.</p>

Fairness and Equalities Impact Assessment (FEIAs)

- 5.5 Fairness and Equality Impact Assessments (FEIA) are a systematic approach to ensure that the Council takes decisions that balances the needs of people, local culture, the economy and the environment over time. FEIAs assist the Council in ensuring that our decision-making process is inclusive. They are used to look at the effect of any change to Council services or employment from everybody's viewpoint, to make sure that changes are fair and do not discriminate.
- 5.6 Officers have a responsibility to inform decision makers of all the relevant implications of any proposal and provide evidence on which they will base their decisions. FEIAs help decision makers understand service users, employees and other stakeholders' perspectives, and provide evidence that citizens have shaped the council's work. There is legal requirement to publish FEIAs.
- 5.7 Within the Budget proposal Business Cases, there is an indication as to whether or not an assessment is necessary for a proposal. The Performance Scrutiny Committees were asked to consider these during their discussion on the proposals within their remit.
- 5.8 The FEIA's are published on the Council's Equalities page on the website ([Link](#)).

6 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. Scrutiny should seek to ensure that the MTFP and Draft budget proposals contribute to this aim:

Well-being Objectives	Promote economic growth and regeneration whilst protecting the environment	Improve skills, educational outcomes & employment opportunities	Enable people to be healthy, independent & resilient	Build cohesive & sustainable communities
Corporate Plan Commitments	Thriving City	Aspirational People		Resilient Communities
Supporting Function	Modernised Council			

7. **Background Papers**

- [Cabinet Report – 2020/21 Budget and Medium Term financial Projections \(MTFP\) 20 December 2019](#) including report appendices:
 - 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
 - Appendix 7 - Fees & charges for consultation
 - Appendix 8 - Financial resilience ‘snapshot’
 - Appendix 9 - Medium term financial projections
 - Appendix 10 - Projected earmarked reserves
- [CfPS / Grant Thornton Guidance– “Raising the Stakes: financial scrutiny in challenging times”](#) including references to: Grant Thornton – Local Government Financial Resilience Review 2012 (“Towards a tipping point?”)
- [The Essentials – Well-being of Future Generation \(Wales\) Act](#)
- [Corporate Plan 2017-22](#)

Report Completed: 15 January 2020

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APPENDIX 1

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Report

Cabinet

Part 1

Date: 20 December 2019

Subject 2020/21 Budget and Medium Term Financial Projections (MTFP)

Purpose To highlight key issues affecting the development of the 2020/21 budget and MTFP, and present the draft proposals for the 2020/21 budget. Cabinet are asked to agree the draft proposals in order to commence the budget consultation process for this year. Consultation results will be reported back to Cabinet in February 2020, when Cabinet will recommend a final budget and council tax level to full Council.

Author Chief Executive & Head of Finance

Ward All

Summary Despite local authorities being faced with the biggest budgetary challenges of any part of the Welsh public sector over the last decade, this council has continued to demonstrate good financial management. Coupled with the funding restraints, significant cost pressures affect the council finances in respect of (i) pay and pricing inflationary increases and (ii) increasing demand and associated costs for services. Between both issues, cost pressures are very significant; £13,026k in 2020/21 alone and the council continues to develop its medium term strategies to plan for future saving requirements. Whilst work on this was progressing when the Interim Chief Executive came to post, focus has necessarily been on 2020/21 as the budget challenge for that year was not resolved at that point. Given the time required to finish a strategic, longer-term strategy, the draft budget described in this report is focussed primarily on delivering a balanced and viable one year budget for 2020/21. This will enable work to continue in the New Year on a new, medium term strategic 'change programme' containing proposals for more ambitious changes in ways which services are delivered.

This update is quite different to previous years in that, at the point of drafting and making public this report, the council are not yet in receipt of the provisional 'revenue support grant' settlement from Welsh Government (WG) – its main grant which funds c75% of its net budget. Since the Chancellors spending round announcement in September 2019, the UK general election has meant that the publication of the Welsh Government's budget has been deferred until 16 December, the same day that the Local Government draft revenue support settlement will also be published. As we await further details on the settlement, the Head of Finance will provide an update at the Cabinet meeting on the 20 December.

The Council's 'Revenue Support Grant' (RSG) funds over 75% of its revenue budget and therefore the settlement received from WG has a significant impact on the investments which are affordable and savings requirement placed upon the council. Both savings and an increase in local council tax are key elements of the 2020/21 budget to ensure that we are in a sustainable position and able to maintain key services as best as possible for the most vulnerable in our communities.

The draft 2020/21 budget proposals are detailed within this report and its appendices.

Section:

1 Our financial challenge – service context

- 2 Setting the budget – financial context
- 3 Financial planning assumptions
- 4 Budget savings
- 5 Budget process and consultation
- 6 Risk, financial resilience and performance
- 7 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 |
| Appendix 4 | Budget savings previously approved |
| Appendix 5 | Budget savings for consultation – proposals |
| Appendix 6 | Demand models for social care |
| 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), including the decision making point (either full Cabinet or Head of Service) for each one
- ii) To increase council tax by 7.95%, a weekly increase of £1.14 - £1.52 for properties in Band A to C, the most common bands in Newport, as set out in paragraphs 3.15 – 3.18
- iii) Proposed fees and charges in appendix 7
- iv) The budget investments shown in appendix 1
- v) The budget investment in schools (included in appendix 1) amounting to £4,380k which is the assessed budget increase requirement for 2020/21 noted in paragraph 3.9 – 3.14 and which requires use of £1,754k of reserves to fund in full, based on current planning assumptions.

2. Cabinet is asked to note:

- i) The position on developing a balanced budget for 2020/21, acknowledging that the position will be subject to ongoing review and updates especially in light of the delayed announcement from WG in respect of 2020/21 funding
- ii) The medium term financial projections, assumptions contained within and that projections contain investments required to implement the Corporate Plan promises
- iii) That the delegated 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

- v) The Head of Finance's recommendation that the Council should prioritise the development of a 'strategic change programme' as a priority in order to develop a long-term sustainable financial footing for services. In addition, also utilising any increased RSG grant above current planning assumptions in a way that is strategic and contributes to the development of a longer term sustainable budget.

Action by Directors / Heads of Service

Timetable Immediate:

1. Delegated decisions in appendix 3 will be implemented with immediate effect, in line with internal decision making protocols
2. Decisions subject to consultation in appendix 2, fees and charges, and schools funding position to form the basis of the budget consultation process.

This report was prepared after consultation with:

- Interim Chief Executive
- Strategic Directors
- Head of Law and Regulation
- Head of People and Business Change

Signed

1 Our financial challenge – service context

- 1.1 This section deals briefly with the services related contexts within which the Council is developing its MTFP and the 2020/21 budget. The Council provides over 800 services, for over 153,000 people, living in over 68,000 households. Newport's population is growing, with the largest growth for children under five.
- 1.2 The council faces continuing financial challenges, namely:
- increasing costs around pay / contract prices;
 - increasing demand for services and therefore costs. These stem from demographic and societal changes and are most acute in the larger budget areas of social services and education;
 - Local Government funding in Newport, which sees the 'Revenue Support Grant (RSG)' funding over 75% of its net budget. Funding is therefore controlled largely outside of the Council's own control and influence, and as a result is relatively disjointed from its own spending pressures, requirement and priorities;
 - a historically low, relative council tax level, which would provide a further c£10m funding if it was set at the average Welsh Council level or c£8m if it was set at that level assumed by WG when setting the Councils 'standard spending assessment' compared to current levels.
- 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 2020/21 budget and the Medium Term Financial Projections (MTFP) as appropriate.
- 1.4 Over the last five years, the council has made savings of £41m. To achieve this we have:
- reduced the number of staff we employ by around one quarter
 - sold land, buildings and property no longer needed
 - set up new delivery models
 - developed shared services
 - reviewed our services to become more efficient
 - invested in preventative services
 - helped people to live independently
- 1.5 Having said this, ongoing funding uncertainty, 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 £22m by 2023 based on current planning assumptions and projections. In addition, even with a relaxation of previous year's RSG real terms funding reductions, it is evident that, given the high funding gap above, some savings will need to be found to meet future demand and cost increases.

2 Setting the budget - financial context

- 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 three years. For over a decade councils have faced continued financial pressures together with real-term cuts and 'cash flat' funding allocations, therefore we have had to find savings to meet the funding gap between the funding available (RSG grant and local council tax) , 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 approve the new medium term savings and investments over the life of the MTFP, to be added to those already approved.

National budget position

2.5 The spending round announced by the Chancellor in September 2019 provided an extra c£600m for the Welsh Government (WG) for day-to-day spending in 2020/21 compared to 2019/20. This comes from decisions by the UK government to increase spending in England on areas such as schools, further education, social care, homelessness and the environment.

2.6 The announcement included the following UK and Welsh headlines:

- in England, Local Government had “for once” been among the winners, having had core spending power increased by £2.9bn in total in 2020/21. This represents a rise of 6.3% from £46.2bn this year to £49.1bn in 2020/21;
- the additional £600m that will go to WG represents 2.3% in real terms growth. £385m of this finding is a consequence of extra cash being spent on the health service in England and £195m due to extra funding for schools in England;
- despite this being the largest one-year increase for over a decade, the Welsh Government’s budget in 2020/21 will still be 2% lower in real terms than in 2010/11. This additional funding does not return spending power to the levels of a decade ago.

2.7 Theoretically, a spending review is a chance to take a long-term view at the government’s spending plans, however, the continuing uncertainties around Brexit curtailed the planning horizon of this exercise and, with the exception of schools and police, a one-year budget was presented with a full multi-year comprehensive review planned for 2020. This does give rise to some uncertainties as to the sustainability of the increases announced for 2020/21 only.

2.8 Since the spending round announcement in September, the UK general election has been called on 12 December and given that we are in a pre-election period, the publication of the Welsh Government’s budget has been deferred until after the election to 16 December.

Welsh Local Government / Newport City Council funding settlement

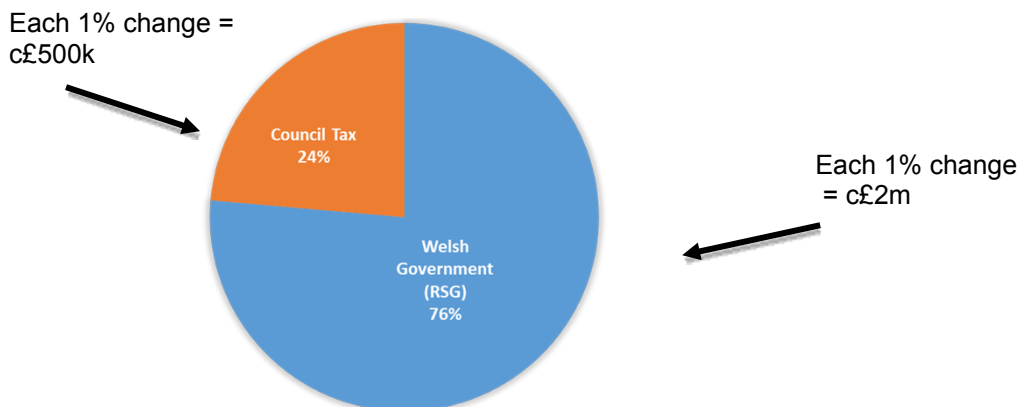
2.9 Welsh Government funding accounts for the largest part of a council’s funding in Wales, typically equating to about three quarters of its net revenue budget funding requirement. This funding is provided through a non-hypothecated grant – the Revenue Support Grant (RSG). In addition to this, other grants provide funding for specific purposes. Welsh Councils continue to ‘push’ for medium term RSG settlements so that they can plan with certainty but this has not happened to date. The draft budget and MTFP is therefore based on planning assumptions and are very likely to change. The scale of the budget challenge is very sensitive to changes to RSG funding as shown in table 5.

2.10 Less than a quarter of a councils funding is raised through local council tax, representing a small proportion of funding that is under the councils own decision-making.

2.11 Given the above scenario in Wales, there is a relatively weak connection between individual Council’s own decision-making on spending priorities / pressures and its ability to raise the funds required to meet that.

2.12 In Newport, the RSG funding makes up 76% of its net budget, with council tax at 24%. As the RSG makes up such a large proportion of the councils 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 – 2019/20



2.13 Given the decision to defer the publication of the WG settlement until after the UK general election, the arrangements for the Local Government settlement will broadly follow the same timeline as that proposed for the Welsh Government’s budget. The Council will receive its provisional settlement on 16 December. Until then, the budget planning assumption around funding for 2020/21 is that the RSG will increase by 1% compared to 2019/20 levels. The timing of this announcement clearly means that uncertainties remain in terms of both RSG and specific grants. Cabinet will need to consider the draft settlement as they finalise their budget for their February 2020 meeting.

2.14 In addition to the assumptions around RSG funding, a number of one off specific grants were received in 2019/20 to fund recurring expenditure. These covered costs in respect of social care, teachers’ pay award and teacher’s pensions and will amount, in 2020/21, to £5.7m. The budget planning assumptions around this funding for 2020/21 are that this funding will continue, either as further specific grants or transferred into the RSG in addition to the general 1% growth outlined above. The areas of expenditure this funds are:

(i)	Social care	£1,500k
(ii)	Teachers pay award	£390k
(iii)	Teachers pensions	£3,848k

2.15 The Councils final RSG settlement will be announced on 25 February 2020. Apart from late transfers of specific grants into/ out of the final settlement, which are ‘neutral’ in their impact, the main changes come from Council’s confirmation of their individual ‘tax bases’ – i.e. the number of Band D equivalent properties they confirm they will be basing their council tax income on, which is confirmed after the publication of the draft settlement ordinarily. 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. The late draft settlement this year means that this adjustment will be included in the draft settlement itself, which usefully takes away that particular uncertainty in the final settlement.

2.16 The Head of Finance (HoF) has set the tax-base for 2020/21 and it will increase by 1.9%, significantly higher than the all Wales average of 0.5% in 2019/20. This growth has the potential to affect the RSG significantly; however, the Head of Finance will provide an update once the impact is known. The MTFP and 2020/21 budget shown in appendix 9 does not allow for any financial impact on this increasing council tax base at this point as it can only be confirmed when the draft settlement itself is confirmed.

2.17 The 1% planning increase in the RSG noted in 2.13 above, at £2.1m, therefore represents the combined increase in funding from the increasing tax base plus the adjusted RSG grant. Alongside the permanent funding of the current year’s one-off funding at £5.7m outlined in 2.14 above, the WG funding assumptions for 20/21 amount to c£8m of additional funding.

Implementing the Corporate Plan

- 2.18 The Council's business and financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples Lives'. This provides a focus for decisions around spending and will direct activity across the council.
- 2.19 The current medium term financial projections included in appendix 9 and the detailed budget investments in appendix 1 includes funding for the key priorities and promises set out in the plan, as needed. As funding and spending pressures continue to be a challenge, the task of delivering a balanced budget becomes much harder. The Council has yet to develop a 'strategic change programme' which outlines the key areas and initiatives which will guide services and the Council in the future to deliver sustainable services and meet the priorities set by the Corporate Plan. Such a programmes financial impact could be included in the Council's MTFP to deliver a balanced/sustainable medium term financial position. The Council's interim Chief Executive recognises this work as a priority.

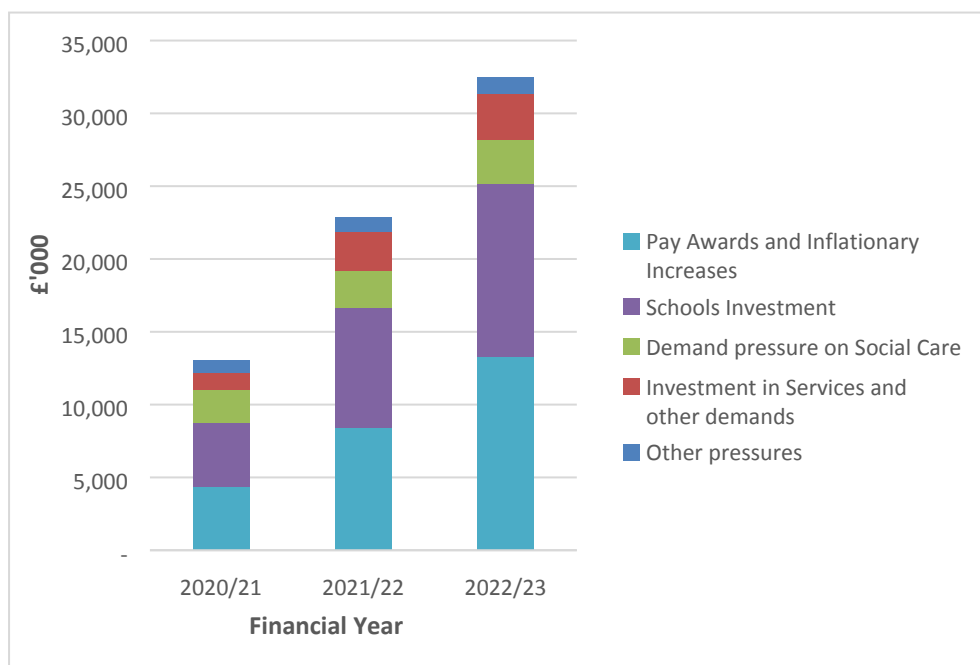
3 Financial planning assumptions

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 – of the councils £280m net revenue budget over three quarters of expenditure relates to pay and contracts and is therefore subject to inflationary increases year on year;
 - significant increases in demand led services – specifically, children's social care and adult's social care;
 - cost of new and growing schools;
 - growing cost of funding the Council's borrowing costs.
- 3.2 Unavoidable pay and inflationary cost increases, excluding schools, equate to £4,380k in 2020/21 and £13,261k over the three-year period to 2022/23.
- 3.3 In addition to these cost increases, the council has also seen a significant increase in demand led services pressures since 2015/16. In particular, the council is currently forecasting overspends in this year's budget in three key risk areas facing significant demand:
- | | |
|-------------------------------------|-------------------|
| • Adults community care | £1,490k overspend |
| • Independent fostering | £729k overspend |
| • Children's out of area placements | £669k overspend |
- 3.4 During 2019/20 these three areas alone are contributing almost £3m to service area forecast overspend. These areas received significant investment in 2019/20 but demand continues to accelerate beyond the budget available. As a result, further investments in addition to this are proposed within 2020/21 to support the level of demand that is being experienced in order to deliver a robust and deliverable budget.
- 3.5 Detailed demand models for social care 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.
- 3.6 For 2020/21 specifically, the council is currently planning to invest around £8.6m in the draft budget over and above an allowance pay and pricing inflation. More details on proposed investments are included in appendix 1 and some of the key items include:
- £4,380k investment in school budgets

- £2,246k for increasing demand in social care demand for both children and adult services
- £788k investment to deliver the promises set out within the Corporate Plan such as the delivery of digital aspirations and a new household waste recycling centre
- £239k due to increasing demand for special education needs provision

Chart 2: Cumulative pressures up to 2022/23 by source



3.7 Although the financial pressures facing the Council continue to increase significantly over the three-year period, they outweigh the funding available based on current projections. Even with different and more optimistic funding assumptions, the budget pressures are still higher and savings are therefore going to have to be identified in the future.

3.8 Given the challenge of this, it will also be important that the council review carefully all budget pressures/ investments regularly and services operate in such a way as to minimise these and manage demands to the extent possible.

Schools funding

3.9 The current position provides a cash increase for the overall school budget. It is proposed that schools receive investment of £4,380k in 2020/21. This represents a 4.5% growth in schools budget. This amount is the calculated/ assessed amount, which covers teacher's pay increases and the additional costs of new/ expanding schools. This is in addition to the anticipated continuation of funding of the 2019/20 teachers pay award and pension increase referred to in paragraph 2.14.

3.10 Despite this proposed investment school budgets would remain under significant pressure. Current projections for school budgets in 2019/20 will see them overspending against their available funding by £3.1m and whilst the proposed investment in school budgets outlined above is significant, it covers increasing costs for 2020/21 and no additional for the 'base, current position' where schools are overspending.

3.11 The level of in year overspending was highlighted as a risk in 2018/19 and continues to be a significant area of concern. Schools have used £1.7m from school reserves over the last 2 years to fund overspending on their budgets and current projections of £3.1m overspending would see reserve balances fall to zero at the end of this current 2019/20 financial year. Officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken

to reduce spend. This resolution is critical as current spending levels in schools is not sustainable and has the potential to cause a significant and adverse impact on the councils overall finances if it continues. Based on this, Cabinet are asked to consider the level of funding that will be delegated to schools for 2020/21.

- 3.12 Assessed budget pressures in school budgets over the life of the MTFP amount to £11.9m based on current assumptions on teacher's pay/ pensions cost increases and new/ expanding schools costs. These will, like other MTFP assumptions, need to be reviewed regularly and any actual proposed funding increases confirmed through the budget process.

Table 1: School budget pressures 2020/21 to 2022/23

	2020/2021 £'000	2021/2022 £'000	2022/2023 £'000
Teachers - Pay award and increments	1,648	1,469	1,391
Non Teaching school staff - pay award and increments	797	754	646
Contract & Income Inflation	82	83	83
New Schools	1,242	631	647
Secondary School Transitions	611	906	947
Reduced Class Sizes	0	0	0
	4,380	3,843	3,714

- 3.13 Final allocations of grant are yet to be determined across the Education Achievement Service (EAS) region.
- 3.14 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 11% over the last 5 years. This included specific grants and is shown in table 3 below.

Table 2: School budgets by sector – 2013/14 to 2019/20

Year	Nursery	Primary	Secondary	Special	Total
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	562	57,396	47,497	4,773	110,228
2019/20	496	58,492	49,619	5,091	113,698
Increase in funding over 5 year period (incl specific grants)					10.5%
Increase in funding (excl specific grants & delegations)					13.3%

Council tax

- 3.15 It is well documented that Newport's council tax is low compared to others in Wales, generating approximately 24% of our income. This council's current year budget is well below its 'standard spending assessment', a relative spending needs assessment between all Welsh councils, by £8.3m, which is entirely due to our low level of council tax funding.
- 3.16 A base 4% increase in council tax is already included in our MTFP each year. This year, the draft budget proposals include an additional 3.95% increase to council tax in 2020/21 (appendix 2 & 5) bringing the proposed increase to 7.95%. 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 2020 meeting.

- 3.17 For contextual purposes, the table below shows the weekly increases in council tax based on a 7.95% increase. Given the low starting point on Newport council's tax, it will still be lower than most (if not all) of the neighbouring authorities, even at a 7.95% increase and the actual monetary increases in tax are low in themselves. Newport City Council proposed tax increase would maintain its position as one of the lowest in Wales.

Table 3: Scenarios illustrating weekly council tax increases

Band	A	B	C	D	E	F	G	H	I
Annual increase based on 7.95% increase	£59.36	£69.25	£79.15	£89.04	£108.83	£128.61	£148.40	£178.08	£178.08
Weekly increase based on 7.95% increase	£1.14	£1.33	£1.52	£1.71	£2.09	£2.47	£2.85	£3.42	£3.42

- 3.18 Given that almost two thirds of Newport's chargeable properties are banded A – C the majority of households would see an increase of between £1.14 and £1.52 per week based on a 7.95% increase.

Summary of key budget assumptions

At this point, the following assumptions are included.

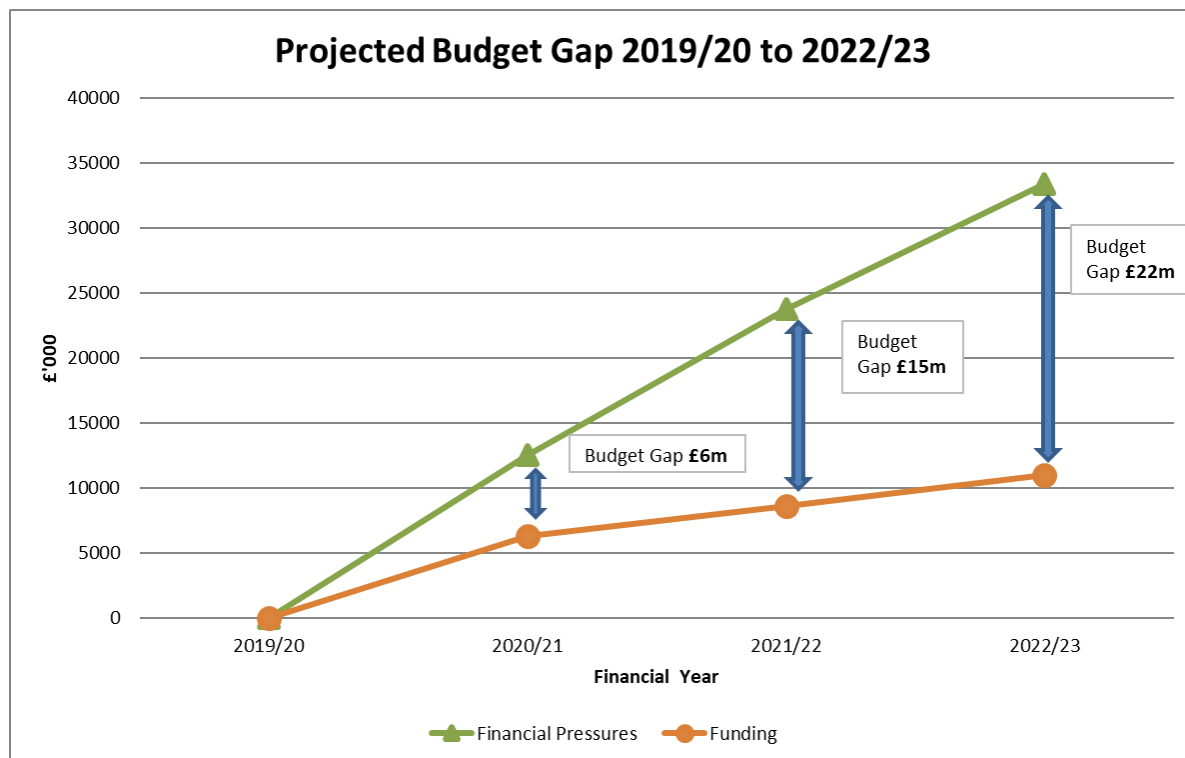
Table 4: Summary of key assumptions

MTFP Summary	2020/2021 £'000	2021/2022 £'000	2022/2023 £'000
RSG Increase - +1% in 2020/21 and 0% thereafter	(2,143)	0	0
Council tax increase - 7.95% in 2020/21 and 4% pa thereafter	(4,215)	(2,289)	(2,381)
One off grants 2019/20 continued/ made permanent	(5,738)	0	0
Budget pressures/ Investments (appendix 1)	13,026	9,870	9,581
General budget transfer to / (from) Reserves	(459)	1,359	0
Previously agreed budget savings (appendix 4)	(554)	(35)	0

Resulting budget gap and sensitivity of assumptions

- 3.19 In summary, the following chart shows the impact that the above assumptions lead to in terms of the Councils medium term financial gap projection.

Chart 3: Projected budget gap 2019/20 to 2022/23

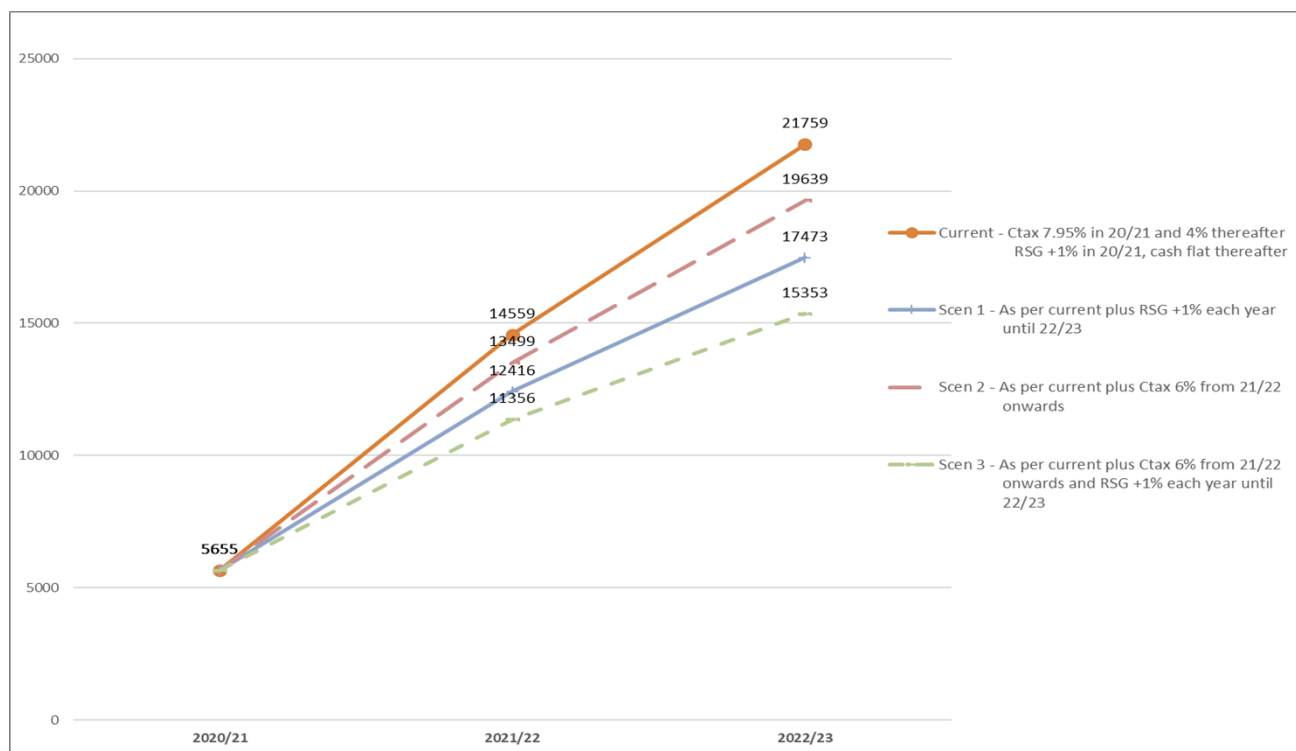


- 3.20 Clearly, the gap is based on current assumptions, listed above, in the MTFP. The draft grant funding for 202/21 will be available from 16 December and that will affect the budget gap/ challenge in 2020/21. Cabinet will need to consider this draft settlement before finalising the 2020/21 budget in their February meeting. We will also, in light of this, review key funding assumptions over the medium term, where appropriate, which the next section details.
- 3.21 If the draft settlement is better than the planning assumptions noted section 2, (increase of £8m), the HoF recommends, as much as possible, a longer term strategic view is taken on how funds are deployed so as to contribute towards sustainable services, as well as meet priorities.
- 3.22 The HoF will continue to work with the senior leadership team and Cabinet to develop the above approach. Some of the key issues, currently, are:
- on-going financial issues on school budgets
 - increasing demand within service areas over and above provision already made within the MTFP
 - accounting provisions required to deal with our regeneration activities regarding loans to developers.

Sensitivity analysis

- 3.23 As table 4 above confirms, the budget gap is significantly affected by the funding assumptions - the WG grant and Council tax increases projections. The graph and table below show the sensitivity that the council faces in respect of these

Chart 4: Sensitivity analysis – budget gap based on RSG and council tax assumptions



3.24 The table below shows how sensitive each of the variables are to changes in assumptions. The key elements within the medium terms projections, which also have the greatest level of sensitivity, include RSG funding, Council tax increases, pay and contract inflation.

Table 5: Sensitivity analysis – key projections

RSG Sensitivity		£'000
RSG growth +/- 1%		2,143
Council Tax Sensitivity		£'000
Council tax change +/- 1%		530
Pay Sensitivity		£'000
Pay inflation - NJC staff +/- 1%		943
Pay inflation - Teachers and soulbury +/- 1%		253
Contract Inflation Sensitivity		£'000
Contract inflation - +/- 1%		2,490

4 Budget savings

4.1 The savings identified for 2020/21 to date total £5,736k. The table below provides a summary of the savings by decision over the 3-year planning horizon.

Table 6: Summary of projected savings

Savings Decision Type	2020/2021 £'000	2021/2022 £'000	2022/2023 £'000	Staff Impact FTE
Budget savings for full Cabinet decision (appendix 2 & 5)	2,379	405	302	20.89
Budget savings delegated to officers (appendix 3)	2,803	319	283	12.5
New Budget Savings	5,182	724	585	33.4
Previously agreed budget savings (appendix 4)	554	35	0	-5
Total Budget Savings	5,736	759	585	28.4

- 4.2 Under the constitution and our scheme of delegation, some budget decisions are taken by the Cabinet collectively. These proposals total £2,379k for 2020/21 and £3,086k over the life of the MTFP. Some lower level, operational and efficiency type budget proposals are delegated to Heads of Service for decision and implementation. These proposals, totalling £2,803k for 2020/21 and £3,405k over the life of the MTFP are listed in appendix 3.
- 4.3 In previous years, only those proposals requiring Cabinet decisions were subject to public consultation. We have changed the process this year and an impact-based approach has been adopted whereby each proposal is considered on a case-by-case basis, regardless of where the decision approving the saving is taken. The list of new savings in appendix 2 and 3 identifies if the proposal is subject to public consultation or not. 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 in the MTFP last February 2019 are either in progress of implementation or due to be implemented in 2020/21. 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. The FEIAs for all proposals requiring one can be found [here](#).

Medium term strategic change

- 4.6 Whilst good progress has been made on the 2020/21 budget, significant challenges remain over the medium term, even with more optimistic assumptions around funding as the sensitivity analysis above shows. In particular, significant spending pressures remain to be tackled, particularly in Adults and Children's social care because of growing demand. Containing and then reducing such pressures will require a whole council response, and the active collaboration of our partners such as health services, as part of our new longer-term strategy in going forward.
- 4.7 The success of this longer-term approach will depend on the councils starting with a stable financial platform, and the budget proposals and draft budget set out in this report are designed to do this. Following the announcement of the draft settlement cabinet will need to ensure that we maintain this objective. A key element of this is taking a longer term strategic view is taken on how funds are deployed to contribute towards sustainable services, as well as meet priorities. Proposals for more major changes in service delivery will be brought forward early in the New Year and will

include the need for investment in service redesign, new technological tools and the re-skilling of our staff at all levels to improve productivity and job security.

5 Budget process and consultation

5.1 This report presents the draft proposals for the 2020/21 budget. The report asks Cabinet to note:

- the position on developing a balanced budget for 2020/21, acknowledging that the position will be subject to ongoing review and updates;
- agree that delegated decisions in appendix 3 will be implemented with immediate effect;
- in addition, that Fairness and Equality Impact Assessments have been completed for all proposals requiring one.

5.2 The report also asks Cabinet to agree a series of proposals for public consultation. This includes:

- budget savings proposals in appendix 2 (summary table) and appendix 5 (detailed saving proposals);
- proposed fees and charges in appendix 7;
- the position regarding the proposed school funding for 2020/21 in section 3.

Budget engagement

5.3 As part of the budget engagement strategy there has been a targeted engagement approach with members of the public in developing budget priorities for the next three years. This will help with budget and service planning.

5.4 Bilingual budget engagement surveys have been made available across all libraries across the city and advertised between library staff and the public – these surveys list the services Newport City Council provides and asks members of the public to choose five options – this serves to highlight the difficult decisions the authority has to make whilst gaining the views from the community of their priorities

5.5 There have been a number of outreach engagement sessions with communities across public venues including Newport Central Library and Newport City Council Information station. Officers have attended these venues and using an engagement tool have captured the views of residents to gain an understanding of how the public perceives the Council and how the authority uses its budget. Primarily feedback has focused on livability issues including community safety, recycling and lighting.

5.6 Officers have also attended an Information day at Newport Centre where approximately 600 members of the public attended and using the engagement tool have gained feedback from older citizens who may not have access to online and digital communications.

5.7 In the pre-budget phase, before proposals have been released, through a combination of engagement sessions and surveys there have been over 140 respondents.

5.8 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 four budget cycles, we received more than 15,000 responses from the public with over 4,000 in the last financial year.

- 5.9 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.
- 5.10 A second budget report will be presented to Cabinet on 12 February 2020. This will ask Cabinet to agree its final proposals for the 2020/21 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 grant settlement from Welsh Government
 - any updates from Welsh Government about future grant settlements
 - any emerging details on specific grants, which have financial implications.
- 5.11 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 27 February for approval and adoption.
- 5.12 Below is this year's timetable for consulting on and approving the 2020/21 budget:

Table 7: Budget consultation timetable 2020/21

Cabinet agrees budget proposals as a basis for consultation	20 December 2019
Consultation period	20 December 2019 to 31 January 2020
Cabinet considers feedback from consultation and agrees final budget proposals for recommendation to Council	12 February 2020
Council approves the 2020/21 budget and council tax level	27 February 2020

6 Risk, financial resilience and performance

- 6.1 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, identifies how they are dealt with currently, and issues which need to be considered in setting out the council's 2020/21 budget and medium term projections.

Risk

- 6.2 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.
- 6.3 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.

At this point, the Council's finances and reserves provide the financial capacity to deal with the current risks identified.

6.4 There are a number of risks that while acknowledged are not currently included within the MTFP. These include the current schools deficit position as discussed in para 3.11, current service area overspending over and above provision already made within the MTFP and a number of accounting provisions required to deal with our regeneration activities regarding loans to developers. The result of the settlement will determine the level at which these risks can be covered. The Council also holds a number of risk reserves and budgeted contingency to cover this risk.

Financial Resilience

6.5 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 with the vast majority earmarked for specific purposes and already committed. 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. The decline in school reserves over the last few years is a significant concern and current projections of £3.1m overspending would see reserve balances fall to zero at the end of this financial year. This has the potential to significantly impact on the financial resilience of the overall council unless schools manage within approved budgets. This will need to be considered between this meeting and the February 2020 meeting when the budget is finalised.
- The council has identified and continues to monitor budget reductions of £6.6 million in 2019/20. This is alongside delivering outturn within budget over recent years, despite the delivery of £41m savings over the last 5 years. This needs to be viewed within the context of continued significant demand which are faced by service areas namely children's and adults social care and schools, which have been highlighted throughout the year as part of the budget monitoring process.
- Although the 2019/20 forecast overspending across service areas is significant this has been offset by one off underspending/ better income in non-service budget areas and the use of the general contingency budget. This position is not sustainable in the longer term and is a risk though significant investment in services proposed for 2020/21 should reduce overspending if demand can be managed.
- In light of the continuing financial pressures and demands placed on the Council further savings of at least, £22m need to be found by 2023 based on current assumptions. A strategic longer-term approach is recognised as being needed to deal with this given savings found to date over the last 5 years and more.

6.6 Overall, whilst there are some underlying issues and challenges, 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.

7 Report review and statutory comments

7.1 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	M	M	1 Use of contingency, where required	Head of Finance

around inflation are incorrect			2 Use of reserves, where appropriate	SLT
Planning parameters around Welsh Government revenue grant are incorrect over medium term	H	M	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	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

7.2 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.

7.3 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.

7.4 Preferred Option and Why

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

7.5 Comments of Chief Financial Officer

All the financial issues are contained within the main body of the report.

The delay in the notification of the Councils grant settlement does mean we are producing the budget proposals contained in this report with a high level of uncertainty. The sensitivity analysis shown in the report highlights how significant changes in RSG funding can be. Cabinet will therefore need to consider the draft settlement before their final budget-setting meeting in February 2020 and make changes, as necessary.

A key issue will be the development of a strategic and longer-term approach to changing services to ensure sustainability, including Council Tax levels. This will require a stable and solid 'financial platform' to work from and in that respect, the 2020/21 budget is key and should aim to provide that. A key part of that is

- to ensure the budget minimises / does not rely on reserve funding and whilst the draft budget does do that, every opportunity to prioritise this in any update following the draft settlement is recommended.
- that Cabinet take a longer-term strategic view if the settlement is better than current planning assumptions and take the opportunity to deliver sustainable services as well as key priorities.

7.6 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 and council tax rate set out in the Report in order to deliver a balanced budget for 20/21 and as the basis for public consultation, where the relevant business cases will have an impact

on service delivery and are not operational matters delegated to Heads of Service. 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 20/21. 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 fairness and equality impact assessments to ensure that the Council has regard to its public sector equality duties under the Equality Act and is 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 20/21 is a matter for full Council as these are non-executive reserved matters under the Constitution.

7.7 Comments of Head of People and Business Change

The report outlines the proposals for Cabinet consideration in order to set a balanced budget for 2020/21 with consideration to the medium term financial plan.

Proposals that have an impact on staff will be subject to the required consultation, and consultation with trade unions. 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 process 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 the 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 at 4pm on 12th December 2019 and continue until 31st January 2020. Alongside the traditional paper based consultation process and on-line questionnaires, a bus Wi-Fi survey will be used extensively and there will be face-to-face consultation activity during this period. As previous, the Fairness Commission will be asked to provide a consultation response.

7.8 Comments of Cabinet Member

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

7.9 Scrutiny Committees

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

7.10 Equalities Impact Assessment and the Equalities Act 2010

This is referenced in paragraph 4.5 of the report.

7.11 Children and Families (Wales) Measure

All proposals will be consulted on widely, as required.

7.12 Wellbeing of Future Generations (Wales) Act 2015

The Act is referenced in the report.

7.13 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:

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Minutes



Performance Scrutiny Committee - Place and Corporate

Date: 13 January 2020

Time: 4.00 pm

Present: Councillors C Evans (Chair), M Al-Nuaimi, G Berry, J Clarke, I Hayat, J Richards and D Williams

In Attendance: Beverly Owen (Strategic Director (Place), Paul Jones (Head of City Services), Rhys Cornwall (Head of People and Business Change), Mark Bleazard (Digital Services Manager), Gareth Price (Head of Law & Regulation), Meirion Rushworth (Head of Finance), Owen James (Assistant Head of Finance - Technical and Development), Meryl Lawrence (Scrutiny Adviser) and Neil Barnett (Governance Officer)

Apologies: Councillors K Critchley and D Fouweather

1 Declaration of Interests

None.

2 Minutes of the Previous Meetings

The Minutes of the meetings held on 4 November 2019 and 18 November 2019 were **approved** as a true and accurate record.

3 2020-21 Budget and Medium Term Financial Projections

Attendees:

- Beverly Owen – Strategic Director – Place
- Paul Jones – Head of City Services
- Rhys Cornwall – Head of People and Business Change
- Mark Bleazard – Digital Services Manager
- Gareth Price – Head of Law and Regulation
- Meirion Rushworth - Head of Finance
- Owen James – Assistant Head of Finance

City Services

Proposal 12 - CS2021/01 - Increase in Fees

The Head of City Services clarified the proposal to increase the following two fees:

1. Increase in emergency road closure charge from £250 per event to £800 per event. This was a fee paid by utility companies and statutory undertakers when the need arises to close an adopted highway at short notice. The original lower price meant there had been

more emergency road closures than need be, and caused problems with informing residents of emergency works in time.

2. Introduce a charge for waste receptacles for new build low-rise properties when residents initially occupy. There is already a charge for Houses in Multiple Occupation and this new charge is part of the Housing Supplementary Planning Guidance, but no value had been set.

Members asked the following:

- A Member asked if the fees are in line with other Councils.

The Head of City Services advised that they were broadly in line.

- A Member voiced concern about the large increase in the fees for emergency closures, and worried how this would affect community events.

The Head of City Services clarified that community events were not emergency road closures and would be classed as planned road closures.

Proposal 13 - CS2021/06 – Removal of non-statutory ALN Home to College Transport Provision and Post 16 Travel Grants to Mainstream Schools and Colleges

The Head of City Services clarified that the two grants in this proposal were for transport for pupils after finishing secondary school and the removal was proposed to be phased over the next two years so that students currently on two-year courses could complete their courses.

- Members expressed concern regarding the removal of the grants and the impact upon vulnerable people. Further concern was expressed at the potential environmental impact of the proposal to withdraw funding, which could result in an increase in traffic as parents / young people drove to college themselves and it was questioned whether some work could be undertaken with bus services on a travel card scheme, like an Oyster card.

Proposal 14 - CS2021/08 - Increased Recycling - Bag Sorting at Household Waste Recycling Centre

The Head of City Services advised the Committee of the improved recycling performance over the year, but that recycling performance via the HWRC could be increased further. Many Councils had stopped allowing mixed bagged waste, and any mixed bagged waste brought to the HWRC intended for the non-recyclable waste skip would be taken to a designated bag sorting area. Site operatives would open bags and sort into designated containers. This would be undertaken at quieter periods, not at peak times with a view to users expecting to bring pre-separated waste to the site.

Members asked the following:

- Members voiced concern that this could create further issues with traffic tailbacks on the Southern Distributer Road.

The Head of City Services advised that this had been taken on board and the proposal is that it would be done at peak times and after Christmas and Bank Holidays, but the aim was to change behaviour so that users brought pre-separated waste to the HWRC to increase recycling further.

Proposal 15 - CS2021/13 – Car Parking – Faulkner Road

The Head of City Services advised that the Faulkner Road car park was currently being heavily used by Council staff. There had been complaints from residents and visitors about not being able to park in this public pay and display car park. The proposal sought to limit the car park spaces for Council staff to 50.

Members asked the following:

- How would the proposal affect Blue Badge holders, and would the proposed 50 staff spaces be on a first come first served basis.

Members were advised that the proposal would enable the release of more spaces for the public, including blue badge holders. In terms of allocation, Council staff were using the car park on a first come first service basis; however there would be a broader piece of work on staff car parking with HR and Asset Management going forward. The Strategic Director –Place added that a lot of feedback from staff upon the proposal was expected as part of the consultation to be fed back to the Cabinet and that it had been agreed to set up a project team to look at a focussed review of staff parking.

- A Member raised the issue of staff parking in streets near the Royal Gwent Hospital and the risk of this happening in streets around the Civic / Faulkner Road, as a potential impact from this proposal.

The Head of Service advised that was already happening in this area. There was a need to encourage staff to use other forms of transport, so if less people drove to work, there should be less impact, and the spaces would be available for public use.

- A Member enquired whether there had been any shared learning from other organisations.

Members were advised that the proposed Project Team would look at this thoroughly as well as best practice solutions for staff parking in large companies. The Strategic Director advised that they would look at how to balance economic growth with climate change as the city grew. The review would look at how staff park and how it interfaced with public parking.

- A Member asked how the fifty spaces would be allocated, would it be fairer to remove all staff parking spaces, or should lower paid employees be able to access the spaces. He also asked could the proposal that potentially staff would have to look for parking elsewhere impact on employment.

The Head of Service advised that the Project Team set up would examine and it was currently a question of balance between public and staff parking provision. Issues with Social Workers and similarly visiting officers who need to leave the office a number of times a day and return would also be considered. Feedback from the consultation on the Budget Proposal would be fed back into Cabinet in February.

- A Member inquired about Park Square car park and whether it was a Council car park.

Members were advised that the operation of that car park should transfer to Council on 1st April.

- A Member inquired about the number of unoccupied spaces.

It was advised that demand had been considered and had edged up a little, since the start of parking enforcement.

- Members suggested that other car parks could be reviewed and places of worship or businesses may wish to buy spaces for their visitors and could consider charging staff to park.

It was advised that charging staff for parking could be one option to encourage sustainable travel.

- Members expressed concern about time being lost while staff returning to the Civic Centre between appointments circulated to find available parking.

The Chair thanked the Invitees for attending.

People and Business Change

Proposal 16 - PBC2021/03 - Public Building Wi-Fi "Community Cloud" – reductions in provision

The Head of People and Business change explained that current provision for Community Cloud had originally been put in place via the Super Connected Cities funding and since that ended two years ago, the Council had been funding the provision. Technology has moved on in a number of ways: a far greater 4G connectivity internet access and the amount of data for mobile users had also increased, so there was less demand for this provision. Within the financial constraints and challenges, this was a discretionary service so was being proposed for potential savings.

There were currently around 50 council and community buildings where Public Building Wi-Fi had been provided free to the public. The recommended option was to review the contract and remove service provision for some public buildings with free Community Cloud Wi-Fi, depending on usage. The availability of the Gov Wi-Fi with password access would minimise some potential impact of the proposal.

Members asked the following:

- Members enquired about the numbers of people are using the Community Cloud in these locations and the need for the provision.

It was advised that numbers for usage had not yet been aggregated as the usage at sites was currently being analysed.

- A Member asked about the impact of the proposal upon the list of 50 locations with current Community Cloud Wi-Fi access.

Members were advised that if the provision could be reduced or removed, but members of the public could use Gov Wi-Fi, by getting a password via a text. An example was given of a reduction of service at sites, that the Council may be spending £5000 at a site but only £3000 being used, so could achieve savings from downgrades to slightly slower speeds.

- A Member asked how the sites had been selected.

The Head of Service advised when Super Connected Cities came into action the infrastructure had been put in place, as free provision for whoever signed up for it. Rather than stop the provision when the funding ended, the Council carried on paying for it. The

Digital Services Manager added that the proposal reflected the change to funding, and a review of usage.

- A Member advised it was important to know that communities knew where the connectivity is being taken away and expressed concern that an important link for people could be removed. Public should be consulted about the buildings the Wi-Fi may be removed from.

The Head of Service clarified that the proposal was to potentially reduce or remove some Community Cloud Wi-Fi provision, which was not the same as connectivity and advised that the list of buildings that currently had Wi-Fi access had been given to the community for consultation.

- A Member acknowledged that while the Community Wi-Fi is good if it can be afforded, Services are faced with difficult choices.

The Head of Service assured that an evidence base of usage behind the decision would be utilised to minimise the effect.

The Chair thanked the Invitees for attending.

Law and Regulation

Proposal 17 - LR2021/04 – Reduction in Public Protection Statutory Enforcement and Prosecution work

The Head of Law and Regulation advised of the proposal to reduce staffing across three services areas. This would reduce the level of statutory enforcement and prosecution work carried out by the Public Protection service and focus on more serious, higher risk offences. Although these were statutory functions, it was a strategic decision for the Council as to how to discharge its statutory enforcement duties.

Members asked the following:

- Members voiced their concerns regarding the reduction in service.

The Head of Service advised that the service area had been given a target for reduction. Previously areas that could have work reduced had been cut, so the only thing left to offer up is reduction in service and staffing levels. Examples of previous efficiency savings were given, including: restructuring the Public Protection department and ways that services were delivered. Collaborative regional working had also been explored for Trading Standards, but came out as a more expensive option than in-house provision.

- A Member voiced concern at a reduction in service for a statutory service and the potential impact of the proposal.

The Head of Service advised that the proposal is to reduce cut back on proactive spot checks and gave assurance that the service would still respond to complaints. The Housing Response Team would first refer residents to the landlord. Currently they carried out inspections on every complaint, but there would be a triage service for risk and response, e.g. landlords complaints made via tenants. The Head of Service advised that this was a reducible minimum, close to core service and that the proposal was not being put forward lightly.

- A Member asked whether there were any other options.

Members were advised that the Council had a statutory duty to provide the core service but had discretion on how it discharged the service provided.

- A member questioned the use of temporary agencies for staff, which could take away cost savings.

The Head of Service advised Members that temporary agency staff would not be replacing staff, but had been used to fill a post while reviewing.

- A Member queried how vacant post could be realised as a saving.

The Head of Service advised that the posts were factored into the budget, and would be deleted and would try to avoid compulsory redundancy.

The Chair thanked the Invitee for attending.

Finance and Non-Service

Proposal 18 - NS2021/01 – Council Tax Reduction Scheme

The Head of Finance advised that the Council Tax Reduction Scheme budget was used to subsidise household Council Tax bills when occupants are eligible for support because of income levels. This budget had been underspent for a number of years due to lower numbers of claimants. The proposal is predicated on reducing the budget to the level of demand, which would, over the three years shown, reduce the current level of underspending on this budget. It was proposed that the budget is reduced over a three-year period.

Members asked the following:

- A Member inquired about the impact of the reduction.

The Head of Finance advised that the scheme was an 'All Wales national scheme' with nationally set criteria for eligibility and support levels and that the proposal to reduce the budget to take into account the level of underspend had no impact on the scheme nor the recipients.

Proposal 19 - N/A – Increase in Council Tax

The Head of Finance advised of the draft proposal for an increase of 7.95% and that it was well documented that Newport's council tax is low compared to other Local Authorities in Wales. He advised that Newport had the second lowest council tax levels in Wales. 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, Newport's actual spend was well below its SSA (around £8.3m in 2019/20), which is mainly due to its low level of council tax funding.

The Head of Finance advised the Committee that the Cabinet's Draft Budget Proposals had been developed ahead of receipt of the Local Government Settlement being received and that subsequently; Cabinet had flexibility of around £7M to consider its final budget proposals following consultation responses and any proposed new investments.

Members asked the following:

- A Member asked what was the % RSG.

The Assistant Head of Service advised that with a 5.4% increase, they need to take into account assumptions in the report such as pay awards and pension increases out of any RSG.

- A Member questioned whether it was possible that the 7.95% increase could be lower, given the flexibility.

The Head of Service advised that it would be a consideration, but that only last week the minimum wage had gone up by 6%, which was much higher than planned for, so currently considering a range of issues.

- A Member asked whether Newport could end up in the middle of the table on page 73, when compared with other authorities.

Members were advised that Newport would not be in the middle of the table, as the table contained the current years' council tax before other authorities' increases were added. It was predicted that Newport would be in the bottom 3 or 4, or possibly second lowest.

- A Member enquired whether there is a cap in Wales upon Council Tax.

Members were advised that there is no capping regime in Wales.

- A Member referred to future financial difficulties in paragraph 1.5, page 26 of the report and more savings need to be found; at least £22M by 2023 based upon current planning assumptions and asked the Officers when would local authorities be out of austerity and financial pressures.

The Head of Finance advised that he could not give a prediction, as it was a matter for national government. Following the national budget on 11th March 2020, the Fiscal Team at Cardiff University would analyse it to predict the Welsh Budget.

- A Member asked whether the budget process was the same as last year.

The Head of Service advised that the Budget Process was the same as the previous year, however The Overview and Scrutiny Management Committee had each year asked for a more strategic approach to a longer term MTFP and there was a need to move to a more strategic approach to plan further ahead.

- A Member commented that if possible, the increase of Council tax should be kept to a minimum, because of the impact on residents and in light of the better than expected Local Government Settlement.

Conclusion - Comments to the Cabinet

The Committee noted the Draft Budget Proposals relevant to the Place and Corporate Service Areas and agreed to forward the minutes to the Cabinet as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet on the Proposals within the Place and Corporate Service Areas:

Proposal 13 - CS2021/06 - Removal of non-statutory ALN Home to College Transport Provision and Post 16 Travel Grants to Mainstream Schools and Colleges

- The Committee requested that this Proposal be removed, due to the impact on vulnerable people and potential environmental impact and the flexibility within the Budget from the Local Government Settlement.

Proposal 14 - CS2021/08 - Increased Recycling – Bag Sorting at Household Waste Recycling Centre

- The Committee expressed concern regarding the potential impact of an increase in traffic backed up on the Southern Distributer Road, but acknowledged that an assurance had been provided that Bag Sorting would not be done at peak times and would work towards changing behaviour and increasing recycling at the HWRC.

Proposal 15 - CS2021/13 - Car Parking – Faulkner Road

- The Committee requested that the removal of 50 staff parking spaces from Faulkner road Car Park should not impact upon the lowest paid and also needed to take account of staff such as social workers and visiting officers who frequently went out on visits and returned to the Civic Centre a number of times daily.
- The Committee felt that the Business case could have been more detailed, but acknowledged that the Project Team upon Staff Car Parking would be set up to facilitate a thorough review of staff car parking.

Proposal 16 - PBC2021/03 - Public Building Wi-Fi “Community Cloud” – reductions in provision

- The Committee commented that details of the specific buildings to be affected by the removal or reduction of Community Cloud Wi-Fi was required, to obtain meaningful consultation upon the proposal.

Proposal 17 - LR2021/04 - Reduction in Public Protection Statutory Enforcement and Prosecution work

- The Committee expressed its concern about the proposed reduction in service, despite the assurance that the core service would be delivered and requested that if there was flexibility in the Budget, the proposal be re-examined.

The meeting closed at 18:00

Minutes



Performance Scrutiny Committee - People

Date:	14 January 2020
Time:	10.00 am
Present:	Councillors D Williams (Chair), J Cleverly, M Linton, H Thomas, C Townsend, T Watkins, J Richards and S Marshall
In Attendance:	C Humphrey (Interim Strategic Director - People), S Morgan (Chief Education Officer), M Rushworth (Head of Finance), C Watts (Senior Finance Business Partner), M Lawrence (Scrutiny Adviser) and L Thomas (Governance Officer)
Apologies:	Councillor J Watkins Dr A Daly (Diocese Representative)

1 Declarations of Interest

Councillor T Watkins declared an interest in the Frailty Service referred to in the Business Case for Proposal 4, as a family member had recently been a service user.

2 Minutes of Previous Meetings

The Minutes of the meetings held on 5th and 19th November 2019 were **approved** as a true and accurate record.

3 2020-21 Budget and Medium Term Financial Projections (MTFP)

Attendees:

- Chris Humphrey, Interim Strategic Director - People
- Meirion Rushworth - Head of Finance
- Sarah Morgan – Chief Education Officer
- Clare Watts – Senior Finance Business Partner

The Interim Strategic Director – People offered the apologies of the Head of Children and Young People Services to the Committee, as she was unable to attend this meeting.

Adult and Community Services

Proposal 1 - AS2021/04 – Reduction in Day Opportunities Budget

The Interim Strategic Director - People reported that the proposed £100k savings were an underspend, as a result of the number of people who attended the Day Opportunities service reducing. A range of activities was offered over a week, but some in the community rather than in one base, so provision and staffing required had been adjusted accordingly.

Members asked the following:

- A Member stated that the underspend figure of £100k was significant and queried where this figure came from and asked about partnerships with the Health and Voluntary Sector.

The Interim Strategic Director - People advised that the Mental Health Day Service at Brynglas had reduced from 5 days to 3 days. The Service was being provided in a different way by providing support in the community and by working closely with the Health Board and agencies such as MIND and Growing Spaces. Any vacancies had also been held.

- A Member queried how placing more services in third sector organisations could be sustained, given the reduction in the funding / budgets some of the organisations were facing.

The Interim Strategic Director - People explained that some of those partners had been successful in drawing down funding from other sources, and they had worked closely with the organisations to redesign services, as they had secure funding. Whilst the organisations had been involved in the development, funding continued to be a challenge for Local authorities and the Third Sector and it was recognised that there were no guarantees for future resilience.

Proposal 2 - AS2021/05 - Telecare Service

The Interim Strategic Director - People explained that work upon reconfiguring the service had been underway for a while. Previously mainly in-house, the service was now provided in partnership with Monmouthshire Council to install equipment and Caerphilly Council to monitor calls. The Service was in the process of withdrawing from the previous service contract with Worcester Telecare and had also been able to draw down funding from the Integrated Care Fund and draw down equipment upon demand, so it didn't become out of date. The cost of the Service had been standardised so service users were billed the same charge and received the same level of service, which had made the running costs of the service more sustainable and it was a better service.

Members asked the following:

- A Member asked if there an increase in cost to the user and what use was being made of new technology.

The Interim Strategic Director - People explained that the price had been fixed in between the price of the two previous providers resulting in a slight increase or slight decrease to service users.

The service now sat within the Occupational Therapy team and they were looking into increased use of new technology, such as using Alexa to prompt reminders to take medication. Although this helped reduce non- essential visits from carers, this would only be part of users care package.

- A Member asked what additional funding was the Council receiving for providing the Telecare Service and would this be a regular income.

The Interim Strategic Director - People replied that capital expenditure had been reduced due to a successful bid for regional ICF funding for provision of equipment and this funding was guaranteed from Welsh Government until 2021.

Proposal 3 - AS2021/07 - Reduction in funding awarded to third sector organisations

The Interim Strategic Director - People briefly outlined recommendations to reduce funding to the following Third Sector Organisations by the figures outlined in the report to: Growing Space; Hafal; Mind; Deaf Clubs; People First; Citizens Advice Bureau; and Carers Grant.

Members asked the following:

- A Member queried whether a Fairness and Equalities Impact Assessment (FEIA) had been completed for this Budget Proposal, as the Business Case stated that it required one, but one had not been published.

The Interim Strategic Director – People advised that a FEIA had been completed for the Proposal and should have been published.

- A Member expressed concern that that for some of the third sector organisations this proposal represented a substantial loss of income, particularly if future EU funding were to be lost and could the Council look at ways of helping these organisations seek funding from other sources.

The Interim Strategic Director - People responded by saying that most of these partners understood the environment worked under and part of the conversations held with them, were around helping them look for alternative funding from other sources.

- A Member commented that the Citizens Advice Bureau was a vital service for many and questioned the savings proposal and asked what other funding CAB had.

The Interim Strategic Director - People confirmed that CAB were supported by funding from Adult and Community Services, Corporate funding, Supporting People and Welsh Government Funding streams. Rolling the Council support into one contract would make it easier for CAB to manage delivery and would still be sustainable to continue as an important service.

- A Member asked how no reduction in service could be ensured, given the removal of funding from third party organisations, and whether the funding still met the objectives of the Council.

The Interim Strategic Director – People advised that most of the organisations are national charities and are realistic and had worked with the Service upon the proposed saving, and she advised that the funding still met the objectives of the Council.

- A Member expressed concern that the budget savings proposal for CAB and the impact, needed to be made clear to the public in consultation, that the Council was not removing all of its funding, but rolling support into one contract.

The Interim Strategic Director confirmed that the public consultation was already underway and would be fed back to the Cabinet in February.

- A Member questioned the proposed reduction of £20k Carers Grant.

The Interim Strategic Director - People explained that the availability of significant Welsh Government ICF funding through a Grant specifically for Carers had increased the resource for Carers, so the existing budget of £40k had been underutilised and was being reduced by £20K.

Proposal 4 - AS2021/08 - Staffing Review

The Interim Strategic Director - People explained that the budget proposal involved an internal review of existing staffing resources, taking into account any existing vacancies in order to put in place a sustainable staffing structure, whilst trying to maintain front-line services.

Members asked the following:

- A Member queried the cost to the Council of agreeing to any requests for voluntary redundancy.

The Head of Finance confirmed that it would be up to the Head of Service to accept a request or not and if a role was deemed to still be required, then the request would always be refused. Whilst a voluntary redundancy would be preferable to a compulsory redundancy, the Head of Service would consider the needs of the service first and refuse the request if the post were still required. The Interim Strategic Director – People advised that redundancies were not being considered at that moment, restructuring was being explored and hopefully could avoid redundancies.

- A Member queried the figure of 9 Full Time Equivalent (FTE) posts affected by this particular proposal.

The Interim Strategic Director - People clarified that this was not 9 individual staff but that the total individual savings through, for example, changes to working patterns would equate to 9 FTEs.

- A Member praised the service, however added that some adjustment could be made to the scheduling of calls to limit carers travelling back and forth between the East and West of the City.

Children and Family Services

A Member advised the Interim Strategic Director asked whether a Fairness and Equalities Impact Assessment (FEIA) had been completed for Budget Proposals 5, 6 and 7, as the Business Cases stated that they required one, but none had been published.

The Interim Strategic Director – People advised that FEIAs had been completed for the Proposals and should have been published.

Proposal 5 - CFS2021/02 - Family Support Services - Barnado's Partnership

The Interim Strategic Director - People outlined the proposal to reduce the current budget by £75k from £600k, reconfiguring the staffing team and using ICF funding to do some work in-house instead of by Barnado's, so accessing other funds to mitigate the saving and the impact on the service was not significant.

Members asked the following:

- Concern was expressed about the “lower capacity to accept referrals and a potential impact on the number of children in care” referred to in the Business Case, on page 65 of the report.

The Interim Strategic Director - People responded that any change would have a consequence, but the Service would be reconfigured to manage the change and that

these proposed changes had been discussed with Barnados. The ICF and Transformation Grant funding would assist, although there would be some impact by the proposal.

Proposal 6 - CFS2021/05 - Staffing across Children's Services

The Interim Strategic Director - People outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member expressed concern regarding the funding shift from core to grant funding for unaccompanied asylum seeking children and the sustainability of that funding post-Brexit and asked whether the posts were permanent, or temporary and linked to the funding.

Members were advised that in the event that the grant disappears in the future, then a case would be made to seek core funding. It was confirmed that posts were permanent, but their funding would change.

- A Member expressed concern about the proposed removal of posts, in particular social workers, potentially creating pressure on service resilience and moving pressures elsewhere in the service.

The Interim Strategic Director - People responded by saying that whilst there would always be a need for social workers, there could be flexibility in how the teams operated. Service demands changed over time, with reduction in demands in certain areas and increases in others, so some services needed restructuring. Posts could also be funded in alternative ways. The posts had been identified because some mitigation was possible and so the risk to the service could be minimised.

- A Member asked whether this proposal included a full review, or had just focussed on vacant posts to utilise as a saving.

The Interim Strategic Director – People responded that the proposal contained a mixed approach and included some vacant posts, restructuring and some alternative funding streams.

Proposal 7 - CFS2021/06 - Reduction of posts across Children's Services

The Interim Strategic Director - People outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member asked whether the whole of the Service was being restructured.

The Interim Strategic Director- People Reduction in demands in certain areas and an increase in others meant that staff could be utilised in the areas of most need. Whilst this was not the result of a major restructure, it was an opportunity to improve how the service worked and look for potential savings at the same time.

- A Member commented that they recognised the difficulties facing Heads of Service in carrying out this type of staffing review and applauded the staff for continuing to carry out their required roles whilst these often difficult decisions were being made.

A Member asked whether a Fairness and Equalities Impact Assessment (FEIA) had been completed for Budget Proposals 5, 6 and 7 above, as the Business Cases stated that they required one, but none had been published.

The Interim Strategic Director - People advised that FEIAs had been completed for the Proposal and should have been published.

Education

Proposal 8 - EDU2021/01 – Education Welfare Service Savings Proposals

The Chief Education Officer outlined the proposal and referred to the Business Case.

Members asked the following:

- Members expressed their concern that a reduction in the number of Educational Welfare Officers would have a detrimental impact on school attendance and subsequent Estyn reports, putting pressure on individual schools and queried if there were any alternative funding streams identified to schools to apply for directly.

The Chief Education Officer confirmed that whilst poor attendance was certainly linked to poor Estyn reports, there were other factors also taken into consideration. Whilst attendance figures across the City had improved, the loss of 2 Educational Welfare Officer posts would mean the need to focus more closely on those schools, which were seen as a priority. At the moment EWOs focussed on those pupils with 85% or less attendance and schools focussed on the higher levels. There was a good working relationship with schools and a constant reassessment in seeking flexible funding grants that schools could utilise. Regular half- term meetings with schools provided the opportunity to share information on best practice within schools and any grants which may be available.

- Members asked if some children still took holidays during term time and also queried if there had been any increase in the level of pupils receiving free school meals.

The Chief Education Officer confirmed that there were still instances of holidays being taken during term time and that parents were issued fixed penalty notices for this. No profit could be made from fixed penalty fines; the income received covered the administration costs and was reinvested in family engagement via the Education Service.

- A Member commented that there was certainly a drop off in the uptake of free school meals for pupils transferring from Primary to Secondary education, possibly due to the opting in/out methods in place and suggested that this needed to be looked into as levels of funding could be affected.

Proposal 9 - EDU2021/02 - Reduction of the Inclusion Enrichment Team

The Chief Education Officer outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member expressed concern that there were currently long waiting lists for referred pupils to be seen by an educational psychologist and asked what impact the proposal would have and what the effect would be cluster wise.

The Chief Education Officer advised that whilst this proposal would certainly have an impact on schools, there was a need to look closely at this area of work to assess where the loss could be most easily managed and it would probably not affect psychologist posts but other areas. Cluster wise the proposal could slow down processes and could reduce the amount of teacher training.

- A Member asked how the service compared with other Authorities' services and whether resources could be shared with other Authorities.

The Chief Education Officer advised that there was not any sharing of resources between Authorities, however, there was a sharing of information strategically between Heads of Inclusion.

Proposal 10 - EDU2021/03 - Gwent Music Service Reduction in Hardship Funding

The Chief Education Officer outlined the proposal and referred to the Business Case.

Members asked the following:

- A Member stressed the importance of supporting music and the arts facilities within schools because of their enrichment qualities for pupils, and for less advantaged pupils in particular. Whilst recognising Newport's contribution to the service, the proposed reduction represented a significant amount and would have a big impact on the pupils.

The Chief Education Officer responded by saying that music services across the region in general were struggling for funding and that work was ongoing to seek access to additional funds. Whilst helping and supporting, there was a need to be mindful that Newport's contribution was greater than the other contributors.

- A Member asked if there was other support provided to the Gwent Music Service by the Authority.

The Chief Education Officer advised that support was provided by the use of buildings, and the Music Service had been successful in securing a large grant last year and was waiting to hear about the same grant this year.

- A Member asked whether the Pupil Deprivation Grant was the same in Wales as in England and whether it could be used for Music.

The Chief Education Officer confirmed that it was the same, but that schools had to use it to ensure pupils do as well as they could. It could be used for Music and in some schools it was used for music taster sessions to garner enthusiasm, or group lessons, 1 to 1s or group ensembles on weekends. A school applied if they had a child in need. A review of Gwent Music's policy on the use of hardship / deprivation grant could provide clarity.

- A Member queried how the Authority is working to signpost grants from the Arts etc. to give pupils a broader culture.

The Chief Education Officer advised that the Music Service Manager had volunteered to lead the All Wales work on accessing additional funds, which looked to achieve sustainability and help to support.

Proposal 11 EDU2021/04 – Improved Budget Efficiency within Education Services

The Chief Education Officer referred to the Business Case to review the Gwent Education Minority Ethnic Services (GEMS) management charge and transfer the Key Stage 2 Pupil Referral Unit provision to an alternative and improved location.

Members asked the following:

- A Member enquired whether transport was provided for those attending the relocated PRU.

The Chief Education Officer confirmed that transport was provided for those not living within walking distance.

Schools Funding - Section 3 of the Cabinet Report

- A Member expressed concern at the statement in paragraph 3.11, page 29 of the Cabinet report attached as Appendix A, regarding Schools and the impact upon the Council's overall Budget of Schools' overspending:

"The level of in year overspending was highlighted as a risk in 2018/19 and continues to be a significant area of concern. Schools have used £1.7m from school reserves over the last 2 years to fund overspending on their budgets and current projections of £3.1m overspending would see reserve balances fall to zero at the end of this current 2019/20 financial year. Officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. This resolution is critical as current spending levels in schools is not sustainable and has the potential to cause a significant and adverse impact on the councils overall finances if it continues."

The Head of Finance confirmed that if a school were to go into a negative balance financially then the Council would have the impact of the deficit. The Service worked very closely with schools to assess overspending issues and, where necessary, examined their business and recovery plans. Based on current forecasts there would be no capacity to overspend next year and given this challenge, it was vital that the Council continued to review carefully all budget pressures regularly and ensure that services operated in such a way as to manage demands effectively.

- Members were concerned that Governing Bodies be made aware of the implications of any deficits overspends upon the Council's ability to balance its budget.

The Chief Education Officer commented that the message was communicated via a variety of methods: in Schools Forums and the Minutes sent to all schools, which should be read by all governors; at regular Headteacher meetings there was always a discussion about finance and the need for schools to look after their own finances and balance their budgets. It was stressed that they recognise the need to be responsible and make challenging decisions where necessary. Headteachers also held their own meeting with Governors and so they should be aware of the challenges being faced by their respective schools.

The Chief Education Officer proposed a Briefing Note could be sent to each Governing Body to remind them of the need to set a balanced budget, the impact of individual school's deficits upon the Council's Budget, the need to pull in the forecasted deficits and that individual school reviews could assist them where necessary.

The Head of Finance advised that Cabinet had approved the draft proposals and were now consulting upon them and were aware of the schools' position and the need to balance. School reserves would be close to, if not zero by the end of the year and there would be no capacity to absorb overspends next year. Schools needed to recognise that they could not exist in isolation and that any overspend or budget issue affected the whole city and other services collectively as a Council.

The Head of Finance reminded the Committee that the Cabinet's Draft Budget Proposals had been developed ahead of the Local Government Settlement being received and that subsequently Cabinet had flexibility of around £7M to consider its final budget proposals following consultation and any proposed new investments. He advised the Committee of the need to clearly articulate in the Minutes its comments upon specific proposals, for consideration by the Cabinet as part of the consultation.

The Chair thanked the Invitees for attending.

Conclusion - Comments to the Cabinet

The Committee noted the budget proposals relevant to the People Service Areas and agreed to forward the minutes to the Cabinet as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet on the Proposals within the People Service Areas:

General Comments

- The Committee commented upon the inconsistency of the completion of Business Cases, with varying levels of detail provided.
- The Committee expressed concern that not all the Fairness and Equalities impact Assessments identified as being required in Business Cases had been made available, and published as required.

Proposal 3 - AS2021/07 - Reduction in funding awarded to third sector organisations

- Citizens Advice Bureau:
The Committee expressed concern that the work of the CAB was essential and vital in the economic climate and the need to ensure it was not undermined. The budget savings proposal for CAB and the impact needed to be made clear to the public in consultation, that the Council was not removing all of its funding, but rolling support into one contract.
- Growing Space:
The Committee was concerned about the sustainability of the service's funding beyond the ending of the European funding.
- Mind:
The Committee was concerned about a potential future shortfall, if future funding streams via the Consortium ceased.
- Deaf Club:
The Committee asked whether the organisation could be assisted / signposted towards premises.
- Carers Grant:
The Committee was concerned about a potential future shortfall, if future funding from the Welsh Government Integrated Care Funding ceased post 2021.

Proposal 5 - CFS2021/02 - Family Support Services - Barnado's Partnership

- The Committee expressed concern about the impact of this proposal upon "lower capacity to accept referrals and a potential impact upon the number of children in care" referred to

in the business Case, and also the potential future cost to the Authority if future funding from the Welsh Government Integrated Care Fund ceased post 2021.

Social Services Proposals:

- The Committee expressed concern that the need for social services was increasing whilst the proposals being considered across Adult and Community Services and Children and Family Services totalled a reduction of over £1M, a large proportion upon the redesign of services and removal of staffing. Concern was expressed over the reliance upon ICF and Transformation Grant funding and future funding pressures, should these WG funding streams be discontinued post 2021.

Proposal 8 - EDU2021/01 – Education Welfare Service Savings Proposals

- The Committee expressed concerned about the impact the proposed reduction of 2 FTE Educational Welfare Officers would have upon school attendance, and in the longer term schools going into special measures and the pressure upon schools.

Proposal 9 - EDU2021/02 - Reduction of the Inclusion Enrichment Team

- The Committee expressed concern about the proposal to reduce the Inclusion Team, the effect upon service users and the reduction in teacher training, and felt strongly that the reduction should not affect the Ed Psych front line service. The Committee requested that the Cabinet remove this proposal, given the flexibility in the Budget since the receipt of the Local Government Settlement

Proposal 10 - EDU2021/03 - Gwent Music Service Reduction in Hardship Funding

- The Committee were concerned about the proposed removal of part of the subsidy for hardship funding, due to the likely impact upon disadvantaged children. The Committee requested that the Cabinet remove this proposal, given the flexibility in the Budget since the receipt of the Local Government Settlement.
- The Committee suggested that Gwent Music be requested to review its policy on the use of hardship / deprivation grant to provide clarity.

Schools Funding:

- The Committee recommended the development of a more strategic 3 year Council Medium Term Financial Planning process, which would assist with planning the Council's Budget further ahead and link with planning further ahead for schools funding.
- The Committee endorsed that a Briefing Note be sent to each Governing Body to remind them of the need to set a balanced budget, the impact of individual school's deficits upon the Council's Budget, the need to pull in the forecasted deficits and that individual school reviews could assist them where necessary.

The Chair advised the Committee that this would be the Scrutiny Adviser's last Scrutiny Committee meeting before she left the Authority to take up her new post, thanked her for her support and wished her well for the future.

The meeting terminated at 1.00 pm