

# Decision Schedule

## Cabinet

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### TO ALL MEMBERS OF NEWPORT CITY COUNCIL

#### Decision Schedule published on 14/11/2019

The following decisions were taken on 13/11/2019. They will become effective at Noon on 25/11/2019 with the exception of any particular decision(s), which is (are) the subject of a valid "call-in".

The deadline for submission of a 'Call-in' request form (available from Democratic Services) is 4.00 pm on 22/11/2019. Reports relating to staffing issues/confidential reports are not circulated to all Members of the Council as part of the consultation/call-in processes.

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#### CAB 54/19

#### Revenue Budget Monitor Report – September 2019

##### Options Considered/Reasons for Decision

The Leader presented the report, the purpose of which was to provide Cabinet with an update on the revenue forecast position and the issues affecting financial management during 2019/20.

The September 2019 position showed that the Council's overall net revenue budget is forecast to be £723k overspent after utilising the entire revenue contingency budget.

The revenue budget forecast has worsened each month to date with new and increasing budget overspending forecast. The July position reported to Cabinet showed a finely balanced position which has worsened to the position shown above. The main changes since July are in Adult Social Services and details of all new and emerging risks were set out within the report.

Service areas, excluding schools, are forecasting an overspend of £4,340k, this is confined to a small number of budget/activity areas, with the majority of areas spending close to/within their approved budgets.

There is continuing pressure on the budget from demand areas specifically within social care and the following three areas alone contribute £2,978k to the overall service area overspend shown above:

(i)	Adult community care	£1,428k overspend
(ii)	Children's out of area placements	£813k overspend
(iii)	Independent fostering agencies	£737k overspend

The report confirmed that service area overspending has been partly mitigated by underspending against non-service budgets in respect of council tax surplus and council tax reduction scheme (£2,042k). Although this mitigation reduces the total overspend down to £2,298k this, along with other small non-service savings, outweigh the contingency budget of £1,473k resulting in a net overspend of £723k across the Council's overall revenue budget.

Given that:

- (i) an overspend remains after the full use of the revenue contingency, leaving no mitigation for any further unavoidable risks and,
- (ii) any overspend will be an un-planned draw from Council reserves and there are no unallocated reserves specifically earmarked for this,

The report recommended that immediate and robust action should be taken to target a reduction in service area spend and balance the overall budget.

In addition, budgets set by schools for 2019/20 reports overspending against their available funding by £3,191k. Whilst this has no impact on the overall council's net budget because schools have their own reserves to fund this overspend, it does mean that the school reserves will come down, in overall terms, to a 'negative position' based on the forecasts.

The result being a small number of individual schools, mainly secondary schools, increase their existing deficit reserves. This projection includes additional in-year funding/income of £1,030k, which will be received from in-year grants and other compensation, including the recently announced 2019/20 teachers' pay grant.

The report noted that secondary schools are already working on their budgets to bring forward savings and that work is on-going.

As the financial year progresses there will inevitably be greater certainty around the forecasts but the current position paints a challenging position at this point. The pattern of overspending and underspending is consistent with previous years, even after significant investments in those services, although a key difference this current year is no one-off income has been received, unlike previous years. The level of overspending in services and schools cannot be sustained at these levels.

As the Council continues work on future years' budgets, the current position highlighted in respect of continuing pressure on demand-led service budgets will need to be considered and appropriate action agreed.

The report's appendices included:

Appendix 1	Overall budget dashboard – September 2019
Appendix 2	Revenue summary monitor – September 2019
Appendix 3	Schools' funding and balances
Appendix 4	Planned movement in reserves

Cabinet was asked to:

- Note the overall budget forecast position, including use of all the general budget contingency, in addition to significant underspending in non-service budgets to mitigate, in part, the forecast overspends within service areas;
- Agree that the Chief Executive and Corporate Directors work with Heads of Service to bring about targeted reductions in service area spending. These are forecasted to show progress and monitor delivery and agreed with individual Cabinet Members in their regular briefings;
- Note the level of undelivered savings within each directorate and the risks associated with this;
- Note the forecast movements in reserves;
- Note the projected balances of individual schools over the next year and that work is on-going in respect of reducing school overspending in the secondary sector.

#### **Decision:**

Cabinet approved the report and agreed that the Senior Leadership Team should impose a targeted reduction in spend across service areas and continue careful review and management of key budgets and risks.

## **Consultation**

Chief Executive; Strategic Directors; Heads of Service; Budget Holders; Accountancy Staff.

**Implemented By:** Cabinet Members; Head of Finance; Senior Leadership Team; Corporate Management Team to:

- Ensure there is targeted reduction in spend across service areas and forecasts/ financial dashboards updated;
- Manage undelivered savings as appropriate for 2019/20 and previous years;
- Promote and ensure robust forecasting throughout all service areas.

**Implementation Timetable: On-going**

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**CAB 55/19**

## **Capital Programme Monitoring and Additions Report – September 2019**

### **Options Considered/Reasons for Decision**

The Leader presented the report which was submitted to Cabinet for approval of the Capital Programme which:

- i) Has been expanded to seven years to reflect the extended timescales, the review and subsequent re-phasing of the current programme and individual projects within it required, and;
- ii) Shows the cost of any other, already approved projects, which spanned into the additional two years, and is included for completeness.

The report included requests for new, additional capital projects to be added to the Council's Capital Programme, which will now form the basis for the remaining six years of the seven year programme

The report also updated Cabinet on:

- i) The current available capital resources ('headroom') currently in place and planned;
- ii) The current spending against the Capital Programme schemes highlighting the forecast outturn position for the programme as at September 2019.

The report updated Cabinet on the current capital expenditure position as at the end of September 2019 along with the forecast outturn for 2019/20. The position showed a net forecast underspend of £212k, resulting from schemes underspending by £570k, which had been offset from schemes overspending by £358k across the programme.

Included within the report were requested capital additions of £2,059k to be added into the programme, all of which are funded through grants.

The review and subsequent re-phasing of the original programme ending 2022/23 has expanded timescales by two years and for completeness; other, already approved projects which fall into those years are shown in the report. These changes, including the new additional projects requiring approval, were shown in Appendix A of the report.

The report also updated Cabinet on the current position regarding capital receipts. Cabinet was asked to:

- i) Note the majority of the re-phasing of the overall programme has been completed with the exception of finalising 21<sup>st</sup> Century Schools Band B and Fleet replacement;
- ii) Note that the capital programme timescale has been increased from five years to seven years to accommodate the re-phasing of the original programme and for completeness, and includes other already approved projects which fall into those years;
- iii) Approve the additions to the Capital Programme requested in the report (Appendix A);
- iv) Note the available remaining capital resources ('headroom') until 2022/23;
- v) Note the capital expenditure forecast position as at September 2019;
- vi) Note the balance of and approve the allocation of in-year capital receipts.

**Decision:**

1. Cabinet approved the changes to the Capital Programme and noted the monitoring position as set out in the report, including the use of capital receipts.
2. Agreed to note the current available headroom and prioritise future capital expenditure in order to maintain spend within the current affordability envelope.

**Consultation**

Heads of Service; Accountancy teams for relevant service areas; relevant service area Project Managers; NORSE Property Services.

**Implemented By: Assistant Head of Finance**

**Implementation Timetable: Immediate**

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**CAB 56/19**

**Cabinet Work Programme**

**Options Considered/Reasons for Decision**

The Leader presented the Cabinet Work Programme.

**Decision:**

Cabinet agreed the programme.

**Consultation**

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

**Implemented By: Cabinet Office Manager**

**Implementation Timetable: Immediate**

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Signed: .....

Councillor Debbie Wilcox, Chair of the Cabinet

Date: