

Agenda



Cabinet

Date: Wednesday, 12 February 2020

Time: 4.00 pm

Venue: Committee Room 1 - Civic Centre

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

| Item | Wards Affected |
|------|--|
| 1 | <u>Apologies for Absence</u> |
| 2 | <u>Declarations of Interest</u> |
| 3 | <u>Minutes of the Last Meeting</u> (Pages 3 - 10) |
| 4 | <u>Capital Strategy and Treasury Management Strategy</u> (Pages 11 - 72) |
| 5 | <u>Revenue Budget and MTFP: Final Proposals</u> (Pages 73 - 254) |
| 6 | <u>Key Stage 4 Outcomes: Summer 2019</u> (Pages 255 - 266) |
| 7 | <u>Brexit Update</u> (Pages 267 - 276) |
| 8 | <u>Economic Growth Strategy</u> (Pages 277 - 284) |
| 9 | <u>Work Programme</u> (Pages 285 - 292) |

Date of Next Meeting: Wednesday 18th March, 4 pm, Committee Room 1, Civic Centre

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Date of Issue: Wednesday, 5 February 2020

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Minutes

Cabinet

Date: 15 January 2020

Time: 4.00 pm

Present: Cllrs Jane Mudd (Chair); D Davies, D Harvey, R Jeavons; D Mayer, G Giles, M Rahman, R Truman

In attendance: Ms S Davies; Mrs B Owen; Mr G Price; Mr M Rushworth, K Duffin.

Part 1

1 Apologies for Absence

Cllr Paul Cockeram.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes

The minutes of the meeting held on 20 December 2019 were confirmed as a true record.

4 Revenue Budget Monitor – November 2019

The Leader presented the report that showed the forecast position as at the end of November 2019.

The Leader confirmed the position had improved since the previous report (when it was reported the Council faced an overspend of circa £700k); this latest report confirmed a finely balanced position.

The improvement is due to a number of factors, including the recent announcement of new specific grants which will cover some of the core overspending as well as the targeted spending freeze previously agreed by Cabinet.

Risks remain, as the position includes the use of all the revenue budget contingency to balance the overall budget; significant service area overspending continues which is mitigated from non-service underspending; schools' overspending still remains at a high level.

The general pattern of the areas of overspending and underspending has not changed and the report confirmed overspending in a very small number of the Council's activities. However, the overspends are significant and are primarily caused by growing demand in social care services, a situation that is not unique to Newport.

The Council is currently consulting on its draft 2020/21 budget which includes proposals to invest significantly in the areas which continue to experience on-going demand challenges. This should alleviate the current overspending issues but only if demand stabilises which is not guaranteed.

The Leader thanked staff across the Council for the work carried out to manage budgets in sometimes difficult circumstances and asked that every effort is made to continue to manage the finances robustly as the year-end approaches.

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 Corporate Directors and the Chief Executive continue to work with Heads of Service to bring about targeted reductions in service area spending. These are forecast 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 agreed that the Strategic Leadership Team should continue to impose a targeted reduction in spend across service areas and continue careful review and management of key budgets and risks.

5 Capital Programme Monitoring and Additions – November 2019

The Leader presented the report that provided the regular capital additions and monitoring information.

The report included:

- projects that Cabinet are asked to approve onto the programme;
- an update to the capital headroom;
- capital costs incurred to date;
- projections of spend to the end of the year, and;
- the current position on capital receipts.

The Leader reported new additions to the programme. These included six projects costing nearly £2m which are detailed in the report. The report confirmed these projects are funded from external grant or from revenue budget savings in the service areas concerned which will be vired to fund the associated borrowing costs; therefore, there is no impact on the current capital headroom. In particular, the Leader drew attention to the Market Arcade refurbishment project which officers are working very hard to progress and which she was pleased to report will be another good step forward in the development of the city centre.

The Leader confirmed that progress in the delivery of the programme and spend is progressing on the current year's projects; however, the difference between the budgets for this year at £39m and current spend of £15m is still very significant. The Leader stated that historically there is higher spending in the last two quarters of the financial year but having already reviewed and re-phased this year's capital programme budgets, further work may well be required.

Notwithstanding this, the Leader was pleased to report good progress is being made on some really valuable and exciting projects for the city, such as:

- Progressing planning and design work for the Band B school building projects. This represents the beginning of a major £70m investment in schools over the next five years;

- The east Newport neighbourhood hub which is now operating very well;
- The Market Arcade project is a challenging project but steady progress is being made;
- 123-129 Commercial Street project is nearing completion and makes a really positive visual impact in that part of the city centre; the accommodation is also of a very high standard;
- Planning work for the Transporter Bridge is nearing completion;
- Good progress is being made on the new children's residential homes which will make a really positive improvement to the Council's looked after children.

The Leader confirmed the demand for capital resources outstrips the availability of funding and is currently affordable, but there is still a very significant medium term programme which represents nearly £200m of investments in the city over the next five years.

The report confirmed that capital receipts are included in the capital headroom.

Cllr Jeavons was pleased to report the work carried out in Park Square Car Park on the LED energy efficiency works had led to less incidents of anti-social behaviour.

Cllr Giles commended the work being taken forward on the 21st Century Schools Band B initiative.

Cllr Harvey commended officers for the work done in bringing the Newport East Hub to fruition and also the work carried out in connection with the Transporter Bridge.

The Leader and Cllr Truman applauded the South Wales Argus for their 'Backing Newport Campaign'. The Leader was delighted that the South Wales Argus had taken the decision to relocate its business to the City Centre.

The report proposed that Cabinet:

- Approve the additions to the Capital Programme requested in the report (Appendix A);
- Approve slippage of £211k;
- Note the available remaining capital resources ('headroom') until 2022/23;
- Note the capital expenditure forecast position as at November 2019;
- Note the balance of and approve the allocation of in-year capital receipts.

Decision:

Cabinet:

- i) Approved the changes to the Capital Programme and noted the monitoring position as set out in the report, including the use of capital receipts;
- ii) Agreed to prioritise capital expenditure to maintain spend within the current affordability envelope.

6 Mid-year Performance Analysis 2019/20

The Leader presented the report, the purpose of which was to provide an overview on the progress of delivery against the service plans and performance measures for the first six months of this financial year (2019/20).

The report included the feedback and recommendations of the People Scrutiny Committee and Place & Corporate Scrutiny Committee following the presentation of the service plans in November 2019.

The report confirmed:

- In 2017 Newport Council launched its five year Corporate Plan which set out its vision and goals for delivering Council services and delivering its Well-being objectives for the citizens of Newport.
- To ensure these objectives were achieved, each service area in the Council developed supporting individual service plans which Cabinet Members for each service area approved.

The report detailed that:

- The first six months of this financial year showed that 97% of the actions in service plans were 'in progress' with 11% of actions completed. (*The report provides full detail of progress*):
 - 43 out of 74 reported performance measures were 'on target' in achieving delivery against their annual target;
 - 8 out of 74 performance measures were 'short of target' in achieving delivery of their annual target;
 - 15 out of 74 reported performance measures were 'off target' in the delivery against their annual target.

The performance had been reviewed in detail by Scrutiny Committees and senior managers continue to monitor outcomes closely through the second part of the year.

- The report also highlighted notable developments in the delivery of the Corporate Plan which had seen the Council taking bold decisions against the backdrop of ongoing financial pressures. Whilst the full detail of the developments are included in the report, the Leader highlighted some of the progress made to date:
 - The Council has seen success in the delivery of Rose Cottage and encouragement in the development of children at the setting following them being brought back into the City; the children are thriving in this setting. The Council is now in the process of purchasing a second property which will provide further opportunities to bring back out of county placements to the City;
 - Collaborative working between Newport, Caerphilly and Monmouthshire in the delivery of the Telecare service is now fully operational;
 - Civil Parking Enforcement has been a success following its implementation last summer which has transformed the environment of the city and a reduction in illegal parking has been seen throughout the city;
 - The success of the Council's new Waste Strategy and implementation of smaller wheelie bins has seen an increase in the Council's recycling rate and supporting the Welsh Government's target of reducing waste taken to landfill;
 - There has been significant developments in the regeneration of the City Centre with the redevelopment of Chartist Tower, Market Arcade and the Transporter Bridge;
 - The launch of the Ringland Hub and the new Hub model across the city is bringing Council services together enabling residents to access the services they need more easily;
 - The Council also saw its first intake of graduate trainees in September 2019 and the Council continues to provide apprenticeship opportunities, training and development of new and existing staff.

With regard to National Performance Measures it was reported that:

- At the Mid-year point for 2019/20, 16 out of 27 (63.5%) of the national performance measures were reported as being 'on target'.
- 4 out of 27 national measures were reported as being amber 'short of target' with 7 measures indicated as being red - 'off target'.

The report documented the Scrutiny Committee Feedback and Recommendations being:

- Mid-year performance updates were presented to the Council's Place and Corporate Scrutiny Committee and the Council's People Scrutiny Committee in November 2019. A summary of the recommendations raised to Cabinet for consideration are included in the report;
- As the Leader of this Cabinet we accept the feedback received from our colleagues at both Scrutiny Committees and encourage both Cabinet Members, Senior Officers and officers across the Council to consider these in the delivery of services and future reports presented.

The Leader summed up the report by confirming that:

- Cabinet Members are all responsible for the oversight and delivery of the service plans and where good progress is being made that recognition is given to the work being undertaken by the service areas and their staff;
- Equally, Cabinet Members take responsibility and ensure that where underperformance is reported that the necessary action(s) is/are taken by the service areas to improve performance and deliver the services required by the Council's constituents in the delivery of the Corporate Plan.

Cllr Jeavons asked to put on record his thanks to all the residents of Newport for embracing the major change to the smaller wheelie bins and thereby increasing recycling targets.

The Leader confirmed that whilst there is much work still to be done the Administration is totally committed to the people of Newport in fulfilling the commitments made in the Corporate Plan.

Cabinet was asked to consider the following proposals:

1. Note the contents of the report;
2. Receive a further update on the year-end position once the data is available;
3. Take urgent action in conjunction with the Directors and Heads of Service to address areas of poor performance.

Decision:

Cabinet agreed the proposals.

7 Information Station

The Leader presented the report and confirmed the project consists of three key elements:

1. Relocation of the Information Station to the Library and Museum building;
2. Sub-Leasing the current Information Station to a Tech Hub Provider in order to deliver Newport City Council's corporate aspiration to become a Digital City;
3. Better delivery and use of Council owned buildings with refurbishment of the Museum and Library to incorporate improved and co-located services.

The report confirmed the project draws in external funders such as Welsh Government and the private sector with a total funding package of £1.75 million. The project will also provide MTRP savings for the Council.

The project will also create a further step to providing a vibrant city centre and help to deliver "Newport Digital Avenue".

The proposals put before Cabinet were:

- Proceed with seeking opportunities to commercialise the Information Station building;
- Authorise officers to proceed with relevant processes to seek new occupiers for the Information Station and external finance required to deliver the project;
- Subject to the successful acceptance of the external TRI funding, satisfactory commercial rent in line with the base financial appraisal for this project, relocation of existing staff and services from the Information Station to the Central Museum/Library and secure new occupiers for the Information Station;
- Agree the use of Invest to Save reserves to support this project subject to meeting a minimum payback period;
- Approve the £350k Council capital cost funding required into the capital programme.

Cabinet agreed the Central Museum/Library was much better suited for a one stop shop facility with its closer links to the bus station. The new location would help to attract more footfall to the city centre.

Decision:

Cabinet agreed to:

- i) proceed with opportunities to commercialise the Information Station building, on the basis that officers can secure new occupiers and external finance required to deliver the project;
- ii) relocate existing staff and services from the Information Station to the Central Museum and Library.

8 One Newport Public Services Board Summary of Business

This item was for information purposes only. The Leader confirmed she was pleased to have been elected as the Chair of the One Newport PSB.

The Chief Executive made reference to the PSB meeting held recently where partners were very complimentary about the style in which the meeting was conducted due to the new Chair's approach.

9 Cabinet Work Programme

The Leader presented the Cabinet Work Programme.

Decision:

Cabinet agreed the updated programme.

10 Exclusion of the Press and Public

To consider whether to exclude the press and public during consideration of the following item on the grounds that its consideration involved the likely disclosure of exempt information as defined in the Local Government Act 1972 and the exemption outweighs the public interest in disclosure.

11 Presentation – City Centre Regeneration

Officers provided Cabinet with a presentation which explored a potential regeneration opportunity in the city centre focused on the Cambrian Centre, Phase 2.

Officers confirmed the following:

- 2013 - a 250 year lease was granted to Scarborough Development Group (SDG) by Newport City Council;
- 2014 – SDG completed Cambrian Centre Phase 1: Admiral House – the sole Grade A office in the City Centre;
- 2016 – Planning consent granted for Cambrian Centre Phase 2;
- 2018 – Site identified as a key project in the City Centre Masterplan;

It was proposed that the Council would enter into an agreement with SDG to take a 25 year lease at an agreed rental and service charge in order to facilitate the development of Grade A offices on this site, in accordance with the detailed planning consent for Phase 2 of the Cambrian Centre redevelopment. The capitalised value of the Council's rental covenant would provide gap funding to enable SDG to undertake the development work. The Council would then be responsible for sub-letting the completed building to recoup the rental costs.

The Cabinet received detailed financial, legal and valuation advice regarding the risks and liabilities involved, the demand for Grade A office space in Newport and comparable rental figures.

Agreement was sought from Cabinet to:

- i) Approve the acquisition of a 25 year lease interest in Cambrian Centre Phase 2;
- ii) Approve the Developer's profit of 17.5%;
- iii) Approve the level of rent the Council will pay;
- iv) Agreement subject to satisfactory legal and financial due diligence;
- v) Authorise officers to negotiate detailed Heads of Terms and finalise Agreement for Lease.

Decision:

Cabinet agreed to proceed with the proposals as set out above.

12 Date of Next Meeting

The next meeting will take place on Wednesday 12 February 2020, at 4.00 pm in Committee Room 1, at the Civic Centre, Newport.

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Report

Cabinet

Part 1

Date: 12 February 2020

Subject **2020/21 Capital Strategy and Treasury Management Strategy**

Purpose This report includes both the Capital Strategy and Treasury Management Strategy for approval by the Council and (i) confirms the capital programme, as part of the Capital Strategy and (ii) the various borrowing limits and other indicators as part of the Treasury Management Strategy. In addition, the report spells out the increasing costs of funding the Council's external borrowing and the medium to long term affordability challenge of this. The revenue impacts of both strategies are included within the Medium Term Financial Projection (MTFP) which were approved separately by Cabinet as part of the 2020/21 budget report.

Author Head of Finance

Ward General

Summary The Council has ambitious plans for the city as set out in its new Corporate Plan and the promises set out within it. A key enabler to deliver on this ambition is the capital programme. Significant progress has been made to date and the current capital programme, ending 2024/25 is ambitious with c£186m of already approved projects and c£16m of further capital headroom for further projects, totalling £202m. The Council is investing over c£70m in its schools, in its historical and cultural assets such as the Transporter bridge, supporting city centre redevelopment, providing modern, fit for the future 'neighbourhood hubs' and creating capacity in its recycling and waste facilities. Progress is being made in the delivery of these.

The Council has developed a 'Capital Strategy' which sets out the long-term context (10 years) in which capital decisions are made and demonstrates that the Local Authority takes capital / investments decisions in line with service objectives, gives consideration to both risk/reward and impact; as well as properly taking account of stewardship, value for money, prudence, sustainability and affordability.

The capital plans of the Authority are inherently linked with the treasury management activities it undertakes, and therefore the 'Treasury Management Strategy' is included alongside the 'Capital Strategy'.

The main recommendations arising from the two strategies are summarised in the report below.

Proposal That Cabinet recommend to Council for approval:

- the Capital Strategy (Appendix 2), including the current capital programme within it (shown separately in Appendix 1), its associated Prudential Indicators and the

borrowing requirements/limits needed to deliver the current capital programme, noting the increased revenue costs in the MTFP for the increased borrowing.

- The Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) for 2020/21. (Appendix 3)
- Note comments made by Audit Committee on 29 January 2020 (paragraph 6 and 7).

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors
- All Heads of Service
- Newport Norse
- The Council's Treasury Advisors
- Accountancy Staff

Signed

Background

Context

1. The Council Corporate Plan sets out how the Council will take forward its mission of 'Improving People's Lives' and includes a set of key promises. Delivery of these will, in some instances, involve capital funded projects.
2. Good progress has been made in bringing forward some key schemes to date e.g. Transporter Bridge, Neighbourhood Hubs, City centre re-development, new schools. The current capital programme includes some c£186m of already approved projects and c£16m of further capital headroom for further projects - £202m total of investment in the city, which delivers on key priorities.
3. Demand however continues to exceed capital resources available and the Council has a framework which maximises available capital spend whilst keeping the cost of funding it within affordable limits. Notwithstanding this, the revenue cost of servicing the Council's external debts is a long-term cost and is increasing, at a time of uncertainty regarding future funding. Delivery of the longer term demands will inevitably also involve how the Council works with external partners and prioritises and leverages in funding / projects from third parties.
4. In previous years the capital programme and Treasury Management Strategy were included within the budget report to Council. Due to the requirement of the Capital Strategy and the links with treasury management decisions, it is deemed appropriate to combine the Capital Strategy and Treasury Management Strategy as a separate report for approval by Council, recognising that the revenue impact of both are included within the associated budget report.

Summary of recommendations

5. The Capital Strategy and Treasury Management Strategy detailed further in this report outline the current capital programme to 2024/25 (this is the original capital 5 year programme to 2022/23 which has been extended by 2 years for projects whose completion spans beyond the 5 years), links to treasury management decisions and a long-term view which highlight the challenges facing the authority for future capital decisions. The main recommendations and observations to Council coming from both strategies are as follows:

Capital Strategy

- i. In order to maximise capital expenditure within affordable revenue budget, capital expenditure decisions will continue to be made in line with the framework agreed in the February 2018 Council. This is detailed in paragraph 13.
- ii. Over the life of the current capital programme to 2024/25, capital expenditure funded from borrowing will be within the affordability headroom detailed in paragraphs 14-19, resulting in an increase on the revenue financing costs, which are included in the MTFP.
- iii. The financial impacts of the Council's capital programme are increasingly becoming challenging:
 - Even with *no* further capital spend, the revenue cost of financing the Council's borrowing (interest and provision for repayment) is increasing each year, both in the current programme period and over the medium to long term – paragraphs 20-27
 - This will create significant challenges when planning the Council's next capital programme in terms of affordability and sustainability regarding further projects funded from borrowing and therefore the Council may need to look to bring the level of future capital expenditure funded by borrowing down in future years, while there is the

Treasury Management – Investment Strategy

- i. Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- ii. Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to diversify into higher yielding asset classes during 2020/21. This is especially the case for the estimated £10 million that is available for longer-term investment. All of the Authority's surplus cash is currently invested in short-term unsecured bank deposits and local authorities. This diversification will represent a change in strategy over the coming year.
- iii. The approved counterparty list and limits are shown table 4 of Appendix 3. Due to the move into longer-term investments, pooled funds and real estate investment trusts have been included as an investment option.
- iv. Treasury indicators and limits are outlined in the strategy, these set out the investment limits across various bodies/organisations, the maturity structure of borrowing and the amount invested over one year (long-term). The limit placed on investments over one year is £10m, in line with (ii) above.
- v. The Council will also be required to borrow and invest in the short-term to manage the shorter term cash-flow requirements of the Council.

The Capital Strategy and Treasury Management Strategy are further summarised below:

Capital Strategy 2019/20 to 2028/29

8. This 'Capital Strategy 2019/20 to 2028/29' is an update of the Council's capital strategy following the requirement placed on Local Authorities by the 'Prudential Code for capital finance in Local Authorities (2017)' to determine a capital strategy. The capital strategy sets out the long-term context (10 years) in which capital decisions are made and should demonstrate that the Local Authority takes capital / investments decisions in line with service objectives, gives consideration to both risk/reward and impact; as well as properly taking account of stewardship, value for money, prudence, sustainability and affordability.
9. The objective of the Prudential Code is to ensure, within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable. The capital strategy sets out;
 - The need for a capital strategy and the governance arrangements.
 - The current capital programme and its financing, and the revenue cost implications for the Council arising from that.
 - The long-term (10 year) projection for the capital financing costs of the Council and where future demands arise from the various strategic plans across the authority for further capital resources.
 - Links between the Capital Strategy to Treasury Management strategy and treasury decision making.
 - An overview of the commercial activity of the Council and its strategy going forward

- Overview of other long-term liabilities of the authority

10. The full Capital Strategy is shown in Appendix 2.

11. Council is required to approve the strategy and the prudential indicators within on at least an annual basis and will be kept under review and updated and brought to Council as necessary. .

12. Key areas contained within it include the (i) current 5-year capital programme to 2022/23 extended to 2024/25 for those approved projects that span beyond the current programme (21st Century Schools Band B and City Deal) and its cost of financing plus (ii) the longer-term projection for capital financing costs and these are summarised in this report below as the key issues to bring to the Council's attention.

(i) Current Capital Programme and cost of financing

13. Given the current demand and increased costs on Council services, plus funding constraints and uncertainty, Cabinet and Council established a framework in order to maximise capital expenditure but keep within a sustainable revenue budget to fund new borrowing; this was as follows:

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

14. This framework ensures that the current capital programme can be maximised by allocating the 'capital expenditure headroom' for those schemes which cannot fund any resulting borrowing costs themselves through resulting savings/income generated e.g. new schools programme, and then extending capital expenditure for those other schemes which can fund the resulting revenue borrowing costs themselves or use grants/specific reserves. The 'headroom' is made up of 'existing' (i) uncommitted capital reserves and capital receipts plus (ii) new borrowing affordable from within existing revenue budgets plus and an estimated 'future' (iii) level of new borrowing and a (iv) prudent estimate of future capital receipts – shown in table 1 below. In order to show affordability where the MTFP is not balanced in future years, all capital projects approved need to be affordable from 'existing' resources at the time of making the decision.

15. Funding capital spend from borrowing incurs extra revenue costs (called 'capital financing') for the Council from:

- Minimum Revenue Provision (MRP) – provision for repayment of the principal loan
- Interest costs – from external loans

16. Whilst a decision can be made to increase the 'headroom' to create further capital expenditure, this will increase the capital financing costs for new borrowing this will entail. In the current financial climate and with an existing budget gap on the MTFP, this is challenging, and in the long-term risks being unsustainable.

17. In February 2018 Cabinet approved a new 5-year capital programme from 2018/19 to 2022/23, this has been extended by 2 years to take into account approved projects (Band B school projects) that span beyond the 5 years. This was in line with the above framework and additions are made to the programme as demand is required and capital bids are approved. The Capital Strategy explains the process by which projects are approved onto the capital programme, ensuring they meet key service priorities and in overall terms, keep within the affordability headroom.

18. The position on the current capital programme is summarised in the table below and shown in detail on Appendix 1. In 2020/21, the Council has capital schemes of £44.6m, and there is remaining headroom across the programme of £15.7m, though that includes ‘future’ new borrowing and capital receipts which can only be confirmed when included in budgets and received, respectively. Summary of the updated 7-year programme is shown in Table 1 below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure and Capital Financing in £ millions

| | 7-YEAR CAPITAL PROGRAMME | | | | | | | |
|--|--------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|
| | 2018/19 actual £m | 2019/20 forecast £m | 2020/21 budget £m | 2021/22 budget £m | 2022/23 Budget £m | 2023/24 Budget £m | 2024/25 Budget £m | Total 7-year programme £m |
| Approved Schemes (Appendix 1) | 29.5 | 39.3 | 44.6 | 45.3 | 13.9 | 11.5 | 2.3 | 186.4 |
| Uncommitted headroom to invest in council assets / regeneration* | | 1.0 | 4.9 | 4.9 | 4.9 | | | 15.7 |
| TOTAL EXPENDITURE | 29.5 | 40.3 | 49.5 | 50.2 | 18.8 | 11.5 | 2.3 | 202.1 |

*split equally across years 2019/20 to 2022/23, this can be flexed accordingly in line with need.

19. Demand for capital resources remains high and the current ‘headroom’ shows available capital funds over the next 4 years. In order to balance the need for further capital spend and affordability, prioritisation of capital expenditure is/will be inevitably required as well as ensuring the required capital financing budget for new borrowing is funded within the Council’s approved revenue budget. There is a budget saving going to Cabinet which utilises £5.1m of capital reserves to make a saving on MRP, if this saving is not agreed the uncommitted headroom would be £20.8m.

20. The Medium Term Financial Projections (MTFP) includes budget pressures of £501k in 2021/22 and £251k in 2022/23 for funding of the MRP. This equates to capital expenditure headroom of c£15m, given there is a current budget gap on the MTFP, these pressure are unfunded. To maintain the headroom in table 1 above, the Council will need to fund these through additional funding or further savings from other areas. In order to show affordability where the MTFP is not balanced in future years, all capital projects approved need to be affordable from ‘existing’ resources at the time of making the decision.

21. The programme above is increasing the capital financing costs as shown in table 2 below, and these costs are included in the Council’s MTFP, which, in the current funding climate/uncertainty and continued increase on service demands, is challenging. Costs will continue to increase into the medium to long term. Compared to comparative authorities, the percentage of the capital costs as a proportion to the Councils total net revenue is very high, showing the need to maintain a sustainable level of spending on capital to keep these costs down.

Table 2: Capital Financing Costs

| | 2019/20 budget | 2020/21 budget | 2021/22 budget | 2022/23 budget |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Provision for repayment of debt (MRP) | 7.9 | 8.3 | 8.9 | 9.2 |

| | | | | |
|--|-------------|-------------|-------------|-------------|
| Net interest cost | 7.0 | 7.0 | 7.1 | 7.3 |
| Total capital financing (exc PFI) | 14.9 | 15.3 | 16.0 | 16.5 |
| PFI | 7.2 | 7.2 | 7.2 | 7.4 |
| Total Financing costs* (£m) | 22.1 | 22.5 | 23.2 | 23.9 |
| Proportion of net revenue stream | 7.9% | 7.5% | 7.6% | 7.7% |

*includes charges direct to service areas

22. Capital Expenditure funded by debt increases the need to undertake external borrowing. The Council is committed and has a requirement to be a net borrower for the long term, to ensure this borrowing is affordable and sustainable Council is required to set an affordable borrowing limit shown in Table 3 below.

23. **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the ‘authorised limit’ for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as an early warning level should debt approach the limit.

Table 3: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

| | 2019/20 limit | 2020/21 limit | 2021/22 limit | 2022/23 limit |
|---|------------------|------------------|------------------|------------------|
| Authorised limit – borrowing | 230 | 240 | 250 | 245 |
| Authorised limit – PFI and leases | 44 | 43 | 42 | 41 |
| Authorised limit – total external debt | 274 | 283 | 292 | 286 |
| Operational boundary – borrowing | 220 | 230 | 240 | 235 |
| Operational boundary – PFI and leases | 44 | 43 | 42 | 41 |
| Operational boundary – total external debt | 264 | 273 | 282 | 275 |

➤ Further details on borrowing are in the treasury management strategy

With the pending introduction of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase during 2020/21 due to the change in the way that finance leases for lessees are treated. There is currently an ongoing project assessing these leases across the Council and an update will be given alongside the in-year 2020-21 treasury monitoring report to Council.

The above limits look at the following factors and are set providing flexibility for these:

- Current external borrowing requirement coming from the capital programme and bringing forward a limited amount of early borrowing to replace internal borrowing where appropriate
- Ability to undertake borrowing for onward loans to third parties for regeneration purposes (subject to strict due diligence)
- Flexibility to borrow for investment / income generating / commercialisation opportunities (subject to governance arrangements)

(ii) Longer-term challenge - capital financing costs

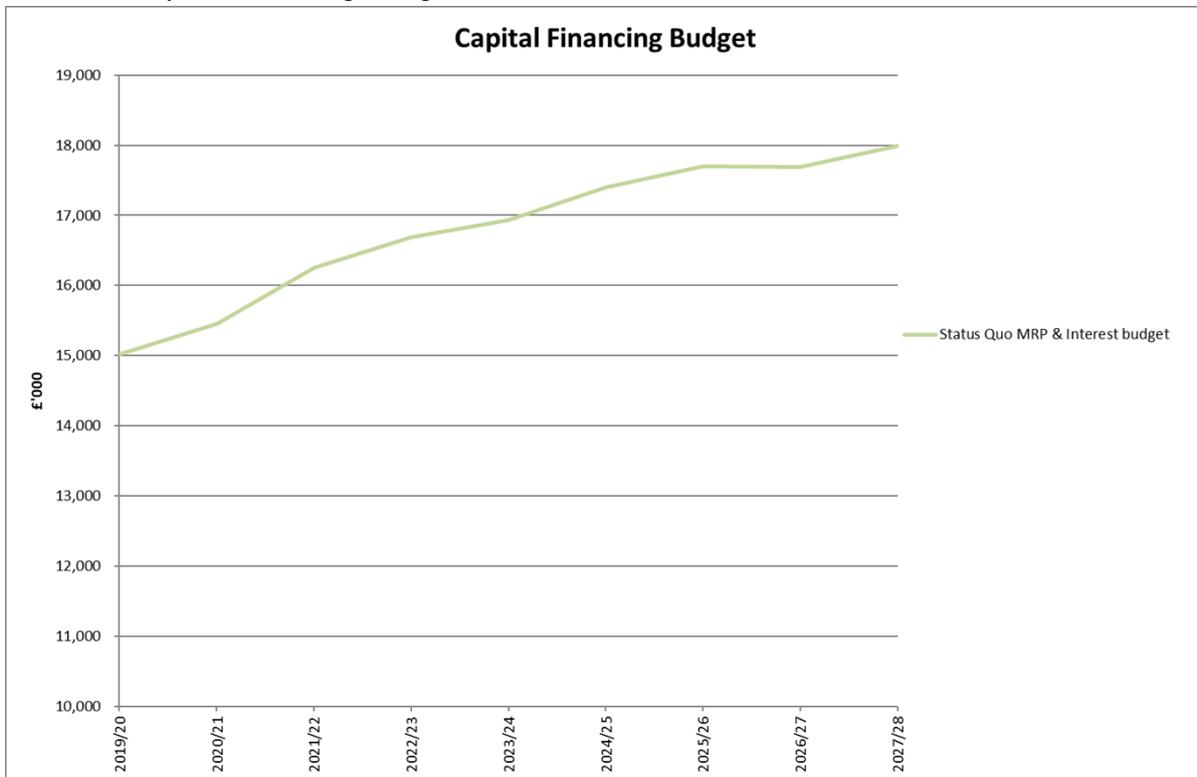
24. Capital expenditure is often for assets which have a long-term life, therefore the financing of these assets could also be over a long-term period. Because of this, it is important to take a long-term view of capital expenditure plans and the impact that may have on the affordability and sustainability of capital expenditure. Once a decision has been made to fund capital expenditure from borrowing, the Council is locked into the revenue implications for that borrowing for a long-period.

25. When capital expenditure is funded by borrowing, there is a revenue capital financing cost incurred through repayment of borrowing (the MRP) and interest payable. The capital strategy highlights that capital financing costs are forecast to increase over the long-term i.e. the next 10 years and beyond. This is illustrated by Chart 1 which highlights the financing costs to 2027/28.

26. Chart 1 shows that by 2027/28, even with no further capital expenditure funded by borrowing in the future programme, the revenue financing cost of borrowing is predicted to rise to above £17m (from £15.0m in 2019/20). This is due to increasing external borrowing from the current capital programme to 2022/23 and resulting interest costs as internal borrowing capacity reduces, plus an increasing MRP. This will be updated periodically as clearly, the chart is based on a number of assumptions, main one's being

- Delivery of the current capital programme – slippage on the current programme phasing will reduce the rate of increase for example.
- Reserves level – accelerated use of reserves/net reduction in level of reserves from current assumptions will increase the rate of increase for example

Chart 1: Capital Financing Budget 2019/20 to 2027/28



27. The Capital Strategy also outlines the challenge the Council faces over the longer-term and highlights the following:

- the Council will need to re-finance maturing debt over the long-term i.e. the Council is committed to a long-term borrowing position
- internal borrowing is being replaced by external borrowing over time which increase the interest payable
- increased capital expenditure funded from borrowing immediately requires additional external borrowing, again putting pressure on interest budgets.
- in the current financial climate, with a continuing MTFP gap, there is the need for future levels of capital expenditure funded from borrowing to come down.

Strategic Plans

28. It is a requirement that the capital strategy demonstrates that the Local Authority takes both capital and investments decisions in line with service objectives. The capital strategy shows that the key drivers of the Council's Capital plans are captured through various plans across the authority. These include:



29. There are key issues coming out of all of these documents, over the long-term we know the Council has a difficult challenge in sustaining and building upon the current assets it has under the current financial climate. The Strategy acknowledges the need to further develop our use of these plans in developing and prioritising the Council's Capital Programme.

30. Capital investment in service assets is highly constrained by the funding available and therefore has not been funded at a level required to keep these assets in a steady state condition or to address backlog maintenance needs.

31. There is significant backlog maintenance shortfall especially for operational properties, highways assets and schools buildings. The value of the current capital maintenance budget is insufficient to address the backlog maintenance needs, however the capital maintenance budget included in the capital programme for highways maintenance, relevant specific capital grants and the 21st Century Schools programme will assist in addressing the highest priority backlog issues, focussing on worst condition first and risk. However, estate rationalisation programmes, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties (i.e. neighbourhood hubs, work on the library, Newport market development) will also be utilised to offset the backlog funding required. This will not address the total backlog, but is a way of targeting the main issues in an affordable manner.

32. Backlog maintenance has been estimated at the following values:

- Highways assets - £90m
- Schools estate - £50m
- Other Council operational estate - £20m (although a current piece of work is being undertaken by the property advisors Newport Norse to get an updated value of this).

Commercial activities

33. Section 6 of the capital strategy details the commercial activities of the Council, including the approval of a £50m investment fund for investments in commercial properties, which is built into the borrowing limits being set in this report. While currently this fund has not been utilised, the future use of the fund requires review.
34. A recent increase in the Public Works Loan Board (PWL) interest rates by 1% has resulted in the margins achievable from investments in property being squeezed significantly. This means that the returns from the investment may be so low that the investment is no longer worth the risk.

Alongside this; recent guidance from CIPFA on 'Prudential Property Investment' has been published, it expresses three main areas of concern:

- whether legal powers exist that permit local authorities to borrow to invest in property,
 - whether the risks of incurring certain borrowing costs in exchange for uncertain investment returns are fully understood, and
 - that ever increasing purchases of commercial property funded by borrowing places a strain on the credibility of the prudential framework that could lead to statutory intervention.
35. While the guidance has no statutory basis, and as such there is no legal duty for local authorities to have regard to it, having regard to the guidance may assist in demonstrating that a local authority has acted reasonably.
36. Given the above the Head of Finance, alongside the Senior Leadership Team and Cabinet Members will discuss the future viability of the investment fund. This will also need to include the current risk exposure of the Council when assessing its risk appetite and how it moves forward.

Treasury Management Strategy

37. The Council is involved in two types of treasury activity:
- Borrowing long-term for capital purposes and short term for temporary cash flow
 - Investment of surplus cash
38. The borrowing and investment activities are controlled primarily via the Council's Treasury Management Strategy and various measures and limits set via its Prudential Indicators to regulate/control the implementation of that strategy.
39. CIPFA requires local authorities to determine their Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. This requires approval by full Council following a recommendation from the Cabinet. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the Welsh Government's (WG's) Investment Guidance.
40. Our detailed Treasury strategies for 2020/21 are included at Appendix 3. In addition, planned strategies to 2022/23 are also included, in line with the Council's remaining Medium Term Projections. Key points of interest are summarised below.

Borrowing Strategy

41. The Council has significant long term borrowing requirements but in recent years, the strategy has been able to fund its capital expenditure from reducing investments rather than undertaking more expensive additional borrowing i.e. using 'surplus cash', known as 'internal borrowing'. This is because the rates achievable on the Council's investments are lower than the rates that would be payable on long-term borrowing and therefore this strategy is more cost effective. As at 31 March 2019 the Council had a loans borrowing requirement of £237m, and had external borrowing of £193m (£153m excluding

very short borrowing for refinancing debt in April 2019), meaning that the Council was internally borrowed (mainly from reserves held) by £84m. To put this in context of the borrowing strategy, if the internal borrowing was replaced by external borrowing at a rate of 3%, this would require additional interest payable budget of c£2.5m.

42. The capacity to undertake further internal borrowing has now ended and there will be requirement to take out external borrowing. In summary the borrowing strategy is as follows:
- Whilst the capacity for further internal borrowing has reached capacity and in 2020/21 the Council is expected to undertake external borrowing both for the refinance of maturing loans and to fund the capital programme, it will remain as much 'internally borrowed' as is possible and increase actual external borrowing only when needed to manage its cash requirements. However, the Council may, where it feels necessary to mitigate the risk of interest rate rises, undertake borrowing early to secure interest rates within agreed revenue budgets, where appropriate and affordable. This will be done in line with advice from our Treasury Advisors
 - As existing borrowing matures there will be the need to refinance this debt over the long-term taking into account the maturity profile of existing debts.
 - The Council is committed to being a 'net borrower' over a long-term.
 - The borrowing limits over the medium term have been set in line with the expected borrowing required. A buffer for the ability to undertake a level of borrowing early, and to borrow for commercialisation or regeneration investment purposes where the business case is approved within governance arrangements.
 - The need to borrow is increasing over time, meaning that the Council will be required to undertake new borrowing over time, therefore putting pressure on the revenue budget through increased interest payments.
 - Authority may borrow short-term loans to cover unplanned cash flow shortages.
43. In terms of the revenue budget, the Council must ensure it sets aside sums to repay capital expenditure funded from borrowing (irrespective of whether the borrowing itself is undertaken externally or through dis-investing). This is done via the 'Minimum Revenue Provision' (MRP). In addition, a budget is also needed to fund actual interest payable on loans taken out, which are based on predictions of actual external borrowing. Both are discrete budget lines in the Council's overall revenue budget.
44. Local Authorities measure their underlying need for long-term borrowing. This is detailed in tables 1 and 2 of Appendix 3 and highlights the following:
- The need to take out new borrowing is predicted to be £61 million over the next four years.
 - This is broken down into £18.1m of re-financing existing borrowing and £43m new borrowing to replace internal borrowing and to fund new capital expenditure. This latter amount will be dependent on progress in delivering/spending our current capital programme and the Council's reserves position.
45. The authority will adopt a flexible approach to any borrowing necessary in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:
- Affordability
 - Maturity profile of existing debt
 - Interest rate and refinancing risk
 - Borrowing source

Investment Strategy

46. The authority has held invested funds over the year, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the authority's investment balance has ranged between £14.5 million and £69.0 million, the large balance being temporary and short term only; when the Council undertook borrowing early in respect of refinancing maturing debt in April 2019 of £40m. In 2020/21, the level of investment is likely to remain between £10 million and £20 million, due to the continuation of the second Markets in Financial Instruments Directive (MiFIDII), where the authority will be required to maintain a minimum investment balance of £10 million. Whilst this puts a limit to the extent the Council can be internally borrowed, it is a relatively small balance in the wider scheme of the Councils cash-flows and borrowing and the strategy of keeping external borrowing to the minimum possible level still stands.
47. **Objectives:** Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses.
48. Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding classes during 2020/21, this is likely to include investing in pooled funds if the accounting arrangements are suitable.
49. **Approved Counterparties:** Whilst investment funds remain available and based on the treasury management advice from Arlingclose; the Authority may invest its surplus funds with any of the counterparty types in table 4 of Appendix 3.
50. A more detailed explanation of the different approved counterparty types is included in Appendix 3 but for the sake of clarity, the Council's investment strategy will, as per the Welsh Governments Investment Guidance, give priority to security and liquidity and will aim to achieve a yield commensurate with these principles.
51. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
52. Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to diversify into higher yielding asset classes during 2020/21. This is especially the case for the estimated £10 million that is available for longer-term investment. All of the Authority's surplus cash is currently invested in short-term unsecured bank deposits and local authorities. This diversification will represent a change in strategy over the coming year.

Minimum Revenue Provision (MRP) Policy

53. The MRP Policy is detailed in Appendix 3d and remains unchanged.

Treasury Management Indicators

54. Council are required to approve the 2020/21 Treasury Management Strategy and Treasury Management Indicators detailed in Appendix 3.

55. Prudential Indicators that were previously included within the treasury management strategy have been moved to the capital strategy as these are better placed within that document.

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? |
|--|--|---------------------------------------|---|--|
| Capital Expenditure increases need to borrow | H | M | Regular monitoring and reporting of available headroom should identify any issues at an early stage and keep Cabinet / Council updated | |
| Investment counterparty not repaying investments | High but depending on investment value | Low | The Council only invests with Institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds/duration available for relatively higher risk investment as measured by 'credit ratings' will also alleviate the risk. | Members, Head of Finance, Treasury staff, based on advice from treasury advisors |
| Interest Rates moving adversely against expectations | Low | Low | Base and short-term Interest rates are expected to remain at current levels until. The Treasury strategy approved allows for the use of short term borrowing once investment funds are exhausted to take advantage of these low rates. | Head of Finance, Treasury staff, treasury advisors |

Links to Council Policies and Priorities

The Capital strategy sets out the Capital Programme over a long term context and demonstrates that the Capital Programme supports a number of the Council's aims and objectives.

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

Options Available and considered

To recommend both the Capital Strategy and the Treasury Management Strategy and the recommendations within to Council for approval, and for Cabinet to approve the updated capital programme.

Preferred Option and Why

To approve the updated 2018/19-2024/25 capital programme. The Prudential Code 2017 places a requirement on Local Authorities to determine a long term Capital Strategy. The Prudential Code and

statute also requires that, before the end of the financial year, reports on Treasury Management matters are presented to Cabinet/Council for approval. Therefore, Cabinet are required to endorse both the Capital Strategy and the Treasury Management Strategy to Council and approve the capital programme.

Comments of Chief Financial Officer

Both the Treasury Management and Capital Strategy highlight the revenue implications from capital expenditure, and for the need for the capital plans of the authority to be affordable, prudent and sustainable.

A framework has been approved which sets out how the Council will maximise its capital expenditure while staying within an affordability headroom. This 'headroom' provides a degree of flexibility for further projects to be added to the programme within the current capital financing budgets included over the life of the MTFP. A decision could be made to increase this headroom, but this would create a greater pressure on the MTFP, which in the current financial climate may not be affordable.

Over the long-term a view has to be taken on the programme to reflect the increasing capital financing costs and the need to restrict capital expenditure funded by borrowing to a minimum based on risk and prioritisation. The Council's Audit Committee share this view and recommended a target figure for future borrowing levels over the longer term.

The treasury management strategy highlights that the borrowing strategy has changed on previous years due to the capacity for further internal borrowing being diminished. The Council now will need to undertake external borrowing, and will take a view on whether this can be done early to mitigate the risks of interest rate rises and remain within current set budgets.

Comments of Monitoring Officer

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

Comments of Head of People and Business Change

There are no human resources implications within the report

Comments of Cabinet Member

N/A

Local issues

N/A

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In

exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

The Wellbeing of Future Generations (Wales) Act 2015 is taken into account when looking at the long-term impact of treasury management and capital decisions. The Council has a prudent Minimum Revenue Provision Policy and abides by the treasury management and prudential indicators detailed in the report. An effective capital strategy will enable the Council to support long term planning in line with the sustainable development principle of the Act.

Crime and Disorder Act 1998

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

Consultation

N/A

Background Papers

Report on Treasury Management for the period to 30 September 2019
Capital Monitoring and Additions Report

Dated:

Appendix 1 – Current Capital Programme

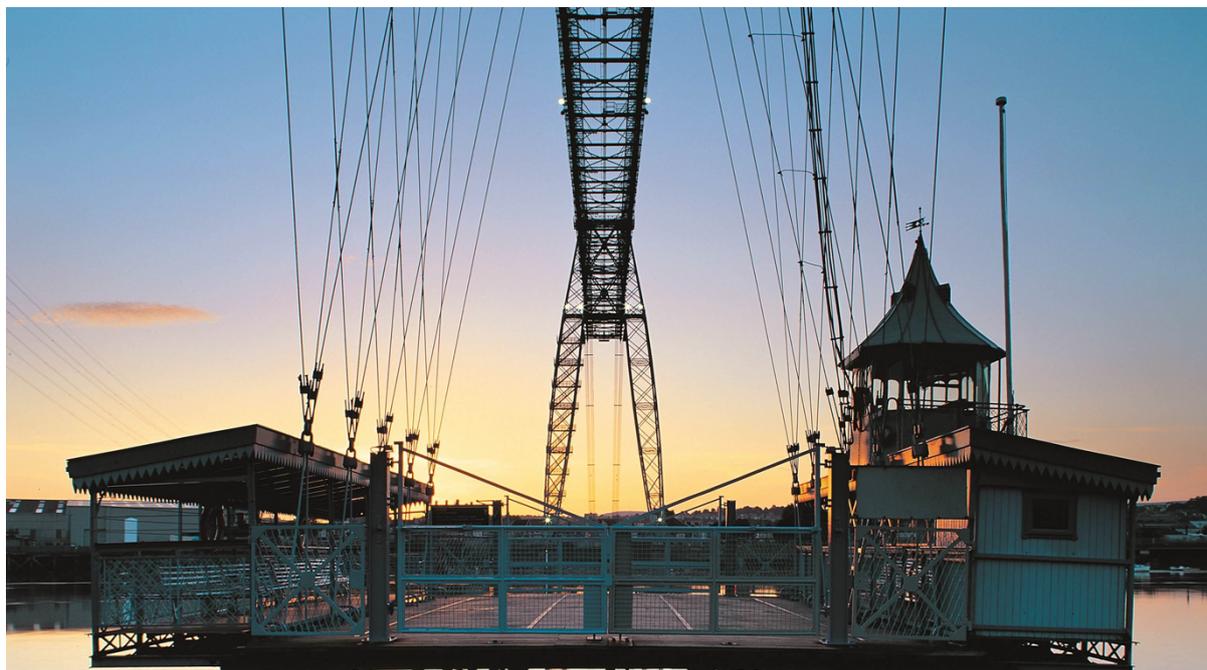
| | Outturn 18/19 | Budget 19/20 | Budget 20/21 | Budget 21/22 | Budget 22/23 | Budget 23/24 | Budget 24/25 | Total |
|---|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| 21 st Century Schools - Band A | 8,046 | 1,451 | - | - | - | - | - | 9,497 |
| 21 st Century Schools - Band B | 675 | 2,229 | 14,817 | 31,791 | 10,557 | 7,940 | 2,349 | 70,358 |
| Jubilee Park - Fixtures, Furniture & Equipment | 13 | - | - | - | - | - | - | 13 |
| Gaer Annexe Education Use | - | 495 | - | - | - | - | - | 495 |
| Pentrepoeth - IT Replacement | - | 7 | - | - | - | - | - | 7 |
| Blaen-y-Pant Bungalow (Educational Use) | 52 | 8 | - | - | - | - | - | 60 |
| St Mary's Toilet Refurbishment. | - | 42 | - | - | - | - | - | 42 |
| Somerton Primary - ICT Equipment | 11 | - | - | - | - | - | - | 11 |
| Feminine hygiene hardware & toilet facilities. | 34 | - | - | - | - | - | - | 34 |
| Lliswerry High (S106 Funds) | 110 | 62 | - | - | - | - | - | 172 |
| Maesglas Reducing classroom size | - | 142 | 378 | - | - | - | - | 520 |
| Lliswerry IT Replacements | 53 | - | - | - | - | - | - | 53 |
| Welsh Medium Primary School | - | 335 | 865 | 1,300 | 1,000 | 2,300 | - | 5,800 |
| Reducing Classroom size bids | - | 85 | 495 | - | - | - | - | 580 |
| Bassleg Demountables | - | 206 | - | - | - | - | - | 206 |
| ICT Equipment Lease (Clytha Primary) | - | 21 | - | - | - | - | - | 21 |
| ICT Equipment Lease (St Mary's) | - | 12 | - | - | - | - | - | 12 |
| St Patricks ICT | - | 12 | - | - | - | - | - | 12 |
| Bassaleg ICT | - | 83 | - | - | - | - | - | 83 |
| Ringland Perimeter Fence | - | 86 | - | - | - | - | - | 86 |
| Llanmartin Primary ICT | 10 | - | - | - | - | - | - | 10 |
| Malpas Park Primary | 11 | - | - | - | - | - | - | 11 |
| Education Maintenance Grant | - | 1,828 | - | - | - | - | - | 1,828 |
| Education Asset Improvements - balance to be drawn down | 1,055 | 207 | - | - | - | - | - | 1,262 |
| Prior Year Scheme - Various | (38) | - | - | - | - | - | - | (38) |
| Education | 10,032 | 7,311 | 16,555 | 33,091 | 11,557 | 10,240 | 2,349 | 91,135 |
| Gypsy/Traveller Site Development | 2,993 | 143 | - | - | - | - | - | 3,136 |
| Indoor Newport Market | - | - | 4,000 | - | (4,000) | - | - | - |

| | | | | | | | | |
|---|--------------|---------------|---------------|---------------|--------------|--------------|----------|---------------|
| HLF Market Arcade Townscape Heritage Scheme | 39 | 350 | 1,472 | 980 | - | - | - | 2,841 |
| Indoor Market Facilities Improvements | (2) | - | - | - | - | - | - | (2) |
| Civic Centre / Info Station Service Relocations | 116 | 150 | - | - | - | - | - | 266 |
| Info Station NSA enabling | 536 | - | - | - | - | - | - | 536 |
| 123-129 Commercial Street (Pobl Regen) | 623 | 623 | - | - | - | - | - | 1,246 |
| Cardiff City Region Deal | 1,208 | 496 | 1,026 | 782 | 782 | 1,277 | - | 5,571 |
| Mill Street Development Loan | - | 4,000 | - | - | - | - | - | 4,000 |
| Neighbourhood Hubs | 915 | 1,430 | - | - | - | - | - | 2,345 |
| Arva Investment Loan | 385 | 365 | - | - | - | - | - | 750 |
| Disabled Facilities | 898 | 1,256 | 1,000 | 1,000 | 1,000 | - | - | 5,154 |
| Safety at Home | 364 | 282 | 300 | 300 | 300 | - | - | 1,546 |
| ENABLE Adaptations Grant | 197 | 197 | - | - | - | - | - | 394 |
| Homelessness Prevention Grant | 98 | - | - | - | - | - | - | 98 |
| Asset Management Programme | 1,066 | 2,156 | 1,728 | 1,500 | 1,500 | - | - | 7,950 |
| FS Maintenance 1819 / 1920 | 31 | 40 | - | - | - | - | - | 71 |
| FS Shaftsbury Community Centre | 183 | - | - | - | - | - | - | 183 |
| Childcare - Flying Start | - | 704 | 1,764 | - | - | - | - | 2,468 |
| Central Library - Structural Works | 72 | 100 | 491 | - | - | - | - | 663 |
| Transporter Bridge | 72 | 967 | 5,559 | 6,339 | - | - | - | 12,937 |
| Chartist Tower | - | 1,600 | - | - | - | - | - | 1,600 |
| PAC System | - | 59 | - | - | - | - | - | 59 |
| OLEV Residential EV charging Equipment | - | 134 | - | - | - | - | - | 134 |
| Medieval Ship | - | - | - | 12 | - | - | - | 12 |
| Renewable Energy Investment | - | 20 | 1,709 | - | - | - | - | 1,729 |
| Prior Year Scheme - Various | (7) | - | - | - | - | - | - | (7) |
| Regeneration, Investment and Housing | 9,787 | 15,070 | 19,049 | 10,913 | (418) | 1,277 | - | 55,680 |
| IT Replacement Schemes | 94 | 80 | 443 | 150 | 150 | - | - | 917 |
| Corporate EDMS Rollout | - | 13 | - | - | - | - | - | 13 |
| CRM | 250 | 334 | 186 | - | - | - | - | 770 |
| Print 2010- Managed Printer Service | 131 | 249 | - | - | - | - | - | 380 |
| People and Business Change | 475 | 676 | 629 | 150 | 150 | - | - | 2,080 |

| | | | | | | | | |
|---|--------------|--------------|--------------|------------|------------|----------|----------|--------------|
| Telecare Service Equipment | 97 | 54 | 30 | 30 | 30 | - | - | 241 |
| Equipment for Disabled Grant (GWICES) | 165 | 165 | 165 | 165 | 165 | - | - | 825 |
| Home Care System | 32 | - | - | - | - | - | - | 32 |
| Centrica Lodge | (6) | - | - | - | - | - | - | (6) |
| SMAPF | 320 | - | - | - | - | - | - | 320 |
| Adults and Community Services | 608 | 219 | 195 | 195 | 195 | - | - | 1,412 |
| 3 New Homes | 701 | 1,421 | - | - | - | - | - | 2,122 |
| Oaklands Respite Home | 505 | 35 | - | - | - | - | - | 540 |
| Windmill Feasibility Study | 41 | 110 | 1,390 | - | - | - | - | 1,541 |
| Children's and Families Services | 1,247 | 1,566 | 1,390 | - | - | - | - | 4,203 |
| Fleet Replacement Programme | 797 | 2,500 | 2,545 | 448 | 1,850 | - | - | 8,140 |
| Bus station - Friars Walk Development | 29 | 88 | - | - | - | - | - | 117 |
| Flood Risk Regulation Grant | 24 | 67 | - | - | - | - | - | 91 |
| Cemetery Infrastructure Improvements | 16 | 40 | 82 | - | - | - | - | 138 |
| Peterstone Sewage Scheme | 1 | 21 | 201 | - | - | - | - | 223 |
| Road Safety Capital 2018/19 | - | 1,409 | 600 | - | - | - | - | 2,009 |
| Composting | 567 | 10 | - | - | - | - | - | 577 |
| Docksway Cell 4 Development | 1,555 | 601 | - | - | - | - | - | 2,156 |
| CCTV | - | 45 | - | - | - | - | - | 45 |
| Smaller Bins - MTRP BC | 70 | 1,180 | - | - | - | - | - | 1,250 |
| Newport Station Footbridge - LTF | 77 | 267 | 2,775 | - | - | - | - | 3,119 |
| Decriminalised Parking | 232 | 1,154 | - | - | - | - | - | 1,386 |
| Update Facilities in Parks | 18 | 38 | - | - | - | - | - | 56 |
| Decommissioning of Cemetery Office & Toilets | 11 | - | - | - | - | - | - | 11 |
| Building Improvements to Lodges | 14 | 66 | - | - | - | - | - | 80 |
| Small Scale Works Grant | 34 | - | - | - | - | - | - | 34 |
| Road Refurbishment Grant Scheme | 931 | 107 | - | - | - | - | - | 1,038 |
| Street Lighting LEDs | 564 | 2,501 | - | - | - | - | - | 3,065 |
| Local Transport Fund - Active Travel Northern 2018/19 | 290 | 310 | - | - | - | - | - | 600 |
| Tredegar Park Car Park | - | 12 | - | - | - | - | - | 12 |
| Tredegar Park - Pedal Power | - | 120 | 35 | 35 | 35 | - | - | 225 |

| | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| Lliswerry Road (81) | - | 12 | - | - | - | - | - | 12 |
| 28-30 Stow Hill (11/0269) | - | 7 | - | - | - | - | - | 7 |
| Forbisher Road (15/0720) | - | 27 | - | - | - | - | - | 27 |
| Festive lighting | - | 107 | - | - | - | - | - | 107 |
| Local Transport Fund - Active Travel Design 2018/19 | 240 | - | - | - | - | - | - | 240 |
| Bus Stop Enhancements | - | 400 | - | - | - | - | - | 400 |
| Core AFT Allocation | - | 340 | - | - | - | - | - | 340 |
| Inner City Links | - | 890 | - | - | - | - | - | 890 |
| LTNF - ECO Stars | 42 | 50 | - | - | - | - | - | 92 |
| Safe Routes - St Davids RC Primary | 84 | 205 | - | - | - | - | - | 289 |
| Gwastad Mawr Flood Attenuation Improvement Works | 2 | 41 | - | - | - | - | - | 43 |
| 18-19 Collection Collaborative Change Programme | 1,175 | - | - | - | - | - | - | 1,175 |
| LTF Monkey Island Bridge Lliswerry Pill | 29 | 168 | - | - | - | - | - | 197 |
| LTF Sustainable Transport | 25 | 300 | - | - | - | - | - | 325 |
| Riverside Park | 20 | 38 | - | - | - | - | - | 58 |
| Pye Corner Railway Station Development Works | 21 | - | - | - | - | - | - | 21 |
| Nappy Grant | - | 202 | - | - | - | - | - | 202 |
| Park Square Lights | - | 60 | - | - | - | - | - | 60 |
| Velodrome Lights | - | 173 | - | - | - | - | - | 173 |
| Road Safety and Training | 455 | 20 | 20 | 20 | 20 | - | - | 535 |
| General Traffic Management | - | 30 | 30 | 30 | 30 | - | - | 120 |
| Streetwide Improvements | - | 200 | 200 | 200 | 200 | - | - | 800 |
| Street Lighting Column Replacement | - | 331 | 250 | 250 | 250 | - | - | 1,081 |
| Lliswerry Recreation Ground Changing Rooms | 4 | 339 | - | - | - | - | - | 343 |
| Prior Year Scheme - Various | (11) | 3 | - | - | - | - | - | (8) |
| City Services | 7,316 | 14,479 | 6,738 | 983 | 2,385 | - | - | 31,901 |
| Total | 29,465 | 39,321 | 44,556 | 45,331 | 13,869 | 11,517 | 2,349 | 186,408 |
| Financed By: | | | | | | | | |
| General Capital Grant | 4,754 | 3,858 | 2,469 | 2,469 | 2,000 | 2,000 | 822 | 18,372 |
| Supported Borrowing | 4,058 | 4,077 | 4,058 | 4,058 | 4,000 | 2,057 | - | 22,308 |
| Unsupported Borrowing | 1,740 | 11,349 | 10,635 | 10,305 | (616) | - | - | 33,413 |

| | | | | | | | | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| Prudential Borrowing | 84 | 128 | - | - | - | - | - | 212 |
| External Grants | 13,296 | 12,244 | 23,941 | 28,082 | 7,862 | 7,461 | 1,527 | 94,413 |
| S106 | 868 | 799 | 35 | 35 | 35 | - | - | 1,772 |
| Other Contributions | 242 | - | 237 | 232 | - | - | - | 711 |
| Capital Receipts | 3,136 | 3,290 | 2,504 | - | 588 | - | - | 9,518 |
| Revenue Contributions | 75 | 203 | - | - | - | - | - | 278 |
| Reserve | 1,081 | 3,124 | 677 | 150 | - | - | - | 5,032 |
| Finance Lease | 131 | 249 | - | - | - | - | - | 380 |
| Total | 29,465 | 39,321 | 44,556 | 45,331 | 13,869 | 11,517 | 2,349 | 186,408 |



NEWPORT CITY COUNCIL
CAPITAL STRATEGY
2019/20 TO 2028/29



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EXECUTIVE SUMMARY

This Capital Strategy is an update on the first strategy approved last year and sets out the long-term view of the affordability, sustainability and prudence of the capital programme and the implications on the revenue budgets.

The capital strategy is inherently linked to the treasury management strategy and the borrowing and investment decisions it takes. Full Council are required to approve the capital strategy and the prudential indicators within.

It highlights that in the current climate of financial constraints and a Medium Term Financial Projection (MTFP) budget gap, that expenditure on capital needs to remain within affordable limits. Demand for capital resources remain high and therefore inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners are required to meet this demand.

The strategy highlights the key risks and recommendations:

- Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
- The MTFP includes the revenue costs for the financing of the current capital programme to 2022/23, which includes a level of headroom for additional capital projects to be added without impacting further on the revenue budget.
- As per the agreed framework (detailed in the report) the current programme needs to be maintained within the affordability headroom, therefore not putting additional pressure on the MRP budget.
- Within the context of significant demands for capital resources and limited availability, there is the need to develop our use of the various strategic plans across the organisation which drive the need for capital and develop alternative strategies to meet demand so the Councils own capital programme is prioritised within an affordable framework. This will include clearer and corporate visibility and assessment of demand for schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years+). With the MRP budget increasing over the long-term, the Council will need to make some difficult decisions going into the next programme to ensure the capital plans remain affordable and sustainable.
- The prudential indicators, including borrowing limits, are in line with the MTFP approved by Cabinet.

The strategy will be reviewed and updated on an annual basis alongside the Treasury Management Strategy.

1. OVERVIEW OF THE STRATEGY

1.1. INTRODUCTION

The prudential code for Capital Finance in Local Authorities (2017) placed a requirement on local authorities to determine a Capital Strategy in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The report sets out:

- The prudential code the need for a capital strategy and the governance arrangements for the capital strategy and programme (Paragraph 2)
- The current approved capital programme to 2024/25 (5 years) and its financing, and the revenue implications arising from demands on capital expenditure (Paragraph 3)
- The long-term (10 year) projection for the capital financing costs of the Council and where future demands arise from the various strategic plans across the authority for further capital resources. (Paragraph 4)
- Links between the Capital Strategy to Treasury Management strategy and treasury decision making. (Paragraph 5)
- A look at the commercial activity of the Council and its strategy going forward (Paragraph 6)
- Overview of other long-term liabilities the Council has, which members need to be aware of when looking at the capital strategy. (Paragraph 7)
- Summary of the skills and knowledge the Council has to carry out its duties for capital and treasury matters. (Paragraph 8)

2. PRUDENTIAL CODE & GOVERNANCE

2.1. PRUDENTIAL CODE – KEY OBJECTIVES

The objective of the Prudential Code is to ensure, within a clear framework, that the capital expenditure plans of local authorities are;

- **AFFORDABLE** - Total capital investment of the authority remains within sustainable limits. A local authority is required to consider the resources currently available to it and those estimated to be available in the future, together with the totality of its capital plans and income and expenditure forecasts in assessing affordability.

- **PRUDENT** – The full Council set an authorised limit and operational boundary for external debt, these need to be consistent with the authority’s plans for affordable capital expenditure and financing, and with its treasury management policy statement and practices. Authorities should consider a balance between **security, liquidity and yield** which reflects their own risk appetite but which prioritises security and liquidity over yield.
- **SUSTAINABLE** – taking into account the arrangements for repayment of debt (including through Minimum Revenue Provision (MRP) and consideration of risk and the impact, and potential impact, on the authority’s overall financial sustainability. This strategy will look at the sustainability over the period of 10 years.

and treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

2.2. GOVERNANCE FOR APPROVAL AND MONITORING OF CAPITAL EXPENDITURE

Member responsibility for assets rests with a cabinet member, currently the cabinet member for assets and member development. The main governance and approval process for capital expenditure is summarised as follows:

- Council approve the overall revenue and capital budgets following recommendations from the Cabinet. They also approve the borrowing limits of which the capital programme will need to remain within. These limits are a key performance indicator for treasury management. This ensures that capital expenditure is limited and borrowing remains within an affordable limit.
- This borrowing limit drives the headroom available for Capital Expenditure to be included on the programme.
- Council approve the Treasury Management and Investment strategies, which are intrinsically linked to capital expenditure and the capital strategy. Further details of these are provided in paragraphs 5.1 and 5.3.
- The detailed capital programme within the overall budget is approved by Cabinet following individual project appraisals by officers, containing the views of the Head of Finance.
- Items of capital nature, are discussed at the Capital Strategy Asset Management Group (CSAMG), which is made up of senior officers from all service areas and our property advisors, Newport Norse. Discussions include asset disposals, where capital expenditure is required and prioritisation of those areas and the overall asset management agenda.
- Decisions on Capital Expenditure will be made by the Senior Leadership Team (SLT) following review of the project appraisal.
- Cabinet approve capital expenditure to be added to the capital programme.
- Monitoring of Capital Expenditure is reported to Cabinet, and includes update on capital receipts and impact on the revenue budget of decisions made.

Affordability and sustainability is a key focus on the approval of expenditure, and therefore the agreed framework detailed in paragraph 3.1 is used. There is a process map for the approval of capital expenditure which is used, this is shown in Appendix 2a.

Decisions made on the approval of capital expenditure will be made with the liaison of the capital accountancy team and understanding of the long-term revenue implications of the expenditure is assessed

before being added to the programme. Cabinet approve additions and deletions, as well as slippage, from the capital programme alongside the monitoring report.

3. CAPITAL EXPENDITURE AND FINANCING

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. It is the Councils policy not to treat any expenditure under £10,000 as capital, and therefore under this value will be charged as revenue in the year of expenditure.

3.1. CURRENT CAPITAL PROGRAMME

The current capital programme was recently extended to 7 years to reflect projects whose completion spanned beyond the original 5 year programme, taking the total programme from 2018/19 to 2024/25, this was approved at the most recent Cabinet in January 2020. As part of the approval, a 'borrowing headroom' was agreed. This headroom enables further capital projects to be added to the programme over the next 5 years, and not put additional pressure on the revenue budget over the Medium Term Financial Projection (MTFP).

Given the current financial constraints facing the authority, Cabinet and Council established a framework in order to maximise capital expenditure but keep within a sustainable revenue budget to fund new borrowing, this was as follows:

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

This framework ensures that the capital programme can be maximised but those schemes which cannot fund any resulting borrowing costs e.g. new schools programme, can be afforded and maximised within the headroom available. The headroom is made up of identified uncommitted capital reserves and capital receipts, an estimated level of borrowing which is within the MRP budget and a prudent estimate of future capital receipts

The latest capital programme is summarised in the table below. For 2020/21, the Council has approved capital schemes of £44.6m and there is remaining headroom of £15.7m (subject to budget decisions at Cabinet):

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

| | 7-YEAR CAPITAL PROGRAMME | | | | | | | Total 7-year programme £m |
|--|--------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|
| | 2018/19 actual £m | 2019/20 forecast £m | 2020/21 budget £m | 2021/22 budget £m | 2022/23 Budget £m | 2023/24 Budget £m | 2024/25 Budget £m | |
| Approved Schemes (Appendix 1) | 29.5 | 39.3 | 44.6 | 45.3 | 13.9 | 11.5 | 2.3 | 186.4 |
| Uncommitted headroom to invest in council assets / regeneration* | | 1.0 | 4.9 | 4.9 | 4.9 | | | 15.7 |
| TOTAL EXPENDITURE | 29.5 | 40.3 | 49.5 | 50.2 | 18.8 | 11.5 | 2.3 | 202.1 |

*split over remaining original 5 year programme, this can be flexed accordingly in line with need.

The Medium Term Financial Projections (MTFP) includes budget pressures of £501k in 2021/22 and £251k in 2022/23 for funding of the MRP. This equates to capital expenditure headroom of c£15m, given there is a current budget gap on the MTFP, these pressure could be deemed as unfunded. To maintain the headroom in table 1 above, the Council will need to fund these through additional funding or further savings from other areas.

Paragraph 3.2 illustrates the revenue impact of the capital programme. The framework agrees that the over the term of the current **capital programme would set at a level that does not put additional revenue pressure on the Medium Term Financial Projections (MTFP)**. This is vitally important to maintain capital expenditure at a level that is affordable over the medium term. The headroom that is available allows for additional capital expenditure without increasing the pressures on revenue.

There has been an increase in the general fund capital grant in 2020-21 which has been reflected within the above headroom figures, the future years grant is unconfirmed therefore for prudence it is not assumed that this increase will continue in subsequent years.

The programme has been compiled with regard for the latest demands on the capital programme which include:

- 21st Century Schools Programme – completion of Band A in 2018/19 and Band B from then on.
- Fleet Replacement Programme
- Gypsy & Traveller Site Development
- A number of HLF grant funded schemes including Transporter Bridge and Newport Market Arcade
- Cardiff Capital Region City Deal (CCRCD)
- Neighbourhood Hubs scheme
- Replacement of current street lighting to LED

There are a number of demands on the authority which will require significant capital expenditure which are not yet included on the programme, these will utilise the headroom available. It is important that capital expenditure is maintained at an affordable level within the framework agreed. Therefore, **prioritisation of capital expenditure is essential** and needs to be affordable and sustainable in the long-term to remain within the headroom available.

3.2. MEDIUM-TERM REVENUE IMPLICATIONS OF CAPITAL (CAPITAL FINANCING)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing,

leasing and Private Finance Initiative). All debt has to be repaid and this includes both the actual debt principal plus interest costs on the debt. The planned financing of the expenditure shown in Table 1 is as follows:

Table 2: Capital financing in £ millions - Current 7-year programme

| | 7-YEAR CAPITAL PROGRAMME | | | | | | | Total 7-year programme £m |
|---|--------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|
| | 2018/19 actual £m | 2019/20 forecast £m | 2020/21 budget £m | 2021/22 budget £m | 2022/23 Budget £m | 2023/24 Budget £m | 2024/25 Budget £m | |
| TOTAL EXPENDITURE | 29.5 | 40.3 | 49.5 | 50.2 | 18.8 | 11.5 | 2.3 | 202.1 |
| Committed Grants and contributions | 19.2 | 16.9 | 26.7 | 30.8 | 9.9 | 9.4 | 2.3 | 115.2 |
| Committed Reserves, capital receipts, revenue | 4.3 | 6.6 | 3.2 | 0.1 | 0.6 | 0 | 0 | 14.8 |
| Committed new borrowing | 6.0 | 15.8 | 14.7 | 14.4 | 3.4 | 2.1 | 0 | 56.4 |
| TOTAL COMMITTED (Appendix 1) | 29.5 | 39.3 | 44.6 | 45.3 | 13.9 | 11.5 | 2.3 | 186.4 |
| Uncommitted borrowing headroom* | | 1.0 | 2.9 | 2.9 | 2.9 | | | 9.7 |
| Uncommitted forecast capital receipts/capital grants* | | 0 | 1.6 | 0 | 0 | | | 1.6 |
| Uncommitted capital reserves* | | 0 | 0.4 | 2.0 | 2.0 | | | 4.4 |
| TOTAL UNCOMMITTED* | | 1.0 | 4.9 | 4.9 | 4.9 | | | 15.7 |
| TOTAL FINANCING | 29.5 | 40.3 | 49.5 | 50.2 | 18.8 | 11.5 | 2.4 | 202.1 |

The Medium Term Financial Projections (MTFP) includes budget pressures of £501k in 2021/22 and £251k in 2022/23 for funding of the MRP. This equates to capital expenditure headroom of c£15m, given there is a current budget gap on the MTFP, these pressure could be deemed as unfunded. To maintain the headroom in table 2 above, the Council will need to fund these through additional funding or further savings from other areas. 1. In order to show affordability where the MTFP is not balanced in future years, all capital projects approved need to be affordable from 'existing' resources at the time of making the decision.

When capital expenditure is financed by debt/borrowing, you are essentially locking the Council into a long-term revenue commitment. The Council is required to repay debt from our revenue budget over time; this is done through the Minimum Revenue Provision (MRP). Planned MRP payments (excluding PFI and leases) are as follows:

Table 3: Replacement of debt finance (MRP) in £ millions

| | 2018/19 actual | 2019/20 forecast | 2020/21 budget | 2021/22 budget | 2022/23 budget |
|------------|---------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| MRP budget | 7.8 | 7.9 | 8.8 | 9.3 | 9.3 |

The table above shows the budgeted amount of MRP that is included within the MTFP, the amount is increasing on annual basis, and this will continue to do so over the longer term due to the MRP charge increasing. This shows an increasing pressure over the MTFP while there is still a funding gap, which emphasises the importance of maintaining capital expenditure within the headroom available in order not to put even more additional pressure on the revenue budget.

- The Council's full minimum revenue provision statement is available within the Treasury Strategy which will be approved alongside this capital strategy

Although capital expenditure is not charged directly to the revenue budget, as discussed above, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable - the net annual charge is known as 'financing costs'. The table below shows the financing costs as a percentage of the Council's net budget, which is one of the Councils Prudential Indicators.

Table 4: Prudential Indicator: Proportion of financing costs to net revenue stream

| | 2019/20 budget | 2020/21 budget | 2021/22 budget | 2022/23 budget |
|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Financing costs* (£m) | 22.1 | 22.5 | 23.2 | 23.9 |
| Proportion of net revenue stream | 7.7% | 7.5% | 7.6% | 7.7% |

*includes capital financing costs of PFIs

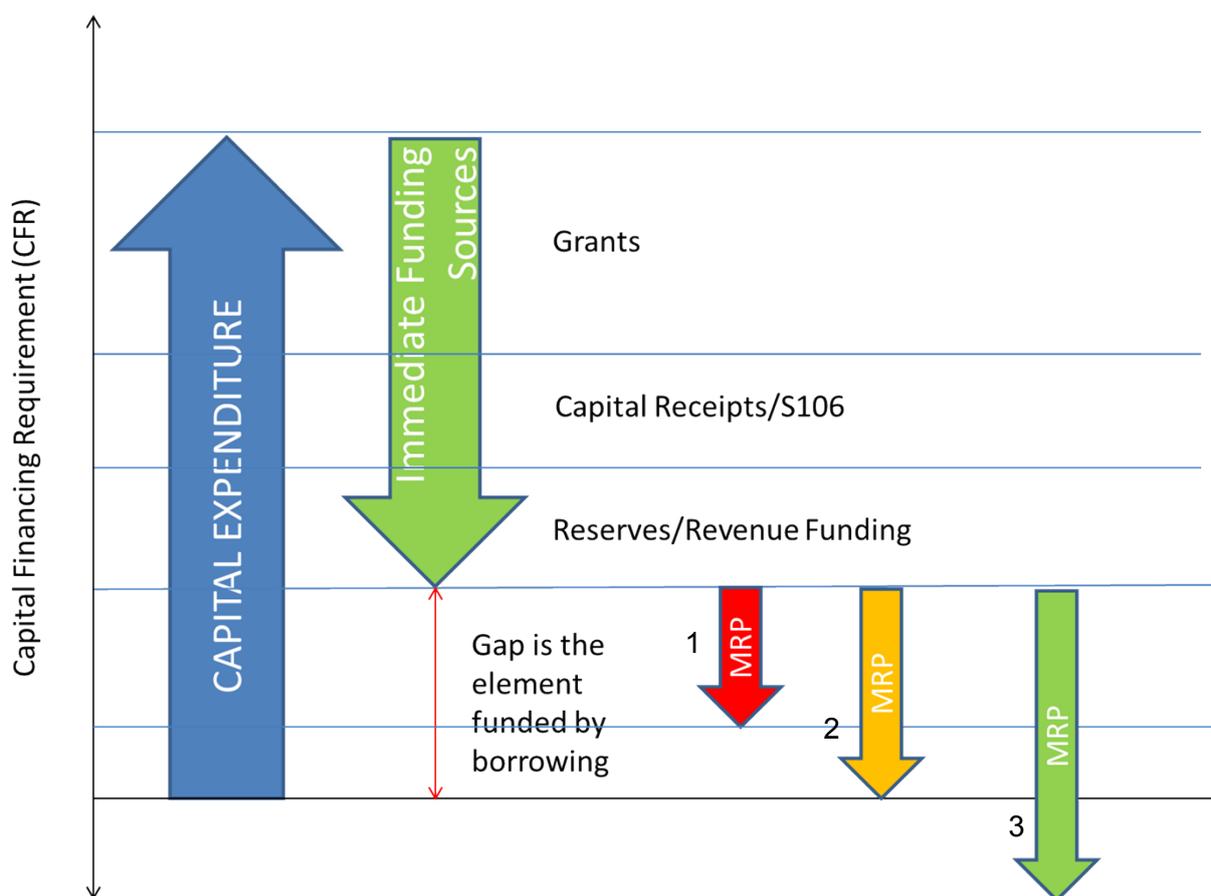
The ability to fund capital expenditure through internal borrowing is no longer applicable due to reserves being utilised, therefore this will need to be externally borrowed. External (or actual) borrowing will have interest rates payable on them which leads to increase in financing costs.

From the table above it is evident that the proportion of the budget set aside to finance capital expenditure is due to increase over the life of the current programme, again reiterating the pressure that capital expenditure, funded from debt, puts on the revenue budget.

- Further details on the revenue implications of capital expenditure are included in the 2020/21 revenue budget report.

Capital Financing Requirement (Our need to borrow)

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The diagram below shows the impact of capital expenditure, financing and the MRP on the CFR:



The diagram above shows the following:

1. CFR **increases** when capital expenditure is incurred.
2. CFR **decreases** when capital expenditure is immediately financed i.e. through grants, capital receipts, revenue funding, reserves, S106 income.
3. If the MRP charge is **less than** capital expenditure funded by borrowing (Red [1]) the net CFR increases
4. If the MRP charge is **equal to** the capital expenditure funded by borrowing (Amber [2]) then net CFR stays the same
5. If the MRP charge is **more than** the capital expenditure funded by borrowing (Green [3]) then net CFR decreases

This is an important concept, as it shows how decisions on the level of capital expenditure and the level of MRP budget has on our long-term borrowing and the capital financing implications of this.

The CFR is expected to increase by £7m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 5: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

| | 31.3.2019 actual | 31.3.2020 forecast | 31.3.2021 budget | 31.3.2022 budget | 31.3.2023 budget |
|------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| TOTAL CFR | 280.0 | 287.0 | 292.7 | 298.2 | 290.6 |

With the pending introduction of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase during 2020/21 due to the change in the way that finance leases for lessees are treated. There

is currently an ongoing project assessing these leases across the Council and an update will be given alongside the in-year 2020-21 treasury monitoring report to Council.

The greater the CFR the larger the impact will be on the revenue budget, therefore in the long-term there will be a need to keep capital expenditure funded by borrowing at a level below the MRP budget in order to maintain the revenue budget at a sustainable level.

- For full details of the Council's capital programme are included in the Capital Additions and Monitoring Report to Cabinet February 2020.

4. LONG-TERM VIEW OF CAPITAL EXPENDITURE

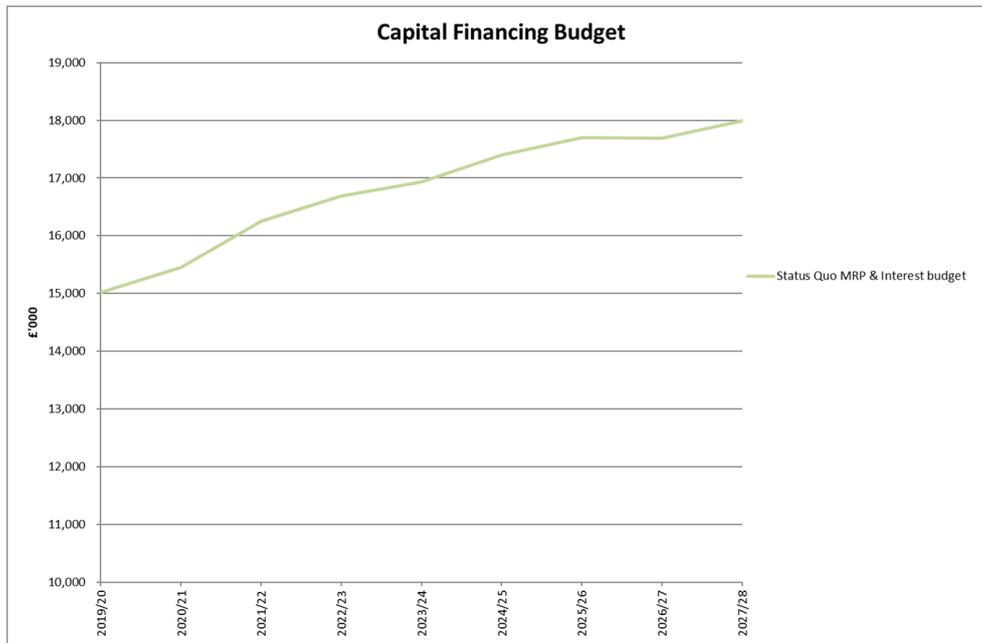
Expenditure on capital assets/projects are often for assets which have a long-term life i.e. buildings may have an asset life of 40 years+. The financing of these assets could also be over a long-term period. Therefore, as well as the Capital Programme highlighted in paragraph 3.1, it is important to take a long-term view of capital expenditure plans and the impact that may have on the affordability and sustainability of capital expenditure. Once a decision has been made to fund capital expenditure from borrowing, the Council is locked into the revenue implications for that borrowing for a long-period.

Due to the financial constraints that the Council is currently facing, assumptions on future available finances are likely to remain tight and therefore over the long-term it is anticipated that revenue to fund capital financing will remain restricted.

Recent changes to the MRP charging methodology and the fact that the capacity to use internal borrowing is reducing means that the authority will face a challenge in developing its next capital programme.

Chart 1 below shows the increasing capital financing costs over the next 10 years. As is evident, based on the current programme the revenue cost of implementing a challenging capital programme is increasing year on year, even with no additional funding from borrowing in future programme. Alongside a revenue budget Medium Term Financial Projection showing a funding gap this provides a significant challenge within current context of funding constraints on Local Government.

Chart 1

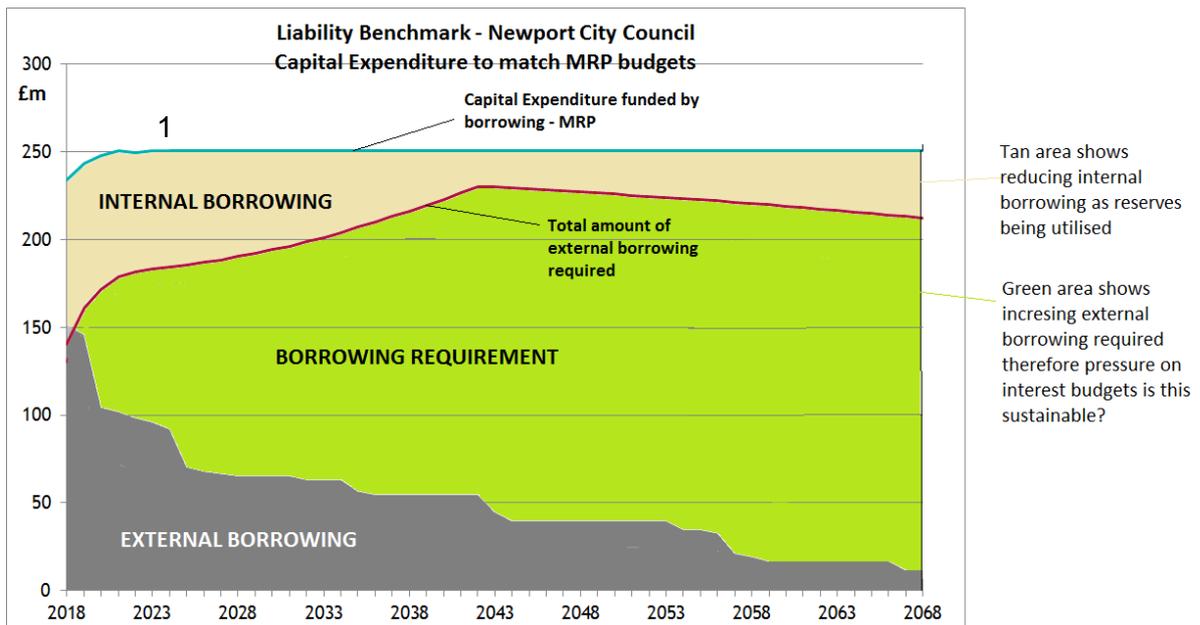


The above will obviously be affected by a number of factors including amount of capital funding from Welsh Government, achievement of capital receipts and use and level of earmarked reserves.

- Earlier in paragraph 3.1 it highlighted the future demands on capital expenditure; the CFR is integral to understanding the affordability and sustainability of the capital programme. If the CFR is increasing over the long-term this puts pressure on the revenue budget to both repay that debt and also on the interest rates to fund the borrowing.

The chart below shows the CFR over the long-term if we were to maintain capital expenditure funded by borrowing at the same value as MRP.

Chart 2



- The chart above illustrates the following:

- Assumption that capital expenditure funded by borrowing will be at a level equal to the MRP budget (level blue line [1]) – with MRP and interest budgets increasing over time, to remain affordable, capital expenditure funded by borrowing should be no higher than the MRP budget and ideally should be lower to limit the level of external borrowing that is required over time.
- As earmarked reserves are utilised the amount we are internally borrowed (using our own cash to fund capital expenditure) reduces. We have reached the capacity of internal borrowing, and any further capital expenditure which is not financed at source (i.e. grants, capital receipts, reserves) will require external borrowing.
- As current external borrowing matures, we will need to re-finance this debt rather than re-pay debt. This is due to the inherent need to borrow over the long-term.
- The above puts additional pressure on the capital financing budgets through additional interest costs.
- Therefore, it is vital that the CFR is at a level which is affordable and sustainable.
- Decisions on future capital programmes and the level of preferred CFR will be made at a time when the next programme is developed.
- Recent decisions to change the MRP methodology for charging to annuity method for unsupported borrowing and to a 40-year asset life for supported borrowing put future pressures on the revenue budget without any additional capital expenditure (While over the long-term borrowing is still repaid, the charge today is less and increases over future years). The chart in appendix 2b, shows that the MRP charge with current capital expenditure doesn't decrease significantly until 2030. Therefore, we know that any additional expenditure funded by borrowing will put additional pressure on the revenue budgets in the future.
- Overall this shows a significant challenge for the next capital programme, onwards, and will mean prioritising all forms of capital expenditure in order to keep additional borrowing to a minimum is essential.
- In the current financial climate, with a continuing MTFP gap, there is the need for future levels of capital expenditure funded from borrowing to come down and therefore bring the CFR over the longer-term.

➤ Capital Financing costs are discussed further in the Treasury Management section in paragraph 5.

Sustainability

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Head of Finance is satisfied that the capital programme is prudent, affordable and sustainable, although there is currently a funding gap in the Medium Term Financial Projections, the increasing capital financing costs and challenges are included within these and plans for closing this gap will need to be put in place by the authority and this is understood by Senior Managers and Members. The next capital programme will be challenging due to the increasing capital financing costs and demands. Therefore, there is the need for prioritisation for the next capital and this will prove a challenge for the Council.

In light of the above, the authority needs to understand the demands and risks associated with the deliverability of meeting these demands. The key drivers of the Council's capital plans are captured through various plans across the authority, these include:



The Authority will need to develop its understanding of the costs arising from each of the above strategic documents, and use these to prioritise restricted funding over the current and future programmes.

Capital investment in service assets is highly constrained by the funding available and therefore has not been funded at a level required to keep these assets in a steady state condition or to address backlog maintenance needs.

This is especially so in relation to highway assets and school buildings. The annual sum required to not only maintain assets at their current standard but to bring the assets to a standard level is significantly above the level that is available.

The plans highlighted above show the significant challenge facing the Authority in coming years and detail backlog maintenance challenges that face the Authority.

Annual sums included in the capital programme for highways maintenance, relevant specific capital grants and the 21st Century Schools programme will assist in addressing the highest priority backlog issues, focussing on worst condition first and risk. However, estate rationalisation programmes, closure/disposal of assets, asset transfers and other capital projects to refurbish or replace operational properties (i.e. neighbourhood hubs, work on the library, Newport market development) will also be utilised to offset the backlog funding required. This will not address the total backlog, but is a way of targeting the main issues in an affordable manner.

Backlog maintenance has been estimated at the following values:

- Highways assets - £90m
- Schools estate - £50m
- Other Council operational estate - £20m (although a current piece of work is being undertaken by the property advisors Newport Norse to get an updated value of this).

5. TREASURY MANAGEMENT

5.1. TREASURY MANAGEMENT

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council limits the need to take out actual borrowing by using positive cash-flow, largely from reserves, to fund capital expenditure funded by borrowing, known as internal borrowing.

Due to decisions taken in the past, the Council currently has £151m borrowing at a weighted average interest rate of 3.7% and £13m treasury investments at a weighted average rate of 0.7%.

5.2. BORROWING STRATEGY

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

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

Whilst the strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current low longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.

The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently around 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

| | 31.3.2019 actual | 31.3.2020 forecast | 31.3.2021 budget | 31.3.2022 budget | 31.3.2023 budget |
|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt (incl. PFI & leases) | 236 | 215 | 228 | 237 | 234 |
| Capital Financing Requirement | 280 | 287 | 293 | 298 | 291 |

With the pending introduction of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase during 2020/21 due to the change in the way that finance leases for lessees are treated. There is currently an ongoing project assessing these leases across the Council and an update will be given alongside the in-year 2020-21 treasury monitoring report to Council.

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

| | 2019/20 limit | 2020/21 limit | 2021/22 limit | 2022/23 limit |
|---|------------------|------------------|------------------|------------------|
| Authorised limit – borrowing | 230 | 240 | 250 | 245 |
| Authorised limit – PFI and leases | 44 | 43 | 42 | 41 |
| Authorised limit – total external debt | 274 | 283 | 292 | 286 |
| Operational boundary – borrowing | 220 | 230 | 240 | 235 |
| Operational boundary – PFI and leases | 44 | 43 | 42 | 41 |
| Operational boundary – total external debt | 264 | 273 | 282 | 275 |

➤ Further details on borrowing are in the treasury management strategy

The above limits look at the following factors and are set providing flexibility for these:

- Current external borrowing values and maturing debts that will require refinancing.
- Ability to undertake borrowing for loans to third parties for regeneration purposes (subject to strict due diligence)
- Flexibility to borrow for commercialisation agenda (subject to governance arrangements)

5.3. INVESTMENT STRATEGY

Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

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

Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

| | 31.3.2019 actual | 31.3.2020 forecast | 31.3.2021 budget | 31.3.2022 budget | 31.3.2023 budget |
|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Near-term investments | 56 | 10 | 0 | 0 | 0 |

| | | | | | |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| Longer-term investments | 0 | 0 | 10 | 10 | 10 |
| TOTAL | 24 | 10 | 10 | 10 | 10 |

➤ Further details on treasury investments are in pages 6 to 9 of the treasury management strategy

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by Council. Half-year and end of year reports on treasury management activity are presented Council. The audit committee is responsible for scrutinising treasury management decisions.

Loans to other organisations

The Council can and does make investments to assist local public services, including making loans to businesses to promote economic growth. The Council will assess these opportunities and will only plan that such investments at least break even after all costs. Loans to such organisations will be approved following a due diligence process and formal governance arrangements.

The Council will also use other methods of assisting businesses to promote economic regeneration by providing grants or by allowing rent free periods where the Council is the freehold, such as the case at Chartist Tower.

Decisions on service investments are made by the relevant service manager in consultation with the Head of Finance and monitoring officer and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

6. COMMERCIAL ACTIVITIES

6.1. COMMERCIALISATION

In order to help meet the financial challenges faced by the authority Cabinet have approved an initial commercialisation strategy. A link to the report can be found [here](#).

The proposed strategic objectives of the strategy are set out below:

1. We will target activity to promote social value
2. We will prioritise activities to generate a net profit, which can be used to support core services.
3. Our income generating activities should stimulate economic growth by creating employment.
4. Where appropriate, we will modify methods of service delivery to reduce costs to ensure we take a more commercial approach.
5. We will develop new skills in the organisation to create a modern council

Within these objectives three strands of activity have been identified:

- 1) Current services we could provide on a more commercial basis e.g Trade Waste
- 2) New services we could look to provide e.g energy services
- 3) Property investment – commercial and residential

Establishment of a trading company

A feasibility study will be undertaken on the setting up a trading company through which the commercial activities are managed. This will ultimately seek to support the delivery the first two activities.

Property Investment

In regards to the property investment, an investment board will be created to oversee the delivery of this activity. The investment board will be responsible for the following:

- Ensuring that investment opportunities are thoroughly evaluated, that there is an appropriate balance between risk and reward and that the acquisition contributes to the overall aims of the strategy.
- Approving property investment acquisitions, property management expenditure, property investment disposals and the provision of finance to enable the council to purchase assets.
- Monitoring the progress made in respect of achieving an appropriately balanced and diversified portfolio of assets and its performance.

The Investment Board should prioritise property acquisitions within the Newport City Council municipal boundary but will have authority to invest outside Newport as well. Detailed terms of reference and investment parameters will need to be established for the Board to operate under. These will need developing and approval by Cabinet.

The Investment Board will be a sub set of cabinet and function as a public committee with all the associated governance. The recommended membership is as follows:

Members: Leader
 Deputy Leader
 Cabinet Members x3

Advisors: Chief Executive
 Strategic Director (Place)
 Head of Regeneration, Investment & Housing
 Head of Law & Regulation (Monitoring Officer)
 Head of Finance (Section 151 Officer)
 Supported by NORSE as specialist professional advisors

While the parameters are yet to be established. The decision making on this would be based on a number of factors which would take into account potential for returns and risk into account other costs such as interest and Minimum Revenue Provision if financed through borrowing. The priorities for the Council when acquiring property interests for investment purposes are (in order of importance):

- **Covenant Strength**
- **Lease Length**
- **Rate of Return**
- **Risk**
- **Lease Terms**
- **Growth**

- **Location**
- **Sector**
- **Building Age and Specification**

An investment fund of £50m is to be established for the delivery of this activity. This requires the borrowing limits approved by Council to be increased by this value for the purpose of the investment fund. While it is unlikely the full £50m will be required in 20/21, the borrowing limits have included the full £50m in each financial year to allow for the flexibility if required. This is shown in the prudential indicator in table 7 of this report.

A recent increase in the Public Works Loan Board (PWL) interest rates by 1% has resulted in the margins achievable from investments in property being squeezed significantly. This may make this type of investment more unlikely to achieve the margins that are set out in the commercial strategy. Although the Council has not currently entered into any new property investments, the increase in rates means that the Council may apply a different policy when setting margins i.e. ensuring that borrowing is either taken at fixed rates over period of investment or where interest can be charged it tracks any increases.

Alongside this recent guidance from CIPFA on 'Prudential Property Investment' has been published, it expresses three main areas of concern:

- whether legal powers exist that permit local authorities to borrow to invest in property,
- whether the risks of incurring certain borrowing costs in exchange for uncertain investment returns are fully understood, and
- that ever increasing purchases of commercial property funded by borrowing places a strain on the credibility of the prudential framework that could lead to statutory intervention.

While the guidance has no statutory basis, and as such there is no legal duty for local authorities to have regard to it. However, having regard to the guidance may assist in demonstrating that a local authority has acted reasonably.

Given the above the Head of Finance, alongside the Senior Leadership Team and Cabinet Members will discuss the future viability of the investment fund.

Council Assets

The Council also need to continuously assess all of the Council assets to understand what of the Council's assets can and should be making a financial return and maximising those and stop or dispose of them where they are not and is best way forward. To maximise on the Council's financial strength and covenant, and skill is within its workforce and partners where appropriate.

- We will look to use our existing infrastructure for commercial gain and use our land and buildings where we can to deliver housing and growth in such a way as to maximise benefits to the Council
- We will look to share and collaborate with our partners in use of buildings and other assets and generate capital receipts and reduce costs
- We will, through the Councils Treasury Strategy, consider changing our risk appetite for investing in higher return / less liquid assets and recalibrate the cost/benefit of the Councils current practices.
- Implementing this strategy will require, in some areas, financial resources and this will need to be made available via the Councils Invest to Save reserve and where appropriate, prudential borrowing.

This will need to be approved via the governance framework upon business cases meeting assessment criteria, in particular payback period and levels of return.

The Council has an existing investment portfolio, which is 100% based within the city including retail, industrial and office. The Council are currently undertaking a project alongside our property advisors, Norse Newport Ltd, assessing the performance of our Commercial & Industrial portfolio and potential for maximising returns on those assets (which may require up-front investment).

Risk and long-term commitment

Interest rates

- The margins that could be achieved through investing in commercial properties could be relatively low. Due to current low interest rates, it is likely that long-term debt would be the preferred option as the risk of re-financing at a higher rate in the future may take out most, if not, all of any margin. This does however; lock the Council into the commitment of long-term borrowing. This issue would need to be reviewed on a case-by-case basis.

Income generation

- Potential uncertainty in the income generated. These are long-term investments and therefore, the property market will change over that period which could introduce risk to the income being generated and/or value of the investment held. For example, whilst investment could have long term leases associated with them, over the long term, tenants could cease trading or enter into company voluntary arrangements to re-negotiate terms. On the other hand, there is the opportunity that the value of properties and rentals could rise over time also.

Liquidity (How quickly we could sell the property)

- With this type of asset, there is poor liquidity compared to other types of investments, i.e. a relatively long timeframe to sell or change the investment. Therefore if income generation were to fall or the Council wanted to change its direction on investing in commercial properties, it may take a relatively long period to sell the asset, during which the cost of financing the borrowing would continue.

Long-term and fixed cost commitment

- Undertaking investment in commercial properties would significantly increase the Council’s long-term debt, therefore any income generated would need to be sufficient to cover the ‘capital financing costs’ that have been incurred over the long-term i.e. the income has to be sustained over the long-term. If income were to drop, then these costs would still need to be covered.

Asset disposals

As part of the commercial activity, we will look at decisions about our Council assets and this could include disposal. When a capital asset is no longer needed or is not used as an investment opportunity, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council forecasts to receive £0.6m of capital receipts in the coming financial year as follows:

Table 9: Capital receipts in £ millions

| | 2018/19 actual | 2019/20 forecast | 2020/21 budget | 2020/21 budget | 2021/22 budget |
|--|---------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| | | | | | |

| | | | | | |
|-------------|-----|-----|---|---|---|
| Asset sales | 2.5 | 0.6 | 0 | 0 | 0 |
|-------------|-----|-----|---|---|---|

7. OTHER LONG-TERM LIABILITIES

In addition to debt of £151m detailed above, the Council has a number of other long-term liabilities (potential call on future Council resources) as follows:

Private Finance Initiative (PFI)

The Council has two PFI arrangements for the provision of the Southern Distributor Road (24 years remaining) and for Glan Usk Primary School (15 years remaining). As at 31 March 2019 the value of the liability was £43.1m. The Council holds an earmarked reserve which covers the future costs of the PFI.

Pension Liability

The Council is committed to making future payments to cover its pension fund deficit (valued at £400.8m).

Provisions and Guarantees

The Council has set aside provisions and reserves for risks in relation to outstanding insurance claims and guaranteed subsidies in relation to Friars Walk. The Council has also entered into a number of financial guarantees where the Council has entered into agreements to act as a guarantor in particular safeguarding of former employee pension rights when their employment is transferred to third party organisations.

8. KNOWLEDGE AND SKILLS

IN-HOUSE EXPERTISE

The overall Capital Programme and Treasury Management Strategy are overviewed by the Head of Finance and Assistant Head of Finance, who are both professionally qualified accountants with extensive Local Government finance experience between them. There is a Capital Accounting team consisting of qualified and part-qualified accountants who follow Continuous Professional Development Plan (CPD) / attend courses on an ongoing basis to keep abreast of new developments and skills. There is a small Treasury Management team who manage the day-to-day cash-flow activities and banking arrangements of the authority, these again attend the necessary courses and training and have a vast amount of experience.

EXTERNAL EXPERTISE

All the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required external professional advice is taken from the property advisors, Newport Norse, or other professional advice if required.

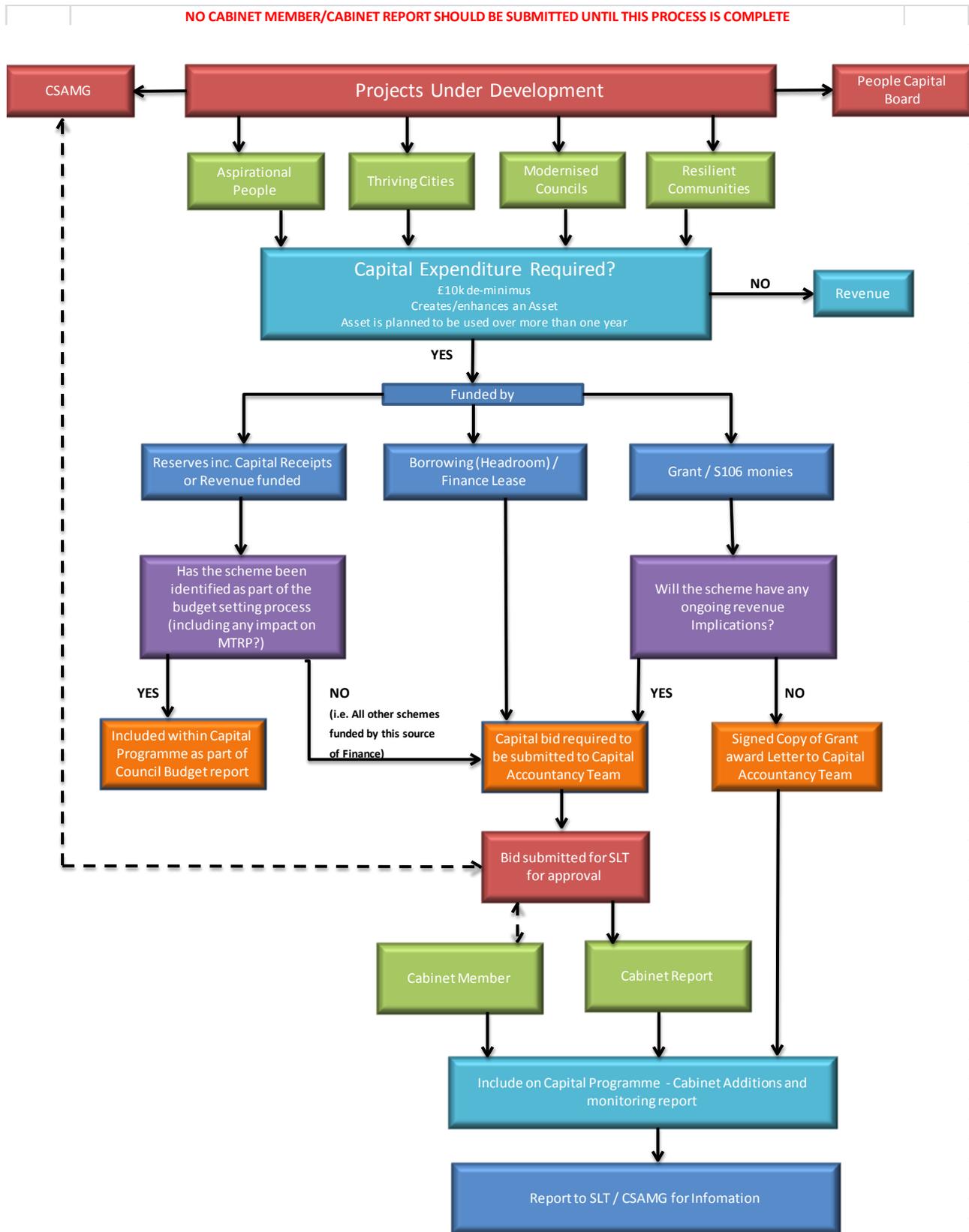
MEMBERS

Training is offered to members to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance. The Council also involves members at a very early stage of a projects life cycle.

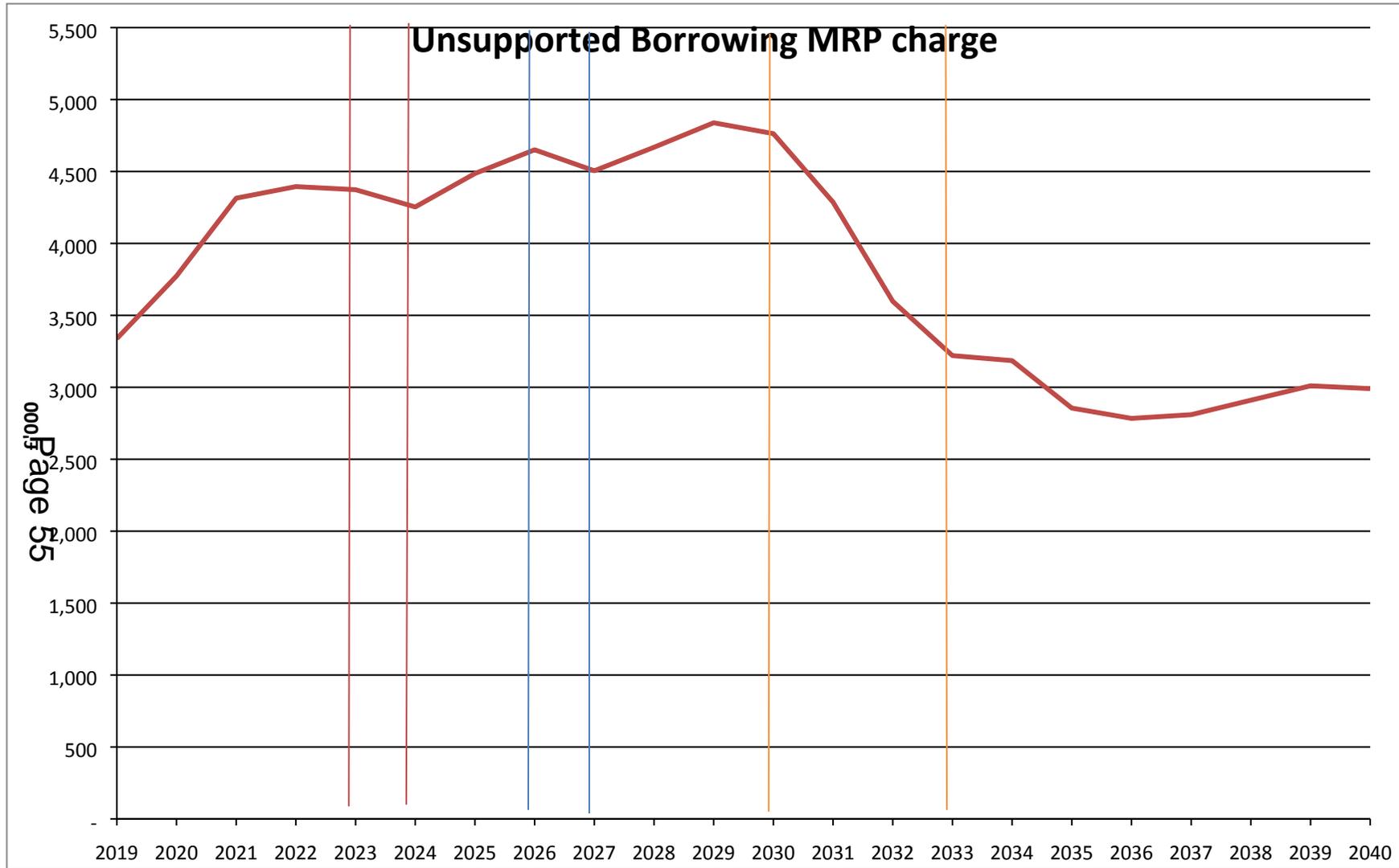
9. SUMMARY

- Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
- The MTFP includes the current revenue costs for the capital programme, which includes level of headroom for additional capital projects to be added without impacting further on the revenue budget.
- As per the agreed framework the current programme needs to be maintained within the affordability headroom, therefore not putting additional pressure on the MRP budget.
- There are a number of demands on the capital programme, there is the need to link the capital strategy with a number of strategic plans across the organisation to ensure the pressures on the capital programme are known and the risks are assessed and prioritised within an affordable framework. This will include clear visibility and assessment of demand for schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years +). With the MRP budget increasing over the long-term as shown in chart 1, the Council will need to make some difficult decisions going into the next programme to ensure the capital plans remain affordable and sustainable.

APPENDIX 2a – Capital Additions Process Map



Appendix 2b



Treasury Management Strategy Statement 2020/21

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.

Revised strategy: In accordance with the WG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process.

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for September registered 1.7% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, rose to 1.7% from 1.5% in August. The most recent labour market data for the three months to August 2019 showed the unemployment rate ticked back up to 3.9% while the employment rate was 75.9%, just below recent record-breaking highs. The headline 3-month average annual growth rate for pay was 3.8% in August as wages continue to rise steadily. In real terms, after adjusting for inflation, pay growth increased 1.9%.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Services and construction added positively to growth, by 0.6% and 0.4% respectively, while production was flat and agriculture recorded a fall of 0.2%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target of 'below, but close to 2%' and leading to the central bank holding its main interest rate at 0% while cutting the deposit facility rate to -0.5%. In addition to maintaining interest rates at ultra-low levels, the ECB announced it would recommence its quantitative easing programme from November. In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back on of the ongoing trade war with China. At its last meeting the Fed

cut rates to the range of 1.50-1.75% and financial markets expect further loosening of monetary policy in 2020. US GDP growth slowed to 1.9% annualised in Q3 from 2.0% in Q2.

Credit outlook: Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market. Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 3a.

For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 2.5%, and that new long-term loans will be borrowed at an average rate of 3%.

Local Context

On 31st December 2019, the Authority held £150.8m of borrowing and £13.4m of treasury investments. This is set out in further detail at **Appendix 3b**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

| | 31.3.19 Actual £m | 31.3.20 Estimate £m | 31.3.21 Forecast £m | 31.3.22 Forecast £m | 31.3.23 Forecast £m |
|--|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund CFR | 280.0 | 287.0 | 292.7 | 298.2 | 290.6 |
| Less: Other debt liabilities * | (43.1) | (42.6) | (41.5) | (40.8) | (38.4) |
| Loans CFR | 236.9 | 244.4 | 251.2 | 257.4 | 252.2 |
| Less: External borrowing ** | (192.8) | (149.4) | (145.6) | (138.7) | (134.7) |
| Less: Usable reserves | (102.9) | (85.1) | (77.4) | (73.7) | (69.3) |
| Less: Working capital | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Preferred Investment position | | 10.0 | 10.0 | 10.0 | 10.0 |
| Treasury Investments or (New borrowing) | 56.2 | (22.5) | (40.8) | (57.6) | (60.8) |

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

** shows only loans to which the Authority is committed and excludes optional refinancing. The value at 31.3.2019 is netted off by the temporary investment value of £40m which was used to re-finance maturing borrowing in April 2019.

With the pending introduction of IFRS 16 Leases, the CFR is likely to increase during 2020/21 due to the change in the way that finance leases for lessees are treated. There is currently an ongoing project assessing these leases across the Council and an update will be given alongside the in-year 2020-21 treasury monitoring report to Council.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £60.8m over the forecast period, this is broken down into £18.1m refinancing of maturing existing borrowing and £42.7m additional (£152.8m to £195.5m) external borrowing, while internal borrowing and investments are forecast to reduce by £33.6m and £6.2m respectively as shown in table 2 below.

Table 2: Year on year change in internal and external borrowing

| | 31.3.19 Actual £m | 31.3.20 Estimate £m | 31.3.21 Forecast £m | 31.3.22 Forecast £m | 31.3.23 Forecast £m |
|--|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Loans CFR (as per table 1) | 236.9 | 244.4 | 251.2 | 257.4 | 252.2 |
| - Internal Borrowing | 100.3 | 82.5 | 74.8 | 71.1 | 66.7 |
| - Investments | (16.2) | (10.0) | (10.0) | (10.0) | (10.0) |
| - External Borrowing | 152.8 | 171.9 | 186.4 | 196.3 | 195.5 |
| Increase in External Borrowing | | 19.1 | 14.5 | 9.9 | (0.8) |
| <i>Represented by:</i> | | | | | |
| Change in loan CFR (Cap Exp funded by debt less MRP) | | 7.5 | 6.8 | 6.2 | (5.2) |
| Reduction in reserves | | 17.8 | 7.7 | 3.7 | 4.4 |
| Reduction in investments | | (6.2) | 0 | 0 | 0 |
| Increase in External Borrowing | | 19.1 | 14.5 | 9.9 | (0.8) |

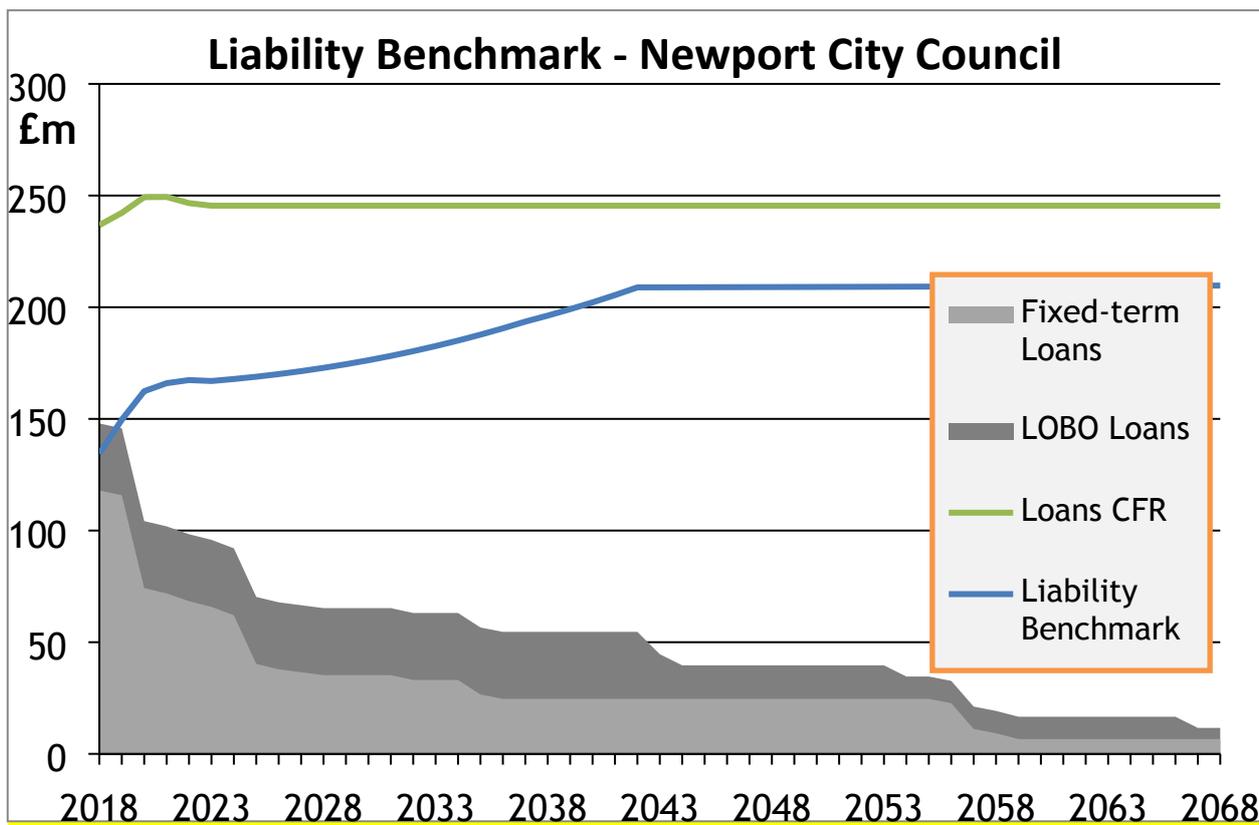
CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2020/21.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 3: Liability benchmark

| | 31.3.19 Actual £m | 31.3.20 Estimate £m | 31.3.21 Forecast £m | 31.3.22 Forecast £m | 31.3.23 Forecast £m |
|----------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Loans CFR | 237 | 244 | 251 | 257 | 252 |
| Less: Usable reserves | (103) | (85) | (77) | (74) | (69) |
| Less: Working capital | 3 | 3 | 3 | 3 | 3 |
| Plus: Minimum investments | 16 | 10 | 10 | 10 | 10 |
| Liability Benchmark | 153 | 172 | 186 | 196 | 196 |

Following on from the medium-term forecasts in table 3 above, the long-term liability benchmark assumes capital expenditure funded by borrowing at the same level as the minimum revenue provision therefore not increasing the CFR, and reserves in regards to the Private Finance Initiative (PFI) reserves being utilised over the life of the PFI contract. This is shown in the chart below:



The chart above shows actual borrowing maturing over time (grey area reducing), however our need to borrow (the green CFR line), over the long-term, remains at a consistent level due to the assumption that capital expenditure funded from borrowing will be at a level the same as the MRP charge. The Council need to borrow up to the liability benchmark (blue line) with the remaining amount being covered by internal borrowing as previously discussed. Therefore, the chart is showing the following important points/assumptions:

- The capital financing requirement is assumed to remain at a consistent level over the long-term.
- The ability to use further internal borrowing has diminished, with internal borrowing reducing over time as reserves are utilised.
- As existing borrowing matures (grey area reducing) there will be the need to refinance this debt over the long-term.
- The liability benchmark is increasing over time, meaning that the Council will be required to undertake new borrowing over time, therefore putting pressure on the revenue budget through increased interest payments.
- The only way to reduce this need to borrow is to reduce the level of capital expenditure funded by borrowing.

Borrowing Strategy

The Authority currently holds £150.8 million of loans, a decrease of £42 million on the previous year, as part of its strategy for funding previous years’ capital programmes, there was a significant amount of temporary borrowing at year end to re-finance £40 million borrowing that was maturing in April 2020, this has now been carried out leading to this significant decrease in borrowing. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £40.8 million in 2020/21. The Authority may also borrow additional sums to pre-fund future years’ requirements, providing this does not exceed the authorised limit for borrowing of £290 million.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority has previously raised the majority of its long-term borrowing from PWLB but the government increased PWLB rates in October 2019 making it now a relatively expensive option. The Authority will now look to borrow any long-term loans from other sources including, banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over reliance on one source of funding in line with the CIPFA Code.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Greater Gwent Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- Sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The Authority holds £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to

either accept the new rate or to repay the loan at no additional cost. £25m of these LOBOs have options during 2019/20, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £30m.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority’s treasury investment balance has ranged between £14.5 million and £69.0 million, levels of c. £10 to £20 million are expected in the forthcoming year.

Loans to organisations providing local public services i.e. regeneration and purchases of investment property are not normally considered to be treasury investments, and these are therefore covered separately in Appendix C.

Objectives: Both the CIPFA Code and the WG Guidance require the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding asset classes during 2020/21. This is especially the case for the estimated £10 million that is available for longer-term investment. All of the Authority’s surplus cash is currently invested in short-term unsecured bank deposits and local authorities. This diversification will represent a change in strategy over the coming year.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 4 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 4: Approved investment counterparties and limits

| Credit rating | Banks unsecured | Banks secured | Government | Corporates | Registered Providers |
|---------------|-----------------|---------------|-------------------------|------------|----------------------|
| UK Govt | n/a | n/a | £ Unlimited 50 years | n/a | n/a |

| | | | | | |
|---|------------------|------------------------|------------------|------------------|-----------------|
| AAA | £5m 5 years | £10m 20 years | £10m 50 years | £5m 20 years | £5m 20 years |
| AA+ | £5m 5 years | £10m 10 years | £10m 25 years | £5m 10 years | £5m 10 years |
| AA | £5m 4 years | £10m 5 years | £10m 15 years | £5m 5 years | £5m 10 years |
| AA- | £5m 3 years | £10m 4 years | £10m 10 years | £5m 4 years | £5m 10 years |
| A+ | £5m 2 years | £10m 3 years | £5m 5 years | £5m 3 years | £5m 5 years |
| A | £5m 13 months | £10m 2 years | £5m 5 years | £5m 2 years | £5m 5 years |
| A- | £5m 6 months | £5m 13 months | £5m 5 years | £5m 13 months | £5m 5 years |
| None | £1m 6 months | n/a | £10m 25 years | Not Applicable | £5m 5 years |
| Pooled funds and real estate investment trusts | | £10m per fund or trust | | | |

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant

access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on to the stock market to another investor.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment limits: The Authority's revenue reserves available to cover investment losses are forecast to be £75 million on 31st March 2020. In order that no more than 15% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

| | Cash limit |
|---|-------------------|
| Any single organisation, except the UK Central Government | £10m each |
| UK Central Government | unlimited |
| Any group of organisations under the same ownership | £10m per group |
| Any group of pooled funds under the same management | £10m per manager |
| Negotiable instruments held in a broker's nominee account | £5m per broker |
| Foreign countries | £2m per country |
| Registered providers and registered social landlords | £5m in total |
| Unsecured investments with building societies | £5m in total |
| Money market funds | £10m in total |
| Real estate investment trusts | £10m in total |

Liquidity management: The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

Treasury Management Indicators

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

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper-limit on the one-year revenue impact of a 1% rise or fall of interest rates will be:

| Interest rate risk indicator | Limit |
|--|--------------|
| Upper limit on one-year revenue impact of 1% <u>rise</u> in interest rates | £200,000 |
| Upper limit on one-year revenue impact of 1% <u>fall</u> in interest rates | £100,000 |

Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

| Refinancing rate risk indicator | Upper | Lower |
|--|--------------|--------------|
| Under 12 months | 60% | 0% |
| 12 months and within 24 months | 40% | 0% |
| 24 months and within 5 years | 40% | 0% |
| 5 years and within 10 years | 40% | 0% |
| 10 years and within 20 years | 30% | 0% |
| 20 years and within 30 years | 20% | 0% |
| 30 years and within 40 years | 20% | 0% |
| 40 years and within 50 years | 20% | 0% |
| 50 years and above | 20% | 0% |

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

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

| | | | |
|---|----------------|----------------|----------------|
| Price risk indicator | 2020/21 | 2021/22 | 2022/23 |
| Limit on principal invested beyond year end | £10m | £10m | £10m |

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial Derivatives: In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Head of Finance believes this to be the most appropriate status.

Government Guidance: Further matters required by the WG Guidance are included in Appendix 3c

Financial Implications

The budget for investment income in 2020/21 is £0.3 million, based on an average investment portfolio of £10 million at an interest rate of 3%. The budget for debt interest paid in 2020/21 is £7.2 million, based on an average debt portfolio of £2.7 million at an average interest rate of 4.0%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The WG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

| Alternative | Impact on income and expenditure | Impact on risk management |
|---|--|--|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower | Lower chance of losses from credit related defaults, but any such losses may be greater |
| Invest in a wider range of counterparties and/or for longer times | Interest income will be higher | Increased risk of losses from credit related defaults, but any such losses may be smaller |
| Borrow additional sums at long-term fixed interest rates | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain |
| Borrow short-term or variable loans instead of long-term fixed rates | Debt interest costs will initially be lower | Increases in debt interest costs will be broadly offset by rising investment income in the |

| | | |
|---------------------------|--|--|
| | | medium term, but long-term costs may be less certain |
| Reduce level of borrowing | Saving on debt interest is likely to exceed lost investment income | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain |

Appendix 3a - Arlingclose Economic & Interest Rate Forecast November 2019

Underlying assumptions:

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

| | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Average |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Official Bank Rate | | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.00 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.21 |
| Arlingclose Central Case | 0.75 |
| Downside risk | -0.50 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.73 |
| 3-month money market rate | | | | | | | | | | | | | | |
| Upside risk | 0.10 | 0.10 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.25 |
| Arlingclose Central Case | 0.75 |
| Downside risk | -0.50 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.75 | -0.73 |
| 1yr money market rate | | | | | | | | | | | | | | |
| Upside risk | 0.10 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.25 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.23 |
| Arlingclose Central Case | 0.85 |
| Downside risk | -0.30 | -0.50 | -0.55 | -0.65 | -0.65 | -0.65 | -0.65 | -0.65 | -0.65 | -0.65 | -0.65 | -0.65 | -0.65 | -0.60 |
| 5yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.45 | 0.45 | 0.45 | 0.37 |
| Arlingclose Central Case | 0.50 | 0.50 | 0.50 | 0.55 | 0.60 | 0.57 |
| Downside risk | -0.35 | -0.50 | -0.50 | -0.55 | -0.60 | -0.60 | -0.60 | -0.60 | -0.60 | -0.60 | -0.60 | -0.60 | -0.60 | -0.56 |
| 10yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.40 | 0.45 | 0.45 | 0.37 |
| Arlingclose Central Case | 0.75 | 0.75 | 0.80 | 0.80 | 0.85 | 0.85 | 0.90 | 0.90 | 0.95 | 0.95 | 1.00 | 1.00 | 1.00 | 0.88 |
| Downside risk | -0.40 | -0.40 | -0.40 | -0.40 | -0.45 | -0.45 | -0.45 | -0.45 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.45 |
| 20yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.40 | 0.45 | 0.45 | 0.37 |
| Arlingclose Central Case | 1.20 | 1.20 | 1.25 | 1.25 | 1.25 | 1.30 | 1.30 | 1.30 | 1.35 | 1.35 | 1.35 | 1.40 | 1.40 | 1.30 |
| Downside risk | -0.40 | -0.40 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.50 | -0.50 | -0.45 |
| 50yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.40 | 0.45 | 0.45 | 0.37 |
| Arlingclose Central Case | 1.20 | 1.20 | 1.25 | 1.25 | 1.25 | 1.30 | 1.30 | 1.30 | 1.35 | 1.35 | 1.35 | 1.40 | 1.40 | 1.30 |
| Downside risk | -0.40 | -0.40 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.50 | -0.50 | -0.45 |

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix 3b - Existing Investment & Debt Portfolio Position

| | 31/12/2019 Actual Portfolio £m | 31/12/2019 Average Rate % |
|--|---|------------------------------------|
| External borrowing: | | |
| Public Works Loan Board | 107.1 | 3.7 |
| Local authorities | 0 | - |
| LOBO loans from banks | 30.0 | 4.4 |
| Other loans | 13.6 | 3.8 |
| Total external borrowing | 150.8 | 3.7 |
| Other long-term liabilities: | | |
| Private Finance Initiative | 43.0 | |
| Finance Leases | 0.1 | |
| Total other long-term liabilities | 43.1 | |
| Total gross external debt | 193.9 | |
| Treasury investments: | | |
| Banks & building societies (unsecured) | 3.4 | 0.5 |
| Government (incl. local authorities) | 10 | 0.7 |
| Total treasury investments | 13.4 | 0.82 |
| Net debt | 180.4 | |

Appendix 3c - Additional requirements of Welsh Government Guidance

The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local authorities that are not integral to this Authority's treasury management processes. The guidance also covers investments that are not part of treasury management, for example investment property and loans to local organisations.

Contribution: The Authority's investments contribute to its service delivery objectives and/or to promote wellbeing as follows:

- treasury management investments support effective treasury management activities,
- loans to local organisations provide financial support to those organisations to enable them to deliver local public services that would otherwise be provided directly by the Authority, and
- investment property provides a net financial surplus that is reinvested into local public services.

Climate change: The Authority's investment decisions consider long-term climate risks to support a low carbon economy to the extent that the Council have invested in our capital programme a number of energy efficiency related schemes, including LED projects and Solar PV.

Specified investments: The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement unless the counterparty is a local authority,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Loans: The WG Guidance defines a loan as a written or oral agreement where the authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority.

The Authority uses an allowed 'expected credit loss' model for loans and receivables as set out in *International Financial Reporting Standard 9 Financial Instruments* as adopted by proper practices to measure the credit risk of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Authority has appropriate credit control arrangements to recover overdue repayments in place.

Non-specified investments: Any financial investment not meeting the definition of a specified investment or a loan is classed as non-specified. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies. Limits on non-specified investments are shown in table C2; the Authority confirms that its current non-specified investments remain within these limits.

Table C2: Non-specified investment limits

| | Cash limit |
|--|------------|
| Units in pooled funds without credit ratings or rated below [A-] | £10m |
| Shares in real estate investment trusts | £10m |
| Total non-specified investments | £10m |

Non-financial investments: This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. The Council holds investment properties to the fair value of £7.8m on, these give an annual rental income of £1.2m. These are historic investment properties, namely Kingsway shopping centre and Chartist Tower and the Council has not recently undertaken purchase of non-financial investments.

Investment advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and Newport Norse as property investment advisers. The quality of these services is controlled by regular review of the services provided by both advisers and regular strategy meeting with them.

Appendix 3d - Minimum Revenue Provision Policy

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Welsh Government's *Guidance on Minimum Revenue Provision* (the WG Guidance) most recently issued in 2010.

The broad aim of the WG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The WG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

For supported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, this is currently deemed to be an average of 40 years.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in on an annuity basis with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.

For capital expenditure loans to third parties that are repaid over a short time period or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Capital expenditure incurred during 2020/21 will not be subject to a MRP charge until 2021/22.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2020, the budget for MRP has been set as follows:

| | 31.03.2020 Estimated CFR £m | 2020/2021 Estimated MRP £m |
|--|-----------------------------------|----------------------------------|
| Supported capital expenditure | 163 | 4 |
| Unsupported capital expenditure | 81 | 3 |
| Finance leases* and Private Finance Initiative | 43 | 1 |
| Total General Fund | 287 | 9 |

*With the pending introduction of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase during 2020/21 due to the change in the way that finance leases for lessees are treated. There is currently an ongoing project assessing these leases across the Council and an update will be given alongside the in-year 2020-21 treasury monitoring report to Council.

Report

Cabinet

Part 1

Date: 12 February 2020

Subject 2020/21 Budget and Medium Term Financial Projections

Purpose To present to Cabinet the consultation results from the Cabinet's draft budget set out in their December 2019 meeting, and the current position on the Council's funding envelope following receipt of the draft Revenue Support Grant for 2020/21. In light of these updates, ask Cabinet to agree their budget proposals, including recommended council tax level for agreement at Full Council in their meeting on 27 February 2020.

Author Head of Finance

Ward General

Summary

The draft proposals for 2020/21, agreed in the December Cabinet meeting, have been subject to detailed consultation and the results have been set out within this report.

This update is different to previous years in that, at the time of drafting and making public this report the Council are not yet in receipt of the final settlement from Welsh Government, which is due on 25 February. With the exception of any late transfers of specific grants into/ out of the final settlement, which are neutral in their impact, no other changes are anticipated. Therefore, Cabinet are finalising their 2020/21 budget based on the funding position made up of the draft Revenue Support Grant, the confirmed increase in tax base and subsequent council tax income at the rate of which will be recommended at this meeting.

The draft settlement confirmed that Newport received the greatest share of the 4.3% net funding increase for Local Government across Wales, and much higher than that included in the planning assumption within the December report. This report highlights the additional funding available to Cabinet as they consider the final proposals. These will be announced at the meeting, following considerations of various budget pressures since their December meeting and public consultation results.

Section:

- 1 Financial summary
- 2 Welsh Government funding and council tax base
- 3 2020/21 budget requirement
- 4 Schools position
- 5 Medium term financial projections (MTFP)
- 6 Budget consultation
- 7 Risk, reserves, financial resilience and performance
- 8 2020/21 proposed council tax

Appendix:

- Appendix 1 Minutes from the Employee Partnership Forum
- Appendix 2 Extracts from Scrutiny Committees
- Appendix 3 Extracts from Schools Forum minutes
- Appendix 4 Public budget consultation responses and feedback
- Appendix 4a Fairness Commission review
- Appendix 4b Union specific response to consultation
- Appendix 5 Budget investments
- Appendix 6 Budget savings
- Appendix 7 Medium term financial projections (MTFP)
- Appendix 8 Reconciliation of movements since budget consultation
- Appendix 9 Equalities issues
- Appendix 10 Financial resilience snapshot, earmarked reserves & invest to save
- Appendix 10a Projected earmarked reserves
- Appendix 10b Summary of invest to save spend and forecast
- Appendix 11 Fees and charges

Proposal Cabinet is asked:

Budget proposals and medium term projections (section 3-6)

1. To note the formal consultation on the budget as outlined in section 6 and the feedback received, shown in appendices 1 to 4b
2. To note the equalities impact assessment summary on the budget proposals, shown in appendix 9
3. To review all draft budget proposals (appendix 5 - 6), as summarised within the medium term financial projections (appendix 7) and allocate the financial flexibility shown in table 3. In doing so, agree the implementation of the resulting full three-year savings programme, including all budget investments and saving options.
4. To agree the 2020/21 fees and charges of the council shown in appendix 11

Overall revenue budget and resulting council tax 20/21 (section 7 and 8)

5. To note the Head of Finance's recommendations that minimum General Fund balances be maintained at £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, and the adequacy of the general reserves in the context of other earmarked reserves and a revenue budget contingency of £1.5million

6. To note the current level of council tax for Newport City Council and the monetary value of various percentage increase and how this compares to levels of council tax at other councils as shown in table 5
7. To recommend an overall net budget for the Council and resulting council tax to full Council, noting that a formal resolution including the Police and Crime Commissioner for Gwent and Community Councils' precepts will be presented to Council on the 27 February
8. To approve expenditure and use of reserves in line with summary shown in appendix 10b, noting they are based on detailed proposals reviewed by Cabinet in their December 2019 meeting

Action by Head of Finance - finalise council tax calculations for Council's February meeting and subsequent billing

Timetable Immediate

This report was prepared after consultation with:

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

Signed

1 Financial summary

- 1.1 The budget process has continued since Cabinet agreed the detailed budget proposals for consultation in December 2019. Since that time, the funding position for 2020/21 has improved by £7.3m (after funding specific grant transfers and costs included in the draft settlement, as highlighted in the December Cabinet report) due to the better than anticipated draft settlement from Welsh Government (WG). This includes the increased tax base, which has given rise to an increase in council tax income.
- 1.2 In addition to the improved funding received from WG there are external pressures that have arisen since December which have been included with the current projections. The table below sets out the significant changes that have arisen from external influences.

Table 1: Key changes to pressures/ investments since December

| | 2020/2021 £'000 |
|---|--------------------|
| Teachers pay award - additional 1% provision from September 2020 | 253 |
| NJC pay award (non schools) - additional 1% provision from April 2020 | 650 |
| South Wales Fire and Rescue Levy | 250 |
| National Living Wage (NLW) increase - external social care contracts | 504 |

A full reconciliation of movements since December Cabinet can be found in appendix 8.

- 1.3 Whilst the settlement from WG was much improved from that anticipated for 2020/21, the medium term outlook is still very uncertain which makes planning for the future extremely challenging. In Newport, the Revenue Support Grant (RSG) received from WG contributes 76% to its net budget, with council tax making up the balance. Given the councils reliance on RSG funding what happens to this grant is critical.

2 Welsh Government funding and council tax base

RSG Settlement and council tax base

- 2.1 Given the decision to defer the publication of the WG settlement until after the UK general election, the Council received its [provisional settlement](#) (weblink) on the 16 December 2019. Overall, it stated that the Council would receive £228,077k for 2020/21. After allowing for specific grant transfers and costs into the RSG this is a net cash increase of £7,265k from the current years funding.
- 2.2 Ordinarily, the Council would have received the final settlement from WG by this stage of the year; however, given the delay in publishing the draft, the final settlement will be announced on the 25 February. With the exception of any late transfers of specific grants into/ out of the final settlement, which are neutral in their impact, no other changes over and above those set out within the draft settlement are anticipated. In saying this, it does introduce a potential risk to the final budget and any change will need to be verbally updated at the Council meeting on 27 February.
- 2.3 In terms of Council tax base, Newport will receive an additional £830k in funding compared to 2019/20.

- 2.4 The following table summarises the overall improvement in Council funding expected for 2020/21 compared to the budget assumptions made within the December report, illustrating the increase in funding available for decision at Cabinet of around £3.9m.

Table 2: 2020/21 additional funding

| | 2020/21 | |
|--------------------------------------|----------|----------------|
| | £'000 | £'000 |
| December 2019 MTFP balance | | 5,654 |
| Inc in RSG/ Ctax (above 1% assumed) | (12,252) | |
| Specific grant and cost transfers | 4,987 | |
| Net cash increase | | (7,265) |
| Pressures/ Investments (appendix 5) | | 1,820 |
| Reverse use of reserves | | 1,359 |
| Savings - December 2019 (appendix 6) | | (5,182) |
| Savings - new (appendix 6) | | (298) |
| | | |
| Revised balance in hand | | (3,911) |

Specific grants

- 2.5 There are a number of specific grants that have been included within the draft settlement on an all Wales basis. We are awaiting information from WG in relation to the value to Newport along with the conditions attached to these grants. Some significant increases include:

- £13,776k additional Regional Consortia School Improvement Grant funding;
- £10,000k increase in the Social care Workforce and Sustainability Pressures Grant;
- £8,600k additional Pupil Development Grant funding;
- £7,192k for Additional Learning Needs (new);

The figures quoted above reflect the all Wales allocation.

- 2.6 It is anticipated that these grants will be included within service areas budgets once the value and conditions are known. These grants have the potential to support service areas to fund demand pressures that currently exist.

3 2020/21 budget requirement

- 3.1 As noted above, the proposed budget has developed significantly given additional funding confirmed by WG and the increase in council tax base. Detailed budget investments were explained in the December report and it is pleasing that the WG draft settlement confirms that funding for 2020/21 will go some way to funding the £19m budget pressures that are shown in appendix 5.
- 3.2 As part of the planning assumptions within the December report the council were required to identify a significant level of savings to balance the budget, both for 2020/21 and the next two years – details of which can be found in appendix 6. Despite the better than anticipated settlement from WG, savings are still required to balance the budget in 2020/21 given the recently identified external pressures set out within appendix 8.

- 3.3 Significant specific grants are received from WG each year and at this time; we still await the finer details of funding levels for 2020/21. It is likely that a small number of grants will see decreases in funding during 2020/21 and it is proposed, in line with the Council's current working policy, that service areas deal with these matters with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to resolve them. This may involve reducing/ stopping services that WG specific grants no longer fund.

4 Schools position

- 4.1 Cabinet considered the schools' funding position during their December meeting which included a cash increase of £4,380k for the overall school budget. Subsequently, the announcement of the draft budget from WG confirmed further, additional funding to support the additional costs in 2020/21 in respect of the 2019/20 teachers' pay award and pension increases of £4,654k. These costs were funded in 2019/20 from one-off grants and the draft settlement included on-going permanent funding for these, as follows:

- RSG transfers to fund teachers' pay and teachers' pension (£3,032k);
- additional provision to fund the full-year impact of the pension increase (£1,622k).

- 4.2 It should be understood that the transfers outlined above is not new funding but instead makes the one off grant funding received by schools in 2019/20 permanent and reflects the full-year impact of this funding going forward. The total proposed investment of £9,034k represents a 9.4% growth in school's budget of which the £4,380k allocated by Cabinet in their December meeting is the assessed cost increases for schools in 2020/21 and the £4,654k allocated in the RSG being permanent funding for existing costs. There is currently £452k within the Individual School Budgets (ISB) for school transport for special schools, following discussion at schools forum it was agreed that this budget should not sit within the ISB but instead be transferred to the central budget where other school transport budgets are held. This will not have an impact on the level of spending that is available for the schools as the cost will be borne centrally rather than by the school.

- 4.3 Given that current projections for school budgets in 2019/20 will see them overspending against their available funding by around £3.5m, schools are still required to identify savings and produce deficit recovery plans to reduce this deficit. Although the proposed investment in school budgets is significant and covers the increasing costs for 2020/21 the draft budget has no additional funding allocated to deal with the 'base budget issues' where schools are not currently managing within budget.

Table 3: Proposed schools funding 2020/21 to 2022/23

| | 2020/2021 £'000 | 2021/2022 £'000 | 2022/2023 £'000 |
|--|--------------------|--------------------|--------------------|
| Teachers - Pay award/ increments/ pension increase | 6,302 | 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 |
| | 9,034 | 3,843 | 3,714 |

| | | | |
|--------------------------------------|------|------|------|
| Proposed growth as a % of net budget | 9.4% | 4.0% | 3.8% |
|--------------------------------------|------|------|------|

- 4.4 The level of in year overspending was highlighted as a risk in 2019/20 and continues to be a significant area of concern. Current projections of £3.5m overspending would see reserve balances fall below zero at the end of this current financial year. A 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.
- 4.5 Indicative grant allocations have been received from the Education Achievement Service (EAS), for Education Improvement Grant (EIG) and Professional Learning (PL). Whilst the EIG has seen a small increase from 2019/20, the PL is expected to see a reduction of one fifth compared to the 2019/20 award. Indicative allocations for the Pupil Deprivation Grant (PDG) and Early years PDG have yet to be received. All figures received to date are indicative and subject to final confirmation.
- 4.6 The overall funding for Education grants appears positive in that the grant funding set out in paragraph 2.5 has the potential to further help the schools position.

5 Medium term financial projections

- 5.1 The Council's 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. The current 'medium term financial projections' (MTFP) included in appendix 7 includes funding for the key priorities and promises set out in the plan. In light of the medium term financial sustainability challenge, further work is required to ensure the budget is balanced over the medium term whilst meeting our duties under the well-being objectives.
- 5.2 The MTFP is the articulation of the financial challenges and includes the savings identified over the next three years. It includes those savings, which have previously been approved over the life of this plan in February 2019 Cabinet meeting as well as new proposals. Whilst the Council is required to set a balanced budget for 2020/21, this is to the backdrop of sustaining over £41m of savings over the last five years. Future uncertainties such as future WG financial settlements and the impact of Brexit will mean that current projections will inevitably develop and change as assumptions are updated or confirmed for future years.
- 5.3 Despite the favourable draft settlement for 2020/21, there is uncertainty on the continuation of the additional funding allocated to Local Government beyond 2020/21. It was anticipated that the next Comprehensive Spending Review (CSR) 2019 would take place in the summer of 2019 bringing a degree of certainty over the short to medium term on Local Government finances. However, uncertainty around Brexit at that time delayed the next CSR until, at the earliest, summer 2020.
- 5.4 Furthermore, the date for the 2020 Spring Budget has been confirmed and will take place on 11 March 2020. This is the UK Government's annual fiscal statement and will be the first since the December 2019 general election. It will also be the first budget of a new parliament and comes roughly six weeks after the passing of the Brexit deadline on 31 January. All of these factors point towards this budget being particularly important. Although this may provide more certainty on the medium term outlook for Local Government, much will depend on WG budget decisions, in particular on NHS funding in Wales. The projections set out within the MTFP will require updating when the outcome of the Spring Budget is known. The cost pressures of any decisions made by Cabinet will also need to be assessed and projections within the MTFP updated accordingly.

- 5.5 The detailed assumptions used in the MTFP were noted in the December 2019 Cabinet meeting when the draft budget and MTFP were agreed for consultation. One of the key changes to future planning assumptions set out in appendix 8 is the 1% increase in RSG funding from 2021/22 in light of the favorable settlement for 2020/21. As with all of the medium term projections, this is indicative at this point. The Spring Budget will provide more certainty; however, the impact will be dependent upon the decisions taken by WG.
- 5.6 Cabinet is asked to take a strategic and medium term view and following this consultation period, recommended to agree the implementation of the MTFP including all budget investments and saving options (appendix 5 and 6), as summarised within appendix 7.

6 Budget consultation

- 6.1 The budget proposals agreed by Cabinet in December have been consulted on through a range of stakeholder groups and formats, which are as follows:
- With Trade Unions via the Employee Partnership Forum on 9 January 2020 (minutes included within appendix 1). Union specific responses can be found in appendix 4b;
 - With all Scrutiny Committees in their January 2020 meetings where Members discussed the detailed change and efficiency programmes plus the MTFP. Their reports and conclusions are included in appendix 2;
 - With the Schools' Forum on 9 January 2020. Responses are included in appendix 3;
 - With the public from 20 December 2019 to 31 January 2020. An analysis of responses is included at appendix 4;
 - Newport Fairness Commission has reviewed the proposals in terms of their parameters of fairness – their response is included in appendix 4a.

In summary, there was a general acknowledgement of the financial pressures facing the Council reflected in support for the majority of proposals.

Public Consultation

- 6.2 During the 2020/21 formal budget consultation over 3,800 people were engaged. This is the largest response to a budget consultation to date. This is thought to be as a result of innovative use of technology through bus wifi surveys and an improved collaborative approach to consultation, working with partners and local engagement forums.
- 6.3 During the budget consultation we have carried out a number of engagement exercises with the public, which included:
- A pre-budget public survey to identify the services that matter most to people, as a means of informing medium term budget planning. This survey will recommence in March and will form part of an approach to make engagement on the budget and service planning a yearly process
 - Carrying out an online survey via the public Wi-Fi on Newport buses that received 3,192 responses
 - An in-depth online survey, which received over 500 responses
 - A significant number of responses through e-mails, letters and social media

- Holding a public budget event at the Newport Centre involving the Chief Executive and Strategic Director. This gave members of the public an opportunity to find out more about the financial pressures the Council faces, the steps already taken to deliver savings and to give feedback on the proposals for 2020/21. The points raised in this event have been included in this report along with the proposals they relate to
- Promotion via the media to all households using Newport Matters, Council Facebook & Twitter and Council Website
- Requesting partner networks to circulate details of the consultation e.g. One Newport contacts, Newport Youth Council, 50+ Forum, the Partnership Engagement Group and voluntary sector network
- Consultation with Newport Fairness Commission – their response is included as appendix 4a
- A session with the Newport 50+ Forum facilitated by the Fairness Commission to allow older people to give their views on the budget proposals for 2020/21.

6.4 In addition to completed surveys, the following representations have been received from organisations and have been considered by Cabinet Members and Officers as part of the budget consultation:

- **Newport People First** – Letter from the Charity Coordinator regarding proposed reduction of funding to third sector organisations
- **All Wales People First** – Letter from the Chief Executive regarding proposed reduction of funding to third sector organisations
- **Welsh Language Commissioner** - Letter from the Welsh Language Commissioner regarding proposed removal of non-statutory post 16 travel grants
- **YG Gwent Is Coed** – response regarding Welsh Language Standards.

7 Risk, reserves, financial resilience and performance

7.1 The proposed budget includes a number of assumptions in terms of income and expenditure levels over the medium term. There are, therefore, inevitably a number of financial risks inherent in the proposed budget. The key financial risks are highlighted below.

Financial risks

7.2 Any overspend in 2020/21 over and above the revenue contingency budget would be an issue. After taking account of the revenue contingency budget, no overspend is forecast for 2019/20 and the final proposed budget includes significant investment in the demand led areas of the budget currently overspending. Issues to draw to the attention of Cabinet include:

- The schools budget challenge is very significant and will require savings to be identified and implemented for 2020/21. Individual schools are using all of their reserves to fund current 2019/20 financial year overspending meaning the school will no longer have specific schools reserves available in 2020/21 unless they take action to replenish this reserve. The view on the robustness of the budget makes the assumption that schools will make the necessary savings required to manage

within their annual budgets, however, at this point remains a significant on-going risk;

- The forecast for 2019/20 is as at December 2019, therefore, there is a risk that this position could worsen in the coming months.

7.3 New saving proposals over the three-year period amount to £7,378k, the vast majority of which relate to 2020/21. Timely implementation is key in ensuring savings and a balanced budget is achieved. Realistic part year assumptions have been made where implementation cannot be immediate but there is an inherent financial risk around achieving service changes in time to deliver the planned savings.

7.4 Significant one off costs will be required to implement the budget saving proposals set out in the MTFP. Forecasts indicate that there will be sufficient funds within the Invest to Save reserve to meet the one off costs over the medium term. A summary of the position is shown in appendix 10b based on the detailed budget proposals agreed by Cabinet in December 2019. Cabinet is requested to approve this expenditure, funded from the reserve, noting it will be regularly reported to Cabinet as part of revenue budget monitoring.

7.5 Aside from pay and specific contracts, inflationary increases in budgets have been set at a low level, consistent with most other Local Authorities. Invariably, this introduces a degree of financial risk as key inflationary pressures are not known with certainty at this time but this financial risk is no higher than in any other year.

Reserves

7.6 In terms of contingencies and reserves, the Head of Finance needs to review these in their totality in conjunction with the base budget and the financial risks associated with delivering the budget in 2020/21. This review should incorporate a medium term view and take into account key developments that may affect the need for and use of one off resource.

7.7 Protection against budget risks is provided through earmarked reserves and contingencies. In addition, the Council has a number of earmarked reserves for known, but not always easily quantifiable, financial risks.

7.8 A 'rule of thumb' analysis for determining the level of general reserves suggests this is at least 5% of net revenue expenditure (excluding schools' budgets); unless a formal risk assessment justifies a lower level. This implies a level of around £14million for Newport. In the context of the above and the financial risks inherent in the proposed budget, the Head of Finance recommends that the minimum level of general reserves remain at its current level of £6.5m, supported by the base general budget contingency of £1.5m.

7.9 An analysis of projected earmarked reserves can be found in appendix 10a.

Financial Resilience

7.10 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 10 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council at this time. Key headlines include:

- The Council maintains a good level of reserves. The contingency base budget and other risk reserves held by the Council are all taken into consideration when

assessing the level of the general reserve, and help to mitigate the risk to the Council. A cautionary note should be made in respect of the full utilisation of the school reserves over the last few years. Schools have been using reserves to manage spending and this has resulted in the forecast reserve balance reducing to below zero during 2019/20 meaning that schools will have no option but to manage within the approved annual budgets in future. Failure to do so will result in financial resilience issues for the council as a whole.

- The Council has identified and continues to monitor budget reductions of £6.6m in 2019/20. This is alongside delivering outturn within budget over recent years, despite the delivery of around £41m savings over the last 5 years. This needs to be viewed within the context of continued significant pressures within service areas, namely social care and schools into 2020/21, which have been highlighted 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 in non-service budget areas therefore resulting in a finely balanced budget position. The level of service areas overspending is not sustainable and whilst these demands have been addressed as part of the proposed budget these areas will continue to be closely monitored.
- In light of the continuing financial pressures and demands placed on the Council further savings of at least £10m need to be found for 2021/22 and 2022/23.

7.11 Overall, the Council's financial resilience remains strong and it has financial capacity to develop and change services in response to continuing pressure on funding and increased demand for services.

Risk register and performance

7.12 As part of setting the Council's budget, key consideration is given to the risks the Council faces and the improvement objectives that the Council has put in place.

7.13 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.

Fairness and Equality Impact Assessments (FEIAs)

7.14 In delivering its services, the Council has to be mindful to demonstrate due regard to equality considerations in line with the Equality Act 2010.

7.15 As part of the budget process, equality implications are considered for all budget proposals and where necessary an EIA is carried out by the relevant service manager, supported by the council's policy team.

7.16 Appendix 9 provides the impact assessment for the new saving proposals individually listed in appendix 6, showing any issues, after mitigation, of any equalities issues that Cabinet and Council need to be aware of.

8 2020/21 proposed council tax

- 8.1 The proposed council tax increase of 7.95% is above the base assumptions of 4% in future years. This additional 3.95% in monetary terms adds around £2m to the Councils overall funding. This is required as investment within social care and SEN stands at £2.5m in 2020/21.
- 8.2 Given that the draft settlement included an improved grant position and an increase in council tax base funding, this has given a credit balance of £3,911k. Cabinet will decide on how this credit budget is to be utilised to give a balanced position.

Table 4: 2020/21 available and required budget

| | |
|--|----------------|
| The table below shows the available and required budget funding with a 7.95% increase in council tax. Cabinet will be aware that beyond 2020/21 there has been a 4% increase implicit in our MTFP planning parameters. In setting council tax, the Council needs to be aware of the need to set a balanced budget. | |
| Council Tax at Band D at 7.95% | £1,209.08 |
| | |
| Budget requirement | £000 |
| Base budget 2019/20 | 280,611 |
| Inflation & increments | 7,239 |
| Removal of previous year reserve transfer | 900 |
| Budget investments – (£12,594k (inc. £3,112k of transfers in from RSG) shown in list of pressures plus increase of £1,320k required in council tax benefit based on 7.95% council tax increase) | 13,914 |
| Budget savings | (6,034) |
| DRAFT BASE BUDGET 2020/21 | 296,630 |
| | |
| Draft funding available | |
| Draft WG settlement | 228,077 |
| Current council tax at new tax base | 67,098 |
| Increased council tax @ 7.95% | 5,366 |
| | |
| Total | 300,541 |
| Balance available ‘in hand’ | (3,911) |

- 8.3 Before Cabinet can recommend a budget to Council; decisions are required based on the figures shown in the above table. Options include:
- delete specific saving items
 - providing additional capacity within services
 - fund new initiatives and policies
 - fund additional pressures not anticipated at December Cabinet
 - consider the level of council tax increase required to balance the budget. A 0.1% change in council tax equates to £54k. The current MTFP assumes an increase of 7.95%.
- 8.4 For contextual purposes, the table below shows the weekly increases in council tax based on a number of scenarios and current values at other Welsh Councils. Given

the low starting point on Newport council's tax, it will still be lower than most (if not all) of the council's shown, even at a 7.95% increase and the actual monetary increases in tax are low in themselves. Newport City Council proposed tax increase is likely to maintain its position as one of the lowest in Wales.

Table 5: Scenarios illustrating weekly council tax increases

| Weekly Increase | £0.22 | £0.65 | £1.08 | £1.71 |
|---|-------------------|-------------------|-------------------|----------------------|
| Increase per annum | £11.20 | £33.60 | £56.00 | £89.04 |
| Newport Band D tax 2020/21 | £1,131.24 (1%) | £1,153.64 (3%) | £1,176.04 (5%) | £1,209.08 (7.95%) |
| Comparison with existing Band D council tax (rounded) | | | | |
| Current year (2019/20) before any increase: | | | | |
| Newport | £1,120 | | | |
| Caerphilly | £1,131 | | | |
| Wrexham | £1,153 | | | |
| Cardiff | £1,211 | | | |
| Torfaen | £1,315 | | | |
| Monmouthshire | £1,316 | | | |
| Swansea | £1,345 | | | |

Risks

Detailed financial risks are included in the various sections of the report and appendices where applicable

| 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? |
|--|--------------------------------------|---------------------------------------|--|--|
| Budget savings not delivered | M | L | (i) robust budget proposal process (ii) robust budget monitoring (iii) programme governance (iv) service planning (v) retention of reserves and budget contingency | Head of Finance/ Heads of Service |
| Budget savings not delivered on time leading to in year overspending | M | M | (i) robust budget monitoring (ii) programme governance (iii) retention of reserves and budget contingency | Directors / Heads of Service Head of Finance |
| Unforeseen Pressures | H | L | (i) retention of reserves and budget contingency (ii) robust budget review | Head of Finance Directors / Heads of Service |

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

In drawing up budget proposals, due regard has been given to key Council policies and priorities

Options Available and considered

Taking a strategic and medium term view Cabinet should approve the three year plan as summarised in the MTFP, though they could approve 2020/21 proposals only. For 2020/21 Cabinet must agree a revenue budget and then the resulting council tax for Council. Cabinet have various options open to them on the detailed proposals contained within this report.

Preferred Option and Why

That Cabinet continues to approve a three-year MTFP.

Cabinet must set a balanced revenue budget and recommend the related council tax amount required for this level of spending to Council.

Comments of Chief Financial Officer

All of the financial issues are contained within the body of the report. As always, the budget process has continued since December and a number of budget issues included within this report do require review and resources allocated, for example, South Wales Fire and Rescue levy and national living wage increases. The Head of Finance also requires Cabinet to carefully consider the level of school resources given the level of in year overspending and the prospect of negative reserves at the end of the year. Cabinet are reminded that the additional funding does not deal with this underlying issue and whilst schools are targeting savings there is a risk that further resources are very likely to be required.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to consider the budget consultation responses and agree the final savings proposals and fees and charges in order to deliver a balanced budget for 20/21. Where the relevant business cases are not delegated to Heads of Service accordance with the Council's scheme of delegation, Cabinet are required to take the final decisions on those business cases in the light of the responses to the public consultation and the final RSG settlement, prior to making a recommendation to Council regarding the budget for 20/21. The implementation of all these business cases and the setting of fees and charges 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 also acting fairly in terms of the impact of the proposed changes on service delivery. In addition, where specific proposals require more focussed consultation with staff and key stakeholders, this will be carried out prior to the implementation of any proposed changes. The setting of the overall base budget and council tax rate for 20/21 is a matter for full Council as these are non-executive reserved matters under the Constitution. Therefore, Cabinet will need to recommend the final budget and the proposed Council tax increase to full Council for approval in accordance with the Local Government Finance Act.

Comments of Head of People and Business Change

The 2020/21 Budget and Medium Term Financial plan report gives Cabinet the opportunity to consider the implications and opportunities in the deployment of resources across a range of functions and services over the next three years. This is set against the backdrop of ongoing

financial pressure, which has created a challenging environment. Staff have been impacted by changes to date in a number of ways and the Council now employs significantly fewer staff than it did five years ago. All staff potentially impacted upon by this have been offered the opportunity to be consulted with and the relevant trade unions have made representations, contained within this report.

As part of the annual process in place a range of opportunities have been made available for the public to express their views and again these are included in the report for the consideration of Cabinet. Views have been gathered through face-to-face sessions, via email, letter, the on-line consultation pages, through free bus wifi and in sessions with Newport Fairness Commission and Newport 50+ Forum.

The Local Authority is required to ensure it considers the impact of decisions made today on future generations. This has been done through the expanded use of Fairness and Equality Impact Assessments. It should be noted that meeting sustainable development principles is becoming ever more difficult to do in the wake of on-going reductions in funding.

Comments of Cabinet Member

The Cabinet Member for Finance and the Chair of Cabinet confirm that they have approved this report.

Local issues

The budget proposals as shown affect the City as a whole although some specific proposals may affect certain localities more than others.

Scrutiny Committees

Comments from Scrutiny Committees are included in appendix 2 of the report.

Equalities Impact Assessment and the Equalities Act 2010

The detail of Equalities Impact Assessment undertaken is included in appendix 9 of the report.

Children and Families (Wales) Measure

All proposals have been consulted on widely, as required.

Wellbeing of Future Generations (Wales) Act 2015

The Act is referenced in the report.

Crime and Disorder Act 1998

N/A

Consultation

Wide consultation on the budget has been undertaken, as outlined in section 6 of the report and within the appendices.

Background Papers

Dated:



Minutes

Employee Partnership Forum

Date: 9 January 2020

Time: 10.00 am

Present: Councillors D Mayer

In Attendance: Rhys Cornwall (Head of People and Business Change), Rachael Davies (HR Manager), Meirion Rushworth (Head of Finance), Beth Burns (Health and Safety Manager) and Lisa Davies (Governance Officer) Peter Garland (UNISON), John Lane (UNISON), Gareth Hawksworth (NASUWT), Andy McDowall (UNITE) and Rowena Hayward (GMB)

1 Apologies for Absence

None

2 Declarations of Interest

None

3 Minutes of the Last Meeting:

The minutes of the last meeting were accepted as a true and accurate record.

It was noted that the GMB Union Representative referred to the Drug and Alcohol Testing Policy stating that the policy was not supported by the GMB Union.

4 Health and Safety Update

The Health and Safety Manager provided an update in relation to Health, Safety and Wellbeing across the Council for Quarter 3 from October to December 2019.

A number of RIDDOR reportable accidents and confirmed diagnosis of diseases that had been reported to the HSE. An updated was provided regarding HSE enforcement action and visits in addition to current projects being undertaken to improve the Health, Safety and Wellbeing of Staff. Revised policies and guidance documents are available for information

The GMB Representative raised concerns regarding the level of mental health issues with the Authority, asking about the level of training given to managers on how they identify and tailor an approach to mental health issues. The Health and Safety Manager replied confirming that the Authority run a mental health illness absence report, and issues around mental ill health and stress had previously been brought to an Employee Partnership Forum. The Health and Safety Manager explained that temporary adjustments, training and support are all on going mental health strategies supported by the Authority.

APPENDIX 1 – Minutes of the Employee Partnership Forum

The GMB Representative welcomed the useful statistics, asking for the report to be made available to the forum on a regular basis. It was asked, what the process for internal stress management was. The Health and Safety Manager confirmed that there is a wellbeing referral process; a questionnaire analyses the levels of stress being felt by the individual and if they are low was managed by the direct manager, or if the risk was high, it would be referred to the health and safety for a high level stress risk assessment. Control measures as discussed would be implemented by the person's line manager for them to manage, and if there were any ongoing issues, these would be re-escalated to Health, Safety and Wellbeing.

The Chair explained that mental health illness absence is taken seriously; managers have a duty to help staff members suffering from mental ill health ill.

5 Budget Proposals

The Head of Finance provided an update of the Budget Proposals.

The key context was the late draft funding settlement from Welsh Government due to elections. This meant that budget proposals were done based on projections for the RSG grant and this was then received a couple of days before the actual meeting. When it was received, it confirmed a much better position and Cabinet were updated in their meeting that they had 'flexibility' of some £7m. They are considering this now and will announce final budget decisions in their February meeting.

- Budget pressures for next year were c£13m
- This included schools funding increase of c£4.4m which is their calculated cost increases next year. The budget assumed the settlement would either carry on with existing education related one yr funding grants for teachers pensions/pay or make it permanent
- Savings of c£5m were included in draft proposals, split roughly 50/50 between those taken by Cabinet and those delegated to HoS for implementation. About 28 w.t.e. posts affected.

The Unison representative confirmed to the forum that the biggest feedback was regarding the budget proposal was around the changes to the car parking leaving only 50 bays for staff with the rest of the bays being pay and display. It was felt that staff who require their vehicle for work purposes will only add to the issue of parking at the Civic Centre. Feedback reflected that the car parking proposal would impact on moral and financially as the cost for pay and display would amount to around twelve hundred pound per annum. The Head of People & Business Change confirmed that the car parking situation was already an issue with 900 staff and only 220 parking spaces. The Faulkner Road car park is a public car park with around 41 thousand pound income. If staff need their car for work purposes there should be a space or vehicle parking provision for them.

HR & OD Manager confirmed that a Cost of Travel scheme had been launched, allowing staff to purchase a season ticket for travel, staff would be able to loan the amount of the season ticket from the Authority, paying back through payroll.

The Unison Representative commented on the budget saying that it was always welcomed where there were no cuts to services, understanding there was no easy targets.

APPENDIX 1 – Minutes of the Employee Partnership Forum

The GMB representative commented that they understood that local authorities had to make a reduction of staffing levels, which was a directive from Central Government. The Services currently being offered were at breaking levels, with Mental health awareness and staff under pressure, work load now being delivered by one person when previously by three people. It was understood that Cabinet Members had a difficult decisions around cuts from services such as Social Services and Streetscene. The Implementation of outsourcing services to Radis for Financial savings, but receiving no regular updates from the services on those savings. It was asked by the GMB Representative for an update before the EPF meeting.

Head of Finance explained that the reason for the overspending on social care was that the Authority used to only have significant budget pressures from adult's services, but over last 2-3 years the Authority had added children's services which was causing the demand on increases for that service. The Head of People & Business Change commented that it was an important point; more money would be going to that service. The GMB Representative acknowledged awareness of the demand on Child Services care increasing, but Information received was concerns on generic job descriptions and the delivery of services with the reduction to the number of staff doing same job and fewer professionals to deliver those services. The HR & OD Manager asked the GMB Representative for more detail on what the concerns were for the generic job description. The GMB Representative confirmed management level and merging professionals. The HR & OD Manager confirmed that the Play Hub was Regeneration and Housing and not Social Services.

The Unison Representative commented that pressures on staff came from changes In rota and long hours which could cause a higher risk of absences through stress.

The Head of People & Business Change confirmed that the situation in Newport was that a large percentage of the budget goes on 'People' – Social Services and Education

The GMB Representative asked the EPF Officers when would the second report be made available to the trade unions. The Head of Finance confirmed that the Leader would announce then the report would be available. The Head of People & Business Change confirmed that the report would say what happened in draft form, Feedback would go with the partner's feedback

The Head of Finance advised the Union Representative that feedback would be welcomed, but the feedback was not just only about what was there that they did not like but also about what else they might feel needs to be there in proposals

The GMB Representative asked the Officers for a break down of cost for agency staff for the last 4 - 5 years and the length of time the Agency staff had been employed for with a breakdown of departments.

The Chair thanked everyone for attending the meeting

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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

APPENDIX 2 - Extracts from Scrutiny Committees

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

APPENDIX 2 - Extracts from Scrutiny Committees

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.

APPENDIX 2 - Extracts from Scrutiny Committees

- 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

APPENDIX 2 - Extracts from Scrutiny Committees

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.

APPENDIX 2 - Extracts from Scrutiny Committees

- 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.

APPENDIX 2 - Extracts from Scrutiny Committees

- 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.

APPENDIX 2 - Extracts from Scrutiny Committees

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.

APPENDIX 2 - Extracts from Scrutiny Committees

- 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.

APPENDIX 2 - Extracts from Scrutiny Committees

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

APPENDIX 2 - Extracts from Scrutiny Committees

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)

2 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.

3 Minutes of Previous Meetings

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

4 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

APPENDIX 2 - Extracts from Scrutiny Committees

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:

3. 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.

4. 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:

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

APPENDIX 2 - Extracts from Scrutiny Committees

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.

6. 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:

7. 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.

8. 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.

9. 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

APPENDIX 2 - Extracts from Scrutiny Committees

it easier for CAB to manage delivery and would still be sustainable to continue as an important service.

10. 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.

11. 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.

12. 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:

13. 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

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that redundancies were not being considered at that moment, restructuring was being explored and hopefully could avoid redundancies.

14. 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.

15. 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:

16. 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

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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:

17. 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.

18. 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.

19. 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.

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Members asked the following:

- 20.** 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.

- 21.** 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:

- 22.** 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

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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.

23. 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.

24. 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:

25. 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.

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

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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:

27. 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.

28. 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.

29. 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.

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

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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:

31. 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

32. 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.

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33. 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:

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General Comments

34. The Committee commented upon the inconsistency of the completion of Business Cases, with varying levels of detail provided.
35. 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

36. 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.
37. Growing Space:
The Committee was concerned about the sustainability of the service's funding beyond the ending of the European funding.
38. Mind:
The Committee was concerned about a potential future shortfall, if future funding streams via the Consortium ceased.
39. Deaf Club:
The Committee asked whether the organisation could be assisted / signposted towards premises.
40. 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

41. 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.

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Social Services Proposals:

42. 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

43. 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

44. 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

45. 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.
46. 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.

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- 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

Minutes

Newport Schools Forum

Date: 9th January 2020
Time: 3pm
Venue: Committee Room 1, Civic Centre, Newport

Present:

Chairperson Nicola Allan (NA), Jo Giles (JG), Jan de Clare (JdC), Gavin Jones (GJ), Kate Knight (KKn), Mark Rowlands (MR), Ann Tai (AT), James Bell (JB), Nick Brain (NB), Kate Guest (KG), Bethan Parry Jones (BPJ)

Officers in Attendance:

Nicholas Lo Turco (NLT), Karyn Keane (KK), Katy Rees (KR), Clare Watts (CW), Charlotte Clegg (CC), Owen James (OJ)

1. Apologies for Absence

Dean Taylor, Peter Garland, Annette Daly, Matt Lewis, Andrew Powles, Sarah Morgan, Deb Weston, Caroline McLachlan.

2. Minutes of meeting held on 2nd December 2019



Final_Schools
Forum Minutes 2nd

The minutes of the previous meeting held 2 December 2019 were reviewed for accuracy. Clarity was sought on the ALN early years top up funding in Item 2. appendix 5 & 6 paragraph 3. It was confirmed that a sum of £50,000 would be distributed to qualifying schools in 2019/20 but that future years funding would be reviewed as part of further formula funding work to be undertaken in 2020/21 and onwards in line with the new ALN act.

The LA confirmed the new lump sum payment of £20k, £30k and £40k, dependant on the size of primary school and agreed for implementation in 2020/21 is in addition to any matrix funding awarded which will allow schools to support any in year movement.

The LA agreed to amend the minutes to read 'pressure' not 'categorisation' in respect of ALN funding under AOB, paragraph 4.

3. Matters arising

Action - CC to contact governor support to request expressions of interest to fill these vacancies.

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Graham Berry, Governor St Julian's School and Nick Brain, Business Manager Bassaleg confirmed as new members replacing Jon Watts and Robert Lynbeck.

Action - JG to seek volunteers at NAPHS to take up the position of teacher panel representative on the forum.

Steve Rayer, Headteacher of Rogerstone Primary to replace Meryl Echeverry as Teacher Panel representative.

Action – LA to amend wording in table Appendix, item 2 of ALN & Special school funding

Actioned and is in the formula.

Action – The LA to undertake an assessment of the pupil categories for each Primary LRB

Actioned.

4. SRS - SLA and EdTech Programme – Matt Lewis

LA officer gave a brief update on the EdTech Programme in the absence of Shared Resource Service (SRS) representative.

Welsh Governments (WG) vision is for all schools to use their platform Hwb. Three year funding provided by WG to ensure all schools have appropriate infrastructure to access the platform. A strategic group has been created between the LA, SRS and School representatives to support work to develop the infrastructure and the new SLA.

Baseline assessments of all schools have been completed by SRS and the WG have awarded £2.3m to March 2020 to commence the infrastructure work stream to ensure all schools meet national standard. Funding will decrease in the 2nd and third years respectively.

Any schools in the SRS SLA will have work completed by SRS, all other schools will be provided with the equipment but will be expected to complete the work themselves. All schools must meet the national standards before wave 2 funding can be awarded.

SRS are expecting deliveries of equipment during March/April, schools have until 31st Dec 2020 to complete installation and SRS job adverts are currently live.

Where schools are not in SLA and are required to undertake the installation of new equipment there is some grant funding available to support this however the LA are not aware of the value at this time.

The strategic team will need to consider sustainability going forward and SRS are developing a new SLA to replace the STEP model which is no longer fit for purpose. The strategic group will report back to forum.

Action – KK to request Matt Lewis provides an update at the next meeting

5. Update on Final Settlement – Owen James

Newport City Council (NCC) had a better provisional settlement for 2020/21 than anticipated (NCC assumption 1%). This is largely due to an amendment to the data that WG have been using for population. There will be a phased adjustment as the increase is too large to implement in one go.

The increase of 5.4% in the Revenue Support Grant (RSG) equates to £13.7m. Anticipated increase at 1% was £2.1m, the revised increase at 5.4% resulted in an additional £11.6m. Specific grants transferred into the RSG include teachers pay and pension of around £5m. Cabinet will decide where the remaining £7m is allocated.

School reserves have been highlighted to cabinet as a concern due to the level of current overspending which currently stands at £3.1m. Work continues to challenge schools to reduce these overspends and deficits. Cabinet may decide to use a portion of the £7m to support school reserves however they could

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choose use the money elsewhere in other sectors. Cabinet may also choose to take the consultation period into account at the end of January before making any decisions.

The LA confirmed that another pressure area within the LA was Social Care. Medium term decisions and future investments should be made before reductions to council tax. Schools do need to continue to deliver efficiency even if we got to a balanced position as a result of this funding.

The LA advised that the draft settlement is detailed on the Welsh Government website under budget 2020/2021. Table 7 on the WG draft settlement shows increases in grants however very little detail about what these are for although ALN and PDG are featured heavily. The LA need clarification as to what WG need the LA to do with those grants such as whether or not it can be transferred into ISB. There is no confirmation if these are one-off funding or will be fully funded grants in future years. It is possible that the LA might not get this clarification by the time the final budget settlements figures are published but NCC are pushing for this information as soon as possible.

It is anticipated there will be an increase in the regional consortium school improvement grants but we feel that is due to the curriculum change and will lead to additional work for school staff.

Business Manager (BM) circulated hard copies of a letter addressed to Cabinet on behalf of CONSH regarding the draft budget proposals (see attached).

The LA advised forum that cabinet are not meeting until 12 February to approve the budget for 20/21. Once approved, it is planned that indicative budgets will be prepared and individual allocations will be issued to schools to schools on the 14th February, with detailed budget packs to follow.

BM raised that the secondary sector would be £1m short of where it needs to be, the majority of schools will still be looking at being in deficit next year and that one of the key indicators over the years has been the Per Pupil Funding (PPF) rate across England and Wales.

The LA advised the forum that PPF as an indicator was not a reliable comparator due to each LA funding schools differently. Discrepancies arise due to some services being delegated/non delegated and each LA having individual funding formulas.

The LA commented there was a uniqueness in Newport because of the pressure created by the increase in pupil numbers, creating new schools and expanding existing schools has led to greater pressure on budgets. Additional funds have gone into demographic increase but the WG has not kept up with the pace of this increase.

The LA assured forum that on the assumptions made, all school specific grants will go to schools.

In relation to the Post 16 grant, actual allocation not known yet however the proposed reduction was expected to be minimal.



Secondary HT Letter
to Cabinet.pdf

6. Review of School Cabinet Papers – Owen James

The initial cabinet report includes the funding assumed in the medium term financial plan (MTFP) for 2020/21 as the LA did not know what the draft settlement would be going into cabinet. Cabinet were mindful of the pressures schools are facing and are looking to fund the pressures identified of £4.4m covering areas such as pay award, inflation and new schools. The MTFP assumed that the RSG would include the transfer of school specific grants such as the increase in pensions and pay awards, these

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grants will be transferred in their entirety to schools making the anticipated increase to the Individual School Budget (ISB) for 2020/21 £8-9m.

The LA confirmed that the pressure identified for pay award under 'pay awards and increments' includes incremental drift. Headteacher (HT) raised why the figures in table 1 under 3.12 have reduced. The LA confirmed that new schools are dealt with separately and the pay awards are updated as more information is known. As the 2.75% pay increase was announced late on, current inflation assumptions are for 2% as per the rest of the authority as this figure is used for consistency, this will be reviewed going forward.

BM stated that schools are being appropriately funded moving forward and there would be a flat settlement.

The LA confirmed that the level of schools reserve has been clearly highlighted within the report and that even with extra funding going in, it would continue to be a significant challenge for schools to make the necessary savings to reduce their deficits.

HT stated that in relation to table 2 and 3.14 Special schools, the total funding includes school transport cost of £0.5m. It should not be included as ISB funding and should be excluded. For transparency, pupil growth of 6% should be compared alongside the increase to funding of 11% over the last 5 years as it appears there is more money for schools than there actually is.

LA reassured the forum that Cabinet Members are fully briefed and well aware of the challenges faced by schools.

HT raised the issue that not all FEIA's have been completed/translated. On the consultation page, 4 haven't been completed. One in particular has inaccuracies in it on page 84 about the removal of transport provision for post 16. Gwynllw is not mentioned therefore unable to identify where those pupils are within the system.

The LA suggested HT contact the Senior Finance Business Partner (SFBP) for the appropriate contact to raise those queries.

7. Questions

8. AOB

HT advised forum there is an online survey with a letter to all AMs, Welsh Government and the Minister and asked that Secondary colleagues complete the survey.

Next Forum meeting:

19 March 2020

Newport's Budget Challenge

Budget Saving Proposals for 2020-21

The following report summarises the results of the consultation survey on the budget saving proposals for 2020-21. This took two forms:

- Section 1: An online survey that was open to all citizens; and
- Section 2: A shortened survey consulting on the proposed increase in council tax involving users of the free bus Wi-Fi.

For each proposal, the consultative options are listed, the survey results given along with a selection of received comments.

The online survey results are shown first followed by the bus Wi-Fi survey results.

Online Budget Consultation Survey

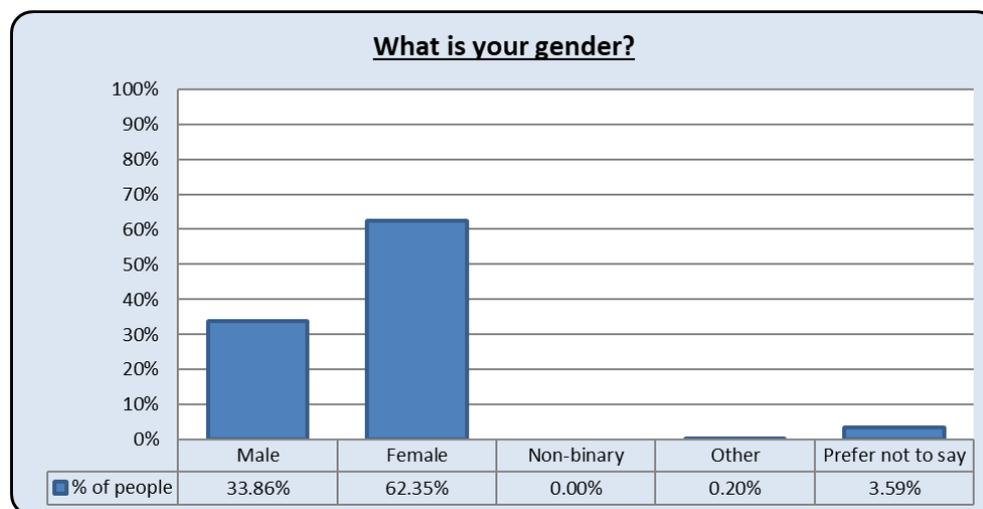
A total of 516 responses were received from the online public consultation survey, where users were asked their opinions on 19 proposals being considered by Cabinet along with a proposal on school investment.

Equalities Monitoring

Q0.a) What is your gender?

| Gender | Male | Female | Non-binary | Other | Prefer not to say |
|-----------------------------|--------|--------|------------|-------|-------------------|
| Number of people | 170 | 313 | - | 1 | 18 |
| Percentage of people | 33.86% | 62.35% | - | 0.20% | 3.59% |

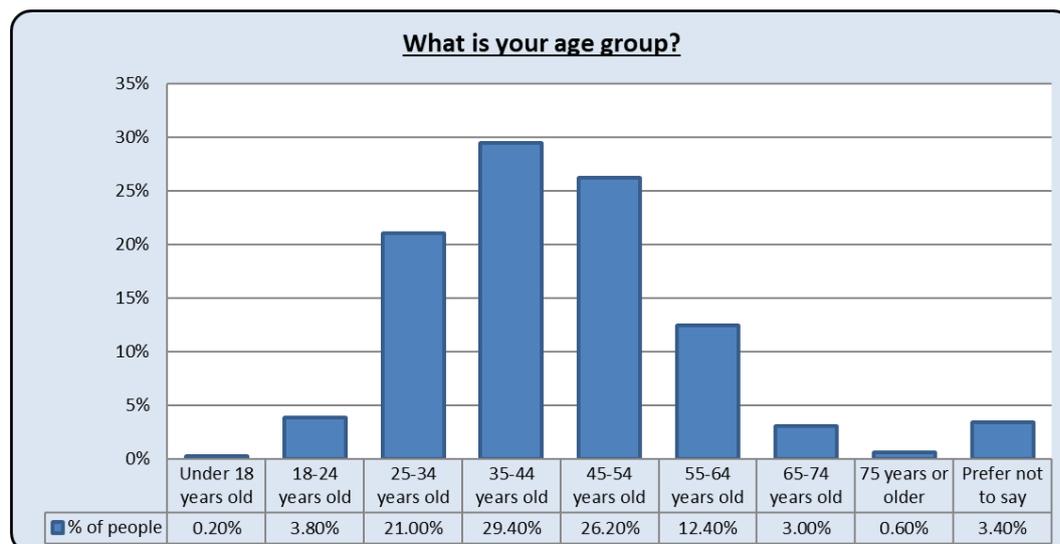
NB: There were 14 no responses to Q0.a.



Q0.b) Age?

| Age | Under 18 | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75 or older | Prefer not to say |
|----------------------|----------|-------|--------|--------|--------|--------|-------|-------------|-------------------|
| Number of people | 1 | 19 | 105 | 147 | 131 | 62 | 15 | 3 | 17 |
| Percentage of people | 0.20% | 3.80% | 21.00% | 29.40% | 26.20% | 12.40% | 3.00% | 0.60% | 3.40% |

NB: There were 16 no responses to Q0.b.

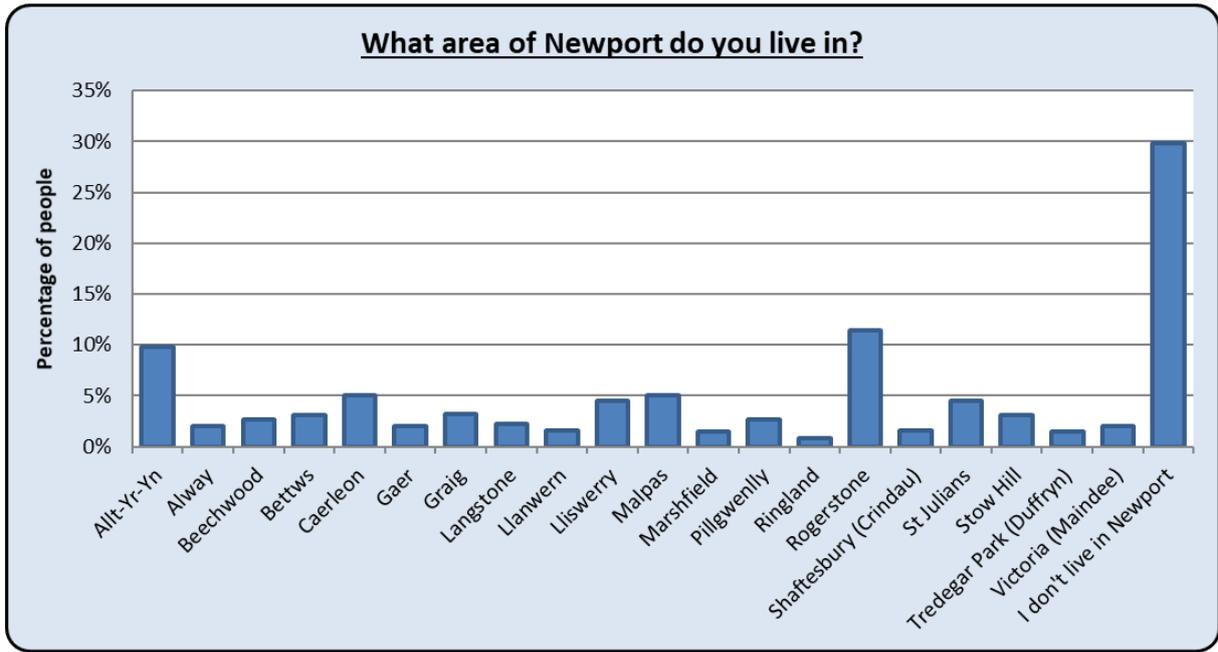


Q0.c) What area of Newport do you live in?

| Ward | Number of people | Percentage of people |
|------------|------------------|----------------------|
| Allt-Yr-Yn | 48 | 9.76% |
| Always | 10 | 2.03% |
| Beechwood | 13 | 2.64% |
| Bettws | 15 | 3.05% |
| Caerleon | 25 | 5.08% |
| Gaer | 10 | 2.03% |
| Graig | 16 | 3.25% |
| Langstone | 11 | 2.24% |
| Llanwern | 8 | 1.63% |
| Lliswerry | 22 | 4.47% |
| Malpas | 25 | 5.08% |

| Ward | Number of people | Percentage of people |
|-------------------------|------------------|----------------------|
| Marshfield | 7 | 1.42% |
| Pillgwenlly | 13 | 2.64% |
| Ringland | 4 | 0.81% |
| Rogerstone | 56 | 11.38% |
| Shaftesbury (Crindau) | 8 | 1.63% |
| St Julians | 22 | 4.47% |
| Stow Hill | 15 | 3.05% |
| Tredegar Park (Duffryn) | 7 | 1.42% |
| Victoria (Maindee) | 10 | 2.03% |
| I don't live in Newport | 147 | 29.88% |

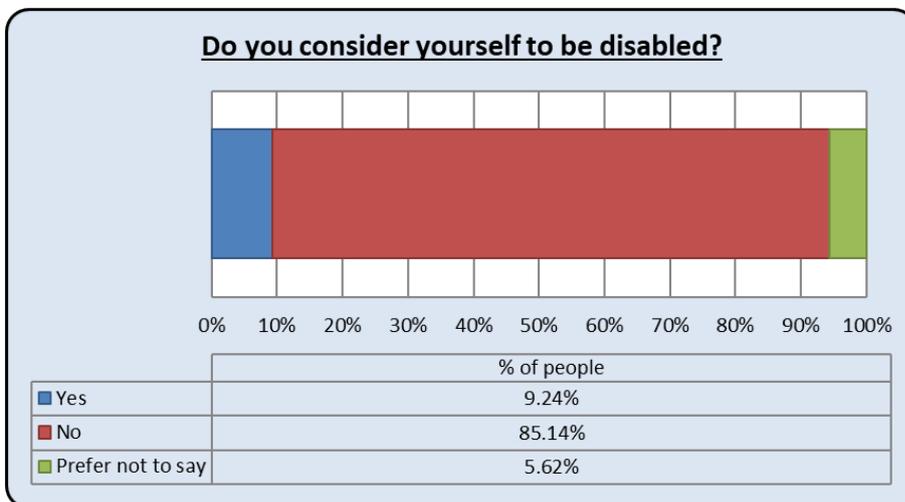
NB: There were 24 no responses to Q0.c.



Q0.d) Do you consider yourself to be disabled?

| Disabled | Yes | No | Prefer not to say |
|----------------------|-------|--------|-------------------|
| Number of people | 46 | 424 | 28 |
| Percentage of people | 9.24% | 85.14% | 5.62% |

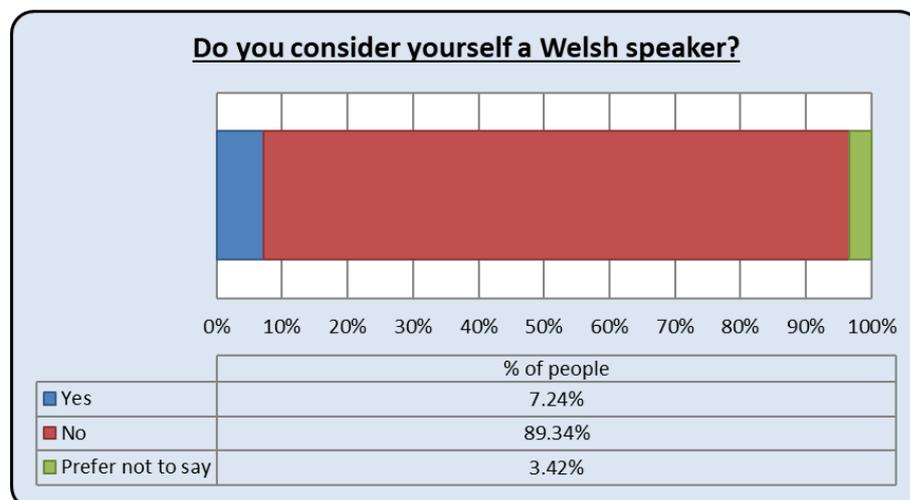
NB: There were 18 no responses to Q0.d.



Q0.e) Do you consider yourself to be a Welsh speaker?

| Welsh Speaker | Yes | No | Prefer not to say |
|----------------------|-------|--------|-------------------|
| Number of people | 36 | 444 | 17 |
| Percentage of people | 7.24% | 89.34% | 3.42% |

NB: There were 19 no responses to Q0.e.



Q0.f) What is your ethnic group?

| Ethnicity | Number of people | Percentage of people |
|--|------------------|----------------------|
| White - Wel / Eng / Sco / NI / British | 456 | 91.57% |
| White - Irish | 2 | 0.40% |
| Gypsy or Irish Traveller | - | - |
| Other White | 3 | 0.60% |
| White & Asian | - | - |
| White & Black African | - | - |
| White & Black Caribbean | 3 | 0.60% |
| Other Mixed | - | - |
| Bangladeshi | 2 | 0.40% |
| Indian | 1 | 0.20% |

| Ethnicity | Number of people | Percentage of people |
|--------------------|------------------|----------------------|
| Pakistani | - | - |
| Other Asian | - | - |
| Black Caribbean | 1 | 0.20% |
| Black African | 3 | 0.60% |
| Other Black | - | - |
| Arab | - | - |
| Chinese | - | - |
| Other ethnic group | 1 | 0.20% |
| Prefer not to say | 26 | 5.22% |

NB: There were 18 no responses to Q0.f.

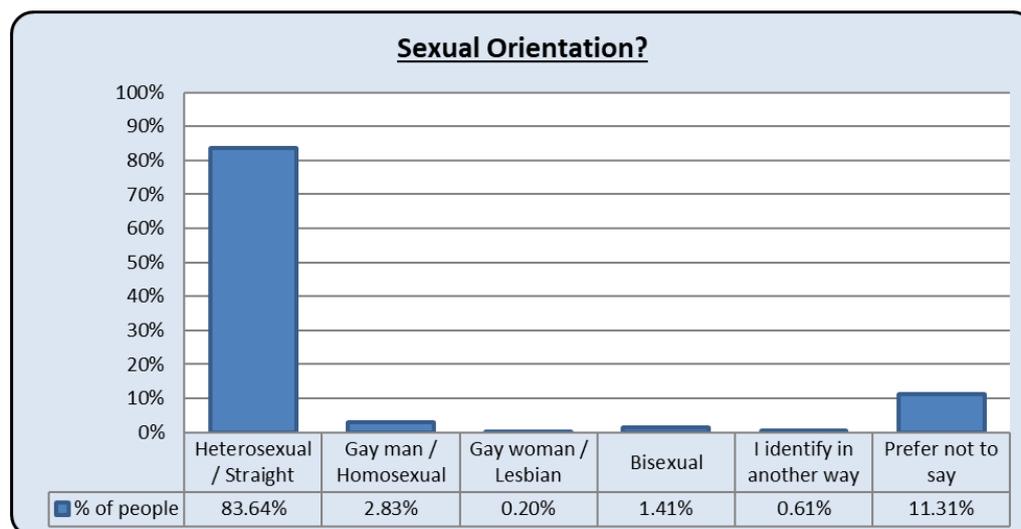
Other – White: European European Welsh / Eastern European (Latvian)

Other Ethnic Group: Somali

Q0.g) Sexual Orientation?

| Sexual Orientation | Heterosexual / Straight | Gay man / Homosexual | Gay woman / Lesbian | Bisexual | I identify in another way | Prefer not to say |
|----------------------|-------------------------|----------------------|---------------------|----------|---------------------------|-------------------|
| Number of people | 414 | 14 | 1 | 7 | 3 | 56 |
| Percentage of people | 83.64% | 2.83% | 0.20% | 1.41% | 0.61% | 11.31% |

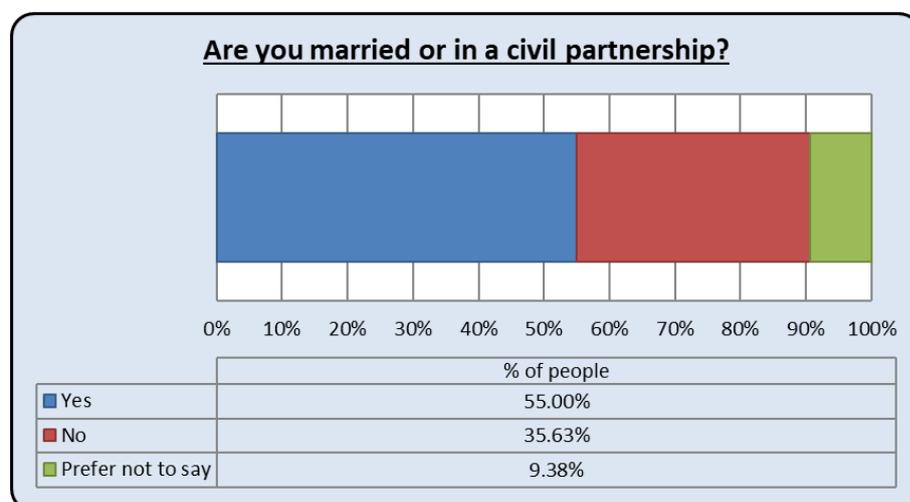
NB: There were 21 no responses to Q0.g.



Q0.h) Are you married or in a civil partnership?

| Married / Civil Partnership | Yes | No | Prefer not to say |
|-----------------------------|--------|--------|-------------------|
| Number of people | 264 | 171 | 45 |
| Percentage of people | 55.00% | 35.63% | 9.38% |

NB: There were 36 no responses to Q0.h.

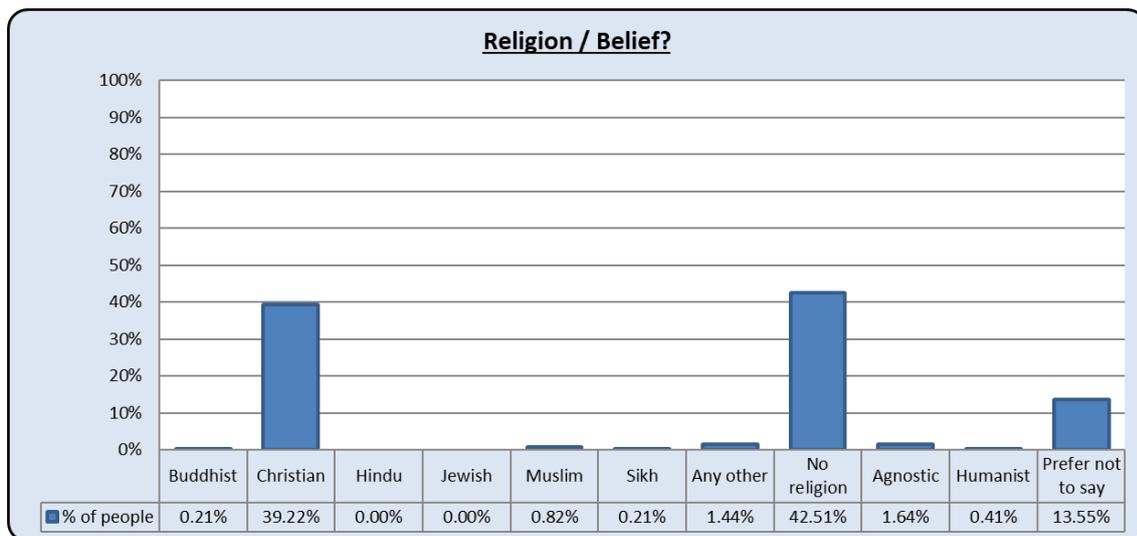


Q0.i) Religion / Belief?

| Religion | No. of people | % of people |
|-----------|---------------|-------------|
| Buddhist | 1 | 0.21% |
| Christian | 191 | 39.22% |
| Hindu | - | - |
| Jewish | - | - |
| Muslim | 4 | 0.82% |
| Sikh | 1 | 0.21% |

| Religion | No. of people | % of people |
|-------------------|---------------|-------------|
| Any Other | 7 | 1.44% |
| No religion | 207 | 42.51% |
| Agnostic | 8 | 1.64% |
| Humanist | 2 | 0.41% |
| Prefer not to say | 66 | 13.55% |

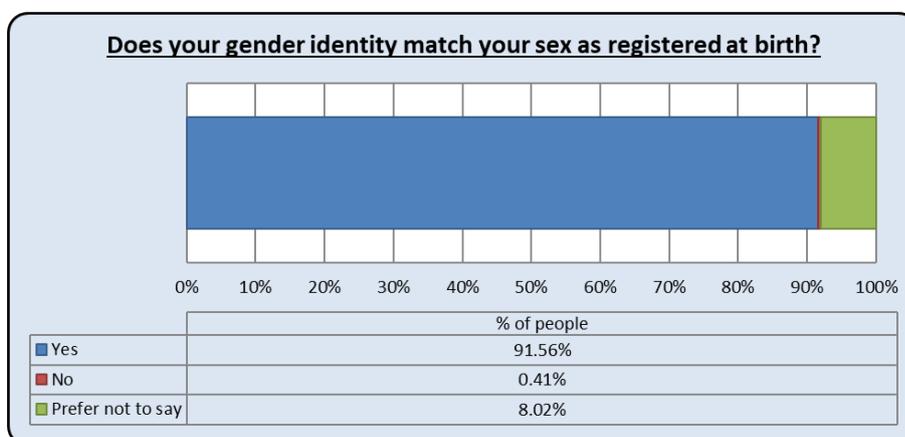
NB: There were 29 no responses to Q0.i.



Q0.j) Does your gender identity match your sex as registered at birth?

| Identity | Yes | No | Prefer not to say |
|----------------------|--------|-------|-------------------|
| Number of people | 445 | 2 | 39 |
| Percentage of people | 94.56% | 0.41% | 8.02% |

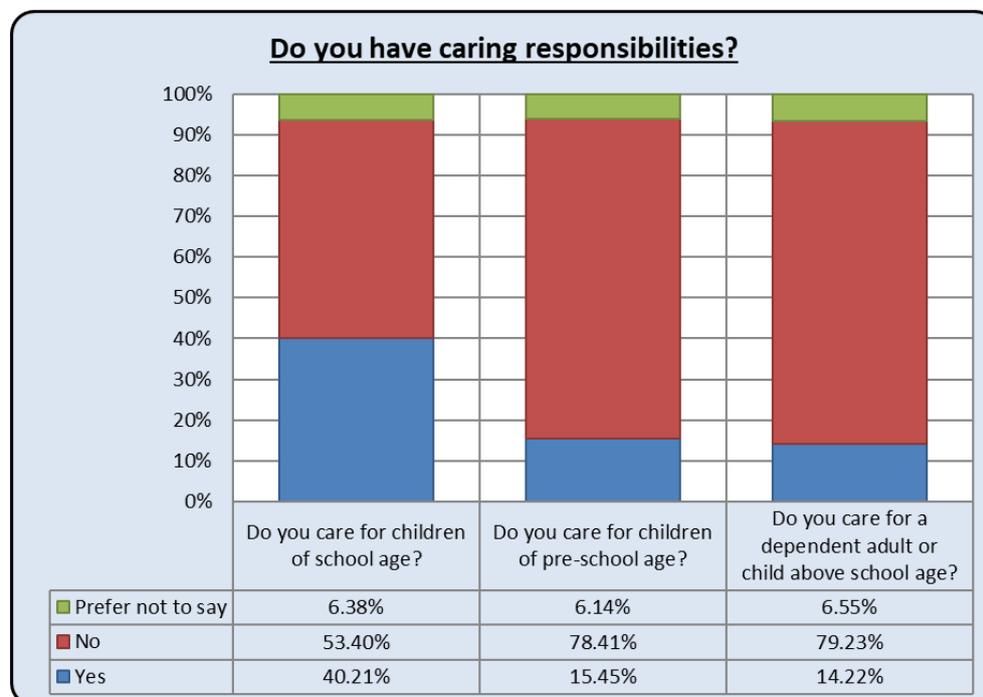
NB: There were 30 no responses to Q0.j.



Q0.k) Caring Responsibilities?

| A: School Age | Yes | No | Prefer not to say |
|----------------------|--------|--------|-------------------|
| Number of people | 189 | 251 | 30 |
| Percentage of people | 40.21% | 53.40% | 6.38% |
| B: Pre-school Age | Yes | No | Prefer not to say |
| Number of people | 68 | 345 | 27 |
| Percentage of people | 15.45% | 78.41% | 6.14% |
| C: Above School Age | Yes | No | Prefer not to say |
| Number of people | 63 | 351 | 29 |
| Percentage of people | 14.22% | 79.23% | 6.55% |

NB: There were 46 no responses to Q0.kA / NB: There were 76 no responses to Q0.kB / NB: There were 73 no responses to Q0.kC.



List of Budget Proposals 2020-21 – People

Proposal Number 1

AS2021/04 – Adult and Community Services

Reduction Day Opportunities Budget

To reduce the Day Opportunities budget in 2020/21 by £100k.

The total budget for the Day Opportunities service for 2019/20 is £1,276,221. There has been a consistent projection of £100k underspend which is because the number of people now attending the Day Opportunities service is below capacity and the level of staffing required has been adjusted.

The following options have been put forward:

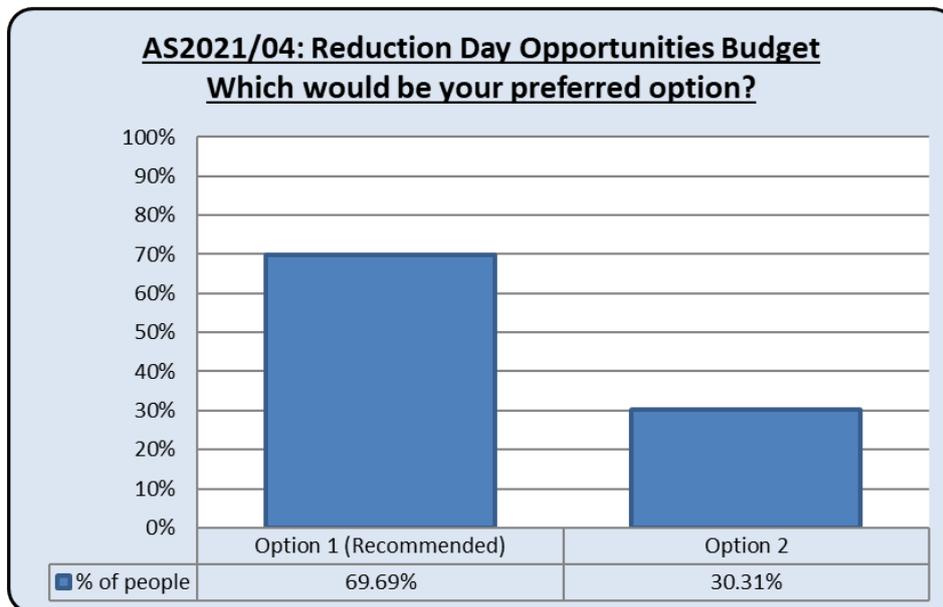
Option 1 (**Recommended Option**): To reduce the budget by £100k.

Option 2: To maintain the budget at 2019/20 levels.

Q1.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 (Recommended) | 292 | 69.69% |
| Option 2 | 127 | 30.31% |

NB: There were 97 no responses to Q1.a.



Q1.b) Do you have any other comments about this proposal (61 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- If the budget is not being used it should be recycled elsewhere.
- With a population that is getting older this service will be needed more and more to prevent social isolation, mental health issues- which would be more costly to deal with. Any cuts are likely to need to be reversed in order to provide care for Newport citizens.
- The issue with the day opportunities currently offered by the council do not effectively meet the needs of local residents, and while this is the case there will not be optimal take up. There is also the issue of the criteria set for certain services which means that a lot of people are not eligible for the services, again preventing optimal take up. Until these issues are corrected reducing the budget should not be considered.
- This money could be used elsewhere if it isn't being used by the Day Opportunities service
- Change day services to meet the needs of people so that they can attend. The reason you have an underspend is because the services are not suitable. Day services are needed!!
- The extra money is not being used and should be used elsewhere.

Proposal Number 2

AS2021/05 – Adult and Community Services

Telecare Service

We are using Telecare technology to help people live independently for longer in their own home, avoiding hospital admissions and delaying the person moving into a long-term care setting.

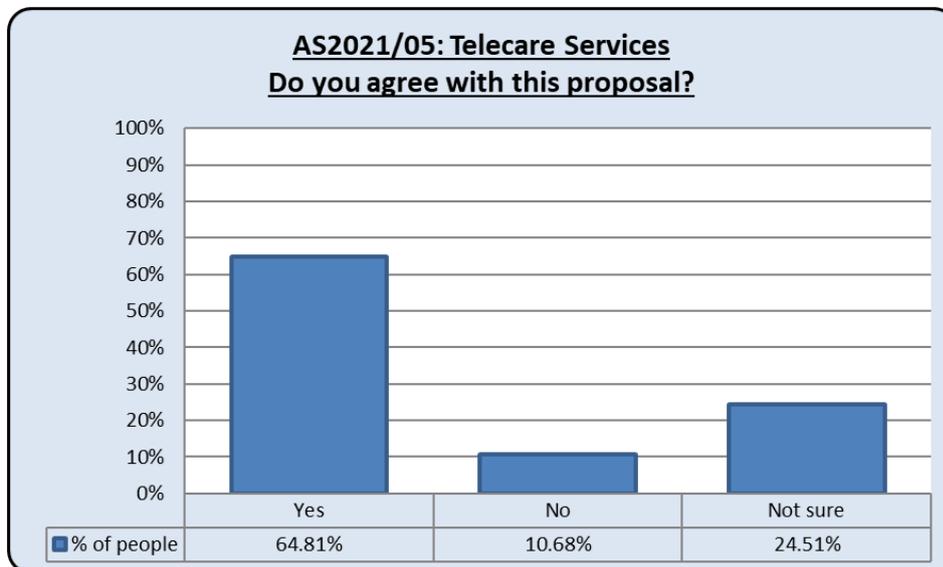
The service is critical to the delivery of the preventative agenda, which generates financial and resource savings for a wide range of council services and partner agencies.

The savings will be achieved and monitored in a range of ways resulting in a saving of £150k.

Q2.a) It is recommended that Telecare provision should be part of the annual review of care packages and installed to decrease care package dependence. To undertake a service review of the service current provider to equipment covered by Integrated Care Fund (ICF). The installation of technology in Parklands for residents to trial the equipment before returning home and have confidence in the equipment as a preferred option to that of a package of care. Do you agree with this proposal?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 267 | 64.81% |
| No | 44 | 10.68% |
| Not sure | 101 | 24.51% |

NB: There were 104 no responses to Q2.a.



Q2.b) Do you have any other comments about this proposal (45 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Nothing is better than hands on care. Using it in conjunction with carer visits, but NOT to replace them.
- I assume that this service provides reassurance to older people and it may well avoid suffering.
- Telecare and Smart homes are a growing area that could promote independence for longer, and has been demonstrated to work effectively in certain areas of care in different areas of the United Kingdom.
- The only issue with this is that it could be used to stop people having care all together. The guidelines for care would need to be looked at to make sure people who need the help are getting it, and not being told that telecare is enough in their home. I agree with preventing people going into hospital as there is a strain on the NHS but there is still a duty of care to be given to older people.
- A trial of the equipment by residents would be very useful for them so that they are fully confident to use it when they return home.
- The introduction of telecare has been shown to be not cost effective.

Proposal Number 3

AS2021/07 – Adult and Community Services

Reduction in Funding Awarded to Third Sector Organisations

To reduce expenditure on grant funding by £100k from 1st April 2020:

- **Growing Space** have agreed to reduce their expenditure by £1k as they have successfully secured European funding for the next 3 years that will negate the impact of this reduction.
- **Hafal** are currently commissioned to deliver Information, Assistance and Advice (IAA) as part of the Aneurin Bevan University Health Board (ABUHB) mental health consortium that is being re-tendered. This element of the service is not included in the new service model.
- **Mind** are also part of the ABUHB mental health consortium and Newport City Council (NCC) are negotiating a continuation of service based in Newport City Centre. They will continue to be funded at a level of £100k in 20/21.
- **Deaf Clubs** are the beneficiaries of historical funding arrangements, whereby NCC have covered the cost of venue hire for their regular social events. The continuation of this funding is unsustainable when critical service provision is facing budget reductions.
- **Newport People First** provide advocacy and peer support. The membership consists of a largely long-term group of participants, who have also established a strong network of peer support outside the formal structure provided by the Newport People First. Opportunities for structured social activities are also available through My Mates, which is funded on a Pan Gwent basis. The need for formal advocacy, should it be required, can be met by the Council's existing contract with Dewis.
- **Citizens Advice Bureau (CAB)** – NCC currently pay £100k to CAB as a partner in the Third Sector Consortium. The Consortium is being reviewed but the services provided by CAB are critical to Newport and will continue to be funded. The intention is to combine the funding into one agreement to be overseen by the Commissioning and Contracts Team. Supporting People currently do not fund CAB but their financial inclusion workers regularly refer on their complex cases. Therefore, it is a legitimate use of Supporting People money to offer a contribution and the amount has been set at £20k which will result in a £20k reduction to the £100k total and therefore a saving.
- **Carers Grant** – The £40k budget has not been fully utilised as NCC now has access to dedicated ICF funding for Carers that is administered by the Carers Trust on behalf of the Gwent Authorities.

The following options have been put forward:

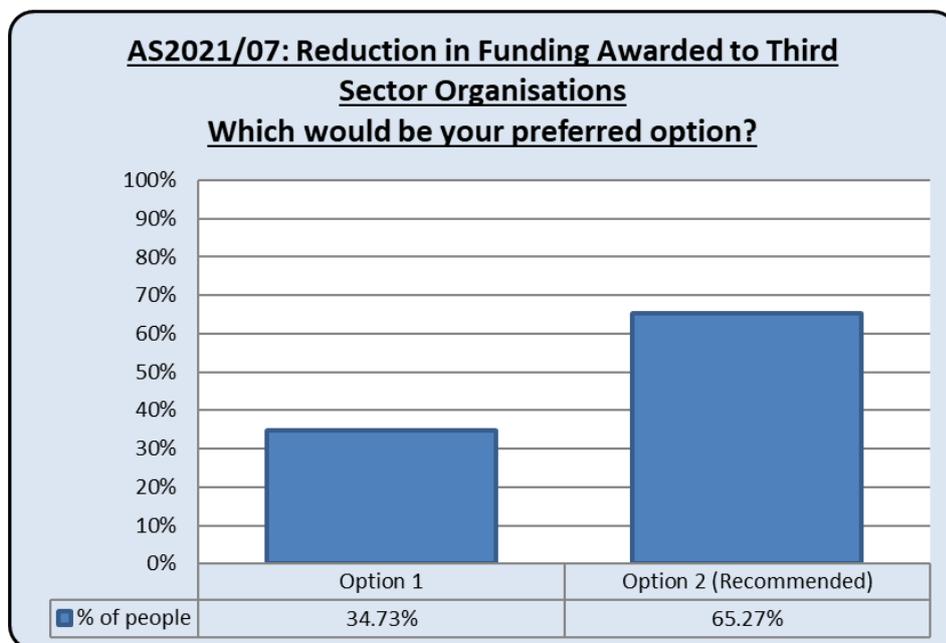
Option 1: Status quo – savings not achieved.

Option 2 (**Recommended Option**): To implement savings plan as outlined above.

Q3.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 | 141 | 34.73% |
| Option 2 (Recommended) | 265 | 65.27% |

NB: There were 110 no responses to Q3.a.



Q3.b) Do you have any other comments about this proposal (58 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- As long as the services do not suffer and are still able to survive economically as the services are very important to the public.
- Cuts to the services provided by these 3rd sector organisations is short sighted and will longer term cause an increase in the burden placed directly on council services. These 3rd sector organisations provide critical support for some of our most marginalised and isolated neighbours.
- Third Sector organisations are able to raise money as a charity, so they can help fund their services that way.
- Statutory services such as the Community Mental Health Service work with very few people who require a service. People rely upon organisations such as MIND, Hafal, CAB to reach their potential, in many cases in order to be a good enough parent and keep their children in their care.
- All these services are necessary as preventative services in line with the social services and wellbeing act.

Proposal Number 4

AS2021/08 – Adult and Community Services

Staffing Review

To review the staffing resources across Adult Services and in particular the interface between Frailty and the Hospital Team, First Contact and the Neighbourhood Care Networks (NCN) to improve communication and management of these services.

This will be done in the context of the Home First project which is part of the transformation across health and social care in Gwent as set out in 'A Healthier Wales' and the opportunities to use this additional resource to streamline current structures. It will also consider the impact of Integrated Care Fund (ICF) and how this contributes to the delivery of our key responsibilities in the Social Services and Well-being (SSWB) Act.

The following options have been put forward:

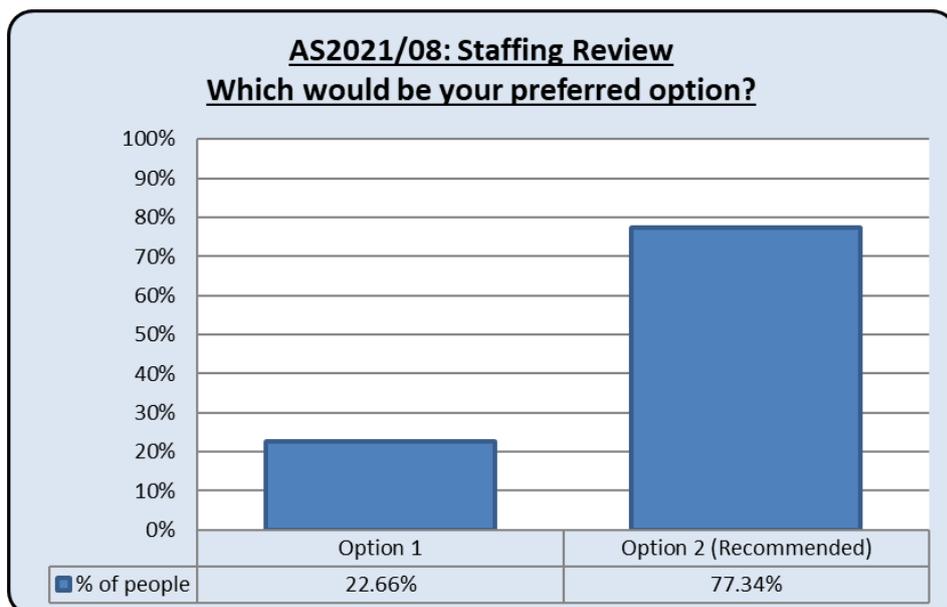
Option 1: Do nothing.

Option 2 (**Recommended Option**): To consider how to make best use of staffing resources across adult services through the use of the transformation grant and ICF and reduce the number of handoffs between teams and ensure the management structure is in place which supports greater integrated working as described in the Healthier Wales. To ensure the management and staffing structure has the right capacity and skill mix to deliver of the key responsibilities. This would equal a cost saving of £297k impacting 9 Full Time Equivalent (FTE) posts.

Q4.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 | 87 | 22.66% |
| Option 2 (Recommended) | 297 | 77.34% |

NB: There were 132 no responses to Q4.a.



Q4.b) Do you have any other comments about this proposal (36 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Services are already stretched, more staffing needed below management level and better quality leadership.
- As long as the reduction in posts doesn't impact on the level of service provided.
- Er bod angen defnyddio staff yn ddoethach rwy'n sicr y byddai unrhyw doriad ar nifer y staff yn golygu llai o gymorth yn y pen draw / Although staff need to be used wiser I am certain that any cut in staff numbers would mean less support in the long run.
- Services should be reviewed. Is a standalone home first team needed when there are already social work and OT services assisting with discharge? Posts that see patients should be maintained but merged with hospital teams, thus losing management posts. The interface between frailty and social work needs to be reviewed to reduce hand offs between teams. People seen in hospital by a social work staff member should remain on that person's caseload until their needs have been met.
- As long as there were no redundancies and staff didn't lose their jobs.

Proposal Number 5

CFS2021/02 – Children and Family Services

Family Support Services – Barnardos Partnership

There is a long-standing partnership with Barnardos to deliver Family Support Services for children and families at the edge of care.

Currently the service is working to deliver a wide range of interventions directly to families who are at risk of greater intervention from Children’s Services. Social workers work with Barnardo’s staff to give families positive ways to manage their family challenges for example substance misuse, domestic violence, parental mental ill health, neglectful parenting and then offer safer family life for their children.

The proposal is to reduce the budget by £75k, which will mean a staff reduction for Barnardo’s, a lower capacity to accept referrals and a potential impact on the number of children in care.

The following options have been put forward:

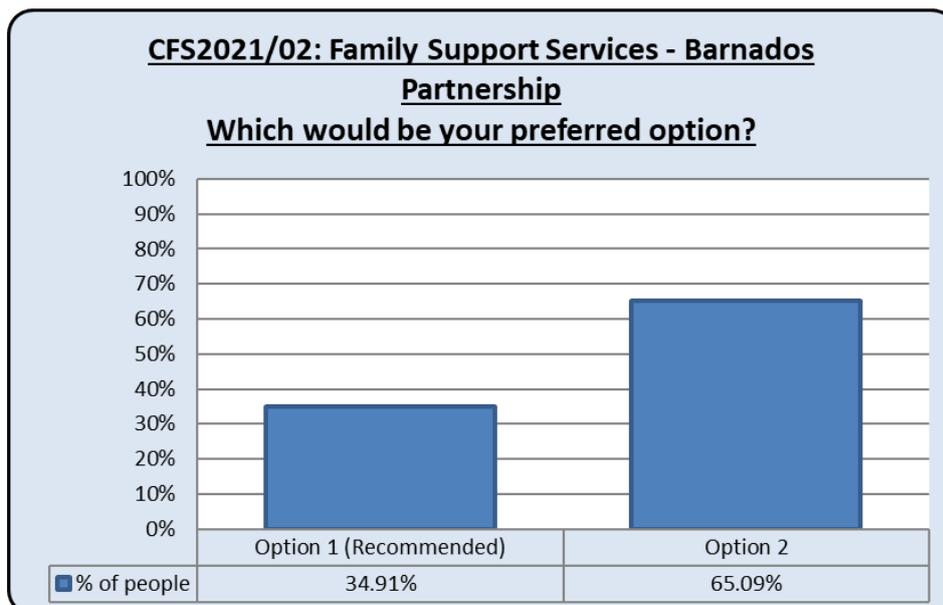
Option 1 (**Recommended Option**): Agree the proposal and reduce the family support service via Barnardos by £75k.

Option 2: Maintain the current level of funding.

Q5.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 (Recommended) | 140 | 34.91% |
| Option 2 | 261 | 65.09% |

NB: There were 115 no responses to Q5.a.



Q5.b) Do you have any other comments about this proposal (66 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- As a third sector organisation this funding could be applied for elsewhere. There are also sector specific support agencies such as Cyfannol for DA which could help children in Barnardos instead.
- The family support services have and I believe continue to deliver an important service and support to those vulnerable in our communities and deliver a complex level of support for families dealing with substance misuse, domestic abuse, neglect, managing child behaviour and understanding child development, family group conferences and baby and me support. To reduce the funding for this service would place the burden on the social work team which is already stretched in the facilitation of assessments and risk management for families to implement care and support, child protection, looked after child and court plans.
- If you reduce the budget for Barnados more cases will come through to statutory services, so not cost effective in the long term in my view.
- I think that reducing funding at this point will lead to higher costs further down the line as more situations deteriorate to the point of more serious interventions being required.

Proposal Number 6

CFS2021/05 – Children and Family Services

Staffing Across Children’s Services

The following posts are a mixture of operational management staff, non-case holding staff and identified social worker posts.

Reducing the number of posts across Children’s Services will be challenging against the backdrop of rising referral numbers and increasing caseloads. However, these posts have been identified because some mitigation is possible and so the risk to service is minimised. The posts identified are as follows:

- 3 x social worker posts in the Pathway teams – core funding to be replaced with UASC grant funding from the Home Office and WLGA (£150k)
- Team Manager Preventions (£62k)
- Family Support Worker Preventions (£35k)
- Senior Practitioner Mentoring Assessment and Consultancy (£54k)
- Social worker Disabled Children’s team (£50k)
- Team Manager Residential Care (£62k)
- 0.5 x Coordinator Child Sexual Exploitation (£30k)
- Social worker MAPS (£50k)
- Youth Justice Officer (£50k)

The following options have been put forward:

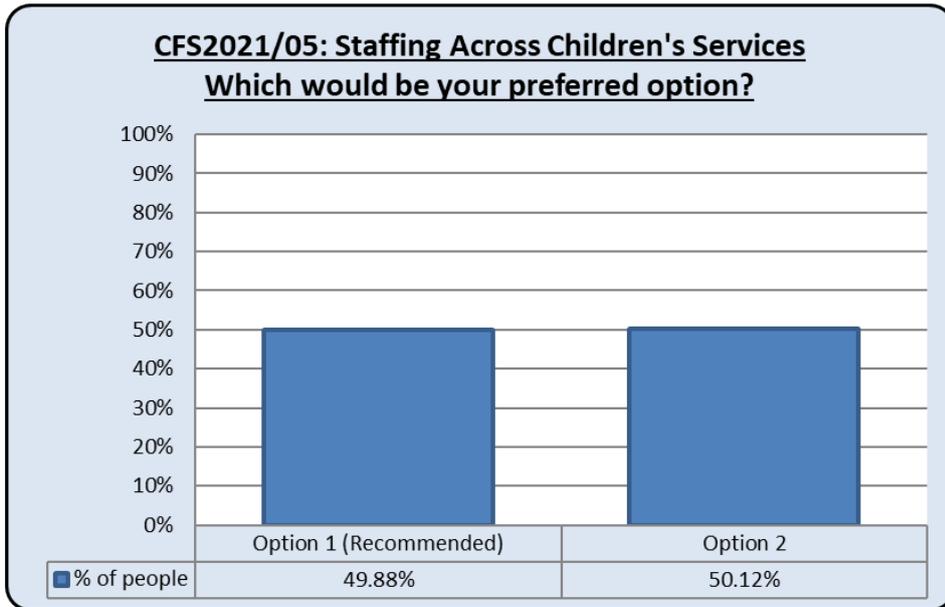
Option 1 (**Recommended Option**): Agree the proposal and save £543k by deleting the identified posts (7.5 FTE).

Option 2: Maintain the current staffing levels.

Q6.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 (Recommended) | 200 | 49.88% |
| Option 2 | 201 | 50.12% |

NB: There were 115 no responses to Q6.a.



Q6.b) Do you have any other comments about this proposal (74 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Having such vast staff cuts would seriously impact the teams and the service provided. The teams are already stretched and deliver a good service with cuts and the continual rise in referrals would put the service under further strain. There are more referrals but less budget and staff to manage with these proposals.
- Maintaining the early intervention support offered by Barnardos is preferable to sustaining the provision described in this option, particularly as it states mitigation is possible.
- The issue is if these posts are currently filled or are vacant. If these posts are vacant they should be deleted and the work absorbed (as much as possible) or the duties reviewed to ascertain if they can continue or if these are vital. Deleted the above posts will no doubt further stretch services.
- If streamlining means an effective delivery of services, then this must be the outcome of this planned integration.
- As the numbers of children being referred is rising where replacement grant funding is available the saving should be taken - but the 6.5 positions remaining deserve to be maintained.
- Whilst there is a greater need by young people it should be at least maintained at the current budget, I have no problem with cuts to the management side, the actual staff working with these groups should be maintained.

Proposal Number 7

CFS2021/06 – Children and Family Services

Reduction of Posts Across Children's Services

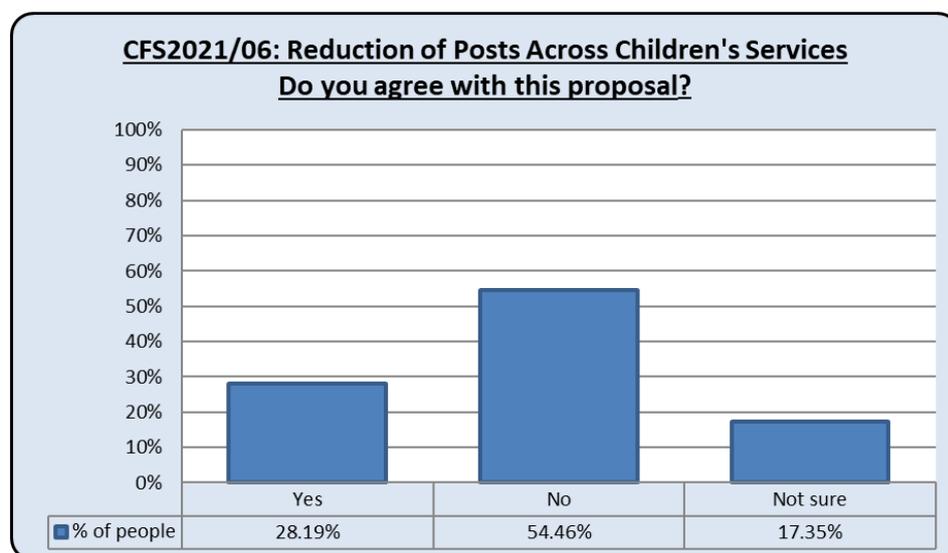
Children's Services expenditure is primarily split across salaries and placement costs.

Deletion of a social worker post results in a saving of £50k while deletion of a social work assistant post results in a saving of £31k.

Q7.a) Do you agree with the proposal to delete a social work post saving £50k?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 117 | 28.19% |
| No | 226 | 54.46% |
| Not sure | 72 | 17.35% |

NB: There were 101 no responses to Q7.a.



Q7.b) Do you have any other comments about this proposal (73 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Work levels for social workers are above manageable levels and to reduce this by deleting a post will involve increased workloads for the remaining workers.
- Again, as long as the removal of these posts doesn't affect the quality of the service then they aren't needed.
- Social Workers and their assistants provide essential services, and the maintenance of services and support to children is a highly sensitive area. I would only consider the reduction in the staff budget if it was transferred to the placement budget.
- I believe the staffing levels are at breaking point currently and this would cause further stress for employees.
- Delete the assistant post, less saving but you retain fully skilled social worker.

Proposal Number 8

EDU2021/01 – Education

Education Welfare Service Savings Proposals

The service area has no further non-staff budget savings to consider. As a result, savings can only be acquired from the removal of staff posts.

The following options have been put forward:

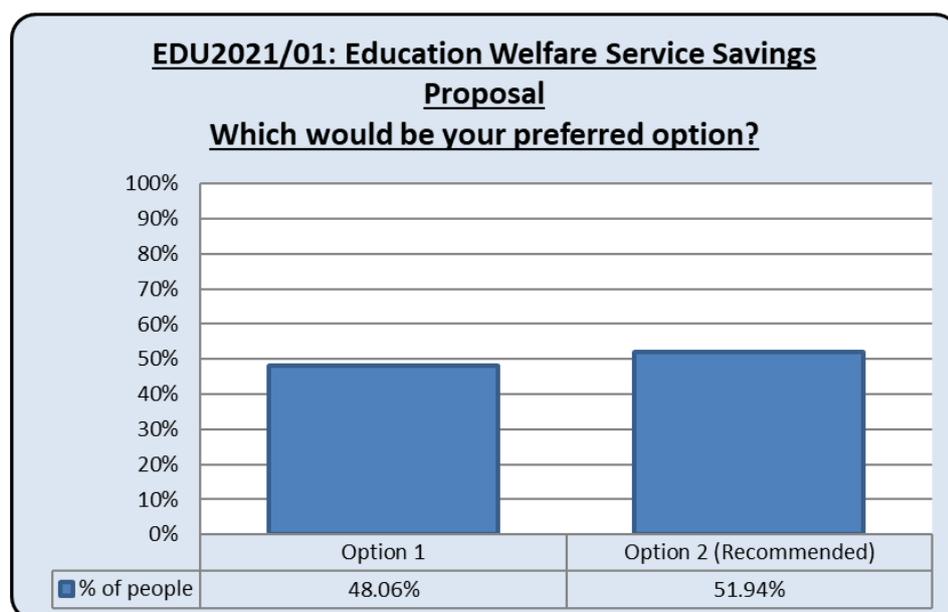
Option 1: Deleting 1 x FTE Educational Welfare Officer (EWO) and reducing the working weeks of 8 remaining EWO posts to term time only. The Team would continue to work across all schools, but focus on pupils with a higher rate of non-attendance. In addition, no EWO lateral checks, safeguarding visits or support would be available for 13 weeks of the year. This option would result in a cost saving of £30,459.

Option 2 (**Recommended Option**): Deleting 2 x FTE EWO posts and reducing the working weeks of 7 remaining EWO posts to term time only. All schools would no longer receive individual timetabled support as this would primarily be allocated to pupils in schools with the lowest rates of attendance. Welfare checks on pupils with poor rates of attendance and those who are home educated would also be reduced. In addition, no EWO lateral checks, safeguarding visits or support for 13 weeks of the year. This option would result in a cost saving of £65,771.

Q8.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 | 186 | 48.06% |
| Option 2 (Recommended) | 201 | 51.94% |

NB: There were 129 no responses to Q8.a.



Q8.b) Do you have any other comments about this proposal (45 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- For such a small saving I don't think it is worth risking the welfare of children that this support service offers.
- I do not agree with either recommendation. Educational Welfare Officers play a vital role in our education system. They provide a lot of support to social workers on their cases involving school children, attending meetings and helping set up support. Furthermore, school children's welfare is at an all-time low, especially with mental health that leads to other issues, lack of school attendance, challenging behaviour, family breakdown and more. I feel the loss of EWO will make children's social services work harder, give families less support as well as schools. It will be a loss of greatly needed knowledge. These posts were only recently cut last year and the impact has been seen.
- I can see cutting hours to make EWO posts term time only, but it is a constant struggle in many schools to get attendance up to anywhere near the percentage expected by government. I feel it is time for government to accept that it should not be a LA or school issue to make children attend school, but that is not going to happen, so schools need the support of EWOs.
- Would like to think that there is another organisation that could fill the gap for 13 weeks of the year because it is often during school vacations that problems can begin and may develop regarding vulnerable children.

Proposal Number 9

EDU2021/02 – Education

The Reduction of the Inclusion Enrichment Team

Potential savings within the service area are limited, with no non-staff savings available. This proposal presents the option of reducing the Inclusion Enrichment Team to a saving of £43k.

The following options have been put forward:

Option 1: Do nothing and maintain the status quo – Retain all the Inclusion Enrichment Team posts, this will ensure the Inclusion Enrichment Team has capacity to carry out statutory duties.

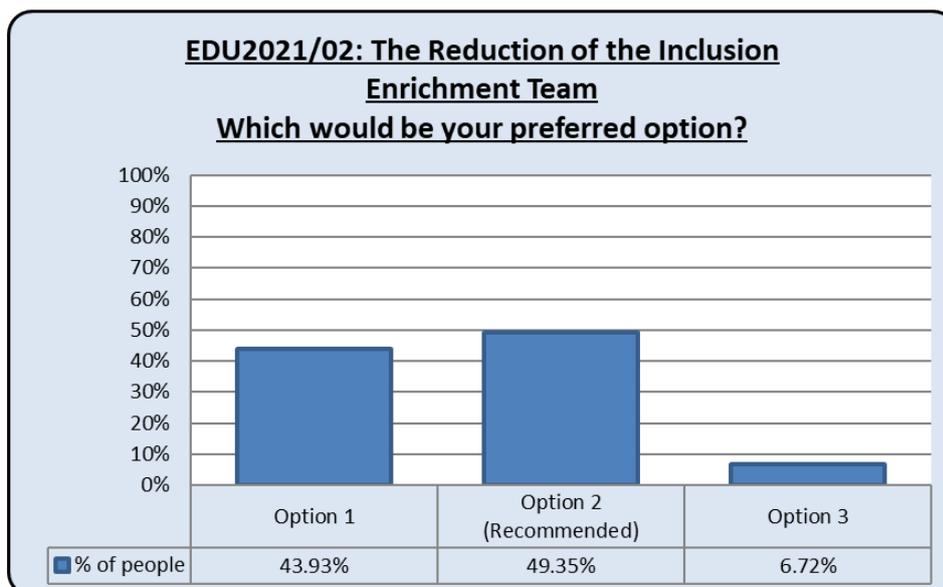
Option 2 (**Recommended Option**): A reduction in staffing equivalent to £43k, this could range from a reduction of hours or days of several contracts. This is likely to have an impact on the team's capacity to complete their statutory duties.

Option 3: Reduce the number of Inclusion Enrichment Team Officer posts equivalent to £43k – this will impact significantly on service delivery.

Q9.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 | 170 | 43.93% |
| Option 2 (Recommended) | 191 | 49.35% |
| Option 3 | 26 | 6.72% |

NB: There were 129 no responses to Q9.a.



Q9.b) Do you have any other comments about this proposal (33 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- School inclusion work is essential and work needs to continue with families regardless of whether it is in term time or not; families need consistent support to achieve positive change.
- Children need to have an education. Not every child benefits from sitting in a standard classroom and to take away the option to have something else would be against the rights of the child.
- This service is significantly stretched and is unable to meet its statutory obligation effectively at the present time - to reduce this team further would significantly impact the provision provided to vulnerable pupils with aln. Proportionately the service has reduced its staffing significantly compared to actual number of staff in post. This is not sustainable.
- Another important service. This team works with vulnerable children and families and should not be explored as a saving option.
- Any statutory duties must be undertaken, so a cut is not acceptable.

Proposal Number 10

EDU2021/03 – Education

Gwent Music Service reduction in hardship funding

Gwent Music Service provide subsidised lessons for pupils who are eligible for free school meals but at a higher cost than other local authorities using the regional service. Reducing the Newport subsidy to the same level as other local authorities would achieve a saving of £14k in 2020/21 while maintaining £9k of subsidy to Newport pupils.

The following options have been put forward:

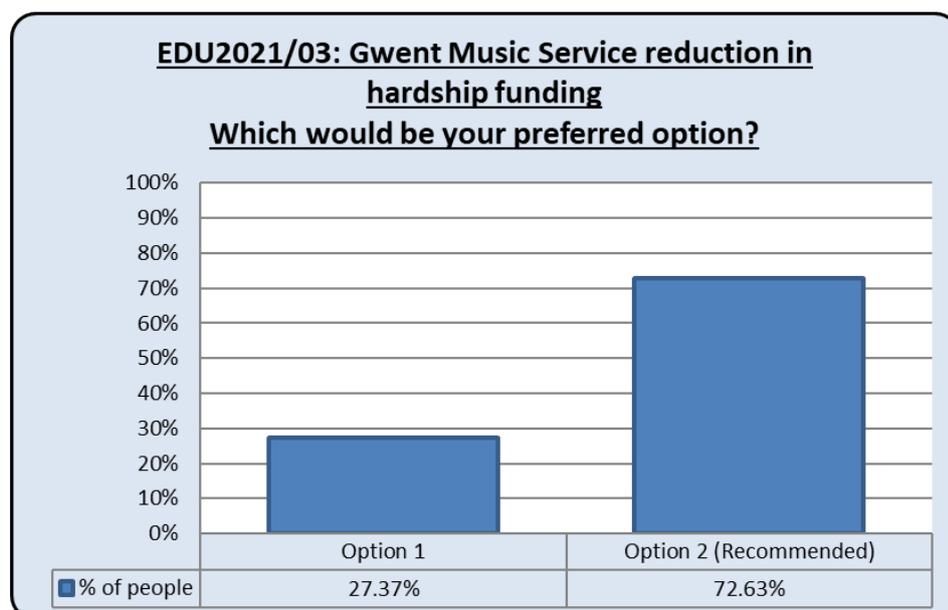
Option 1: Remove the funding allocated to the Gwent Music Service to subsidise the cost of music lessons for learners who are eligible for free school meals in its entirety. Request that schools fund this support from the Pupil Development Grant (PDG). This would equate to a cost saving of £23k.

Option 2 (**Recommended Option**): Reduce the funding allocated to the Gwent Music Service to subsidise the cost of music lessons for learners who are eligible for free school meals so that it is in line with that of Monmouthshire and Torfaen. This would equate to a cost saving of £14k.

Q10.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 | 107 | 27.37% |
| Option 2 (Recommended) | 284 | 72.63% |

NB: There were 125 no responses to Q10.a.



Q10.b) Do you have any other comments about this proposal (39 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- This is not a statutory service to provide music teaching.
- Given that work opportunities are poor, music, drama etc is a growing area of employment and gives those who struggle with formal education another outlet.
- I do not believe that having free school meals means you should have free music lessons.
- This is difficult as you do not want to reduced services that provide opportunities for disadvantaged pupils. However, the provision of music lessons is discretionary and a luxury in times of austerity when statutory services are severely reduced threatened.
- In all honestly I do not agree with funding being reduced to the Gwent Music services. For poorer families, playing a musical instrument can become an outlet and escape from their life. However, playing a musical instrument isn't cheap, and if it is a hobby that you intend to take a part in you have to be willing to pay towards it as well. The schools should provide some funding towards it, so is there not a middle ground option for this? Half funded by the school, and half by the Gwent Music Services.

Proposal Number 11

EDU2021/04 – Education

Review Gwent Education Minority Ethnic Services management charge and move the Pupil Referral Unit

Proposed increase in Newport City Council’s management charges to Gwent Education Minority Ethnic Services (GEMS).

Transfer the Key Stage 2 Pupil Referral Unit to an alternative and improved location. This budget proposal reduces Education Service spending by £62k in 2020/21.

The following options have been put forward:

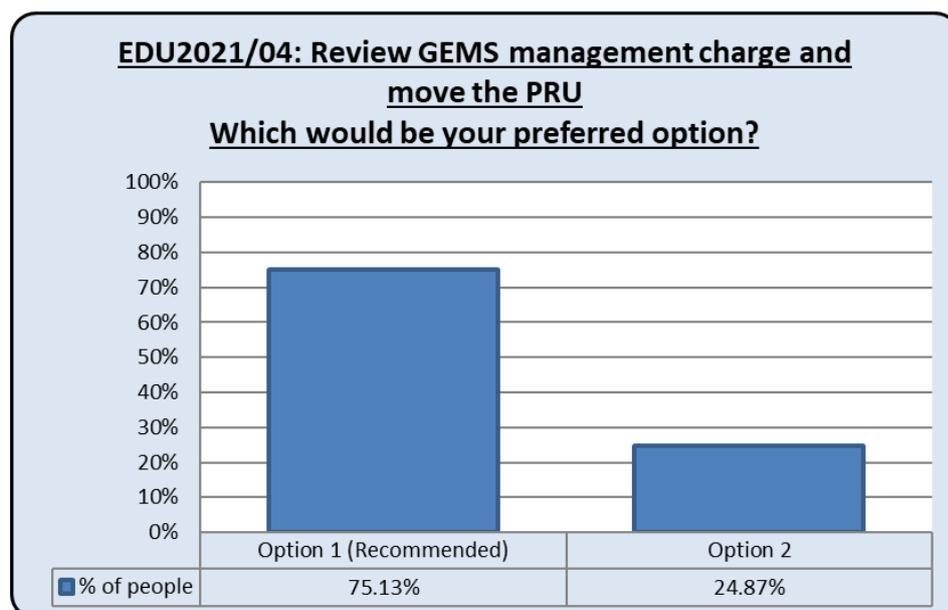
Option 1 (Recommended Option): Education Services can increase Gwent Education Minority Ethnic Service Management (GEMS) costs by £30k to an annual cost of £51k. At present GEMS contribute £21k per year towards service costs. The £51k will pay for HR, payroll, finance and all other corporate support services. Education Services can support the transfer of the Key Stage 2 Pupil Referral Unit to an alternative and improved site, which is currently at the Gol Centre. If transferred to a school or a community venue, there would be a £32k saving from the Pupil Referral Unit budget.

Option 2: GEMS corporate charges to remain at £21k. Key Stage 2 Pupil Referral Unit to remain at the Gol Centre.

Q11.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 (Recommended) | 293 | 75.13% |
| Option 2 | 97 | 24.87% |

NB: There were 126 no responses to Q11.a.



Q11.b) Do you have any other comments about this proposal (18 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Why does there have to be management charges inter-authority? If a robust review of HR / Payroll services etc was undertaken the council cost, ensure the correct number of people are employed in these areas with transferrable skills across departments to prevent services like GEMS having to potentially lose members of staff in the future who work directly with communities in order to pay for HR & Payroll costs. The Council is one organization and should run as one as opposed to one service charging others to the detriment of communities.
- Os yw'r uned yn well ei byd mewn lleoliad gwell (a darpariaeth Gymraeg hefyd) yna gorau oll / If the unit is better located in a better location (and also Welsh language provision) then all the better.
- Two separate items have been combined. Moving the PRU to another venue may have repercussions on pupils' willingness to attend- especially if it was moved to a school venue.
- Happy to cut services of the much needed, but increase the costs for those extremely likely to raid the benefits system after education.

Proposal Number 12

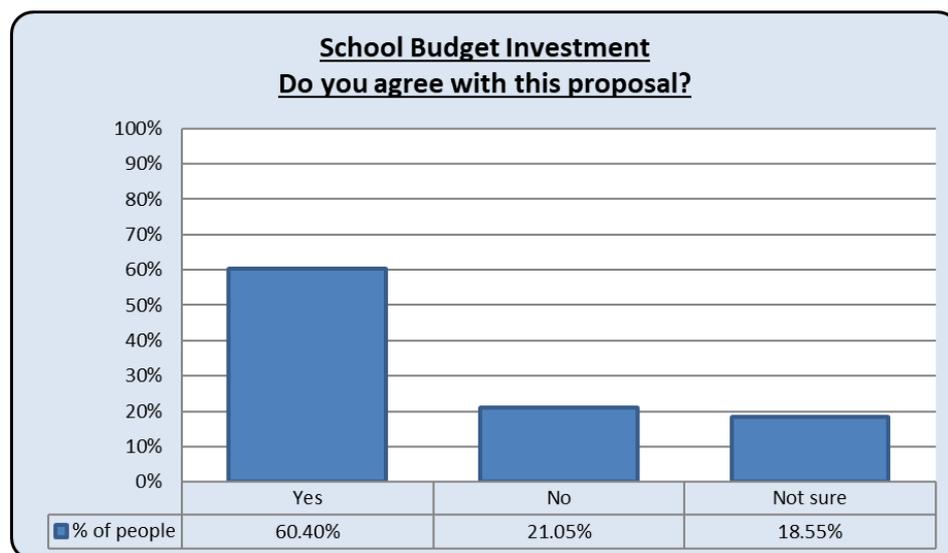
Schools Budget Investment

It is proposed that schools receive increased investment of £4.38m in 2020/21. This represents a 4.5% growth in schools budget. This is the calculated amount needed to cover teacher's pay increases and the additional costs of new and expanding schools. 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. Whilst the proposed investment is significant, it covers increasing costs for 2020/21 but does not take account of the current levels of overspending against available budget in 2019/20.

Q12.a) Do you agree with the level of funding proposed to be awarded?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 241 | 60.40% |
| No | 84 | 21.05% |
| Not sure | 74 | 18.55% |

NB: There were 117 no responses to Q12.a.



Q12.b) Do you have any other comments about this proposal (90 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Schools need to be properly funded, especially in light of all of the cuts to essential services.
- Schools have been underfunded for years- any increase is welcome, but is not enough to provide a higher standard of education, which would be the aim of all residents.
- I agree, however this must be recognised against other departments in the Council who are more significantly under pressure than schools. Whilst schools are an important investment area, so are many more of the Councils services.
- Fund schools better, these are desperate children and teachers struggling against a massively underfunded education system. Teachers do not only teach, they provide vital counselling and support services to children and families. They are trying to plug gaps left by

reductions in other services for the physical and mental health of their children and families. No more cutbacks for schools, education and children's services.

- It is imperative schools receive this investment which has not taken place proportionately over a number of years. Schools are significantly under-funded even with this investment which significantly impacts upon the education of future generations. Vulnerable students are most affected.
- Make schools more efficient They are huge spaces which spend a vast amount of time empty. 13 weeks' school holidays plus evenings. Run intensive courses / evening classes.

List of Budget Proposals 2020-21 – Place

Proposal Number 13

CS2021/01 – City Services

Increase in fees

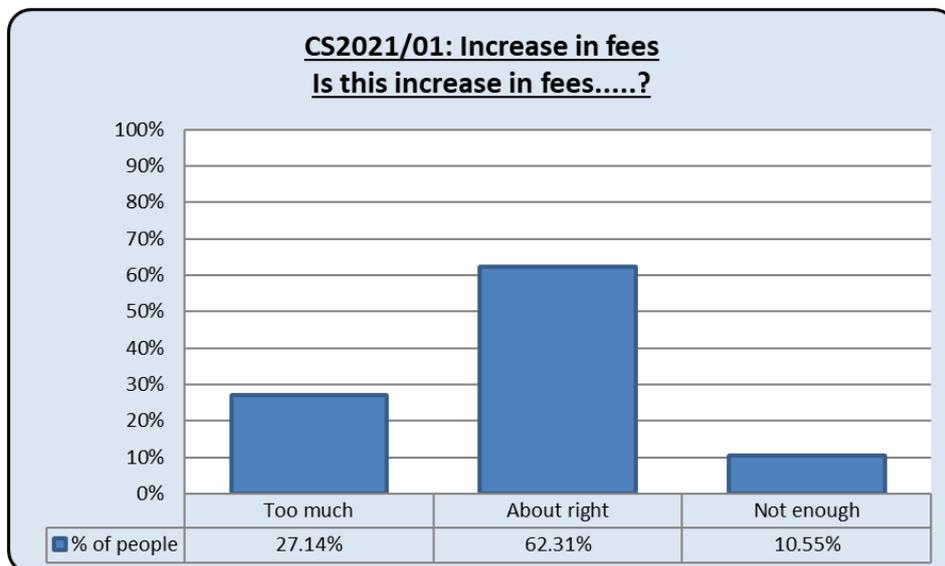
Two areas have been identified with the potential to apply additional fees:

1. Increase in emergency road closure charge from £250 per event to £800 per event. This is a fee paid by companies when the need arises to close an adopted highway. The increase is in line with a number of other councils and based on current numbers will generate an additional £27k per annum.
2. Introduce a charge for waste receptacles for new build low-rise properties when residents initially occupy. It is proposed to set the charge at £50 for a set of containers. Based on 420 properties a year, this would generate an additional £21k.

Q13.a) Is this increase in fees....?

| Is this.... | Number of people | % of people |
|-------------|------------------|-------------|
| Too much | 108 | 27.14% |
| About right | 248 | 62.31% |
| Not enough | 42 | 10.55% |

NB: There were 118 no responses to Q13.a.



Q13.b) Do you have any other comments about this proposal (80 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- I agree with the highways fees but people purchasing a new home have enough expense, it's not fair to penalise them for where they live.
- The Charging for waste receptacles is unfair. When more new build houses are needed this is effectively a tax on those wanting a new home. It could also have the unintended consequence of those reside nets moving from other areas taking their bins with them leaving those moving into their home without. There's no assessment of the likely impact of fly tipping which could increase negating any income generated also seems to be.
- A charitable discount should be applied for things like the Pill carnival, but for commercial affairs such as the marathon that inconvenience far more people than they benefit, the charge should reflect a true benefit to the city.
- Should be done on a case by case basis, if the closures are for local charitable events then the council should do them for the minimal cost, if its for private profit making events, e.g. Marathon, TV, Film, etc then the fee could be calculated on the length of closure, disruption to other users etc.
- This may prevent income to the city should increases be set at a high price - this will have a possible overwhelming effect on tourism and the money brought into the city at present.

Proposal Number 14

CS2021/06 – City Services

Removal of non-statutory ALN Home to College Transport Provision and Post 16 Travel Grants to Mainstream Schools and Colleges

Remove the non-statutory provision of Home to College Transport from 1st September 2020 for over 16 Additional Learning Needs (ALN) students who are attending further education establishments.

- Home to College transport is provided to Additional Learning Needs (ALN) pupils attending Further Education establishments and not continuing in mainstream provision. The current budget does not meet demand and is therefore a budget pressure on the Integrated Transport Unit. The removal of transport would be phased over the next two years so that those students could complete their courses, but no new applications would be considered for September 2020 onwards. The £113k budget saving would be split £45k in 20/21 and £68k in 21/22.

Removal of the payment of travel grants to post 16 pupils attending mainstream schools and colleges (currently £150 per annum)

- Travel grants are paid on a termly basis to post 16 students attending mainstream schools and further education colleges. The £64k budget saving would be split £42k in 21/22 and £22k in 22/23.

The following options have been put forward:

Remove the non-statutory provision of Home to College Transport

Option 1 (**Recommended Option**): The complete removal of Post 16 Home to College Transport for ALN Pupils to Further Education establishments.

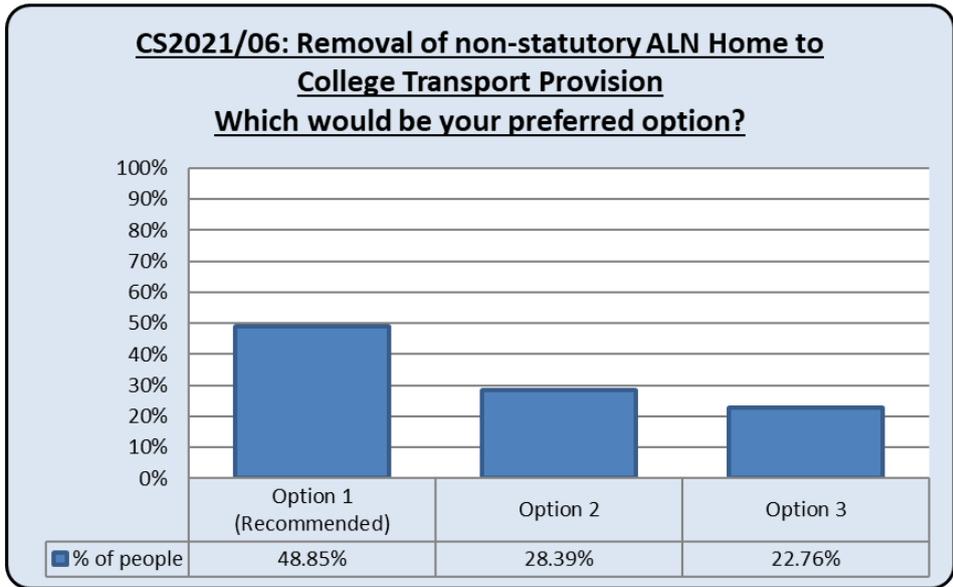
Option 2: The partial removal of Post 16 ALN Home to College Transport.

Option 3: Continue with the status quo of uncontrolled provision of Home to College Transport to Post 16 ALN pupils and the continued budget pressure being endured.

Q14.a) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|------------------------|------------------|-------------|
| Option 1 (Recommended) | 191 | 48.85% |
| Option 2 | 111 | 28.39% |
| Option 3 | 89 | 22.76% |

NB: There were 125 no responses to Q14.a.



Removal of post 16 Travel Grants to Colleges

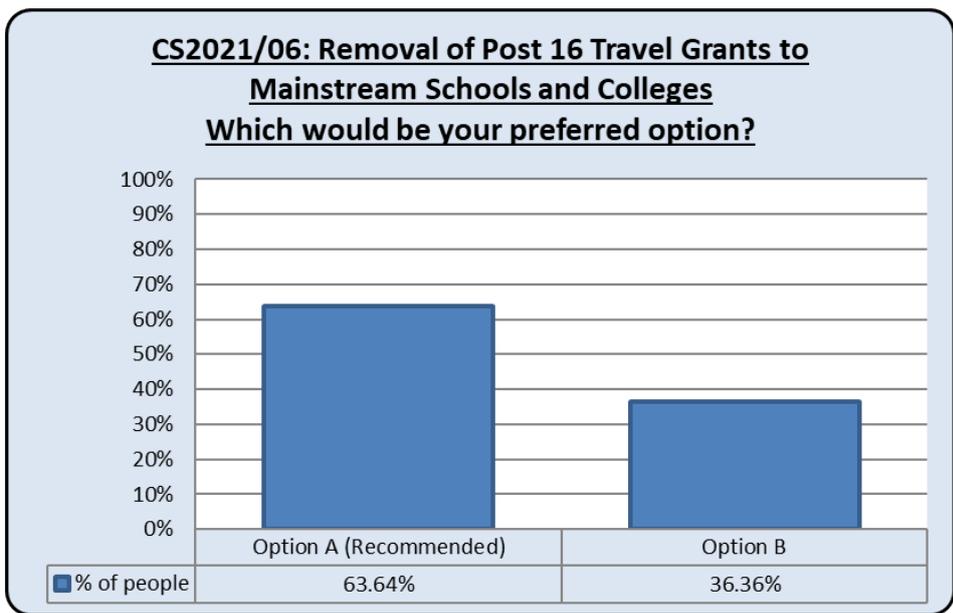
Option A (Recommended Option): Complete removal of travel grants to post 16 learners to mainstream schools and further education colleges.

Option B: Continue with the status quo of paying out travel grants to mainstream schools and further education colleges but with a possible increase in budget costs if numbers applying rise.

Q14.b) Which of the above would be your preferred option?

| Options | Number of people | % of people |
|-------------------------------|------------------|-------------|
| Option A (Recommended) | 245 | 63.64% |
| Option B | 140 | 36.36% |

NB: There were 131 no responses to Q14.b.



Q14.c) Do you have any other comments about this proposal (42 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Means test the grants.
- If the service is non-statutory then it's an obvious decision to remove funding.
- I don't understand why the council pay these in the first place.
- An alternative proposal could be to only provide the travel grants to those whose families are on low incomes. Why should well off families not cover such costs, whereas less well-off families would struggle, thus are likely not to engage in further study which could lead to less opportunities in life for job skills and attainment, leading to the possibility of increased anti-social behaviour by youths who are not in work or education.
- There should be a better guideline for people applying for transport within post 16 and ALN. To cut it completely would mean that hundreds of children are stopped from going into further education. There needs to be a line between full funding and complete cut.
- This proposal has a disproportionate impact on the few remaining children who are at Ysgol Gyfun Gwynllyw who will be moving to post 16 education in September 2020. If these children/families have to bear the full costs of transport to Trevechin for the remaining two years of their education, this could put the cost of continuing their education through the medium of Welsh beyond their reach.
- For many families, this is an essential grant. It enables young people to gain an education which suits their individualised needs. Without it many would have to compromise on the courses they wish to study in order to attend a more local provision, or may drop out of education altogether creating a rise in our NEET figures. As for the ALN provision, for many it is absolutely essential especially in terms of supporting independence from their families. Although state independence isn't great either. However, where families are unable to access mobility funds then this grant provides our ALN learners with a fantastic opportunity to gain further education and should never be removed. I do agree that where the person is getting mobility elements in their PIP then maybe there is scope for this funding to be put towards travel costs. One option in reducing this would be to make it means tested, but based on a proper assessment of financials rather than just being income based.

Proposal Number 15

CS2021/08 – City Services

Increased Recycling – Bag Sorting at Household Waste Recycling Centre

This proposal involves a new operational procedure for the disposal of mixed waste at the Docks Way Household Waste Recycling Centre (HWRC). Under the new arrangements, any mixed bagged waste brought to the HWRC intended for the non-recyclable waste skip will have to be taken to a designated bag sorting area. Site operatives will open bags and sort into designated containers.

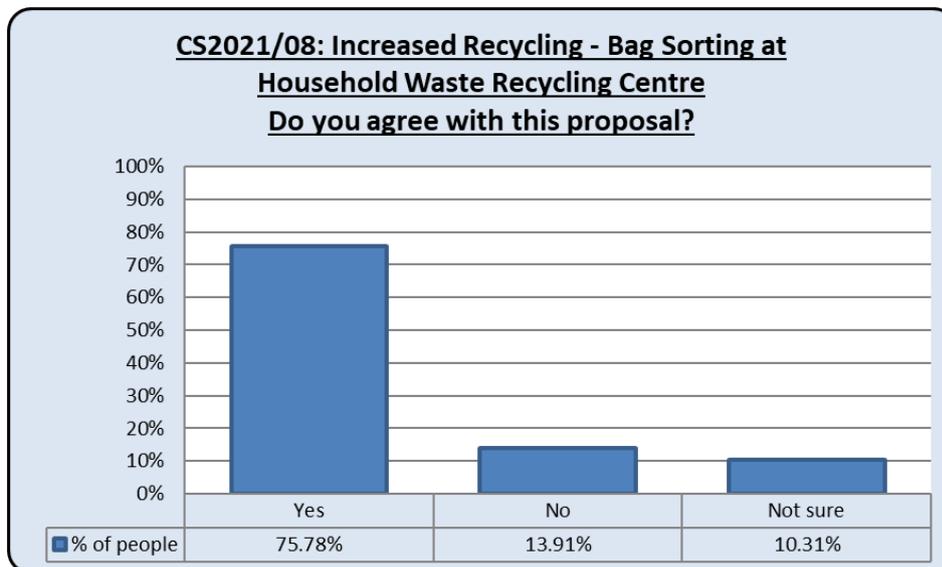
This reduces the opportunity to dispose of waste that could be easily recycled at the kerbside and will positively impact Newport’s recycling rate.

When additional costs and savings are taken into account this would result in a total saving of £56,834.

Q15.a) Do you agree with this new arrangement?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 316 | 75.78% |
| No | 58 | 13.91% |
| Not sure | 43 | 10.31% |

NB: There were 99 no responses to Q15.a.



Q15.b) Do you have any other comments about this proposal (57 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Only reservation is that it will lead to longer car queues.
- Anything we can do to encourage all residents to recycle properly is welcome.
- This seems like it will take more time, cause more frustration to a site already overflowing with cars out onto the roundabout.
- Torfaen have implemented this with great success.
- Yes, but it should be done after the resident has left. It could be intimidating to have someone opening in front of them. If someone suffers anxiety this could cause problems for them.
- Recycling at home is too over complicated. I think recycling should be simplified to encourage it to be easier to recycle at home. It would make more sense for the waste to be sorted at the centre so that it is accurate. Homes should have a mixed recycling bin and a non-recyclable bin and then all waste be sorted at the centre.

Proposal Number 16

CS2021/13 – City Services

Car Parking – Faulkner Road

Faulkner Road car park has 159 spaces and is situated in front of the Magistrate’s Court within close proximity of the Civic Centre. Although this is a designated public pay and display, it is largely used by council staff who are issued permits.

The average income per space at Faulkner Road is currently £381 per year. This compares with an average of £1,500 across the remaining full price pay and display sites. Approximately 100 spaces Monday to Friday are taken by council staff.

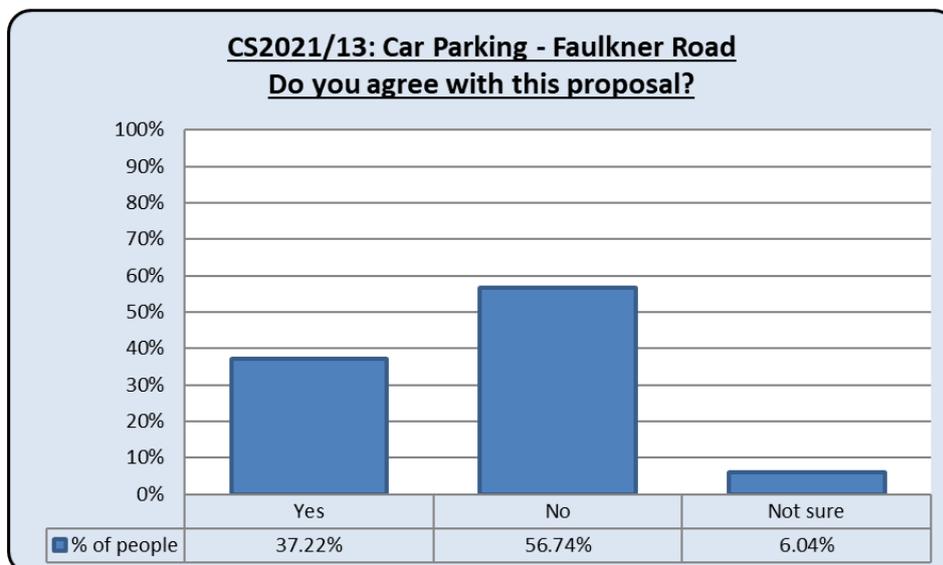
This proposal is to introduce 50 designated bays that can be used by council staff, leaving the remaining 109 for paying customers. This is estimated to generate an additional £41k based on 100% of standard utilisation.

We believe this provides a balance to free up space to members of the public, while retaining some capacity for staff.

Q16.a) Do you agree with this proposal?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 185 | 37.22% |
| No | 282 | 56.74% |
| Not sure | 30 | 6.04% |

NB: There were 19 no responses to Q16.a.



Q16.b) Do you have any other comments about this proposal (275 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Parking around Newport is bad as it is, numerous complaints from residents in Allt-Yr-Yn about people parking outside the houses, by reducing the parking spaces for staff will result in unhappier residents and more complaints. Leave the parking spaces as they are for council staff.
- There is nowhere else for staff to park. If they do not get into work by 9am there are no spaces left, and this proves very difficult for social workers who are in and out of the office all day, when they get back to the office to write up reports they have no-where to park and get ticketed if they park incorrectly.
- It is already very difficult to find parking spaces in Faulkner Road car park, with this proposal it will make it further more difficult. To reduce car parking spaces will mean staff spending more time looking for spaces and staff having to park in residential areas hence impacting on the residents near the Civic Centre area. I believe reducing parking will cause some staff to leave and find jobs elsewhere.
- The permits should be withdrawn the council is encouraging car use and should be encouraging public transport use.
- Staff should not be subsidized and ought to pay what the public have to!
- Only partially agree, other proposals should be considered i.e. a shuttle park and ride service for council staff. Particularly those that don't have to leave in the day to go to external meetings.

List of Budget Proposals 2020-21 – Corporate

Proposal Number 17

PBC2021/03 – People and Business Change

Public Building Wi-Fi “Community Cloud” – reductions in provision

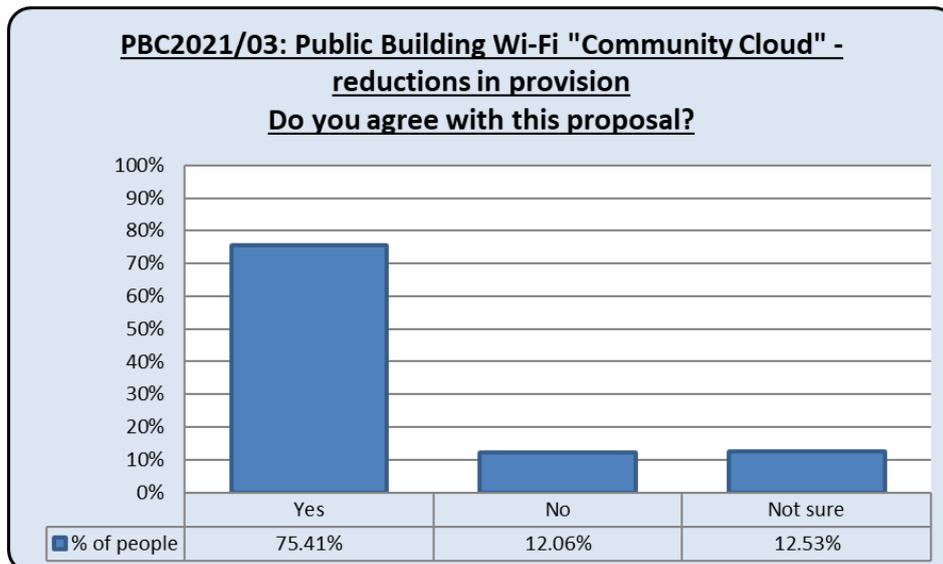
Public building Wi-Fi provision has a budget of approximately £175k. A reduction in this service will return estimated savings of £75k from April 2020 onwards. The Gov Wi-Fi service is also available a number of locations, which will minimise any impact.

An additional saving is proposed which will require a review of site use, and cancellation of some public Wi-Fi services to achieve a further £25k annually. In 20/21 this will be a part year saving of £20k only due to the notice periods required.

Q17.a) Do you agree with this reduction of this service?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 325 | 75.41% |
| No | 52 | 12.06% |
| Not sure | 54 | 12.53% |

NB: There were 85 no responses to Q17.a.



Q17.b) Do you have any other comments about this proposal (52 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Public Wi-Fi or Internet access should be provided in certain locations only, such as libraries, civic centre and information station. Not on busses and the market.
- Internet connection/access is an essential part of life for many people - both professional and public, with some people not being able to afford their own internet. Therefore, a reduction would not be acceptable, unless grants towards mobile phone contracts could be provided.
- There are plenty of other free WIFI options available such as the cloud, Openzone, etc.
- Free public Wi-Fi is hardly a necessity, with most people having data allowances on their phones. Those needing public access for job searching etc would still have that via libraries, job centres and hubs.
- This is non statutory and most people have data as part of monthly plans. This is non-essential spending and in light of cuts to statutory services cutting things like 'free Wi-Fi' must be a priority.

Proposal Number 18

LR2021/04 – Law and Regulation

Reduction in Public Protection Statutory Enforcement and Prosecution Work

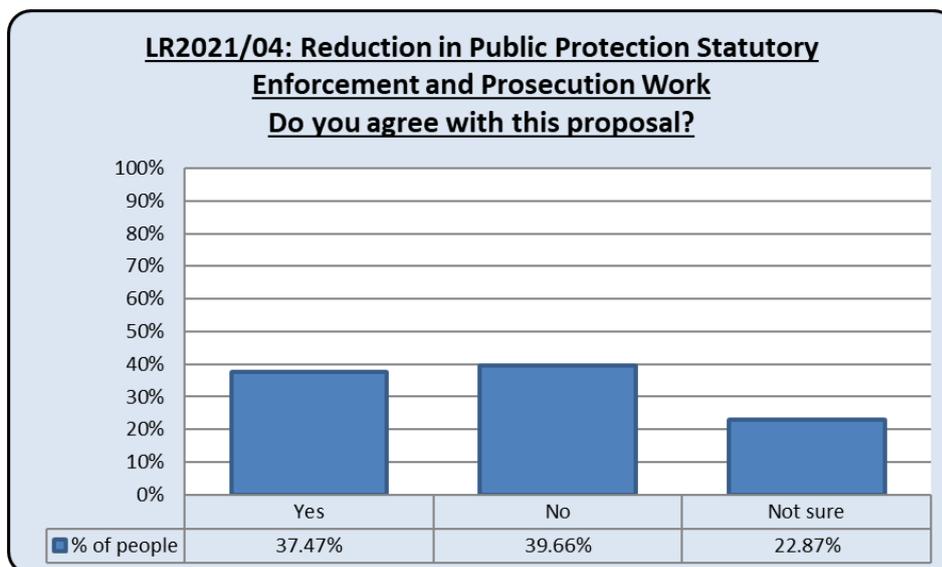
Reduce the level of statutory enforcement and prosecution work carried out by the Public Protection service and focus on more serious, higher risk offences (Trading Standards and Environmental Health). The reduction in the amount of low-level enforcement work undertaken by Public Protection would lead to a corresponding reduction in the numbers of cases referred to the Legal section for prosecution.

Delete three full time equivalent posts – one Assistant Solicitor post (£53,835 with on-costs), one Environmental Health Officer (EHO) post (£49,905) and one Trading Standards Officer (TSO) post (£49,905) or equivalent.

Q18.a) Do you agree with this proposal?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 154 | 37.47% |
| No | 163 | 39.66% |
| Not sure | 94 | 22.87% |

NB: There were 105 no responses to Q18.a.



Q18.b) Do you have any other comments about this proposal (49 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- The wellbeing of future generations act places an emphasis on prevention. By removing the low level work there is a risk of the higher level work increasing as no prevention work is taking place. This could increase costs in the long term not reduce them.
- If it's statutory, low level or not, then there should be no reduction.
- People need protection from rogue traders more than ever!
- This would encourage offending as the likelihood of prosecution would be negligible.
- Public safety is important and has a widespread impact on the community. This is one of the core functions people expect of their local council, it seems to have been cut back already. Newport is growing and there is surely more work to do? If you don't have any prosecutions who is going to take any notice?
- I think these teams are already under-resourced. Low-level enforcement is what sends out a message about what is acceptable and what isn't.

List of Budget Proposals 2020-21 – Finance and Non-Service

Proposal Number 19

NS2021/01 – Non Service

Council Tax Reduction Scheme

The Council Tax Reduction Scheme budget is used to subsidise household Council Tax bills when occupants are eligible for support because of income levels. This budget has been underspent for a number of years due to lower numbers of claimants. It is underspending in 2019/20 by c£1.2m.

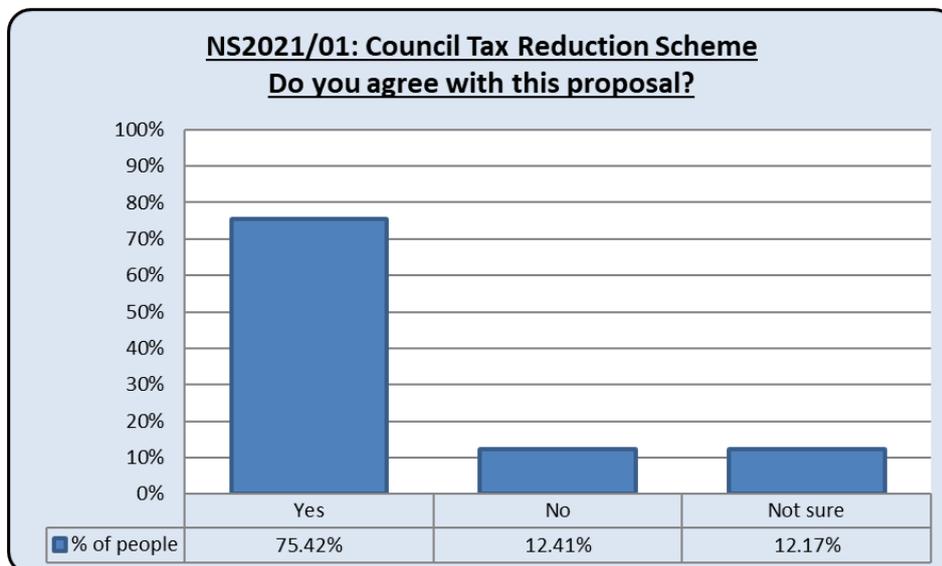
The scheme itself is an ‘all Wales national scheme’ with nationally set criteria for eligibility and support levels. This proposal has no impact on the scheme itself. The proposal is predicated on reducing the budget to the level of demand, which would, over the three years shown, reduce the current level of underspending on this budget.

It is proposed to reduce this over a three-year period.

Q19.a) Do you agree with this proposal?

| Do you agree? | Number of people | % of people |
|---------------|------------------|-------------|
| Yes | 316 | 75.42% |
| No | 52 | 12.41% |
| Not sure | 51 | 12.17% |

NB: There were 97 no responses to Q19.a.



Q19.b) Do you have any other comments about this proposal (28 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

- Agree but need to consider how to handle any change/increase in demand.
- It could be underspent because householders do not know about it. The real level of need should be assessed before cuts are made.
- People are not aware that they can claim - the LA should ensure that there is take up in respect of the reduction scheme by looking at the existing claim base and how/who & when it has been accessed.
- It may be wise to keep a contingency fund available for increased take-up of the service, given the ongoing financial situation.
- Every household within Wales should pay towards their Council Tax, irrespective of their income levels - every household is supported by their Local Authority now and in the future.
- Providing there is enough done to promote the current scheme.

Proposal Number 20

Non Service

Increase in Council Tax

A base 4% increase is already included in our projections each year. This year, it is proposed that an additional 3.95% is applied to council tax in 2020/21 bringing the proposed increase to 7.95%.

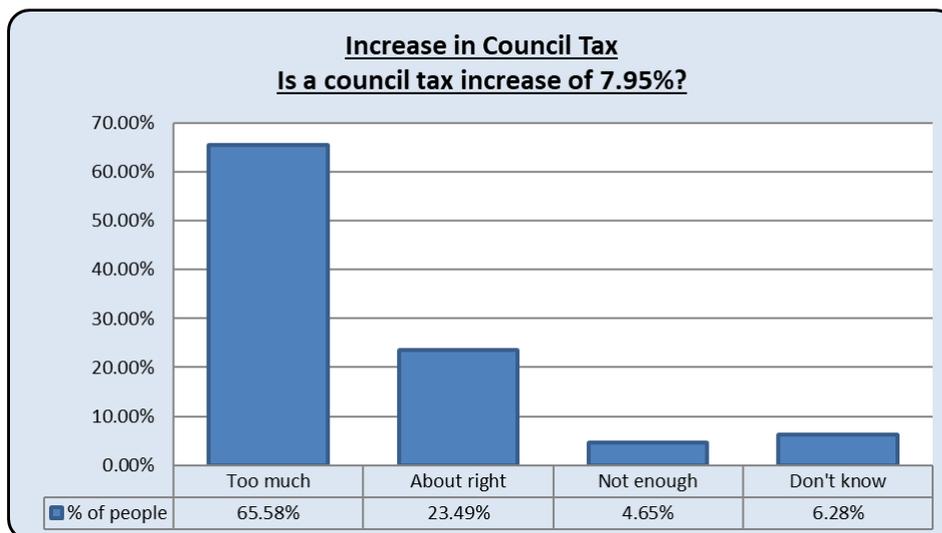
Newport's council tax is low compared to others in Wales, generating approximately 24% of our income, compared to around 25% for most councils. Newport continues to have the 2nd lowest council tax levels in Wales.

| | |
|-----------------------------|--------------|
| Percentage Increase | 7.95% |
| Increase per annum (Band D) | £89.04 |
| Increase per week (Band D) | £1.71 |

Q20.a) Is a council tax increase of 7.95%?

| Is the increase.. | Number of people | % of people |
|-------------------|------------------|-------------|
| Too much | 282 | 65.58% |
| About right | 101 | 23.49% |
| Not enough | 20 | 4.65% |
| Don't know | 27 | 6.28% |

NB: There were 86 no responses to Q20.a.



Q20.b) Do you have any other comments about this proposal (131 total comments received – a selection of these comments to give an overview of the main issues raised are shown below)?

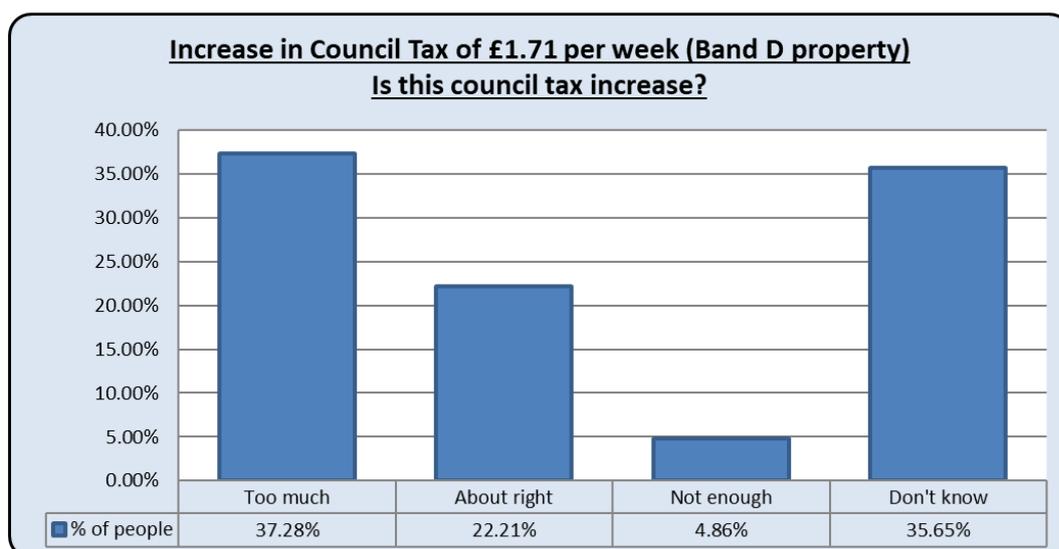
- An almost 8% increase would push a lot of people into financial hardship. This is disappointing to see when budgets seem to be cut everywhere.
- Happy to pay a bit more council tax to maintain and improve services.
- Council tax increases should be pegged to the inflation rate same as wages are not increased every year by 8%.
- This increase will severely impact already struggling families. As one of those families I strongly disagree with this increase. I am a working class family living in a property classed as band E, we already struggle to pay and 8% more would be devastating for us. Please consider the impact on low income families.
- That is more than 4 times my pay rise. I don't object to an increase but this is too much.
- If it brings Newport in line with other LA's then it can be justified.
- Newport is still the one of the lowest in Wales.
- I agree that council tax in Newport is unsustainably low. However, a 7.95% increase in one year does seem a lot

Bus Wi-Fi Survey

A total of 2,940 responses were received during the consultation, where users were asked their opinions on the rise in council tax for 2020-21.

Q1) Newport's council tax is low compared to others in Wales, generating approximately 24% of our income, compared to around 25% for most councils. Newport continues to have the second lowest tax levels in Wales. The council is proposing a rise in council tax which would mean an increase of £1.71 per week (based on a Band D property) for 2020-21. If the increase in council tax is less than this then further savings will need to be found from council services to balance the budget for next year. Is this council tax increase?

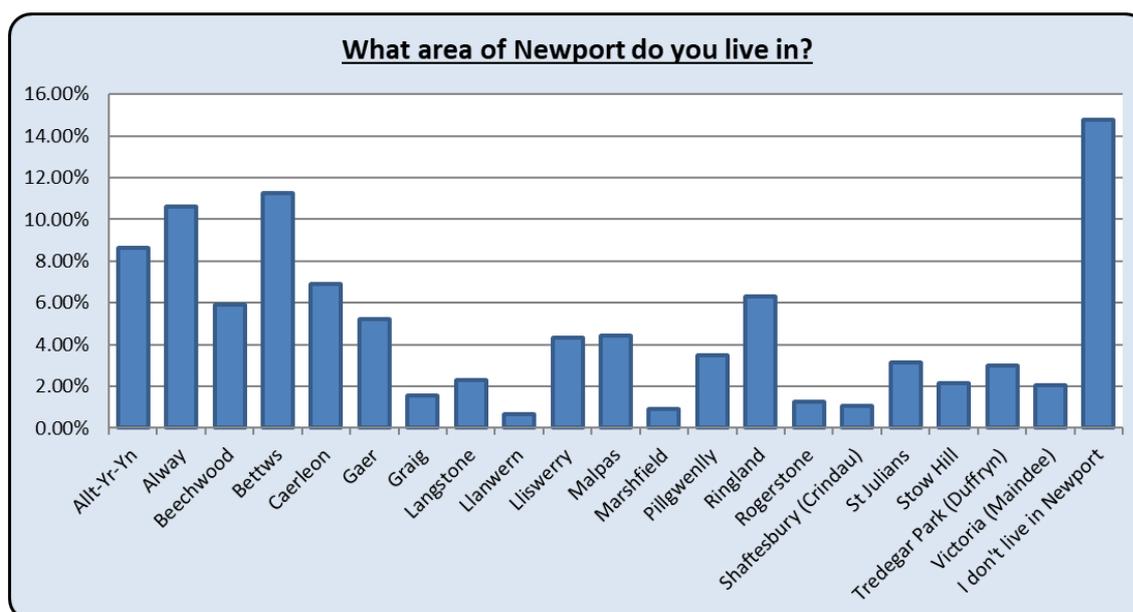
| Is the increase... | Number of people | % of people |
|--------------------|------------------|-------------|
| Too much | 1,190 | 37.28% |
| About right | 709 | 22.21% |
| Not enough | 155 | 4.86% |
| Don't know | 1,138 | 35.65% |



Q2) What area of Newport do you live in?

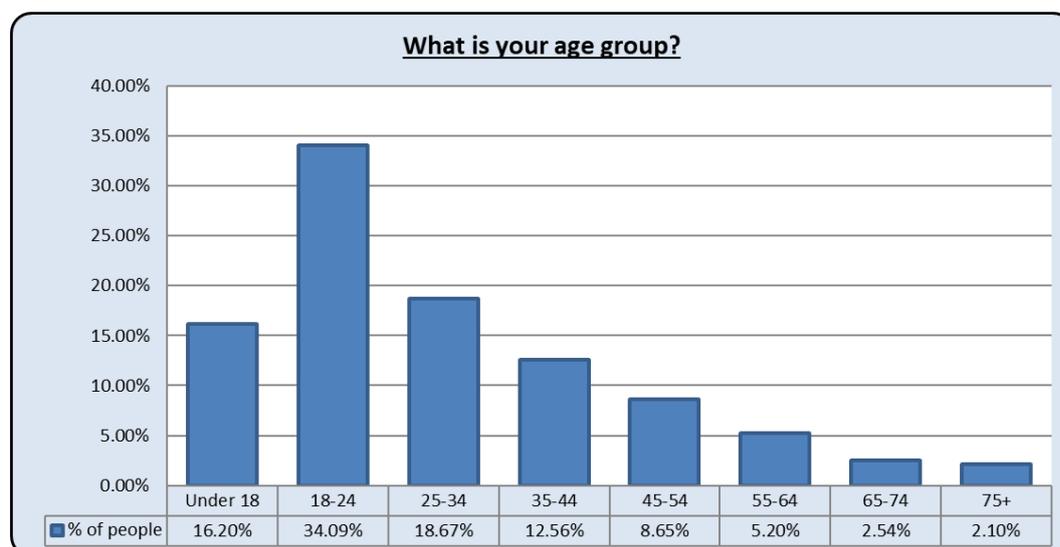
| Ward | Number of people | Percentage of people |
|------------|------------------|----------------------|
| Allt-Yr-Yn | 276 | 8.65% |
| Alway | 339 | 10.62% |
| Beechwood | 189 | 5.92% |
| Bettws | 359 | 11.25% |
| Caerleon | 221 | 6.92% |
| Gaer | 166 | 5.20% |
| Graig | 49 | 1.54% |
| Langstone | 73 | 2.29% |
| Llanwern | 21 | 0.66% |
| Lliswerry | 138 | 4.32% |
| Malpas | 142 | 4.45% |

| Ward | Number of people | Percentage of people |
|-------------------------|------------------|----------------------|
| Marshfield | 29 | 0.91% |
| Pillgwenlly | 112 | 3.51% |
| Ringland | 201 | 6.30% |
| Rogerstone | 41 | 1.28% |
| Shaftesbury (Crindau) | 34 | 1.07% |
| St Julians | 101 | 3.16% |
| Stow Hill | 68 | 2.13% |
| Tredegar Park (Duffryn) | 96 | 3.01% |
| Victoria (Maindee) | 65 | 2.04% |
| I don't live in Newport | 472 | 14.79% |



Q3) Age?

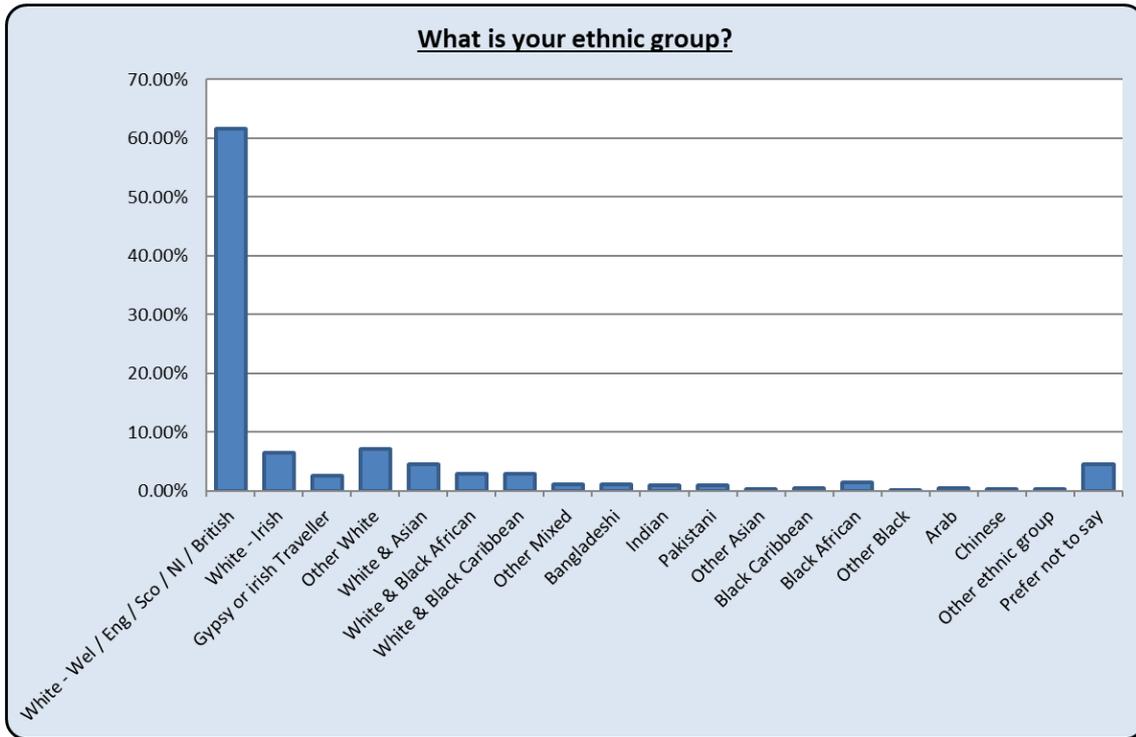
| Age | Under 18 | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75+ |
|----------------------|----------|--------|--------|--------|-------|-------|-------|-------|
| Number of people | 517 | 1,088 | 596 | 401 | 276 | 166 | 81 | 67 |
| Percentage of people | 16.20% | 34.09% | 18.67% | 12.56% | 8.65% | 5.20% | 2.54% | 2.10% |



Q4) What is your ethnic group?

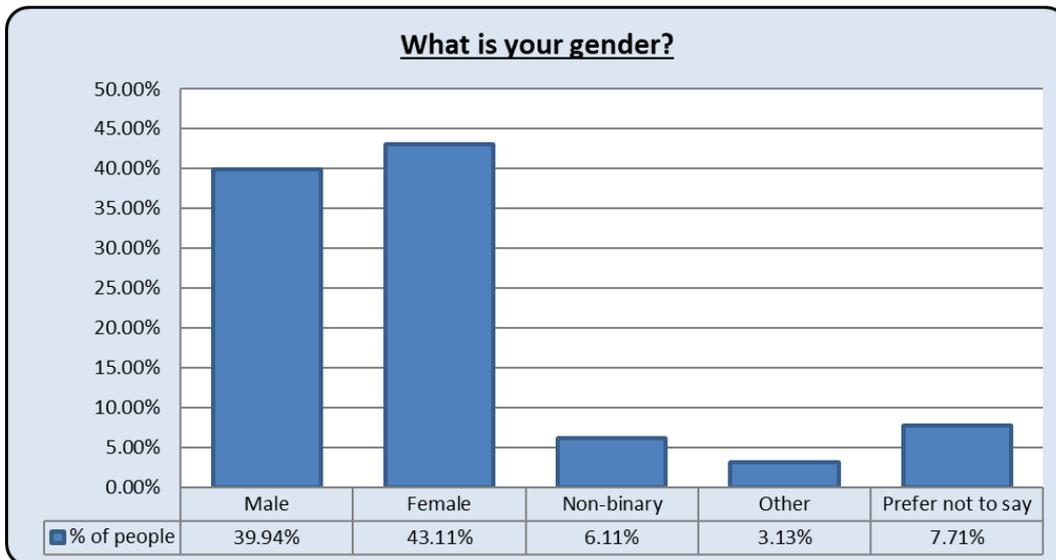
| Ethnicity | Number of people | Percentage of people |
|--|------------------|----------------------|
| White - Wel / Eng / Sco / NI / British | 1,965 | 61.56% |
| White - Irish | 205 | 6.42% |
| Gypsy or Irish Traveller | 81 | 2.54% |
| Other White | 226 | 7.08% |
| White & Asian | 144 | 4.51% |
| White & Black African | 94 | 2.94% |
| White & Black Caribbean | 91 | 2.85% |
| Other Mixed | 38 | 1.19% |
| Bangladeshi | 33 | 1.03% |
| Indian | 29 | 0.91% |

| Ethnicity | Number of people | Percentage of people |
|--------------------|------------------|----------------------|
| Pakistani | 30 | 0.94% |
| Other Asian | 11 | 0.34% |
| Black Caribbean | 17 | 0.53% |
| Black African | 46 | 1.44% |
| Other Black | 6 | 0.19% |
| Arab | 15 | 0.47% |
| Chinese | 7 | 0.22% |
| Other ethnic group | 12 | 0.38% |
| Prefer not to say | 142 | 4.45% |



Q5) What is your gender?

| Gender | Male | Female | Non-binary | Other | Prefer not to say |
|-----------------------------|--------|--------|------------|-------|-------------------|
| Number of people | 1,275 | 1,376 | 195 | 100 | 246 |
| Percentage of people | 39.94% | 43.11% | 6.11% | 3.13% | 7.71% |



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Newport City Council Budget Consultation 2020-21
Response from the Newport Fairness Commission
January 2020

Authors:

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1. Executive summary

- We have analysed each Budget Saving Proposal in connection with each **Principle of Fairness: Equity, Priority, Inclusion and Communication**.
- To summarise our comments, we have applied a **rating** to each proposal, in connection with each of those principles:
 - A. *No specific or pressing concerns*
 - B. *Low risk of negative impact*
 - C. *Moderate risk of negative impact*
 - D. *High risk of negative impact*
 - E. *Impact too difficult to gauge, on the basis of the information provided*

For full overviews of these ratings, see pp. 7 and 25. Here, we draw out the key themes emerging in this report.

1. The 2020-21 version of the budget consultation has far too many E ratings for comfort.

This rating says effectively ‘The Fairness Commission cannot determine whether this decision is fair, based on what you have told us.’ With many proposals, there is *simply no way of telling what the implications for fairness might be*, or whether these have been considered at all in the drafting of the budget. This is something that as a Fairness Commission, we notice immediately – it is part of our brief to pick these things up. But it is of even stronger concern when we think about how the public might engage through the consultation process. Thus there are significant concerns around the effectiveness (as well as the fairness) of a consultation in which the implications of the budget proposals at stake will not be apparent to the general public.

2. The Council has a potential communication problem, in general.

A majority of those E ratings are connected to the principle of Communication. This suggests that the Council is not proactively thinking about how its decisions will be disseminated to the public. A key example here is the proposal to raise Council Tax. **Taxation** is a prime example of an area of Council activity which is crucial to how services function, but about which there is a high degree of public misperception and frustration. From the Fairness Commission’s point of view it is a top priority, in terms of the improvement of the public conversation about fairness. We think it is vitally important that the quality of the public conversation about taxation is enhanced, for the sake of both Council and citizens.

3. The strongest negative ratings are concentrated in the areas of Equity and Priority.

This suggests that budget savings, when ‘risky’ in terms of fairness, are likely to be either failing to treat different groups in a fair way, exacerbating gaps between those with more and less, or further disadvantaging those most vulnerable in the community.

4. There remains a strong concern about the depletion of the public realm.

This point was stressed in our response the 2019-20 budget. The term ‘public realm’ refers both to the resources we share as a community, and the spirit of community relationships – it is partly material, and partly to do with perceptions and values. It is embodied in everything from the state of public facilities, to crime rates, to levels of civic pride, to trust in politicians, right down to people’s everyday engagement with each other in the street. Examples: proposals 3, 5, 9.

5. There remains a strong concern about corrosive disadvantages and knock-on effects of short-term savings.

This is also a recurring point. The term ‘corrosive disadvantages’ refers to how some disadvantages which people experience have negative impacts which extend far beyond the immediate factors involved. Examples: proposals 8, 9, 10.

2. Background to this response

Devising the response

This is our eighth response to the annual Newport City Council budget. In line with recent practice, Council officers attended our November 2019 meeting, to brief us on priorities shaping the drafting of the budget. We then met again on 19 December to discuss the savings proposals just announced as being put forward for public consultation. The proposals were then divided between members of the Commission for analysis, in connection with our Principles of Fairness. As with the previous year, we simultaneously took steps to engage with community groups to broaden our own focus and help promote the value of responding to the consultation – this time at a meeting of the Newport 50+ Forum, and by correspondence with individual members of Newport People’s First. This informal input – and the experience of interpreting the proposals with these different audiences – has directly informed aspects of this report. We are very grateful for those insights, which opened up issues and perspectives that we would not otherwise have considered. That said, the Commission takes full responsibility for its contents, which should not be taken as a representation of the views of those groups – both of whom we strongly encouraged to make their own contributions to the public consultation.

It is important to note that the Fairness Commission (FC) is not an elected body, nor a special interest group. And while we are diverse, neither does the FC represent any kind of perfect cross-section of the Newport community. Our role is not to lobby, nor to make specific policy recommendations. Rather the aim of this Response, as with our other work, is to provide tools with which to tackle challenges and devise priorities – to think in fresh and critical ways about the implications of Council decision-making, and to foster public debate which takes fairness, equality and well-being seriously.

Economic context

Our previous budget responses have stressed the importance of the background conditions of austerity, in understanding the circumstances of places such as Newport, and the constraints under which local authorities across the UK and Wales are operating. Rather than repeat these points, we take them as read. We fully appreciate the ongoing impacts of this climate on individuals, community relations and the state of the public realm. Even more than would usually be the case, local authorities find themselves trading-off between different kinds of undesirable options – or from our point of view, different potential kinds of unfair impact. That said, we should also note that for 2020-21, the Welsh Government settlement provided local authorities with greater resources than expected – and that the Council faces a changed set of strategic choices as a result.

Key points

- *We continue to seek to generate the FC response to the budget consultation in more extended and inclusive ways.*
- *As previously, this response should not be taken as providing policy recommendations, but rather as encouraging critical reflection on the budget on the part of Newport City Council and its officers – and providing tools with which such reflection can be carried out.*
- *Austerity remains vital to the understanding of budget decisions and their implications, and makes questions about fairness more pressing, and more difficult.*

3. Principles of Fairness

In 2019 the Commission devised **Four Principles of Fairness**, designed specifically to be applied in practical decision-making. The intention is that any decision-maker at any level might pick them up and use them as a framework for considering the implications of a proposal or course of action. From now on, we will use these principles as a framework for our own annual Budget Response.

The **Four Principles of Fairness** are as follows:¹

Equity

We should acknowledge differences but also treat people in a consistent way, while aiming to reduce the gap between those with more and less.

- *Are people being treated in a consistent way, while acknowledging their differences?*
- *Will the gap between those with more and less be reduced?*
- *Have the interests of different groups affected (such as minorities) been taken into account?*

Priority

We should prioritise the needs of the most vulnerable and disadvantaged.

- *Have the needs of the most disadvantaged and vulnerable across the city been given priority?*
- *Have we taken care to consider possible indirect consequences for these people of decisions made with other priorities in mind?*

Inclusion

Citizens should be given the opportunity to participate in the shaping of how services are decided upon, designed and delivered.

- *Will the voices of all those affected be heard?*
- *Have possible impacts on the well-being of future generations been taken into account?*
- *Are all relevant citizens able to participate in and shape the service, as well as receiving it?*
- *Has consideration been given to the impact on citizens' relations with each other, and the spaces they share?*

Communication

All decisions should be clearly communicated to those affected, in a way which allows for feedback and recognises the obligations between citizens and their Council.

- *Are decisions being made transparently and consistently?*
- *Will relevant decisions be communicated to those affected in a clear way, with the opportunity for feedback?*
- *Are the obligations of citizens to the Council, and vice versa, clear?*

¹ These principles supplement the Fairness Commission's original Four Parameters of Fairness, used as a framework to identify different kinds of fairness-related issues and help navigate the debates to which they give rise: **1**: Equal treatment while recognizing difference; **2**: Mutual obligations between citizens and local government; **3**: Interdependency and reciprocity within community relations; **4**: Transparency and accountability in decision-making.

4. Analysis of Budget Saving Proposals for 2020-21

This section presents our analysis of each Budget Saving Proposal, in connection with each Principle of Fairness.

4 (i) provides a summary of our analysis, allocating to each proposal an overall rating on how well each principle is satisfied.

4 (ii) provides the full analysis, including commentary providing the basis for those ratings, and observations – for example, on how the proposal relates to the Parameters of Fairness.

The **ratings** are as follows:

| |
|---|
| A No specific or pressing concerns We have no specific or pressing concerns to raise about this proposal, in connection with this principle. This does not mean that there is no possibility of unfairness arising from this proposal – just that there is no <i>obvious</i> cause for concern. |
| B Low risk of negative impact In our view it is possible this proposal will have a negative impact, in connection with this principle. |
| C Moderate risk of negative impact In our view this proposal is likely to have a negative impact, in connection with this principle. |
| D High risk of negative impact In our view this proposal is highly likely to have a negative impact, in connection with this principle. |
| E Impact too difficult to gauge, on the basis of the information provided We have not been able to make a clear assessment of the fairness or otherwise of this proposal. This should not be seen as a ‘neutral’ rating. It is a negative rating, in an important sense. The implications of the proposal in question have not been presented in a fully explicit way. It is therefore difficult to gauge the impact of, whether for the Fairness Commission or – more significantly – the public at large. |

(i) Summary of ratings

| No. | Proposal name | Equity | Priority | Inclusion | Communication |
|-----|---|--------|----------|-----------|---------------|
| 1 | Reduction in Day Opportunities | E | E | B | E |
| 2 | Telecare service | E | E | E | E |
| 3 | Reduction in Funding Awarded to Third Party Organisations | E | D | C | E |
| 4 | Staffing Review | E | A | A | A |
| 5 | Family Support Services – Barnardo’s Partnership | D | D | E | E |
| 6 | Staffing across Children’s Services | D | D | E | E |
| 7 | Reduction of posts across Children’s Services | E | E | E | E |
| 8 | Education Welfare Service Savings | D | D | C | E |
| 9 | Reduction of the Inclusion Enrichment Team | C | C | C | E |
| 10 | Gwent Music Service Reduction in Hardship Funding | B | C | C | E |
| 11 | Improved Budget Efficiency within Education Services | A | A | A | A |
| 12 | Increase in Fees | B | C | C | B |
| 13 | Termination of Home to College Transport Provision... | C | D | B | E |
| 14 | Increased Recycling – Bag Sorting | A | A | A | C |
| 15 | Car Parking – Faulkner Road and Civic Centre | E | C | E | A |
| 16 | Digital Savings – Public Building Wi-Fi... | A | A | B | C |
| 17 | Reduction in Statutory Enforcement... | A | C | A | A |
| 18 | Council Tax Reduction Scheme | A | A | A | B |
| 19 | Council Tax Increase | E | A | A | E |

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- Elements of **eight proposals** have been deemed to raise no specific or pressing concerns (**rating A**):
 - 4, 11, 14, 15, 16, 17, 18, 19

In terms of the Principles of Fairness, this rating, when applied, was spread quite evenly across the four principles.

- Elements of **ten proposals** have been deemed to have a **medium risk of negative impact (rating C)**:
 - 3, 8, 9, 10, 12, 13, 14, 15, 16, 17
- Elements of **five proposals** have been deemed to have a **high risk of negative impact** in connection with one or other principle of fairness (**rating D**):
 - 3, 5, 6, 8, 13

In terms of the Principles of Fairness, these impacts were identified **only** in relation to *Equity* or *Priority*.

- **Twelve proposals** have received **rating E**, meaning that there is insufficient information on which to gauge their fairness:
 - 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 15

In terms of the Principles of Fairness, this rating was heavily concentrated in the area of *Communication*.

(ii) Commentary

Theme: ADULT AND COMMUNITY SERVICES

| No. | Proposal name | Equity | Priority | Inclusion | Communication | Other remarks, e.g. regarding the Parameters of Fairness |
|-----|--------------------------------|--|--|--|--|--|
| 1 | Reduction in Day Opportunities | <ul style="list-style-type: none"> Impact on unpaid carers should be incorporated No information on which sections of the community receive a service, and so what needs it addresses. While there are assurances about lack of impact on training and some statutory obligations... <p>E</p> | <ul style="list-style-type: none"> No information as to the groups receiving the service and hence no clue as to how it might affect different sections of the community and priority groups. It is impossible to gauge whether the current budget places priority on the most disadvantaged, or whether they may be especially adversely affected. <p>E</p> | <ul style="list-style-type: none"> Assurance that Well-being obligations will be maintained - but no information on whether citizens will have any input on the proposals Projections suggest <i>increased</i> demand in future, despite current decrease? Support for young people's transition from Childrens' Services need to be fully addressed. Relations to the future could be more explicit here. Preparation and adjustments are important to maximise young people's opportunities for participation in society with the best skill set for their needs and individual life chances. <p>B</p> | <ul style="list-style-type: none"> No information at this stage on the basis of which any comment can be made. <p>E</p> | <ul style="list-style-type: none"> This proposal is extremely vague, with no description of what the budget actually pays for. It appears an easy decision because the current budget is underspent by the total proposed savings. Yet there is no indication as to the reasons it is underspent, nor whether that is due to less demand overall or (e.g.) the services on offer not fulfilling the needs of the intended audience. <p>The vagueness of this proposal poses real hurdles to an assessment of its impact in general, including in terms of fairness.</p> |
| 2 | Telecare service | <ul style="list-style-type: none"> No description of groups currently receiving a service, nor of those most affected by any cuts. There may be potential | <ul style="list-style-type: none"> Mention of increased spending from Direct Payments budgets to enable citizens to buy in their own services, which increase council | <ul style="list-style-type: none"> No mention of how it increases the individual's access community connectedness i.e. supportive social networks, increased | <ul style="list-style-type: none"> Little detail about the nature of new interventions apart from accessing alternative funding sources. There is an implication that face to | <ul style="list-style-type: none"> The comments made on WBFG Act commitments do not apply where reductions are to be implemented. A little more written |

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|---|---|--|--|--|---|--|
| | | <p>equity-related benefits related to ‘helping people live independently for longer in their own homes’.</p> <ul style="list-style-type: none"> We cannot gauge whether the current budget is equitable, or whether the reduction would be felt more by some groups than others. <p style="text-align: center;">E</p> | <p>spending.</p> <ul style="list-style-type: none"> It is likely to produce higher spending by other public services e.g. NHS Wales or ambulance services as deterioration in clinical conditions may only be addressed at a later stage. Exacerbations such as these do see loss of capacity for individuals to living independently in their own home; often institutionalised care placement follows. Again, it is impossible to gauge whether the current budget places priority on the most disadvantaged, or whether they may be especially adversely affected. <p style="text-align: center;">E</p> | <p>family engagement.</p> <ul style="list-style-type: none"> This could reduce tenant’s connection and their previous links to their SRL (and the support networks some provide). It could increase their perceived or real isolation and loneliness. Again, this proposal is prohibitively difficult to assess from an inclusion perspective. <p style="text-align: center;">E</p> | <p>face time with support will be reduced.</p> <ul style="list-style-type: none"> Not clear if this reduction will increase opportunities for self-advocacy, information exchange, or opportunities to share concerns. We cannot gauge whether or how this principle might be met. <p style="text-align: center;">E</p> | <p>information compared to Proposal 1, but unfortunately not of a kind that allows for analysis of fairness. Proposals are broken down a little but not quantified in any sense that allows one to establish how different elements of savings may impact on recipients. There is no description of services provided in total nor of overall budgets and of what groups currently receive services and their needs. Options give no idea of actual impact.</p> <p>The vagueness of this proposal poses real hurdles to an assessment of its impact in general, including in terms of fairness.</p> |
| 3 | <p>Reduction in Funding Awarded to Third Party Organisations</p> | <ul style="list-style-type: none"> Majority of cuts will impact support for mental health services. Mental health has recently been identified as a key priority through the Public Health Wales consultation across Gwent. Alternative support to obtain grants funding assumes other public bodies are providing it at previous levels. This may | <ul style="list-style-type: none"> The Third Sector’s services tend not to be prioritised and rarely gain prominence in spending distribution - but are typically preventative and help maintain better mental health. Although all groups affected appear to be particularly vulnerable, the proposals do not provide an indication of | <ul style="list-style-type: none"> Again, these services have the characteristics of being preventative and maintaining better mental health through encouraging community inclusion and participation. No direct assessment of inclusion elements – may reflect an assumption that the authorities know best. False assumption of like for | <ul style="list-style-type: none"> The Third Sector is composed of disparate organisations able to reach out to individuals whose needs, if supported, may be alleviated and the long-term damage to the future resilience of families – the building blocks of communities and society. Third Sector organisations can empower in a way that statutory services tend not | <ul style="list-style-type: none"> Compared to proposals 1 and 2 there is more direct information here on level of savings and current grants. However there is no sense of context and how crucial the grant is within overall budget of organisations. <p>Our concern here is that some organisations will take proportionately greater hits</p> |

| | | | | | | |
|--|--|--|--|--|--|--|
| | | <p>not be the case.</p> <ul style="list-style-type: none"> No sense of how the proposals might impact on different vulnerable groups and whether the proposals might be equitably distributed. My suspicion is some will feel the hit far more severely than others. No feeling that differing needs have been considered nor the fit of different services/approaches to recipients needs/wishes It is not clear here whether the different needs and wishes of those affected – or the ‘fit’ of the services concerned with those needs and wishes – have been considered. <p>E</p> | <p>any assessment of how comparative needs are being taken into account.</p> <ul style="list-style-type: none"> BUT despite the lack of information, given the groups affected by this proposal, we can say that there is a high likelihood that these savings will adversely, and disproportionately affect the least vulnerable. <p>D</p> | <p>like replacements helping make up shortfall created.</p> <ul style="list-style-type: none"> In some cases, it seems likely that savings made here will have to be picked up by social services at any rate – in which scenario there would be no overall efficiency gain, but instead a displacement of costs from one part of the Council budget to another? Organisations such as Newport People First (who do not ‘offer’ advocacy as their description suggests, but facilitate <i>self</i>-advocacy) have inclusion as an intrinsic part of their mission. Given the nature of the services at stake in this case, there is particular cause for concern that inclusion has not been directly addressed. <p>C</p> | <p>to.</p> <ul style="list-style-type: none"> Again, communication is especially valuable in this context – and there is no provision for this as yet. <p>E</p> | <p>on future viability and that it might simply be assumed that suitable alternative services might fill the gaps. This would undermine the protection of frontline services struggling to meet their existing commitments.</p> |
|--|--|--|--|--|--|--|

| | | | | | | |
|---|--------------------------|---|----------|----------|----------|---|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 183</p> | <p>4 Staffing Review</p> | <ul style="list-style-type: none"> The council have recognised the increase in numbers of disabled young people entering adult services and also the financial impact of the council's responsibilities towards older people with learning disabilities who, unable to live independently, were previously looked after by their parents who are now ageing or infirm and who will in future need publicly funded support. (Extra provision of £1477k is proposed.) Possible redundancies pose potential impacts on equity for existing staff. Please also see comments in right-hand column. <p>E</p> | <p>A</p> | <p>A</p> | <p>A</p> | <ul style="list-style-type: none"> There is some lack of clarity on what this proposal actually amounts to – and specifically: what the 'impacts' on the 9 FTE posts would be, which posts would be affected, and what services they currently provide. We cannot fathom the information provided in the "FEIA" box that there will be no impact on the wider community – unless there are currently 9 posts doing nothing of use. <p>The lack of clarity regarding the impacts of this proposal on staffing may obscure potential unfairness.</p> |
|---|--------------------------|---|----------|----------|----------|---|

Theme: CHILDREN AND FAMILY SERVICES

| No. | Proposal name | Equity | Priority | Inclusion | Communication | Other remarks, e.g. regarding the Parameters of Fairness |
|-----|--|--|--|--|---|--|
| 5 | Family Support Services – Barnardo’s Partnership | <ul style="list-style-type: none"> Recognition that the main pressure comes from children in need of fostering and Out of Area placements and are increasing the budget provision in these areas (£769k), and it plans to increase the associated costs of legal fees (£445k) Proposal may create further gaps between those with ‘more and less’ – as they will be accessing less support and intervention work prior to Children’s Services intervention. <p>D</p> | <ul style="list-style-type: none"> This service has specifically addressed the needs of some of the most dysfunctional and unstable of families, around e.g. substance abuse, mental illness and learning disability. This saving will impact services particularly to women struggling to appropriately support their families to develop constructive and fulfilling future lives. As their children will have ACEs, there is a risk of increased chances of inherited familial dysfunction (with substantial potential costs for society as well as the families concerned). It is unclear how referrals will be prioritised, what will be done to mitigate potential impacts on children in care This saving seems highly likely to create further pressure and financial demand on the care system in Newport – and other services prioritising | <ul style="list-style-type: none"> There is no indication that current and potential service-users, or ‘on the ground’ staff been consulted on the proposals <p>E</p> | <ul style="list-style-type: none"> No information at this stage on the basis of which any comment can be made – e.g. potential communication with service-users, or other service providers affected. <p>E</p> | |

| | | | | | | |
|---|---|---|---|---|---|--|
| | | | <p>children in care in particular</p> <p>D</p> | | | |
| 6 | <p>Staffing across Children's Services</p> | <ul style="list-style-type: none"> Those with children are especially likely to have been adversely affected by recent cuts – making them vulnerable in themselves, but also increasing the risk of antisocial behaviour and damaging behaviour within families. Increasing pressures on staff workloads, across a range of different social groupings may mean that there is not an equitable level of provision in relation to service-user need. Impacts of additional work pressures in relation to service-user are potentially significant. <p>D</p> | <ul style="list-style-type: none"> A reduction in number of cases supported may lead to higher demand for fostering, respite or permanent placements which are extremely costly and future provision is difficult to anticipate. Social Worker MAPS: the intersection of the impacts of this proposal with proposal 5 have not been addressed. The proposal states this work is now provided from the Barnardo's Family Support Team. Yet with budget savings proposed in relation to that team, would the work still be able to be prioritised adequately under increasing pressures. There are shortages of Foster Carer Families, as well as care home places, which means that already the 'best matches' may not be facilitated. <p>D</p> | <ul style="list-style-type: none"> There is a clear link to reducing the opportunities for positive outcomes for the worst affected individuals. There is also an impact on communities and the availability of support which they may have previously been able to offer as a resource. We cannot tell from the information provided whether the voices of service-users have been heard. We cannot tell either whether the long-term impact of these proposals been considered – whether, e.g. risks associated with grant funding changing for certain roles or caseloads increasing in certain areas. <p>E</p> | <ul style="list-style-type: none"> The most socially deprived in society are least likely to communicate their needs through conventional constructive channels and participation. They are also most likely to express dissatisfaction through antisocial behaviour and dissociation. There is no indication of potential communication with service-users. <p>E</p> | |
| 7 | <p>Reduction of posts across</p> | <ul style="list-style-type: none"> Redundancies have different impacts | <ul style="list-style-type: none"> Similarly, we can't see from the information | <ul style="list-style-type: none"> Again, we have no picture from the information | <ul style="list-style-type: none"> We are not told here how either how decisions on the | <ul style="list-style-type: none"> Not a lot is actually revealed within this |

| | | | | | |
|----------------------------|---|---|--|---|---|
| <p>Children's Services</p> | <p>depending on the individual concerned.</p> <ul style="list-style-type: none"> • Similarly, the impacts of the deletion of a post will vary according to the specific role in question. • We can't see from the proposals whether the job-loss itself, or the loss of the work involved, may have unfair impacts in terms of equity. <p>E</p> | <p>given how the proposed redundancy may impact on the most vulnerable, either in terms of the post-holder or their role.</p> <ul style="list-style-type: none"> • It will be important that workloads affected are reorganised in a way which prioritises the needs of the most vulnerable service-users. • The impacts of proposal 5 overlap with this one, as well as proposal 6. This is an intervention service at its core, looking to prevent removals from family – so it is possible that there will be more risk of children and young people being placed in fostering and residential care, and a resultant strain on the remaining workforce. <p>E</p> | <p>provided of any possible long-term risks associated with the redundancy proposal – or of the likely strain the deletion will put on other Council or third-sector service areas.</p> <p>E</p> | <p>deletion will being made, or how they will be communicated.</p> <ul style="list-style-type: none"> • It will be important to make clear that any statutory obligations in this service area are explicitly acknowledged. <p>E</p> | <p>proposal – e.g. what options are being considered in terms of redundancies.</p> <ul style="list-style-type: none"> • Prior to considering this in relation to fairness it would be good to know exactly what is being proposed as currently it is quite vague and discusses 'voluntary redundancies' as a hope. This does not allow a full assessment of the likely fairness of the impacts of the proposal. <p>The lack of clarity regarding the impacts of this proposal on staffing may obscure potential unfairness.</p> |
|----------------------------|---|---|--|---|---|

Theme: EDUCATION

| No. | Proposal name | Equity | Priority | Inclusion | Communication | Other remarks, e.g. regarding the Parameters of Fairness |
|-----|-----------------------------------|--|---|--|---|---|
| 8 | Education Welfare Service Savings | <ul style="list-style-type: none"> Schools have accepted the challenges of reducing the numbers of teachers and teaching assistants posts. They have been encouraged to increase the number and range of duties existing staff undertake. Taking on more responsibilities could risk essential preventative services becoming unsafe. Attendance is a measure of well-being used by ESTYN. This proposal reduces the amount of support within the area of school attendance. Children from challenging socio-economic backgrounds are likely to have lower attendance – these savings will have an impact on the support provided to them. Girls are also more vulnerable to the impact of period poverty on school attendance. <p>D</p> | <ul style="list-style-type: none"> Despite the council accepting that there are a few alternatives to these cuts within the central education services, if NCC is to present a balanced budget, the loss of these posts could threaten the safeguarding of children’s and individuals in families, which is also one of the council’s highest priorities. It is correct to state that these posts support maintaining attendance. – an area which Welsh Government prioritise. Also, vitally, they link school to home and therefore these officers are capable of identifying risk where families are struggling in areas of their lives which could threaten family stability and the ability of children to thrive in the future. All schools will have struggling families. The commentary suggests that priority for this reduced service would | <ul style="list-style-type: none"> From the information provided, we cannot gauge whether the safeguarding impact on young people been assessed EWOs play a crucial safeguarding role – removal of 1 to 2 posts reduces the resources to support young people and their families. <p>C</p> | <ul style="list-style-type: none"> It is not clear from the information provided whether (or what) alternatives are in place for schools, how the implications of this cut may be communicated to the schools, or whether they are aware that they will have less access to EWOs. <p>E</p> | <ul style="list-style-type: none"> This proposal is connected to parameters 1 and 2. The proposal could cause a conflict between these 2 parameters. |

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| | | | <p>focus on schools with the lowest attendance. This will cause neglect of the issues that might lead ultimately to breakdown of families and higher costs in child placements in care; an area of unpredictable and far higher cost to the public. The recommended Option Two, would appear unlikely to reap 'balanced savings'.</p> <ul style="list-style-type: none"> • Low attendance has more impact on the most vulnerable children and young people in the city. It also affects young carers – there is no clarity in the proposal on how the impact of the loss of EWO's will be mitigated on these groups. • This proposal is not supportive of improving educational attainment or supporting pupils disadvantaged by poverty (as stated in the proposal) <p>D</p> | | | |
| 9 | <p>Reduction of the Inclusion Enrichment Team</p> | <ul style="list-style-type: none"> • This cut risks an unfair impact on the students that need the most support i.e. those with additional learning needs (disability). | <ul style="list-style-type: none"> • Considering the changes to the ALN processes across Wales, it seems likely that this saving will impact the council's ability to implement those changes | <ul style="list-style-type: none"> • This proposal does not fit well with the principles of the Wellbeing of Future Generations Act. • It is targeted at the most vulnerable students (and | <ul style="list-style-type: none"> • How has the communication around the challenges of delivering statutory duty been done? | <ul style="list-style-type: none"> • This proposal is connected to parameters 1 and 4. <p>The lack of clarity regarding the impacts of this proposal on staffing may obscure potential unfairness.</p> |

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| | | <ul style="list-style-type: none"> One group is being singled out in terms of impact and it is unclear on what mitigation is in place to manage this. | C | families by extension), it will hinder the Council's ability to meet its statutory duty. | E | |
| 10 | Gwent Music Service Reduction in Hardship Funding | <ul style="list-style-type: none"> The proposal does reduce the contribution towards supporting students on FSM accessing specialist music provision however to an extent it brings Newport's contribution in line with two other Gwent LA's. There needs to be clarity on how this reduction impacts the students e.g. less hrs of classes provided? Less FSM students being able to access classes? There is an obvious face-value concern here about equity – but whether or not it has unfair impacts will partly depend on how the cuts are managed. | C | <ul style="list-style-type: none"> This proposal could further exclude FSM students from accessing provision simply due to the fact that their families/caregivers are unable to afford the provision. | E | <ul style="list-style-type: none"> This proposal is connected to parameters 1, 3 and 4. |
| 11 | Improved Budget Efficiency within Education Services | <ul style="list-style-type: none"> This proposal supports the on-going provision and sustainability of services to EAL students and those supported within the PRU | C | <ul style="list-style-type: none"> In line with the principles of the WCFG Act. | A | <ul style="list-style-type: none"> This proposal is connected to parameters 2 and 3 |

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| | | provision. A | A | | a mainstream setting. A | |
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Theme: CITY SERVICES

| No. | Proposal name | Equity | Priority | Inclusion | Communication | Other remarks, e.g. regarding the Parameters of Fairness |
|-----|---|--|--|--|--|--|
| 12 | Increase in Fees | <ul style="list-style-type: none"> Highways – no apparent issues. Costs are paid by road maintenance & utilities companies. No cost to residents. Waste receptacle charges for HMOs- how will this increase be applied to HMO in which there are tenants on housing benefits and those who are not? | <ul style="list-style-type: none"> There is no indication of how any increase in fees will affect those in receipt in benefits – likely to be among the most vulnerable tenants. | <ul style="list-style-type: none"> This appears to be a one size fits all approach to fees. Could the council review the services for HMO and find bespoke solutions. | <ul style="list-style-type: none"> Need to make clear why a value is being set now when there was previously no value set. | |
| | | B | C | C | B | |
| 13 | Termination of Home to College Transport Provision... | <ul style="list-style-type: none"> One option suggested would increase officers time through assessment panel attendance. This would indirectly increase the cost of the service and may take people away from their other responsibilities. As the number of children with disabilities is following a trend to rise, this may add to pressures on the family | <ul style="list-style-type: none"> ALN students would be in disadvantaged & vulnerable group of citizens. Total or partial removal seems to impact hugely on this group. Lower income students disproportionately affected | <ul style="list-style-type: none"> Well-being of future generations impact here if provision was removed as ALM students in the future have fewer or no options for FE. Well being of future generations impact here if provision was removed as post 16 students in the future have fewer or no options for FE. | <ul style="list-style-type: none"> What have comms with FE establishments produced? Can other co-operative transport arrangements can be made. What have comms with FE establishments produced? Can other co-operative transport arrangements can be made. | <ul style="list-style-type: none"> Equal treatment while recognising difference It should not necessarily be an aim to provide equal services between mainstream and Additional Learning Needs (ALN) pupils. This move might be an impediment to children with disabilities accessing the provision most appropriate for their needs and future development. |
| | | | D | | E | |

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| | | <p>with disabled young people. The family members most likely to be taking-on extra responsibilities are women, potentially exacerbating the pressures of their situation and reducing their capacity to follow full time careers.</p> <ul style="list-style-type: none"> • ALN students - Not clear if this is already means tested provision. May provide ALN students more difficulties in accessing FE education. Longer term implication for employability. • Post 16 – means tested already? May prevent post 16 students taking up FE opportunities. Longer term implication for employability | | <p>B</p> | | |
| <p>14</p> | <p>Increased Recycling – Bag Sorting</p> | | | | <ul style="list-style-type: none"> • Recycling information is already accused of being too complicated. This proposal needs very careful comms to engage the citizenry. | <ul style="list-style-type: none"> • WBFG Act – long-term • Could some citizens feel it's easier to avoid any recycling efforts if someone else is going to do it at the tip? • This measure may reduce the impact of the learning to recycle which the |

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| | | | | | | <p>majority of citizens have complied with after recycling measures were initiated some years ago by the council.</p> <ul style="list-style-type: none"> • Are their implications for data and privacy protection if bags containing personal details are opened? |
| 15 | Car Parking – Faulkner Road and Civic Centre | <p>E</p> <ul style="list-style-type: none"> • Which council staff will be eligible for the 50 designated spaces. | <p>C</p> <ul style="list-style-type: none"> • This is likely to increase the working day as staff struggle to find parking places. It is likely to increase discontent and create lower staff morale. • It is to be hoped that affected staff’s working-day schedules and demands will be considered. Some social services staff may visit clients throughout the day, returning to base in-between. Searching for parking space would appear decrease efficiency and consequently increase pressures on preventative services. • Will priority be given to disabled and other vulnerable staff (eg returning to work staff from sickness absence) | <p>E</p> <ul style="list-style-type: none"> • Staff consultation on parking provision? | A | |

Theme: OTHER

| No. | Proposal name | Equity | Priority | Inclusion | Communication | Other remarks, e.g. regarding the Parameters of Fairness |
|----------|--|--------|--|---|---|--|
| 16 | Digital Savings – Public Building Wi-Fi... | | | <ul style="list-style-type: none"> Have investigations been made into whether this provision is a significant facilitator for disadvantaged groups of citizens to access essential services? Could its withdrawal lead to hardship from loss of benefits etc? <p>B</p> | <ul style="list-style-type: none"> Provision should be made to signpost users to alternative free access enhancing collaboration. <p>C</p> | |
| Page 193 | Reduction in Statutory Enforcement... | | <ul style="list-style-type: none"> It can be seen as essential to resource the enforcement Environmental Health legislation for the greater good and long-term well-being of the population. There are implications for mental well-being from local area antisocial behaviour and noise issues. The results of fly tipping encourage rodent infestation which can impact Public Health. <p>C</p> | | | |

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| 18 | Council Tax Reduction Scheme | | | | <ul style="list-style-type: none"> • Has there been a failure to reach and inform the most deprived households of this scheme? <p>B</p> | |
| 19 | Council Tax Increase | <ul style="list-style-type: none"> • It has been seen as a benefit to Newport citizens that council tax rates have been preserved as the 2nd lowest in Wales but many people have failed to understand this, or that the council tax raises such a small proportion of the cost of local authority services. • It has increased reliance on Welsh Government Revenue Grant and long-term increases the citizens vulnerability to the impact of cuts. • Recent analysis by the Resolution Foundation confirms other findings that council tax is strongly regressive, ignoring the wealth of those who pay it: as property wealth has risen, property taxes have not. • Raising a regressive tax does not automatically make it more regressive across the board – this depends on the way | <ul style="list-style-type: none"> • The most vulnerable and disadvantaged are on average less likely to be payers of council tax, and more likely to be regular users of/ reliant upon council services. This means that there is some potential for a combination of a rise in council tax and the spending of that revenue on certain council services to have some redistributive effects in favour of the most disadvantaged. <p>A</p> | <ul style="list-style-type: none"> • In itself, a rise in council tax is neutral with regards to inclusion – but it is vital that citizens feel that their voice has been included in how the spending of the revenue generated takes place. <p>A</p> | <ul style="list-style-type: none"> • There is no indication given of how the Council will engage with citizens about the rationale for the raising of council tax (though clearly the consultation process itself allows for public feedback on the proposal). • Communication around taxation – and the quality of the public understanding of how it is levied and used – is arguably one of the most important aspects of the obligations between citizens and their Council. In our view the Council should make this a priority (see Key Overall Points, below). <p>E</p> | <ul style="list-style-type: none"> • Promoting informed citizen engagement on local taxation is a key priority, in our view. Taxation, the reasons for it, and the deployment of the revenue generated connect up with all four of the parameters of fairness. |

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| | | <p>properties are banded, relative to the wealth of those who live in them. While it does not even things up between council tax payers on lower and higher bands, there is some potential for the tax to redistribute towards the most disadvantaged (see next column).</p> <p>E</p> | | | | |
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Unison response to budget proposals

We are as usual saddened by any budget proposal that suggests cuts to staffing and services within Newport City Council. We appreciate the pressure that Westminster has placed on all councils in with reductions to funding

We understand this year's settlement far exceeds expectations and in fact is one of the largest in Wales. We appreciate this is a one year settlement and so in anticipation of future pressures mitigations are necessary. We believe these mitigations can be achieved through genuine efficiency savings and the proposed cuts are neither necessary nor welcomed.

The suggested cuts to Children and Families Services raise concerns around the volume of work and the pressure that places on those individuals who will have an increased workload. We appreciate the expertise and commitment of all those staff within the council who work above and beyond their limits in the short and long term to cover vacant posts and sickness. This cannot be sustained long term and will lead to a drop in quality of work and an increase in short and long term absence.

The cut to the number of Education Welfare Officers and the reduction of the rest of the team to term time only will significantly impact on this team's ability to fulfil their statutory role. This will impact on schools, families and the Education Welfare Officers themselves. There is a potential for family's to 'fall through the cracks' and then will need additional support at a later stage which will in fact cost a great deal more than any savings made. There is also the danger of the loss of knowledge and skills from the EWO's who may have no interest in continuing to work on a term time contract and who may challenge that this is a significant change to their contract and they are at risk of redundancy.

The proposal around car parking in Faulkner Road has elicited the greatest response and anger from members. We have been inundated with member referrals describing the detrimental impact this proposal will have on them, if implemented. Some of the referrals are from members

who are not drivers but are concerned around the impact on colleagues and how it will affect day to day business within the Civic.

By allowing only 50 designated bays for NCC staff there will be a disproportionate effect on staff. Those who have caring needs or children who need to be dropped at school will not be able to join in the fracas for the 50 parking spaces for the hundreds of staff within the civic. With a predominately female workforce, this will be considered a gender issue and impact on equality assessment.

The financial impact of paying six pounds per day for five days a week for forty six weeks a year is £1380 pound a year to come to work. Consider that in the context of almost a decade of below inflation pay rises for Local Government workers and now imagine that impact on staff and how it will make them feel.

For the majority of staff, driving to work is not a luxury but the only way to fit in everything they need to do while juggling a busy work/life balance.

The staff being asked to do more with less also then have to face managing busy diaries and wondering how they will find time to do everything they have to do and find a parking space close to the civic which is not going to cost them.

The timing has not been lost on our members. Newport takes on responsibility for illegal parking within the city builds a team of enforcement officers (who do a difficult job very well) and then creates a revenue stream of £41,000 by taxing their own workers.

There is an argument that this proposal is unfair when other employees will continue to benefit from free parking at Telford depot, Brynglas day centre, schools, Malpas court, flying start locations, waste site, Park Square etc.

The financial gain will be insignificant in comparison to the negative effects this will have. Staff simply cannot afford to pay six pounds a day to come to work so they will park on the streets surrounding the Civic. This will make the parking on those streets more difficult and will damage the reputation of the Council with the residents.

This will have a significant impact on the staff within the Civic and it will damage the relationship between the Council and employees. There will be a loss of productivity caused by travel time to and from cars parked

further away from the Civic. Increased stresses on staff and I can guarantee lateness to meetings will become an issue as will arranging meetings as people will be reluctant to give up parking spaces or to pay for two tickets in a day.

And while this happens councillors will continue to use the car park directly opposite the main entrance for free. This is a staff group that have gone through significant changes in the last ten years and have continued to work to the highest standards under massive pressure caused by the Austerity cuts of a tory government. Please do not let a Labour Council decision be the straw that breaks the staff's already low morale. We are aware that a neighbouring authority shares the elected member's car park with front line staff. Only during full council meetings are staff requested to not use the car park. We see no reason that this initiative can't be shared at NCC.

The financial burden to our members is unfair and we anticipate the level of staff well-being will reduce impacting on productivity and attendance.

We ask that the council reconsider this proposal and look at long term solutions to this complex problem which will only become more difficult than it already is.

As a Union we would be remiss if we did not also highlight the continued workplace stress staff find themselves working under. Due to the cuts staff groups have shrunk and workloads increased. Staff have shown resilience and flexibility within their roles and responsibilities but you can only stretch an elastic band to a certain size and only for a finite amount of time before the cracks appear. This is evidenced by the increased calls and casework we are dealing with.

As a Unison branch we will always challenge any cuts to services, job losses and changes to terms and conditions of our members. We appreciate the challenges the council find themselves in and acknowledge that Newport City Council have to set a legal budget within guidelines.

Peter Garland

Branch Secretary Newport City Unison Branch.

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APPENDIX 5 – Budget Investments

New Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|----------------------------------|---------------------|--|----------------------|--|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Children & Young People Services | SOC33 | Independent Fostering Agency Placements | Demand - Social Care | Independent Fostering Agency Placements - The 19/20 budget can only afford 50 placements. Current forecasts suggest a trend rising to 66 by March 2020. HoS requesting budget to be maintained for 60 placements, which is a conservative estimate and requires on-going monitoring and management. | 382 | 0 | 0 |
| Children & Young People Services | SOC31 | Out of area residential placements | Demand - Social Care | Out of Area Placements - The 2019/20 budget can afford 19 placements. There are 29 placements as at July 19 reducing to 24 by year end. HoS decision to maintain budget at 20 which is a conservative estimate. Therefore an increase in budget provision for and extra 1 placement @ £3500 p/w is requested. If £1.3m grant from WG is non-recurring funding of £1.482m will be needed to maintain budget for 20. | 182 | 0 | 0 |
| Children & Young People Services | SOC28 | Child Protection | Other | Legal Fees - Social care legal fees budget overspent by £495k in 2018/19 and the July 2019 year end forecast assumes the same give the numbers of looked after children within the city. The pressure being requested is £50k less than current forecasts as efficiencies are being discussed between the Head of Legal and Head of Children Services. | 445 | 0 | 0 |
| Adult & Community Services | SOC10.1 | Community Care Packages | Other | RSG Transfer in - NHS Funded Nursing | 80 | 0 | 0 |
| Adult & Community Services | SOC10.1/11 | Community Care Packages/ CC Packages Mental health | Pricing | Impact of NLW increase on social care contracts - increase confirmed in January 2020 of 6.21% from April 2020. This is a significant increase on the costs passed to external social care providers | 504 | 0 | 0 |

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---------------------|---------------------|----------------------|----------------------|---|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Education | EDU23 | Joint Services | Demand - Other | SENCOM - reduce the saving target | 225 | 0 | 0 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | Ysgol Bryn Derw Expansion - Expand the provision of YBD to 68 places from September 2019. MTFP pressure based on AWPU costs only. 2019/20 funding has been found within existing ISB budget. | 108 | 0 | 0 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | Expansion of Nursery provision within maintained schools: Expanding nursery provision in St Michaels, Marshfield and Pentrepoeth Primary Schools from September 2020 from 16 FTE to 20 FTE. | 99 | 71 | 0 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | Expansion of Tredegar Park Primary - increase admissions to 75 from 60 on a year by year basis starting with reception from September 2021 | 0 | 25 | 61 |
| Education (Schools) | EDU2 | Schools | Schools-Pricing | RSG Transfer in - Teachers pay award | 1,011 | 0 | 0 |
| Education (Schools) | n/a | n/a | Other - Schools | Teachers pension - full year effect of uplift to 23.68% | 1,622 | 0 | 0 |
| PLACE | | | | | | | |
| RIH | RIH17 | Planning Pol & Imp | Other | Strategic Delivery Plan (SDP) - Climate Change Response (CCR) Regional Cabinet agreement to support the delivery of a SDP which covers the CCR planning authority areas. This will take 5 years to complete from 2020. The preparation of the SDP is additional to the continued work on the Local Development Plan | 55 | 0 | 0 |

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|--------------------------|---------------------|--------------------------|----------|--|---------------|---------------|---------------|
| PLACE | | | | | | | |
| City Services | STR18 | Home to School Transport | Other | Home to School transport - new schools transport requirement | 65 | 0 | 0 |
| City Services | STR2 | Cemeteries | Other | Cemeteries Income - Decline in those choosing to be buried, income shortfall estimated between £101K and £161K | 100 | 0 | 0 |
| City Services | STR13 | HWRC | Other | HWRC Site - Decision by Monmouthshire and Caerphilly council to prohibit Newport residents from there sites, meaning those on the outskirts of Newport now use docks way | 70 | 0 | 0 |
| City Services | STR11 | Sustainable waste | Other | Sustainable waste grant - ongoing reductions in grant although the operating costs of service cannot be reduced as commitment to reach nationally set targets | 130 | 0 | 0 |
| CORPORATE | | | | | | | |
| Corporate | n/a | n/a | Other | Western Partnership - Increase in fees payable to partnership | 20 | 0 | 0 |
| People & Business Change | PBC1 | HR Strategy + Op | Pricing | Graduate Scheme - To fund two trainee graduates | 70 | 0 | 0 |
| People & Business Change | PBC1 | HR Strategy + Op | Other | Salary sacrifice - Undelivered Council wide saving. Uptake on employment related salary sacrifice scheme lower than anticipated | 50 | 0 | 0 |

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|-------------------------------------|---------------------|----------------------|----------|---|---------------|---------------|---------------|
| NON-SERVICE | | | | | | | |
| Non-Service | n/a | n/a | Other | Provision for further 1% increase in Teachers pay award | 253 | 0 | 0 |
| Non-Service | n/a | n/a | Pricing | Gwent Coroner - Increase in fees | 12 | 0 | 0 |
| Non-Service | n/a | n/a | Pricing | Accounting requirement for loan/ investment mitigation | 200 | 0 | 0 |
| Non-Service | n/a | n/a | Pricing | South Wales Fire Levy - costs have risen significantly for NCC due to population increase | 250 | 0 | 0 |
| NEW BUDGET INVESTMENTS TOTAL | | | | | 5,933 | 96 | 61 |

APPENDIX 5 – Budget Investments

Agreed/ Revised Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|----------------------------------|---------------------|-------------------------|----------------------|---|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Adult & Community Services | SOC10.1-10.3 | Community Care Packages | Demand - Social Care | Demand on Adult Community Care budgets - Whilst it is impossible to predict how the whole of the community care cohort might change throughout the year it is known with certainty new learning disability (LD) children turning 18 and LD clients who were previously looked after by relatives but now are unable to look after them. This is the value of those packages expected to impact on future year budgets less a targeted efficiency saving of £250k which expected to be achieved through negotiations with providers. | 1,477 | 286 | 460 |
| Children & Young People Services | SOC32 | In house fostering | Demand - Social Care | In-House Fostering Service - The 2019/20 budget can accommodate 185 in-house foster placements (average over the last 5 years). The 2020/21 pressure is to reflect the higher number of placements and will allow the budget to afford 210. | 205 | 0 | 0 |
| Education | EDU6 | SEN Recoup OOC | Demand - Other | SEN Out of County pupil demand - the 19/20 budget for OOC can accommodate 131 placements at the average cost of £35,000. Current modelling suggests an increasing trend in statmented pupils, rising from a forecast position of 811 pupils in 2019/20 to 820 in 2020/21 and an additional increase of 12 pupils per year thereafter and a conversion rate of 75% moving into OOC placements. This will be monitored on a regular basis with the SEN team. | 239 | 319 | 319 |
| Education | EDU14 | Breakfast clubs | Demand - Other | Breakfast Clubs - The number of breakfast clubs is increasing, it is anticipated that in September 2021 all primary schools will offer breakfast club provision. | 20 | 35 | 15 |

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---------------------|---------------------|----------------------|----------------------|---|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | Secondary School Transitions - Net increase for 2020/21 financial year and beyond adjusted for the pupil increases for Welsh Medium secondary within Ysgol Gyfun Gwent Is Coed separately. Position based on 2019/20 funding for English Medium secondary places and forecast demand for places in line with POSP. This amounts to 350 pupil increase from January 2020 to 2021, then 293, 336 and 174 to January 2024 (this is the total pupil increase and includes WM pupils which are netted from the calculated AWPU sum) | 611 | 906 | 947 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | Ysgol Gyfun Gwent Is Coed: This is the new Welsh Medium Secondary School, which was established from September 2016 as a seedling school with a capacity of 750. The school will continue to grow beyond the current MTFP cycle. The school is a seedling school and expanding by 1 year group per academic year, the school will have year 7 - 11 pupils in September 2020, growing to accommodate post 16 pupils in the following 2 years. The costs built into the MTRP based on the AWPU at 2019/20 rates and do not account for potential changes in rates to the AWPU or inflationary costs. | 542 | 36 | 117 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | New Jubilee Park Primary School: This school has been established on the housing development of the former Alcan Site, and was built by the developer as part of S106 agreements. The school is a 1.5 FE school, with a nursery and LRB unit on site. The school opened in September 2017 as a growing school with a small number of pupils in each year group with the intention of these growing each year. The school pressure identified is based on the school reaching capacity from September 2020, with 45 pupils in yr R-6 and nursery at 24 FTE and a 10 place LRB unit based on AWPU only. | 128 | 0 | 0 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | New West Glan Llyn Primary School: This school will be established on the housing development at St Modwens, and is being built by the developer as part of S106 agreements. The school will be a 2 FE school, with a nursery and 20 place LRB unit on site. The school will open in September 2019 as a growing school with a small number of pupils in every year group with the intention of these growing each year. | 365 | 253 | 193 |

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---------------|---------------------|----------------------|----------|----------------|---------------|---------------|---------------|
|---------------|---------------------|----------------------|----------|----------------|---------------|---------------|---------------|

PEOPLE

| | | | | | | | |
|---------------------|------|---------|----------------------|---|-------|-----|-----|
| Education (Schools) | EDU1 | Schools | Demand - New Schools | New Primary School - Whiteheads: This school will be established on the housing development at the Whiteheads site, and is being built by the developer as part of S106 agreements. The school will allow for the move and expansion of Pillgwenly Primary school to expand from 2FE to 3FE. The MTFP assumes that the school will expand from January 2023. | 0 | 0 | 64 |
| Education (Schools) | EDU1 | Schools | Demand - New Schools | Welsh medium primary school: The school will be a 2FE, with a nursery on site. The MTRP assumes that the school will open in September 2021 as a seedling school. The school will open with a nursery and reception classes in the first years with a year group being added every year until it reaches capacity. The capacity is 444. A further 10 place LRB unit will open in the school in September 2023 and is anticipated to be full upon opening. | 0 | 246 | 212 |
| Education (Schools) | EDU1 | Schools | Other - Schools | RSG Transfer in - Teachers pension increase - From September 2019 - March 2021 employers pension rates for teachers will increase from 16.48% to 23.68%. This will be a significant cost to the authority for the 2020/21 budget (£3.8m). It is currently assumed that this will be externally funded. | 2,021 | tbc | 0 |

PLACE

| | | | | | | | |
|-----|------|------------------------|---------|---|---|---|---|
| RIH | RIH9 | Centralised Properties | Pricing | Norse joint venture (JV) - pension deficit. Greater Gwent (Torfaen) highlighted an annual shortfall of pension contribution as well as a deficit payment. These figures remain consistent with the 2016 tri-annual pension review. The outcome of the 2019 review will be known at the end of 2019. | 5 | 5 | 5 |
|-----|------|------------------------|---------|---|---|---|---|

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|--------------------------|---------------------|------------------------|------------|---|---------------|---------------|---------------|
| PLACE | | | | | | | |
| RIH | RIH9 | Centralised Properties | Pricing | Norse JV - Increased contract payment as a result of assumed 2% each year from 20/21. | 122 | 154 | 186 |
| RIH | RIH30 | Transporter Bridge | Investment | Corporate Plan Promise - Discovery Centre - A Heritage discovery centre and tourist trail in the city will be launched. Likely to be established beyond 20/21 | 0 | tbc | tbc |
| City Services | STR9 | Leisure Trust | Pricing | Newport Live - Greater Gwent (Torfaen) highlighted an annual shortfall of pension contribution as well as a deficit payment as part of the 2016 review. These figures remain consistent with the 2016 tri-annual pension review. The outcome of the 2019 review will be known at the end of 2019. | 0 | 2 | 2 |
| City Services | STR9 | Leisure Trust | Pricing | Newport Live - contract fee increases as a result of National Minimum Wage. Newport Live bear the costs of inflationary pay increases therefore no pay award pressure | 0 | 19 | 18 |
| City Services | STR11 | Sustainable waste | Investment | Corporate Plan promise - New Household Waste Recycling Centre (HWRC) - The opening of a second HWRC supports the corporate plan and the waste strategy. Investment required to meet the promises set out in the Corporate Plan | 0 | 349 | 0 |
| CORPORATE | | | | | | | |
| People & Business Change | PBC12 | Shared Res Serv | Pricing | Shared Resource Service (SRS) - Increased contract payment as a result of assumed 2% pay award in 19/20. Subsequent years assumes 1% pay award as per NJC staff. Pension deficit costs is also included. | 51 | 53 | 55 |
| People & Business Change | PBC10 | Digital | Investment | Corporate Plan Promise - Delivery of digital aspirations - improvement of the IT infrastructure and other digital services. Investment required to meet the promises set out in the Corporate Plan | 220 | 500 | 0 |
| NON-SERVICE | | | | | | | |
| Non-Service | n/a | n/a | Investment | Corporate Plan Promise - Capital Programme - To fund the capital financing costs of the current (in principle) capital programme. Investment required to meet the promises set out in the Corporate Plan | 568 | 501 | 251 |

APPENDIX 5 – Budget Investments

| Service Group | Activity Short Code | Activity Description | Category | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---|---------------------|----------------------|----------|---|---------------|---------------|---------------|
| NON-SERVICE | | | | | | | |
| Non-Service | n/a | n/a | Other | Interest payable - future pressures due to increasing capital expenditure and reduced capacity to use our own cash reserves to fund this. | 87 | 155 | 122 |
| Non-Service | n/a | n/a | Pricing | Pension Deficit - Estimated 1% pa increase from 2020/21 following valuation of the public service pension schemes. This assumes that employer contributions will increase to 24.2% by 2022/23 however the outcome of the 2019 triennial pension valuation will be confirmed by the Greater Gwent Pension Scheme at the end of this calendar year. | 0 | 0 | 753 |
| Council Wide | n/a | n/a | Other | Universal Credit - Impact of universal credit across the whole council | tbc | 0 | 0 |
| AGREED/ REVISED BUDGET INVESTMENTS TOTAL | | | | | 6,661 | 3,819 | 3,719 |
| BUDGET INVESTMENT TOTAL | | | | | 12,594 | 3,915 | 3,780 |

APPENDIX 5 – Budget Investments

Pressures Summarised:

| Pressures by Type | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---|--------------------------|--------------------------|--------------------------|
| New budget pressures | 5,933 | 96 | 61 |
| Previously agreed/ revised budget pressures | 6,661 | 3,819 | 3,719 |
| New and previously agreed/ revised pressures | 12,594 | 3,915 | 3,780 |
| Inflationary pressures (Inc increments) | 7,239 | 6,550 | 6,415 |
| TOTAL BUDGET PRESSURES | 19,833 | 10,465 | 10,195 |

APPENDIX 6 – Budget Savings

New Budget Savings for Consultation

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|------------------------------|---------------------|---|------------|---|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Adult and Community Services | SOC4 | Day Opportunities | AS2021/04 | Reduction in Day Opportunities Budget | 100 | 0 | 0 |
| Adult and Community Services | SOC10 & SOC17 | Community care packages & telecare contract | AS2021/05 | Telecare Service | 150 | 0 | 0 |
| Adult and Community Services | SOC16 | Adult Service Contracts | AS2021/07 | Reduction in Funding Awarded to Third Party Organisations | 100 | 0 | 0 |
| Adult and Community Services | Various | Service Wide | AS2021/08 | Staffing Review | 297 | 0 | 0 |
| Children and Family Services | SOC26 | Integrated Family Support | CFS2021/02 | Family Support Services - Barnardos Partnership | 75 | 0 | 0 |
| Children and Family Services | SOC40 & SOC39 | Child Safeguard/ Youth Offending Service | CFS2021/05 | Staffing across Children's Services | 641 | 0 | 0 |
| Children and Family Services | Various | Service Wide | CFS2021/06 | Reduction of Posts Across Childrens Services | 50 | 0 | 0 |
| Education | EDU10 | Education welfare service | EDU2021/01 | Education Welfare Service Savings Proposals | 66 | 0 | 0 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|----------------------------|-----------------------|--|------------|--|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Education | EDU5 | SEN Team | EDU2021/02 | The Reduction of the Inclusion Enrichment Team | 43 | 0 | 0 |
| Education | EDU23 | Joint Services | EDU2021/03 | Gwent Music Service Reduction in Hardship Funding | 14 | 0 | 0 |
| Education | Various | Various | EDU2021/04 | Improved Budget Efficiency within Education Services | 62 | 0 | 0 |
| PLACE | | | | | | | |
| City Services | Potentially all codes | Potentially all codes | CS2021/01 | Increase in Fees | 48 | 0 | 0 |
| City Services | STR28 | Home to School Transport | CS2021/06 | Termination of Home to College Transport provision and Removal of Post 16 Travel Grants to Mainstream Schools and Colleges | 45 | 110 | 22 |
| City Services | STR13 | HWRC | CS2021/08 | Increased Recycling - Bag Sorting at Household Waste Recycling Centre | 57 | 0 | 0 |
| City Services | STR20 | Off Street Parking | CS2021/13 | Car Parking - Faulkner Road and Civic Centre | 41 | 0 | 0 |
| CORPORATE | | | | | | | |
| People and Business Change | PBC10 | Digital | PBC2021/03 | Digital Savings - Public Building Wi-Fi - "Community Cloud" | 95 | 15 | 0 |
| Law & Regulation | LAW6 / LAW10 / LAW11 | Legal / Environmental Health / Trading Standards | LR2021/04 | Reduction in statutory enforcement and prosecution work | 153 | 0 | 0 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|--|---------------------|----------------------|-----------|---|---------------|---------------|---------------|
| FINANCE AND NON-SERVICE | | | | | | | |
| Non Service | n/a | n/a | NS2021/01 | Council Tax Reduction Scheme | 440 | 280 | 280 |
| NEW BUDGET SAVINGS FOR CONSULTATION | | | | | 2,477 | 405 | 302 |
| Funding | n/a | n/a | n/a | Increase council tax increase from 4% base assumption by 3.95% to 7.95% | 2,094 | 0 | 0 |

APPENDIX 6 – Budget Savings

New Budget Savings Implemented Under Delegated Authority

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|------------------------------|-----------------------|---|------------|--|---------------|---------------|---------------|
| PEOPLE | | | | | | | |
| Adult and Community Services | SOC10 | Community Care Packages | AS2021/01 | Reduction in Projected Cost of Accommodation Based Care and Support Services for People with Learning Disabilities | 279 | 0 | 0 |
| Adult and Community Services | SOC7 & SOC13 | Integrated Occupational Therapy & Adults Management | AS2021/02 | Reduction in Head of Service Budgets | 98 | 0 | 0 |
| Adult and Community Services | PBC9 | Training Unit | AS2021/03 | Reduction in Social Services Training Budget | 20 | 0 | 0 |
| Adult and Community Services | SOC16 | Adult Services Contracts | AS2021/06 | Supporting People Contribution to Mental Health Services | 50 | 0 | 0 |
| Children and Family Services | SOC23 | Child Safeguard + Missing Children | CFS2021/01 | End the Contribution to the Funding of the Regional Breaking the Cycle Service | 98 | 0 | 0 |
| Children and Family Services | SOC28 | Child Protection | CFS2021/03 | Reduction in Legal Costs | 0 | 20 | 150 |
| Children and Family Services | Various | Service Wide | CFS2021/04 | Various Savings Across Children's Services | 81 | 0 | 0 |
| PLACE | | | | | | | |
| City Services | Potentially all codes | Potentially all codes | CS2021/02 | Training Within Industry (TWI) Programme | 50 | 100 | 100 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---------------|---------------------|----------------------|-----------|--|---------------|---------------|---------------|
| PLACE | | | | | | | |
| City Services | STR11 | Recycling | CS2021/03 | Composting site expansion | 21 | 20 | 0 |
| City Services | STR20 | Off Street Parking | CS2021/04 | Park Square Car Park Light Emitting Diode (LED) Programme | 8 | 0 | 0 |
| City Services | STR26 | Customer Services | CS2021/05 | Decentralisation Phase 3 | 55 | 0 | 0 |
| City Services | STR9 | Leisure Trust | CS2021/07 | Newport Live Profit Share | 75 | 0 | 0 |
| City Services | STR17 | Grounds Maint | CS2021/09 | Reduction in Number of Grass Cuts at Council Properties Across the Authority | 7 | 0 | 0 |
| City Services | STR1 | Env Serv | CS2021/10 | Countryside and Conservation Restructure | 25 | 0 | 0 |
| City Services | Various | Various | CS2021/11 | My Newport Development | 25 | 70 | 0 |
| City Services | STR12 | Refuse Collection | CS2021/12 | Voluntary Redundancy - Trade Officer | 25 | 0 | 0 |
| City Services | STR20 | Off Street Parking | CS2021/14 | Kingsway car park operation - expansion of car park services to take on the operation of Kingsway Car Park | 200 | 0 | 0 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|--------------------------------------|---------------------|---------------------------|------------|---|---------------|---------------|---------------|
| PLACE | | | | | | | |
| Regeneration, Investment and Housing | RIH11 | Building control | RIH2021/01 | Increase in Income Generation (Building Control & Regeneration) | 44 | 56 | 0 |
| Regeneration, Investment and Housing | RIH9 | Centralised properties | RIH2021/02 | Increased Revenue from Newport Norse profit share | 30 | 30 | 30 |
| Regeneration, Investment and Housing | RIH28 | Tredeggar House + Grounds | RIH2021/03 | Tredeggar House Funding | 150 | 0 | 0 |
| CORPORATE | | | | | | | |
| Finance | FIN1 | Accountancy | FIN2021/01 | Rationalise Accountancy Support to Corporate Services | 30 | 0 | 0 |
| Finance | FIN4 | Strategic Procurement | FIN2021/02 | Increase income through additional collaborative contract work | 5 | 5 | 0 |
| Finance | FIN4 | Strategic Procurement | FIN2021/03 | Increase Income Through pCard Programme | 8 | 3 | 3 |
| Finance | FIN4 | Strategic Procurement | FIN2021/04 | Reduction in One Full Time Equivalent (fte) within eProcurement Team within Strategic Procurement | 27 | 0 | 0 |
| Finance | FIN4 | Strategic Procurement | FIN2021/05 | Review the Full P2P Cycle within Strategic Procurement and Payments | 20 | 0 | 0 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|----------------------------|---------------------|--|------------|---|---------------|---------------|---------------|
| CORPORATE | | | | | | | |
| People and Business Change | PBC12 | Shared Resource Service | PBC2021/01 | Digital Savings - Retained IT Contracts | 75 | 0 | 0 |
| People and Business Change | PBC13 | Document Services | PBC2021/02 | Digital Savings - Document Services Courier | 25 | 0 | 0 |
| People and Business Change | PBC14 | Spatial Data | PBC2021/04 | Newport Intelligence Hub - Finalise centralisation of Resources and Restructure | 15 | 15 | 0 |
| People and Business Change | PBC6 | Partnership | PBC2021/05 | Welsh Language - Review of Translation Services | 20 | 0 | 0 |
| People and Business Change | PBC3 | Business Chg Improv | PBC2021/06 | Innovation and Transformation Offering - reduction in programme management capacity | 114 | 0 | 0 |
| Law & Regulation | LAW1 | Comms & Marketing | LR2021/01 | Reduction in discretionary events, publicity and tourism budgets | 35 | 0 | 0 |
| Law & Regulation | LAW2 | Registrars | LR2021/02 | Registration Service - Increased Fees and Charges Income | 20 | 0 | 0 |
| Law & Regulation | LAW3/ LAW1 | Democratic Services/ Comms & Marketing | LR2021/03 | Management Restructure within Democratic Services and Communications | 103 | 0 | 0 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) |
|---|---------------------|----------------------|-----------|---|---------------|---------------|---------------|
| FINANCE AND NON-SERVICE | | | | | | | |
| Non Service | n/a | n/a | NS2021/02 | Challenge the Council's Risk Appetite for Investments, and Undertake Larger Long-Term Investments (£10m) in Riskier Instruments | 200 | 0 | 0 |
| Non Service | n/a | n/a | NS2021/03 | Discontinued Operations Pension Contributions | 50 | 0 | 0 |
| Non Service | n/a | n/a | NS2021/04 | Review Capital Programme and Financing | 915 | 0 | 0 |
| NEW BUDGET SAVINGS TOTAL - DELEGATED AUTHORITY | | | | | 3,003 | 319 | 283 |

APPENDIX 6 – Budget Savings

Budget Savings Previously Approved

Cabinet

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) | Staff Impact |
|---|---------------------|----------------------|------------|--------------------------------------|---------------|---------------|---------------|--------------|
| CORPORATE | | | | | | | | |
| People and Business Change | PBC6 | Partnership | PBC1920/02 | Reduction in Voluntary Sector Grants | 19 | 27 | 0 | 0.0 |
| PREVIOUSLY AGREED SAVING - Cabinet | | | | | 19 | 27 | 0 | 0.0 |

Cabinet Member

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) | Staff Impact |
|--|---------------------|----------------------|-----------|--------------------------------|---------------|---------------|---------------|--------------|
| PLACE | | | | | | | | |
| City Services | STR2 | Cemeteries | CS1920/01 | Gwent Crematorium Fee Increase | 34 | 0 | 0 | 0.0 |
| PREVIOUSLY AGREED SAVING - Cabinet Member | | | | | 34 | 0 | 0 | 0 |

Head of Service

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) | Staff Impact |
|------------------------------|---------------------|--------------------------------|------------|---|---------------|---------------|---------------|--------------|
| PEOPLE | | | | | | | | |
| Adult and Community Services | SOC13 | Adults Management Account | AS171802 | Adults management account | 20 | 0 | 0 | 0.0 |
| Children and Family Services | SOC33 | In House Fostering | CFS181910 | Fostering Fees Budget reduction - Career and Specialist Carer payments ceased from 1st July 2019 and the number of external fostering assessments reduced | 26 | 0 | 0 | 0.0 |
| Children and Family Services | SOC26 | Integrated Family Support Team | CFS1920/05 | Integrated Family Support Team - deletion of a vacant post | 26 | 0 | 0 | 0.0 |
| Education | EDU23 | Joint Services | EDU1920/03 | Reduction in core funding to EAS of 2% for the financial year 2019/20 | 12 | 8 | 0 | 0.0 |

APPENDIX 6 – Budget Savings

| Service Group | Activity Short Code | Activity Description | Unique ID | Proposal Title | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) | Staff Impact |
|---|---------------------|----------------------|------------|--|---------------|---------------|---------------|--------------|
| PLACE | | | | | | | | |
| Regeneration, Investment and Housing | RIH18-21 & RIH25 | Various | RIH1920/04 | Implementation of Neighbourhood Hubs | 387 | 0 | 0 | -5.0 |
| CORPORATE | | | | | | | | |
| People and Business Change | PBC6 | Partnership | PBC1920/05 | Reduction in Planned Welsh Language Translation Annual Spend | 30 | 0 | 0 | 0.0 |
| PREVIOUSLY AGREED SAVING - Delegated Head of Service | | | | | 501 | 8 | 0 | -5.0 |

| Savings Decision Type | 20/21 (£'000) | 21/22 (£'000) | 22/23 (£'000) | Staff Impact FTE |
|---|---------------|---------------|---------------|------------------|
| Previously Agreed Cabinet Savings | 19 | 27 | 0 | 0.0 |
| Previously Agreed Cabinet Member Savings | 34 | 0 | 0 | 0.0 |
| Previously Agreed Delegated Head of Service Savings | 501 | 8 | 0 | -5.0 |
| PREVIOUSLY AGREED BUDGET SAVINGS | 554 | 35 | 0 | -5.0 |

APPENDIX 6 – Budget Savings

| Savings Decision Type | 2020/2021 £'000 | 2021/2022 £'000 | 2022/2023 £'000 | Staff Impact FTE |
|--|----------------------------|----------------------------|----------------------------|-----------------------------|
| New Budget Savings for Consultation | 2,477 | 405 | 302 | 23.3 |
| New Budget Savings Implemented Under Delegated Authority | 3,003 | 319 | 283 | 9.5 |
| Budget Savings Previously Approved | 554 | 35 | 0 | -5.0 |
| PREVIOUSLY AGREED BUDGET SAVINGS | 6,034 | 759 | 585 | 27.8 |

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

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APPENDIX 7 – Medium Term Financial Projections (MTP)

| | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | Total £'000 |
|---|------------------|------------------|--------------------------------|-----------------|
| Funding | | | | |
| Change in WG Revenue Support Grant (+6.41% for 2020/21, assumed +1% thereafter) | (13,734) | (2,281) | (2,304) | (18,318) |
| Increase in tax base - C.Tax @ 19/20 rate | (830) | - | - | (830) |
| C. Tax @ 7.95% for 20/21 and 4% onwards | (5,366) | (2,915) | (3,031) | (11,312) |
| Less consequential increase in benefits | 1,320 | 583 | 606 | 2,509 |
| Change in funding | (18,610) | (4,613) | (4,729) | (27,951) |
| Change in Income/Funding | (18,610) | (4,613) | (4,729) | (27,951) |
| Revenue Investments / Increased Costs | | | | |
| Pricing - Pay Inflation & Increments (non schools) | 3,388 | 1,700 | 2,433 | 7,521 |
| Pricing - Contract/ Income Inflation (non schools) | 2,538 | 2,777 | 2,880 | 8,195 |
| Pricing - Pay Inflation & Increments (schools) | 3,456 | 2,223 | 2,037 | 7,716 |
| Pricing - Contract/ Income Inflation (schools) | 82 | 83 | 83 | 248 |
| Demand - Schools | 1,853 | 1,537 | 1,594 | 4,984 |
| Other - Schools | 3,643 | - | - | 3,643 |
| Demand - Social Care | 2,246 | 286 | 460 | 2,992 |
| Demand - Other | 484 | 354 | 334 | 1,172 |
| Other | 1,355 | 155 | 122 | 1,632 |
| Investments | 788 | 1,350 | 251 | 2,389 |
| Total Pressures | 19,833 | 10,465 | 10,195 | 40,492 |
| General budget transfer to / (from) Reserves | 900 | - | - | 900 |
| Gap Before Cost Reduction Plans | 2,123 | 5,852 | 5,466 | 13,441 |
| Cost Reduction - Transformation / Change Programme | | | | |
| Cost reduction - new savings | 5,480 | 724 | 585 | 6,789 |
| Cost reduction - previously agreed savings | 554 | 35 | - | 589 |
| Total Savings | 6,034 | 759 | 585 | 7,378 |
| Balance - @ WG 1% growth 20/21 and cash flat thereafter | (3,911) | 5,093 | 4,881 | 6,063 |
| | | | Balance excluding 20/21 | 9,974 |

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APPENDIX 8 – Reconciliation of Movements Since Budget Consultation

| | 20/21 £'000 | 21/22 £'000 | 22/23 £'000 |
|---|----------------|----------------|----------------|
| December 2019 MTFP balances | 5,654 | 8,905 | 7,200 |
| Movement since consultation/ December 2019 Update | | | |
| Funding: | | | |
| Increase in tax base and subsequent council tax (net of CTRS benefit) | (661) | (43) | (44) |
| Draft settlement 6.41% (over and above 1% already assumed) | (11,591) | 0 | 0 |
| RSG assumptions - change from cash flat to +1% pa | 0 | (2,281) | (2,304) |
| RSG transfers in - Teachers pension | 3,643 | 0 | 0 |
| RSG transfers in - Teachers pay | 1,011 | 0 | 0 |
| RSG transfers in - NHS funded nursing | 80 | 0 | 0 |
| Reverse use of reserves | 1,359 | (1,359) | 0 |
| Total change in available funding | (6,159) | (3,683) | (2,348) |
| New Pressures/ Investments: | | | |
| Teachers pay award - additional 1% provision from September 2020 | 253 | 0 | 0 |
| NJC pay award (non schools) - additional 1% provision from April 2020 | 650 | 0 | 0 |
| South Wales Fire and Rescue Levy | 250 | 0 | 0 |
| Graduate Scheme | 70 | 0 | 0 |
| SENCOM | 125 | 0 | 0 |
| National Living Wage increase - external contracts | 504 | 445 | 464 |
| Reduce energy inflation from 15% to 10% - updated information | (140) | 0 | 0 |
| Accounting requirement for loan/ investment provision | 200 | 0 | 0 |
| Gwent Coroner - increase in fees | 12 | 0 | 0 |
| Western partnership - increase in fees | 20 | 0 | 0 |
| Reprofiling of capital programme - future year pressure | 0 | 150 | 150 |
| Unachieved saving from staff buy-back scheme | 50 | 0 | 0 |
| Sustainable waste grant - ongoing reduction in grant | 79 | 0 | 0 |
| Total change in pressures/ investments | 2,074 | 595 | 614 |
| Savings: | | | |
| Savings shared with cabinet December 2019 | (5,182) | (724) | (585) |
| New Savings: | | | |
| Additional - Staffing cross Children's Services Ref: NCF2021/05 | (98) | 0 | 0 |
| New - City Services - Kingsway car park operation Ref: CS2021/14 | (200) | 0 | 0 |
| Total change in savings | (298) | 0 | 0 |
| February 2020 MTFP Balances | (3,911) | 5,093 | 4,881 |

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APPENDIX 9 – Equalities Issues

Budget Proposals and Fairness and Equality Impact Assessments (FEIA).

Under the specific Welsh duties of the Equality Act 2010, Fairness and Equality Impact Assessments (FEIAs) are a statutory obligation for public sector organisations in Wales. FEIAs are used to assess the likely impact of proposed policies and practices against the authority's ability to comply with its equality duties.

FEIAs were carried out on a number of business proposals this year to ensure that the decisions the authority is proposing to make are reasonable, proportionate and fair. The following proposals had FEIAs undertaken:

People and Business Change

- [FEIA: Public Building WiFi](#)

Education

- [FEIA: Education welfare service rationalisation](#) (pdf)
- [FEIA: Gwent Music- subsidy reduction](#) (pdf)
- [FEIA: Inclusion officer reduction](#) (pdf)

City Services

- [FEIA: Home to college transport proposal and travel grants](#) (pdf)

Social Services (Adult)

- [FEIA: Third sector grants \(social services\)](#) (pdf)

Social Services (Children)

- [FEIA: Family Support Services – Barnardo's Partnership](#) (pdf)
- [FEIA: Staffing across Children's Services and Reduction of Posts in Children's Services](#) (pdf)

The detailed results of these FEIAs are on the budget pages of the Council's website at the following link:

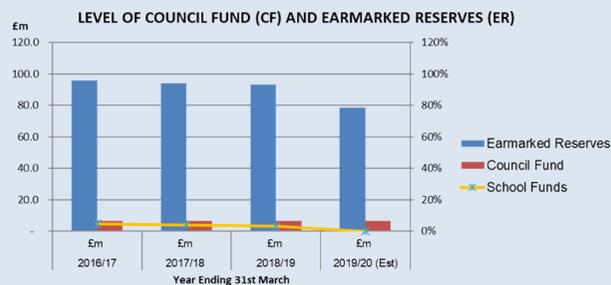
<http://www.newport.gov.uk/en/Council-Democracy/Equalities-the-Welsh-language/Equality-Impact-Assessments/Budget-FEIAs-2020-21/Budget-FEIAs-2020-21.aspx>

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Appendix 10 - Financial Resilience

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

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



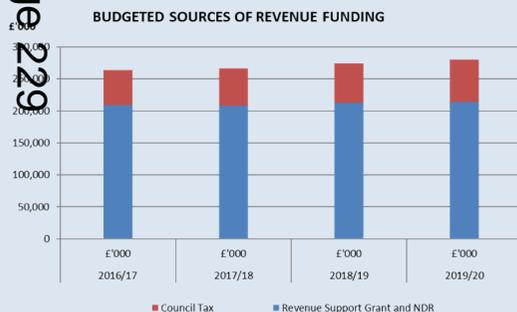
Level of Reserves

| | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 (Est) £m |
|--------------------|---------------|---------------|---------------|---------------------|
| Earmarked Reserves | 95.8 | 93.9 | 93.4 | 78.5 |
| Council Fund | 6.5 | 6.5 | 6.5 | 6.5 |
| School Funds | 4.8 | 3.9 | 3.1 | - |

Budgeted Sources of Funding

| | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|-------------------------------|------------------|------------------|------------------|------------------|
| Total Revenue Funding | 209,142 | 208,250 | 212,790 | 214,343 |
| Revenue Support Grant and NDR | 54,796 | 58,122 | 61,806 | 66,268 |
| Council Tax | - | - | - | - |

Budgeted Revenue Funding Split



Financial Performance and Ratios

| Ratio | Calculation | 2015/2016 £'000 | 2016/2017 £'000 | 2017/2018 £'000 | 2018/2019 £'000 |
|----------------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Net Worth (Assets - Liabilities) | (Asset: Liabilities) | 61,095 | 20,785 | 20,213 | 48,973 |
| Net Worth (exc Pension Liab.) | (Asset: Liabilities) | 340,816 | 345,530 | 344,230 | 351,614 |
| Working Capital Ratio | (Curr. Assets / Curr. Liabilities) | 1.82 | 1.17 | 1.10 | 1.10 |
| Gearing Ratio | (Borrowing / Total Reserves) | 44.0% | 49.9% | 52.8% | 52.8% |

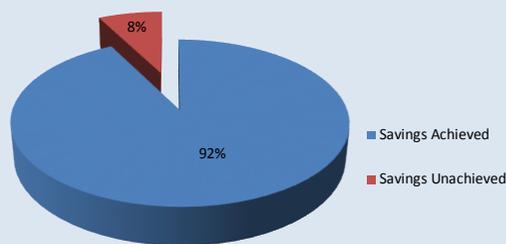
The figures below shows the 19/20 forecast position for both revenue and capital

2019/20 Revenue Forecast Position - December

| Service Area | Current Budget £'000 | Budget Forecast £'000 | Variance £'000 | Variance % |
|--------------------------------------|-------------------------|--------------------------|-------------------|---------------|
| Children & Young People | 24,467 | 25,782 | 1,315 | 5.4 |
| Adult & Community Services | 46,744 | 48,138 | 1,394 | 3.0 |
| Education | 14,209 | 13,904 | 305 | (2.1) |
| Schools | 96,545 | 100,064 | 3,519 | 3.6 |
| Regeneration, Investment & Housing | 9,994 | 10,056 | 62 | 0.6 |
| City Services | 23,722 | 23,860 | 138 | 0.6 |
| Corporate Services | 18,403 | 18,035 | (368) | (2.0) |
| Total Directorates | 234,084 | 239,839 | 5,755 | 2.5 |
| Capital Financing | 22,990 | 22,990 | - | - |
| Contingency/ Provisions | 2,152 | 1,826 | (326) | (15.1) |
| Levies / other | 22,458 | 21,023 | (1,434) | (6.4) |
| Reserves / Transfer | (1,072) | (4,591) | (3,519) | 328.3 |
| Total Budget | 280,611 | 281,087 | 476 | 0.2 |
| Additional funding - CT surplus | - | (750) | (750) | - |
| Projected Over/ (Under) spend | 280,611 | 280,337 | (274) | (0.1) |

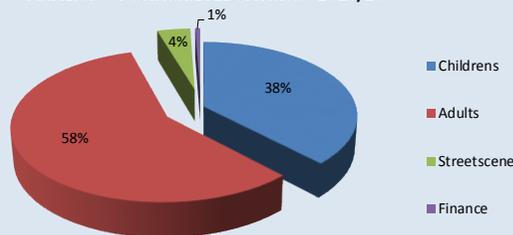
Revenue Savings Achieved and Unachieved (December 2019/20)

2019/20 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



Analysis of Unachieved Savings

ANALYSIS OF UNACHIEVED SAVINGS - 2019/20



2019/20 Capital Forecast Position - December

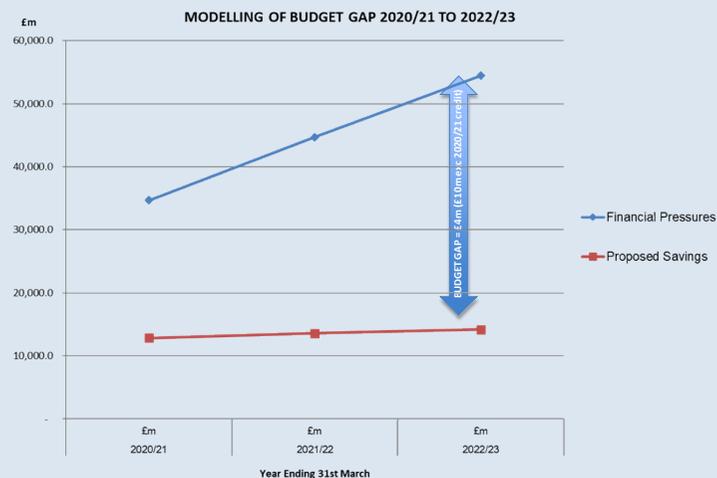
| Service Area | Updated Budget £'000 | Budget Forecast £'000 | Variance Slippage £'000 | Variance (Under)/ Overspend £'000 |
|------------------------------------|-------------------------|--------------------------|-------------------------------|---|
| Education | 7,310 | 6,306 | (667) | (337) |
| Regeneration, Investment & Housing | 14,937 | 14,863 | (57) | (17) |
| People & Business Change | 736 | 736 | - | - |
| Adult & Community Services | 219 | 182 | - | (37) |
| Children & Young People Services | 1,566 | 892 | (674) | 83 |
| City Services | 14,514 | 14,356 | (241) | - |
| Total Budget | 39,282 | 37,335 | (1,639) | (308) |

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

MTFP Scenario

| | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | Total £'000 |
|------------------------------|------------------|------------------|------------------|----------------|
| Financial Pressures | 19,833 | 10,465 | 10,195 | 54,148 |
| Transfer to/ (from) reserves | 900 | 0 | 0 | 1,199 |
| Funding Reductions | (13,734) | (2,324) | (2,304) | (21,946) |
| Budget Requirement Reduction | 6,999 | 8,141 | 7,891 | 33,403 |
| Increase in Ctax/ tax base | (4,876) | (2,289) | (2,425) | (13,159) |
| Savings | (6,034) | (759) | (585) | (14,181) |
| Budget Gap | (3,911) | 5,093 | 4,881 | 6,063 |

Modelling of Budget Gap 2020/21 to 2022/23



Capital Expenditure & Need to borrow

| Capital Expenditure | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total capital expenditure | 40.3 | 49.5 | 50.2 | 19.8 |
| Capital Financing Requirement | | | | |
| Investments or (new borrowing) | - | 22.5 | 40.8 | 57.6 |
| CFR | 287.0 | 292.7 | 298.2 | 290.6 |

APPENDIX 10a - Projected earmarked reserves

| Reserve | Balance at 31-Mar-19 | Balance at 31-Mar-20 | Balance at 31-Mar-21 | Balance at 31-Mar-22 | Balance at 31-Mar-23 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Council Fund: | (6,500) | (6,500) | (6,500) | (6,500) | (6,500) |
| Balances held by schools for future use | (3,130) | 388 | 388 | 388 | 388 |
| | | - | - | - | - |
| Earmarked Reserves: | | - | - | - | - |
| Music Service | (127) | (127) | (127) | (127) | (127) |
| Pay Reserve | (1,418) | (1,418) | (1,418) | (1,418) | (1,418) |
| Insurance Reserve | (2,831) | (3,668) | (3,238) | (2,808) | (2,378) |
| MMI Insurance Reserve | (602) | (602) | (602) | (602) | (602) |
| Health & Safety | (16) | (16) | (16) | (16) | (16) |
| Education Achievement Service | (92) | (92) | (92) | (92) | (92) |
| Schools Redundancies | (845) | (1,217) | (811) | (405) | - |
| Friars Walk | (5,201) | (5,201) | (5,201) | (5,201) | (5,201) |
| European Funding I2A & CFW | (278) | (278) | (278) | (278) | (278) |
| Metro Bus | (9) | (9) | (9) | (9) | (9) |
| GEMS Redundancies | (78) | (78) | (78) | (78) | (78) |
| SUB TOTAL - RISK RESERVES | (11,497) | (12,706) | (11,870) | (11,034) | (10,199) |
| Capital Expenditure | (6,709) | (4,033) | (4,033) | (4,033) | (4,033) |
| Invest to Save | (11,099) | (10,158) | (9,007) | (8,679) | (8,679) |
| Super Connected Cities | (554) | (426) | (298) | (170) | (42) |
| Landfill (fines reserve) | (345) | (332) | (307) | (307) | (307) |
| Christmas Lights | (30) | - | - | - | - |
| School Reserve Other | (182) | - | - | - | - |
| School Works | (384) | (369) | (369) | (369) | (369) |
| Investment Reserve | (747) | (23) | - | - | - |
| Usable Capital Receipts | (8,295) | (3,092) | (588) | (588) | 0 |
| Streetscene Manager Support | (154) | (10) | - | - | - |
| SUB TOTAL - ENABLING RESERVES | (28,498) | (18,442) | (14,601) | (14,145) | (13,429) |
| STEP School Computers | (312) | 0 | 0 | 0 | 0 |
| Municipal Elections | (92) | (130) | (168) | (206) | - |
| Local Development Plan | (611) | (658) | (516) | (374) | (160) |
| Glan Usk PFI | (1,605) | (1,605) | (1,605) | (1,605) | (1,605) |
| Southern Distributor Road PFI | (43,881) | (41,679) | (39,605) | (37,354) | (35,024) |
| Loan modification technical reserve (IFRS 9) | (1,242) | (1,170) | (1,095) | (1,015) | (925) |
| Building Control | (132) | (136) | (136) | (136) | (136) |
| SUB TOTAL - SMOOTHING RESERVES | (47,875) | (45,378) | (43,125) | (40,690) | (37,850) |
| Works of art | (21) | (21) | (21) | (21) | (21) |
| Theatre & Arts Centre | (232) | (232) | (232) | (232) | (232) |
| Cymorth Income | (33) | (25) | (16) | (8) | 0 |

| Reserve | Balance at 31-Mar-19 | Balance at 31-Mar-20 | Balance at 31-Mar-21 | Balance at 31-Mar-22 | Balance at 31-Mar-23 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Blaen Y Pant | (8) | - | - | - | - |
| Homelessness Prevention | (38) | (26) | - | - | - |
| Environmental Health - Improve Air Quality | (49) | (49) | - | - | - |
| Refurbishment of a Children / Older People Homes | (113) | - | - | - | - |
| Apprenticeship Scheme | (51) | (8) | - | - | - |
| City Economic Development Reserve | (90) | - | - | - | - |
| Welsh Language Standards | (174) | (118) | (38) | (38) | (38) |
| Port Health | (13) | (15) | (15) | (15) | (15) |
| CRM | (431) | (186) | - | - | - |
| Events | (266) | (186) | (156) | (156) | (156) |
| MTFP Reserve | (1,762) | (615) | (615) | (615) | (615) |
| Development of Leisure Masterplan | (15) | - | - | - | - |
| Voluntary Sector Grants | (66) | (49) | - | - | - |
| Bus Wifi | (35) | (17) | - | - | - |
| NEW - SENCOM | (250) | - | - | - | - |
| NEW - Bus Subsidy | (40) | (20) | - | - | - |
| NEW - IT Development | (351) | - | - | - | - |
| NEW - Leisure Delivery Plan | (150) | - | - | - | - |
| NEW - Chartist Tower | (950) | - | - | - | - |
| NEW - CPE | - | (80) | (80) | (80) | (80) |
| Joint Committee City Deal Reserve | (399) | (399) | (399) | (399) | (399) |
| SUB TOTAL - OTHER RESERVES | (5,537) | (2,046) | (1,572) | (1,564) | (1,556) |
| | | | | | |
| RESERVES TOTAL | (103,037) | (84,683) | (77,280) | (73,544) | (69,145) |

APPENDIX 10b - Summary of invest to save spend and forecast

| Invest To Save - Summary Forecast | |
|--|-----------------|
| | |
| | £'000 |
| Balance B/F 31.03.2019 | (11,099) |
| Total Forecast Spend 2019/20 | 941 |
| Invest to Save Forecast balance 31.03.2020 | (10,158) |
| Further Funding Required:- | |
| Bids & Change/Efficiency proposals | |
| 2020/21 | 2,771 |
| 2021/22 | 368 |
| 2022/23 | 0 |
| Remaining Invest to Save reserve available for future Change/Efficiency Programme | (7,019) |

APPENDIX 11 – Fees and Charges

SERVICE AREA: Social Services

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) |
|---|----------------------------------|-----------------------------------|--------------------------------------|
| Other Local Authority Charges | | | |
| NCC Residential Homes (£ per week) | | | |
| Blaen-y-pant - Residential/Dementia Care | 577.00/670.00 | 690 | per week |
| Parklands - Residential Care | 577.00 | 595 | per week |
| Spring Gardens - Dementia Care | 670.00 | 690 | per week |
| External Respite Facilities (£ per week) | | | |
| Centrica | 1,005.00 | 1035 | per week |
| Day Services (£ per week) | | | |
| Day Services/Opportunities – Learning Disability | 100.00 | 105 | per day |
| Day Services/Opportunities – Mental Health/Older People | 87.00 | 90 | per day |
| Spring Gardens Day Opportunities | 87.00 | 90 | per day |
| Newport Residents Charges | | | |
| NCC Residential Homes (£ per week – short term stays over 8 weeks and permanent admissions). | | | |
| Blaen-y-pant - Residential/Dementia Care | 577.00/670.00 | 690 | per week |
| Parklands - Residential Care | 577.00 | 595 | per week |
| Spring Gardens - Dementia Care | 670.00 | 690 | per week |
| <i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i> | | | |
| NCC Residential Homes (£ per week - short term stays upto 8 weeks duration) | | | |
| Blaen-y-pant - Residential & Dementia Care | | | |
| Parklands - Residential Care | | | |
| Spring Gardens - Dementia Care | | | |
| External Respite Facilities (£ per week – short term stays up to 8 weeks duration) | | | |
| Centrica | | | |
| Supported Housing (£ per week) | | | |
| Supported Housing for Learning Disability clients | | | |
| Day Services (£ per day) | | | |
| Day Services/Opportunities – Learning Disability | | | |
| Day Services/Opportunities – Mental Health/Older People | | | |
| Spring Gardens Day Opportunities | | | |
| Meal Income (per meal) | | | |
| All establishments (service users, visitors and staff) | 3.60 | 3.60 | per meal |
| Legal and Administration Charges | | | |
| Deferred Payment Administration Charge (DPA) | 100.00 | 100 | each |
| Legal charge | 50.00 | 50 | each |
| Residential care - provided by external providers | | | |
| <i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i> | | | |
| Residents charge will be dependent on weekly charge from external provider | | | |
| Non-residential care - provided by external providers | | | |
| Direct payments | | | |
| Telecare | | | |
| <i>Where services are provided by external providers the charges made are based on actual costs paid to providers (after income assessment has been made)</i> | | | |
| Charged under non-residential charging policy and capped at £100 per week | | | |
| Pendant Alarm basic package | | | |
| £4 per alarm | | | |
| Appointeeships/Deputyships | | | |
| Between £8 and £25 per week - dependent on complexity | | | |
| Animal welfare/property clearances | | | |
| dependent on external provider charge | | | |
| Protection of property | | | |
| dependent on NCH charge | | | |

SERVICE AREA: Regeneration, Investment and Housing

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|---|----------------------------------|--------------------------------------|--|---|--|---------------|
| Building Control Fees | | | | | | |
| Single Storey Extensions | | | | | | |
| Single storey extension, floor area not exceeding 10m ² | | | | | | |
| Full plans charge | 325.00 | 325.00 | 487.50 | 487.50 | each | 0.00% |
| Single storey extension, floor area exceeding 10m ² but not exceeding 40m ² | | | | | | |
| Full plans charge | 404.17 | 404.17 | 606.26 | 606.26 | each | 0.00% |
| Single storey extension, floor area exceeding 40m ² but not exceeding 100m ² | | | | | | |
| Full plans charge | 570.83 | 570.83 | 856.25 | 856.25 | each | 0.00% |
| Two Storey Extensions | | | | | | |
| Two storey extension not exceeding 40m ² | | | | | | |
| Building notice charge | 466.67 | 466.67 | 700.00 | 700.00 | each | 0.00% |
| Two storey extension, floor area exceeding 40m ² but not exceeding 100m ² | | | | | | |
| Full plans charge | 570.83 | 570.83 | 856.25 | 856.25 | each | 0.00% |
| Loft Conversions | | | | | | |
| Loft conversion that does not include the construction of a dormer | 420.83 | 420.83 | 631.25 | 631.25 | each | 0.00% |
| Loft conversion that does include the construction of a dormer | 466.67 | 466.67 | 700.00 | 700.00 | each | 0.00% |
| Garages and Carports | | | | | | |
| Erection of extension of a non exempt detached domestic garage or carport up to 100m ² | 245.83 | 245.83 | 368.75 | 368.75 | each | 0.00% |
| Erection of a non exempt attached single storey extension of a domestic garage or carport up to 100m ² | 245.83 | 245.83 | 368.75 | 368.75 | each | 0.00% |
| Other | | | | | | |
| Conversion of a garage to a habitable room(s) | 245.83 | 245.83 | 368.75 | 368.75 | each | 0.00% |
| Alterations to extend or create a basement up to 100m ² | 466.67 | 466.67 | 700.00 | 700.00 | each | 0.00% |
| Underpinning | 229.17 | 229.17 | 343.76 | 343.76 | each | 0.00% |
| Renovation of a thermal element to a single dwelling | 87.50 | 87.50 | 131.25 | 131.25 | each | 0.00% |
| Creation of New Dwelling | | | | | | |
| i) Plan charge | 203.13 | 203.13 | | | each | 0.00% |
| ii) Inspection charge | 406.87 | 406.87 | | | each | 0.00% |
| iii) Building notice charge | 610.00 | 610.00 | 915.00 | 915.00 | each | 0.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|---|----------------------------------|--------------------------------------|--|---|--|---------------|
| Internal Alterations | | | | | | |
| i) cost of works <£2,000 | 125.00 | 125.00 | 187.50 | 187.50 | each | 0.00% |
| ii) cost of works £2,001 to £5,000 | 204.17 | 204.17 | 306.26 | 306.26 | each | 0.00% |
| iii) cost of works £5,001 to £15,000 | 245.83 | 245.83 | 368.00 | 368.00 | each | 0.00% |
| iv) cost of works £15,001 to £25,000 | 345.83 | 345.83 | 368.75 | 368.75 | each | 0.00% |
| v) cost of works £25,001 to £40,000 | 441.67 | 441.67 | 662.50 | 662.50 | each | 0.00% |
| vi) cost of works £40,001 to £60,000 | 537.50 | 537.50 | 806.35 | 806.35 | each | 0.00% |
| Window Replacement | | | | | | |
| Window replacement (non competent persons scheme) - 1 to 3 windows | 83.33 | 83.33 | 125.00 | 125.00 | each | 0.00% |
| Window replacement (non competent persons scheme) - 4 to 20 windows | 125.00 | 125.00 | 187.50 | 187.50 | each | 0.00% |
| Window replacement (non competent persons scheme) - 20+ windows | 208.33 | 208.33 | 312.50 | 312.50 | each | 0.00% |
| Electrical Work | | | | | | |
| Electrical work (not competent persons scheme) carried out by a qualified electrician in accordance with BS7671 | 133.33 | 133.33 | 200.00 | 200.00 | each | 0.00% |
| Electrical work carried out by others | 279.17 | 279.17 | 418.76 | 418.76 | each | 0.00% |
| Installation of Heat Producing Appliance | | | | | | |
| Installation of solid fuel heat producing appliance where the installer is not a member of a competent persons scheme | 125.00 | 125.00 | 187.50 | 187.50 | each | 0.00% |
| Non Domestic Work | | | | | | |
| Commercial Building - Floor Area not exceeding 40m ² | 533.00 | 533.00 | 799.50 | 799.50 | each | 0.00% |
| Commercial Building - Floor Area exceeding 40m ² but not exceeding 100m ² | 612.50 | 612.50 | 918.75 | 918.75 | each | 0.00% |
| Commercial Building - Floor Area exceeding 100m ² but not exceeding 200m ² | 891.67 | 891.67 | 1,337.51 | 1,337.51 | each | 0.00% |
| Underpinning - Est. cost up to £50,000 | 341.67 | 341.67 | 512.51 | 512.51 | each | 0.00% |
| Underpinning - Est. cost exceeding £50,000 and up to £100,000 | 441.67 | 441.67 | 662.51 | 662.51 | each | 0.00% |
| Underpinning - Est. cost up to £100,000 and up to £250,000 | 550.00 | 550.00 | 825.00 | 825.00 | each | 0.00% |
| Window Replacement | | | | | | |
| Window Replacement - 1 to 20 windows | 204.17 | 204.17 | 306.63 | 306.63 | each | 0.00% |
| Window Replacement - 21 to 50 windows | 325.00 | 325.00 | 487.50 | 487.50 | each | 0.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|--|---|---|--|---|--|---------------|
| New Shop front(s) | | | | | | |
| Window Replacement - 1 to 20 windows | 291.67 | 291.67 | 437.51 | 437.51 | each | 0.00% |
| Window Replacement - 21 to 50 windows | 370.83 | 370.83 | 556.25 | 556.25 | each | 0.00% |
| Renovation of a thermal element - Est. cost up to £50,000 | 204.17 | 204.17 | 306.63 | 306.63 | each | 0.00% |
| Renovation of a thermal element - Est. cost exceeding £50,000 and up to £100,000 | 245.83 | 245.83 | 368.75 | 368.75 | each | 0.00% |
| Renovation of a thermal element - Est. cost exceeding £100,000 and up to £250,000 | 312.50 | 312.50 | 468.75 | 468.75 | each | 0.00% |
| Alterations not described elsewhere inc. structural alterations and installation of controlled fittings | | | | | | |
| Estimated cost up to £5,000 | 204.17 | 204.17 | 306.63 | 306.63 | each | 0.00% |
| Estimated cost exceeding £5,000 and up to £15,000 | 262.50 | 262.50 | 393.75 | 393.75 | each | 0.00% |
| Estimated cost exceeding £15,000 and up to £25,000 | 345.83 | 345.83 | 518.75 | 518.75 | each | 0.00% |
| Estimated cost exceeding £25,000 and up to £50,000 | 508.33 | 508.33 | 762.50 | 762.50 | each | 0.00% |
| Estimated cost exceeding £50,000 and up to £75,000 | 675.00 | 675.00 | 1,012.50 | 1,012.50 | each | 0.00% |
| Estimated cost exceeding £75,000 and up to £100,000 | 795.83 | 795.83 | 1,193.75 | 1,193.75 | each | 0.00% |
| Installation of Mezzanine floor up to 500m ² | 587.50 | 587.50 | 881.25 | 881.25 | each | 0.00% |
| Office Fit Out - floor up to 500m ² | 570.83 | 570.83 | 858.25 | 858.25 | each | 0.00% |
| Office Fit Out - floor 500m ² to 2000m ² | 733.33 | 733.33 | 1,100.00 | 1,100.00 | each | 0.00% |
| Shop fit out - Floor up to 500m ² | 570.83 | 570.83 | 856.25 | 856.25 | each | 0.00% |
| Shop fit out - Floor 500m ² to 2000m ² | 733.33 | 733.33 | 1,100.00 | 1,100.00 | each | 0.00% |
| Letter of acceptance to AIs | 20.00 | 20.00 | 20.00 | 20.00 | each | 0.00% |
| Preliminary enquiries | 50% of plan fee | 50% of plan fee | 50% of plan fee | | each | |
| Market Rents | various based on size of stall and facilities | various based on size of stall and facilities | | No changes | each | 0.00% |
| Civic Centre Room Hire | | | | | | |
| <p><i>The charges for the Civic Centre below are subject to charging under the following criteria:</i></p> <ul style="list-style-type: none"> - Full Charge : Industrial or Business Organisations; Organisations whose members are engaged in trade, business or professional practice (other than student associations); Statutory official or Government Bodies including Local Government except where reciprocal arrangements apply. - Half Price : Political, Social or Trade Union Groups not included under full price or free - Free (this applies to evening sessions only) : Organisations devoted exclusively to charitable causes; Societies for the handicapped; Organisations for promotion of recreational activities for young people; Trade Union Branches whose members are employed by Newport City Council; Any political group meetings of Councillors and invited guests are free of charge (provided that not more than 25 % of the people attending the political group meetings are non Councillors). NB Any registered charities chaired by the Mayor of Newport can use the meeting rooms free of charge at any time | | | | | | |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|--|----------------------------------|--------------------------------------|--|---|--|---------------|
| Council Chamber | 74.00 | 78.00 | | | per session | 5.41% |
| | 232.00 | 244.00 | | | per day | 5.17% |
| Committee Room 1 | 40.00 | 42.00 | | | per session | 5.00% |
| | 118.00 | 124.00 | | | per day | 5.08% |
| Committee Room 2 | 28.00 | 29.00 | | | per session | 3.57% |
| | 85.00 | 89.00 | | | per day | 4.71% |
| Committee Room 3 | 28.00 | 29.00 | | | per session | 3.57% |
| | 85.00 | 89.00 | | | per day | 4.71% |
| Committee Room 4 | 28.00 | 29.00 | | | per session | 3.57% |
| | 85.00 | 89.00 | | | per day | 4.71% |
| Committee Room 5 | 23.00 | 24.00 | | | per session | 4.35% |
| | 67.00 | 70.00 | | | per day | 4.48% |
| Committee Room 7 | 67.00 | 70.00 | | | per session | 4.48% |
| | 202.00 | 212.00 | | | per day | 4.95% |
| Equipment Hire | | | | | | |
| Full facilities in Committee Room 7 including staff assistance | 62.00 | 65.00 | | | per meeting | 4.84% |
| Council Chamber Microphones | 31.00 | 33.00 | | | per meeting | 6.45% |
| Council Chamber 1 Microphone | 14.00 | 15.00 | | | per meeting | 7.14% |
| | | | | | | |
| Community Centres Room Hire | | | | | | |
| Caerleon Town Hall | | | | | | |
| Non Profit Making/ Voluntary Organisations | | | | | | |
| Town Hall | Various | 26.00 | | | per hour | |
| Memorial Hall | Various | 26.00 | | | per hour | |
| Council Chamber | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| First Floor | Various | 26.00 | | | per hour | |
| Small Group Organisations | | | | | | |
| Town Hall | Various | 26.00 | | | per hour | |
| Memorial Hall | Various | 26.00 | | | per hour | |
| Council Chamber | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| First Floor | Various | 26.00 | | | per hour | |
| Commercial/ Business (per hour) | | | | | | |
| Town Hall | Various | 26.00 | | | per hour | |
| Memorial Hall | Various | 26.00 | | | per hour | |
| Council Chamber | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| First Floor | Various | 26.00 | | | per hour | |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|--|----------------------------|-----------------------------|---|--|------------------------------------|------------|
| Ringland Community Centre | | | | | | |
| Non Profit Making/ Voluntary Organisations (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Small Group Organisations (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Commercial/ Business (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Sway Community Centre | | | | | | |
| Non Profit Making/ Voluntary Organisations (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Small Group Organisations (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Commercial/ Business (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Rivermead Community Centre | | | | | | |
| Non Profit Making/ Voluntary Organisations (per hour) | | | | | | |
| Both Halls | Various | 26.00 | | | per hour | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Small Group Organisations (per hour) | | | | | | |
| Both Halls | Various | 26.00 | | | per hour | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|--|----------------------------------|--------------------------------------|--|---|--|---------------|
| Ringland Community Centre | | | | | | |
| Non Profit Making/ Voluntary Organisations (per hour) | | | | | | |
| Commercial/ Business (per hour) | | | | | | |
| Both Halls | Various | 26.00 | | | per hour | |
| Main Hall | Various | 26.00 | | | per hour | |
| Meeting Rooms | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Bettws Day Centre | | | | | | |
| Non Profit Making/ Voluntary Organisations (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Day Club | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Small Group Organisations (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Day Club | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Commercial/ Business (per hour) | | | | | | |
| Main Hall | Various | 26.00 | | | per hour | |
| Day Club | Various | 26.00 | | | per hour | |
| Hire of Kitchen | Various | 26.00 | | | per hour | |
| Cefn Wood Centre | | | | | | |
| Small Group Organisations (per hour) | | | | | | |
| Leased to Jitterbug Childcare (From Nov 2018) | | | | | | |
| Nov 18 - Apr 19 | | | | | per hour | |
| May 19 - Oct 19 | 150.00 | | | | per hour | |
| Nov 19 onwards | 200.00 | 200.00 | | | per hour | |
| Museum and Art Gallery | | | | | | |
| Educational Publications UK Rights | 18.75 | 18.75 | | | | 0.00% |
| Educational Publications World Rights | 36.50 | 36.50 | | | | 0.00% |
| Commercial Publications & Websites UK rights | 37.50 | 37.50 | | | | 0.00% |
| Commercial Publications & Websites world rights | 78.50 | 78.50 | | | | 0.00% |
| Publication Jacket, Covers & Homepages UK Rights | 89.00 | 89.00 | | | | 0.00% |
| Publication Jacket, Covers & Homepages World Rights | 182.00 | 182.00 | | | | 0.00% |
| Television Flash Fees UK rights | 89.50 | 89.50 | | | | 0.00% |
| Television Flash Fees world rights | 177.00 | 177.00 | | | | 0.00% |
| Digital Image 300 dpi | 6.80 | 6.80 | | | | 0.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|---|--|--------------------------------------|--|---|--|---------------|
| Ship Project | | | | | | |
| Staff Consultancy and Training services | | | | | | |
| Hourly Rate | 40.50 | 45.00 | | | per hour | 11.11% |
| Staff Consultancy and Training services | | | | | | |
| Day Rate | 281.00 | 300.00 | | | per day | 6.76% |
| Faro Arm Rental | 79.00 | 85.00 | | | per day | 7.59% |
| Libraries | | | | | | |
| Fines (per day) | 0.20 | 0.20 | | | per day | 0.00% |
| Overdue Administration Adult | 0.30 | 0.30 | | | per letter | 0.00% |
| Replacement Library Card | 4.00 | 4.00 | | | each | 0.00% |
| Lost Books and other items | Sliding scale linked to Book Price | | | | each | |
| Photocopying B&W A4 | 0.20 | 0.20 | | | per copy | 0.00% |
| Photocopying B&W A3 | 0.30 | 0.30 | | | per copy | 0.00% |
| Photocopying Colour A4 | 1.10 | 1.10 | | | per copy | 0.00% |
| Photocopying Colour A3 | 1.60 | 1.60 | | | per copy | 0.00% |
| Computer Printout A4 | 0.20 | 0.20 | | | per copy | 0.00% |
| Computer Printout A3 | 0.30 | 0.30 | | | per copy | 0.00% |
| Hire of Talking Books | 1.40 | 1.40 | | | each | 0.00% |
| Charge for late return of Talking Books | 0.20 | 0.20 | | | per day | 0.00% |
| Family History Research | 28.00 | 28.00 | | | per hour | 0.00% |
| Hire of Rooms | 15/ 20 | 15/ 20 | | | per hour | 0.00% |
| Transporter Bridge | | | | | | |
| Day Ticket - Adult | 3.00 | 4.00 | | | per ticket | 33.33% |
| Day Ticket - Child | 2.00 | 3.00 | | | per ticket | 50.00% |
| Gondola - Adult (one way) | 1.00 | 1.50 | | | per ticket | 50.00% |
| Gondola - Adult (return) | 1.50 | 2.00 | | | per ticket | 33.33% |
| Gondola - Child (one way) | 0.50 | 1.00 | | | per ticket | 100.00% |
| Gondola - Child (return) | 1.00 | 1.50 | | | per ticket | 50.00% |
| Abseil Fee | | 250.00 | | | per event | |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Current Retrospective Charge (applies to Building Control Charges only) | Proposed Retrospective Charge (applies to Building Control Charges only) | Unit of Charge (per hr / day etc.) | % Increase |
|---|---|---|---|--|------------------------------------|------------|
| Development Management Fees | Various based on scale of development | Statutory fees - no change | | | per application | 0.00% |
| Pre-application advice | Various depending on the scale of development | Various depending on the scale of development | | | per application | 0.00% |
| Dangerous Structures - Building Control | 0.00 | 0.00 | | | per application | 0.00% |
| Demolition Notice | 0.00 | 0.00 | | | per application | 0.00% |
| | | | | | | |

Schedule of Fees and Charges 2019/20 - City Services

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|----------------------------|-----------------------------|-----------------------------------|------------|
| Cemeteries | | | | |
| Exclusive right of burial and issue deed and marker | 1,071.00 | 1,113.84 | per plot | 4.00% |
| Standard grave space not exceeding 2.15m x 0.76m (30") including headstone permit | 1,071.00 | 1,113.84 | per plot | 4.00% |
| Purchase of two grave spaces to accommodate Fibreglass burial cube, including headstone | 1,733.00 | 1,802.32 | per plot | 4.00% |
| Cremated remains in Garden of Rest – grave space not exceeding 0.23m x 0.92m | 512.00 | 532.48 | per plot | 4.00% |
| Interments – including use of grass mats as necessary | | | | |
| Stillborn child or child not exceeding one month | no charge | no charge | per plot | |
| Child one month to eighteen years | no charge | no charge | per plot | |
| Persons exceeding eighteen years | 1,164.00 | 1,210.56 | per plot | 4.00% |
| | 185.00 | 192.40 | per plot | 4.00% |
| Interment of second person in grave space on same day | | | | |
| Cremated remains in full grave space | 258.00 | 268.32 | per plot | 4.00% |
| Cremated remains in garden of rest | 258.00 | 268.32 | per plot | 4.00% |
| Interment of second person cremated remains in same space on same day | 60.50 | 62.92 | per plot | 4.00% |
| Scattering of ashes | 140.50 | 146.12 | each | 4.00% |
| Scattering of ashes of second person at same time | 60.50 | 62.92 | each | 4.00% |
| Headstones and Tablets – including all inscriptions | | | | |
| Columbaria Sanctum 2000 Units – above ground | 1,987.20 | 2,066.68 | each | 4.00% |
| second and subsequent Interment Sanctum 2000 units | 60.50 | 62.92 | each | 4.00% |
| Other Services and Items | | | | |
| Administrative research of burial records (per 30 minute period) | 15.60 | 16.22 | per 30 minutes | 3.97% |
| Provision of fibreglass burial cube | 821.00 | 853.84 | each | 4.00% |
| Provision of BROXAP bench and concrete plinth | 1,128.00 | 1,173.12 | each | 4.00% |
| Exhumation of Ashes | 258.00 | 268.32 | each | 4.00% |
| Exhumation Full - Facilitation undertaken by approved contractors. | 170.00 | 2,200.00 | each | 1194.12% |
| Statutory Declaration | 50.00 | 52.00 | each | 4.00% |
| Change in Circumstances (Grant name, marriage etc) | 30.00 | 32.00 | each | 6.67% |
| Cancellation of Funeral (48hrs) | 300.00 | 312.00 | each | 4.00% |
| Change in Funeral Times | 30.00 | 32.00 | each | 6.67% |
| Copy of Exclusive Right of Burial (LOST/MISPLACED) | 15.00 | 156.00 | each | 940.00% |
| Grant of Exclusive Right - 50 YEARS | 840.00 | 873.60 | each | 4.00% |
| Grant of Exclusive Right - 25 YEARS | 420.00 | 436.80 | each | 4.00% |
| Fee for plot for Non Newport resident | 2,060.00 | 2,142.40 | each | 4.00% |
| Additional Tablet on Existing plot with Headstone | 183.88 | 191.23 | each | 4.00% |
| Fee for new ashes plot Non Newport resident | 1,282.00 | 1,333.28 | each | 4.00% |
| Headstone fee - Before April 2011 | 354.76 | 368.95 | each | 4.00% |
| Tablet Fee - Before April 2011 | 183.88 | 191.23 | each | 4.00% |
| Additional inscription | no charge | 60.00 | each | 100.00% |
| Weekend Burial Services (Standard Burial Charges also apply) | no charge | 500.00 | each | 100.00% |
| Memorial tree (no plinth) | no charge | 475.00 | each | 100.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|---|-----------------------------|-----------------------------------|------------|
| Transport and Highways | | | | |
| RASWA | | | | |
| Skip License (28 days) | 41.00 | 45.00 | each | 9.76% |
| Unauthorised skips | 158.00 | 165.00 | each | 4.43% |
| Private works: new apparatus Sec 50 | 398.00 | 405.00 | each | 1.76% |
| Sec 50 – Single dwelling new apparatus | 398.00 | 405.00 | each | 1.76% |
| Sec 50 – Licence for repair or replace | 398.00 | 405.00 | each | 1.76% |
| Sec 50 inspection – repair or replace | 257.00 | 262.00 | each | 1.95% |
| Sec 50 inspection of excavations >200m long | 398.00 | 405.00 | each | 1.76% |
| S171 Highway Excavation | 211.00 | 215.00 | each | 1.90% |
| Tower Crane Over sailing the Highway Licence: 10 working days' notice required. | 140.40 | 500.00 | each | 256.13% |
| Road space booking | 141.00 | 145.00 | each | 2.84% |
| Filming on the highway (new charge) | 141.00 | 145.00 | each | 2.84% |
| Temporary Traffic Orders | 250.00 | 550.00 | each | 120.00% |
| Emergency Temporary Traffic Orders | 250.00 | 800.00 | each | 220.00% |
| Bus service departure Fees (Market Square) | 0.75 | 0.75 | each | 0.00% |
| SAB Pre Applications - area is <0.4 ha | 250.00 | 250.00 | each | 0.00% |
| SAB Pre Applications - area is 0.5-0.99 ha | 600.00 | 600.00 | each | 0.00% |
| SAB Pre Applications - area is >0.99 ha | 1,000.00 | 1,000.00 | each | 0.00% |
| Pre Application Meeting - area is <0.49 hectares | 0.00 | 125.00 | each | 100.00% |
| Pre Application Meeting - area 0.5-0.99 hectares | 0.00 | 300.00 | each | 100.00% |
| Pre Application Meeting - area is > 0.99 hectares | 0.00 | 500.00 | each | 100.00% |
| Additional SAB services | 0.00 | 50.00 | each | 100.00% |
| SAB Full Applications - fees set by WG | £420 to maximum £7,500(depending on size of site) | varies | each | |
| Vehicle crossing inspections | 200.00 | 200.00 | each | 0.00% |
| Pavement cafe - charge for table plus 4 chairs | 133.15 | 0.00 | each | -100.00% |
| Temporary Sign Application | 75.00 | 80.00 | each | 6.67% |
| Permanent/Tourism Sign applications | 150.00 | 156.00 | each | 4.00% |
| E/O per sign | 10.00 | 10.00 | each | 0.00% |
| Switch off existing signal installation and reinstate within office hours | 388.00 | 405.00 | each | 4.38% |
| Switch off existing signal installation and reinstate outside office hours | 460.00 | 480.00 | each | 4.35% |
| Parking | | | | |
| Residents parking permits | 30.00 | 32.00 | each | 6.67% |
| Visitor parking permits (Book of 10) | 12.00 | 12.50 | per book of 10 | 4.17% |
| Business Parking | 1,000.00 | 1,040.00 | per annum | 4.00% |
| ECN's - Excessive Charge Notice | £35/£70 | Replaced by CPE | each | |
| Car Park Charges (exc Maindee) | | | | |
| Up to 3 hours | 2.50 | 2.50 | | 0.00% |
| Up to 5 hours | 4.50 | 4.50 | | 0.00% |
| Over 5 hours | 6.00 | 6.00 | | 0.00% |
| Maindee Car Park | | | | |
| Up to 2 hours | 1.00 | 1.00 | | 0.00% |
| Up to 5 hours | 2.50 | 2.50 | | 0.00% |
| Over 5 hours | 3.00 | 3.00 | | 0.00% |
| City Centre Kingsway - Up to 1 hour | | 1.00 | | |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|--|----------------------------|-----------------------------|-----------------------------------|------------|
| Allotment Rents | 27.40 | 28.50 | | 4.00% |
| Waste Collection | | | | |
| Trade waste collection:- | | | | |
| Trade blue sacks | 29.11 | 29.99 | per roll of 13 | 3.02% |
| Trade blue labels | 58.23 | 59.99 | per pack of 26 | 3.02% |
| Recycling sacks | 14.04 | 14.32 | per roll of 13 | 1.99% |
| Cardboard labels | 11.03 | 11.25 | per pack of 10 | 1.99% |
| 240 Litre bin | 5.86 | 6.1 | each | 4.10% |
| 360 Litre bin | 7.81 | 7.99 | each | 2.30% |
| 660 Litre bin | 14.31 | 14.6 | each | 2.03% |
| 1100 Litre bin | 23.87 | 24.35 | each | 2.01% |
| Residual bin replacement | 16.00 | 20.00 | | 25.00% |
| New Developments - set of new bins | 0.00 | 50.00 | | |
| Bulky/Special Collection | 20.00 | 21.00 | up to 3 items | 5.00% |
| | 6.00 | 6 | additional items above £21 | 0.00% |
| Cesspit emptying: | | | | |
| 1,000 gallons | 168.00 | 174.72 | per 1,000 gallons | 4.00% |
| 2,000 gallons | 212.00 | 220.48 | per 2,000 gallons | 4.00% |
| Waste Disposal Charges | | | | |
| Active Waste Disposal Charge (set gate fee but variables for asbestos and commercial waste contracts) | 52.26 | 54.35 | per tonne | 4.00% |
| Inactive Waste Disposal Charge | | 16.00 | | |
| Hazardous Waste Disposal Charge | | 82.50 | | |
| Hazardous Waste Note | | 23.00 | | |
| Parks And Open Spaces | | | | |
| Belle Vue Park | | | | |
| Wedding Photography - Annual Permit | 79.00 | 82.16 | annually | 4.00% |
| Caerleon Pavilion | | | | |
| Commercial hire per hour | 15.62 | 16.45 | per hour | 5.31% |
| Education hire per hour | 13.00 | 13.52 | per hour | 4.00% |
| Children's Parties per hour | 13.00 | 13.52 | per hour | 4.00% |
| Community Groups hire per hour | 10.40 | 10.82 | per hour | 4.04% |
| Sport and Leisure Pitch Hire | | | | |
| Football | | | | |
| Pitch only (adult) (per match/pitch) summer and winter | 37.44 | 41.18 | each | 9.99% |
| Pitch and 1 x changing (adult) (per all sports summer and winter) | 47.84 | 52.62 | each | 9.99% |
| Changing room (per U16 age group) | 21.00 | 23.10 | each | 10.00% |
| Seasonal football charge exclusive use – football pitch only | 1,122.16 | 1,234.38 | each | 10.00% |
| Seasonal football charge exclusive use - football pitch and changing room | 1,174.16 | 1,291.58 | each | 10.00% |
| Seasonal football charge priority - pitch only | 588.64 | 647.50 | each | 10.00% |
| Seasonal football charge priority - pitch & changing room | 720.72 | 792.79 | each | 10.00% |
| Seasonal football charge standard - pitch only | 426.40 | 469.04 | each | 10.00% |

| | Seasonal football charge standard - pitch and changing room | 576.16 | 671.80 | each | 16.60% |
|-----------------|---|-------------------------------|--------------------------------|-----------------------------------|------------|
| | Seasonal football charge general use - Sunday sides - pitch only | 328.00 | 360.80 | each | 10.00% |
| Income Source | | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
| | Seasonal football charge general use - Sunday sides - pitch and changing room | 413.00 | 454.30 | each | 10.00% |
| | Football pitch hire aged 11-12 years | | 10.30 | each | 100.00% |
| | Football pitch hire and changing rooms aged 11-12 years | | 15.50 | each | 100.00% |
| | Football pitch hire aged 13-16 years | | 20.89 | each | 100.00% |
| | Football pitch hire and changing rooms aged 13-16 years | | 26.31 | each | 100.00% |
| Rugby | | | | | |
| | Pitch only (adult) (per match/pitch) summer and winter | 32.00 | 41.18 | each | 28.69% |
| | Pitch and 1 x changing (adult) (per all sports summer and winter) | 40.00 | 52.62 | each | 31.55% |
| | Changing room (per U16 age group) | 21.00 | 23.10 | each | 10.00% |
| | Rugby - exclusive use pitch and changing | 1,075.00 | 1,291.40 | each | 20.13% |
| | Rugby - exclusive pitch only | 943.00 | 1,234.20 | each | 30.88% |
| | Rugby - standard pitch | 360.00 | 469.15 | each | 30.32% |
| | Rugby - standard pitch and changing | 485.00 | 633.60 | each | 30.64% |
| | Rugby pitch hire aged 12-14 years | | 10.30 | each | 100.00% |
| | | | 15.50 | each | 100.00% |
| | Rugby pitch hire and changing rooms aged 13-14 years | | 20.89 | each | 100.00% |
| | Rugby pitch hire aged 15-16 years | | 26.31 | each | 100.00% |
| | Rugby pitch hire and changing rooms aged 15-16 years | | | | |
| Glan Usk | | | | | |
| | Glan Usk Astro Juniors | 25.22 | 27.74 | each | 9.99% |
| | Glan Usk Astro Seniors | 50.44 | 55.00 | each | 9.04% |
| Events | | | | | |
| | Major Charitable Events - Price upon application Charity Events land hire (per day discretionary) | 208.00 | 216.32 | each | 4.00% |
| | Setup and Derig | 300.00 | 309.00 | each | 3.00% |
| | Fun fair 1-3 rides | 300.00 | 309.00 | each | 3.00% |
| | Fun fair 3 plus ride | 500.00 | 515.00 | each | 3.00% |
| | Outdoor cinema | 400.00 | 412.00 | each | 3.00% |
| | Catering/Commercial stall per trader | 120.00 | 123.60 | each | 3.00% |
| | Alcohol bar | 1,000.00 | 1,030.00 | each | 3.00% |
| | NCC Street Cleaning Service per day | 300.00 | 312.00 | each | 4.00% |
| | Major Commercial Events - Price upon application Commercial Events land hire (per day discretionary) | 520.00 | 540.80 | each | 4.00% |
| | Setup and Derig | 500.00 | 520.00 | each | 4.00% |
| | Fun fair 1-3 rides | 400.00 | 416.00 | each | 4.00% |
| | Fun fair 3 plus ride | 500.00 | 520.00 | each | 4.00% |
| | Outdoor cinema | 500.00 | 520.00 | each | 4.00% |
| | Catering/Commercial stall per trader | 150.00 | 156.00 | each | 4.00% |
| | Alcohol bar | 2,000.00 | 2,080.00 | each | 4.00% |
| | NCC Street Cleaning Service per day | 300.00 | 312.00 | each | 4.00% |
| | Low Key Community Events (no Income Generation (per day)) | 52.00 | 54.08 | each | 4.00% |
| | Community Events Income Generation (per day) | 104.00 | 108.16 | each | 4.00% |

| Income Source | | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|------------------------------|---|-------------------------------|--------------------------------|-----------------------------------|------------|
| Lodges - Rental Costs | | | | | |
| | Grove Park Lodge | 537.00 | 553.11 | per month | 3.00% |
| | Shaftesbury Park Lodge | 528.00 | 543.84 | per month | 3.00% |
| | Christchurch Cemetery Lodge | 485.00 | 499.55 | per month | 3.00% |
| | St.Woolos Cemetery Lodge | 552.00 | 618.00 | per month | 11.96% |
| | Belle Vue Park - top lodge | n/a | 618.00 | per month | |
| | Belle Vue Park - Residential Lodge Rent | 552.00 | 568.56 | per month | 3.00% |

SERVICE AREA: Corporate Services

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|----------------------------------|-----------------------------------|--------------------------------------|---------------|
| CCTV for NCC clients | | | per SLA | |
| Environmental Health Advice and Training | Variable | Variable | per contract | |
| Houses in Multiple Occupation Pre-licensing Advice Service | | | | |
| Property inspection and report with one schedule & fire plan | 200.00 | 200.00 | per survey | 0.00% |
| Property inspection and report with 2 schedules & fire plans | 250.00 | 250.00 | per survey | 0.00% |
| Each additional proposal over 2 proposals above | 50.00 | 50.00 | per additional proposal | 0.00% |
| Property Surveys (Non-Statutory) | 186.04 | 193.48 | per survey | 4.00% |
| Health and Safety - swimming pool/spa pool resamples following unsatisfactory result (plus VAT) | 68.14 | 70.87 | per sample | 4.00% |
| Port Health Ship Sanitation Certificates | | | | |
| Gross Tonnage | | | | |
| Up to 1,000 | 90.00 | 95.00 | per certificate | 5.56% |
| 1,001 to 3,000 | 125.00 | 130.00 | per certificate | 4.00% |
| 3001 to 10,000 | 190.00 | 200.00 | per certificate | 5.26% |
| 10,001 to 20,000 | 245.00 | 255.00 | per certificate | 4.08% |
| 20,001 to 30,000 | 320.00 | 330.00 | per certificate | 3.13% |
| Over 30,000 | 375.00 | 390.00 | per certificate | 4.00% |
| With exception of vessels with capacity to carry between 50 and 100 persons | 375.00 | 390.00 | per certificate | 4.00% |
| With exception of vessels with capacity to carry more than 1,000 persons | 640.00 | 665.00 | per certificate | 3.91% |
| Extensions to Certificates | 60.00 | 65.00 | per certificate | 8.33% |
| Tables and Chairs (Licence) | | | | |
| Annual Fee | 162.24 | 168.73 | per licence | 4.00% |
| 4 chairs | 59.49 | 61.87 | per licence | 4.00% |
| 12 Chairs | 91.94 | 95.61 | per licence | 4.00% |
| 24 chairs | 162.24 | 168.73 | per licence | 4.00% |
| 24+ chairs | 200.10 | 208.10 | per licence | 4.00% |
| smoking area | 54.08 | 56.24 | per licence | 4.00% |
| change name on licence | 27.04 | 28.12 | per licence | 4.00% |
| Animal Establishment Licensing | | | | |
| Application Audit | | | | |
| Pre Audit Inspection - New service to be offered for inspection prior to application for advice and suitability of premises. The fee will be reviewed during 20/21 to establish if it is appropriate. | New | 50.00 | per hour | New |
| Re Audit - In the event a licence is not issued following an audit the fee for an additional visit will be required. | New | 50.00 | per hour | New |
| [a] Riding Establishments (Application Audit applies - see above) | | | | |
| Up to 10 horses | 123.30 | 128.23 | per licence | 4.00% |
| 11 to 20 horses | 150.34 | 156.36 | per licence | 4.00% |
| 21 to 30 horses | 161.16 | 167.60 | per licence | 4.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|---|---|--------------------------------------|---------------|
| [b] Animal Boarding Establishments (Application Audit applies - see above) | | | | |
| Pet Sitters | 140.61 | 146.23 | per licence | 4.00% |
| Up to 25 animals | 140.61 | 146.23 | per licence | 4.00% |
| 25 to 50 animals | 160.08 | 166.48 | per licence | 4.00% |
| Over 51 animals | 187.12 | 194.60 | per licence | 4.00% |
| [c] Pet Shops (Application Audit applies - see above) | 116.81 | 121.49 | per licence | 4.00% |
| [d] Dangerous Wild Animals (Application Audit applies - see above) | 537.56 | 559.06 | per licence | 4.00% |
| [e] Dog Breeding Establishments (Application Audit applies - see above) | 116.81 | 121.49 | per licence | 4.00% |
| [f] Zoo Licence (Application Audit applies - see above) | 1,025.36 | 1066.37 | per licence | 4.00% |
| <i>For [a] to [f] above, in addition to the licence fee, the licensee to pay the Council's veterinary fees. The fee is payable on application and is not refundable if a licence is not issued.</i> | | | | |
| Legal Services | | | | |
| Local Land Charges Official Search (LLC1 and Con 29 R) | 110.00 | 115.00 | per search | 4.55% |
| Optional questions | 12 (for 20 out of 22 questions) 15 (2 out of the 22 questions) | 13 (for 20 out of 22 questions) 16 (2 out of the 22 questions) | per search | |
| Solicitors own questions | 25.00 | 26.00 | per search | 4.00% |
| Additional parcel fee (Con29 R) | 24.00 | 25.00 | per search | 4.17% |
| Additional parcel fee (total) | 25.00 | 26.00 | per search | 4.00% |
| Query re: personal search (dealing with errors etc) | 25.00 | 26.00 | per search | 4.00% |
| Stray Dogs Reclaiming Fees: | | | | |
| Dogs reclaimed after one day | 94.10 | 97.00 | per dog | 3.08% |
| Dogs reclaimed after two day | 108.16 | 112.00 | per dog | 3.55% |
| Dogs reclaimed after three day | 122.22 | 127.00 | per dog | 3.91% |
| Dogs reclaimed after four day | 136.28 | 141.00 | per dog | 3.46% |
| Dogs reclaimed after five day | 150.34 | 156.00 | per dog | 3.76% |
| Dogs reclaimed after six overnight stays | 164.40 | 170.00 | per dog | 3.40% |
| Dogs reclaimed after seven overnight stays | 178.46 | 185.00 | per dog | 3.66% |
| Dogs reclaimed and staying with the kennels for an extended period (charge per night) | 11.44 | 11.50 | per dog | 0.52% |
| <i>However there will be discretion given to the Kennels Officer on the level of charging due to unusual circumstances. Further, where the Council has found it necessary to pay for vet treatment, these fees should be passed on to the owner reclaiming the dog.</i> | | | | |
| Dog re-homing fee | Variable | Variable | per dog | |
| Street Naming | | | | |
| Property naming/renaming (does not cover newly built properties) | 41.60 | 43.264 | per property | 4.00% |
| Single Plot Development | 114.40 | 118.98 | per plot | 4.00% |
| Development 2+ Plots | 114.40 + 41.60 per additional plot | 118.98 + 43.26 per additional plot | per site/plot | |
| Changes to Development Layout after Notification | 41.60 per plot affected | 43.26 per plot affected | per plot | |
| Street Renaming at Residents Request | 114.40 + 41.60 per property | 118.98 + 43.26 per property | per street/property | |
| Confirmation of Address to Conveyancers etc | 41.60 | 43.26 | per property | 4.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|---|---|--------------------------------------|---------------|
| [a] Ear piercing, acupuncture, electrolysis and Tattooing - Registration | | | | |
| Premises | 99.51 | 103.49 | per registration | 4.00% |
| Practitioners | 99.51 | 103.49 | per registration | 4.00% |
| Replacement Certificates | 24.88 | 25.87 | per certificate | 4.00% |
| Addition of new Procedure to existing Certificate | New | 51.75 | per certificate | New |
| Temporary Premises for Public Event | 68.64 | 71.39 | per registration | 4.00% |
| Temporary Practitioners for Public Event | 34.32 | 35.69 | per registration | 4.00% |
| Voluntary Surrender of Food Certificate | | | | |
| | 59.49 for first half hour and 59.49 for every additional half hour or part thereof plus VAT | 61.87 for first half hour and 61.87 for every additional half hour or part thereof plus VAT | per certificate | |
| Collection and Disposal of Food (with or without agreement) | To be determined by cost of disposal and officer time | To be determined by cost of disposal and officer time | per disposal & hour | |
| Food Hygiene Rating Scheme - Rescore Fee | | | | |
| | 180.00 | 180.00 | per certificate/ abortive visit | 0.00% |
| [c] Export Health Certificates | | | | |
| Export Health Certificate - Food Safety (per certificate) | 116.81 | 121.49 | per certificate | 4.00% |
| Local land searches/Environmental Information Regulations requests in respect of contaminated land etc. [other than those under the Local Land Charges Act 1975] | | | | |
| | 58.40 for first hour and 58.40 for each additional hour or part thereof | 60.74 for first hour and 60.74 for each additional hour or part thereof | per hour | |
| UK Entrance Clearance - Premises Assessment | | | | |
| Property inspection | 186.04 | 193.48 | per inspection | 4.00% |
| Re-assessment for additional person (within 6 months) | 95.18 | 98.99 | per assessment | 4.00% |
| Houses In Multiple Occupation Licensing Fees | | | | |
| (i) Initial Licence | | | | |
| | 974.52 | 1013.50 | per licence | 4.00% |
| (For larger HMO (6+ units of accommodation/households) | £56.24 extra per additional unit up to a max of 1,704 | £58.49 extra per additional unit up to a max of 1,704 | per additional accommodation unit | |
| (ii) Renewal of Licence made before expiry of existing licence | | | | |
| | 770.10 | 800.90 | per renewal | 4.00% |
| (For larger HMO (6+ units of accommodation/households) | £56.24 extra per additional unit up to a max of 1,499 | £58.49 extra per additional unit up to a max of 1,499 | per additional accommodation unit | |
| (iii) Renewal of Licence made after expiry of existing licence | | | | |
| | 974.52 | 1013.50 | per renewal | 4.00% |
| (For larger HMO (6+ units of accommodation/households) | £56.24 extra per additional unit up to a max of 1,704 | £58.49 extra per additional unit up to a max of 1,704 | per additional accommodation unit | |
| (iv) Licensing following revocation of previous licence (where ownership unchanged) | | | | |
| | 770.10 | 800.90 | per application | 4.00% |
| (For larger HMO (6+ units of accommodation/households) | £56.24 extra per additional unit up to a max of 1,499 | £58.49 extra per additional unit up to a max of 1,499 | per additional accommodation unit | |
| (v) Licence Variations | | | | |
| Property inspection required | | 87.61 | 91.11 per Variation | 4.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|---|---|--|---------------|
| Camp Site Licences | 674.92 | 701.92 | per site licence | 4.00% |
| Mobile Homes | | | | |
| Site Licence fees - small site (3-10 caravans) | 674.92 | 701.92 | per site licence | 4.00% |
| Site Licence fees - medium site (11-49 caravans) | 753.88 | 784.03 | per site licence | 4.00% |
| Site Licence fees - large site (50+ caravans) | 899.89 | 935.89 | per site licence | 4.00% |
| Site Licence fees - sites of 2 or fewer pitches | 0.00 | 0.00 | per site licence | |
| Amendment to site licence conditions - variation | 61.65 | 64.12 | per amendment | 4.00% |
| Amendment to site licence conditions - variation requiring an inspection | 157.91 | 164.23 | per amendment | 4.00% |
| Fee to deposit site rules | 50.84 | 52.87 | per fee | 4.00% |
| Fee for replacement licence | 15.14 | 15.75 | per replacement licence | 4.00% |
| Fixed Penalty Notice charge | 84.36 | 87.74 | per FPN charge | 4.00% |
| Housing Act 2004 Notice Fees | 400.00 | 400.00 | per notice | 0.00% |
| Each additional notice (where schedule is identical) served on another recipient at the same time (charges added and split equally across recipients) | 54.00 | 54.00 | per notice | 0.00% |
| Works in Default - Administration fee | | | | |
| | Fee charged by the contractor (ex.VAT) plus: 20% for fees up to £1,000 | Fee charged by the contractor (ex.VAT) plus: 20% for fees up to £1,000 | | |
| | 10% for fees £1,001+ | 10% for fees £1,001+ | | |
| | *Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances. | *Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances. | | |
| Port Health – Water Sampling | | | | |
| (i) Drinking water – Microbiological (First Sample) (Plus VAT) | 98.86 | 102.81 | per sample | 4.00% |
| (ii) Drinking water – Microbiological (each subsequent sample) (plus VAT) | 69.85 | 72.64 | per sample | 4.00% |
| (iii) Legionella water sample (first sample) (plus VAT) | 117.98 | 122.70 | per sample | 4.00% |
| (iv) Legionella water sample (each subsequent sample) (plus VAT) | 88.24 | 91.77 | per sample | 4.00% |
| Port Health – Organic Animal Feed and Food Import Certificate | 46.80 | 45.00 | Research on internet there is a national flat rate charge of £45 | -3.85% |
| Sports Grounds General Safety Certificates | | | | |
| General Safety Certificates | Cost recovery up to maximum of £500 | Cost recovery up to maximum of £500 | per certificate | 0.00% |
| Special Safety Certificates for Sports Grounds | 156.00 | 162.24 | per certificate | 4.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|---|----------------------------------|-----------------------------------|--------------------------------------|---------------|
| CCTV Monitoring for external clients | | | per SLA | |
| Street Trading | | | | |
| City centre pitch - application fee (monthly) | 56.24 | 58.49 | per licence | 4.00% |
| City centre pitch - application fee (quarterly/full year) | 168.73 | 175.48 | per licence | 4.00% |
| License fee (daily) - static trader | 50.84 | 52.87 | per licence | 4.00% |
| License fee (weekly) - static trader | 101.67 | 105.74 | per licence | 4.00% |
| License fee (monthly) - static trader | 281.22 | 292.46 | per licence | 4.00% |
| License fee (quarterly) - static trader | 393.70 | 409.45 | per licence | 4.00% |
| License fee (full year) - static trader | 899.89 | 935.89 | per licence | 4.00% |
| City centre pitch - license fee (full year) - static trader | 2,812.16 | 2,924.65 | per licence | 4.00% |
| License fee (daily) - mobile trader | 50.84 | 52.87 | per licence | 4.00% |
| License fee (weekly) - mobile trader | 101.67 | 105.74 | per licence | 4.00% |
| License fee (monthly) - mobile trader | 135.20 | 140.61 | per licence | 4.00% |
| License fee (quarterly) - mobile trader | 168.73 | 175.48 | per licence | 4.00% |
| License fee (full year) - mobile trader | 337.46 | 350.96 | per licence | 4.00% |
| Taxi Licensing Fees | | | | |
| Vehicles - less than 5 years | 83.00 | 83.00 | per licence | 0.00% |
| Vehicles – more than 5 years, less than 10 | 114.00 | 114.00 | per licence | 0.00% |
| Vehicles – over 10 Years | 166.00 | 166.00 | per licence | 0.00% |
| Drivers 3 year | 249.00 | 249.00 | per licence | 0.00% |
| Driver instalments | 83.00 | 83.00 | per licence | 0.00% |
| Operators 1-9 vehicles | 1,000.00 | 1,000.00 | per licence | 0.00% |
| Operators 10-19 vehicles | 1,500.00 | 1,500.00 | per licence | 0.00% |
| Operators 19-35 vehicles | 2,000.00 | 2,000.00 | per licence | 0.00% |
| Operators 35+ vehicles | 2,500.00 | 2,500.00 | per licence | 0.00% |
| Replacement rear plate | 19.00 | 19.00 | per item | 0.00% |
| Replacement internal plate | 12.00 | 12.00 | per item | 0.00% |
| Replacement licence | 6.00 | 6.00 | per licence | 0.00% |
| Replacement bracket | 13.00 | 13.00 | per item | 0.00% |
| Replacement Badge | 19.00 | 19.00 | per item | 0.00% |
| Transfer Plate | 65.00 | 65.00 | per item | 0.00% |
| Change of vehicle | 115.00 | 115.00 | per licence | 0.00% |
| Knowledge test | 65.00 | 65.00 | per test | 0.00% |
| Scrap Metal | | | | |
| Site Licence | 448.86 | 466.82 | per licence | 4.00% |
| Variation of licence | 50.84 | 52.87 | per licence | 4.00% |
| Collectors licence | 292.03 | 303.71 | per licence | 4.00% |
| Ceremony Charges for Naming and Vow Renewal Ceremonies | | | | |
| Booking fee | 70.00 | 70.00 | | 0.00% |
| Mansion House - Monday to Thursday | 270.00 | 285.00 | per event | 5.56% |
| Mansion House - Friday | 325.00 | 340.00 | per event | 4.62% |
| Mansion House - Saturday (includes Premier Package) | 360.00 | 375.00 | per event | 4.17% |
| Approved Venue - Monday to Thursday | 375.00 | 395.00 | per event | 5.33% |
| Approved Venue - Friday | 430.00 | 450.00 | per event | 4.65% |
| Approved Venue - Saturday | 465.00 | 485.00 | per event | 4.30% |
| Approved Venue - Sunday, Bank holidays | 535.00 | 555.00 | per event | 3.74% |
| Commemorative certificate packs | 10.00 | 10.00 | per pack | 0.00% |
| Save the Date Fee | 25.00 | 25.00 | per request | 0.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|--|--|--|--------------------------------------|---------------|
| Certificate Fees | | | | |
| Certificate Search Fees | | | | |
| Search 1 year either side of date | | | | |
| Search a further 5 years | 10.00 | 10.00 | per request | 0.00% |
| Search a further 10 years | 18.00 | 18.00 | per request | 0.00% |
| | | | | |
| Same Day Service | | | | |
| Standard Certificate - premium for issuing certificate on same day | 10.00 | 10.00 | per certificate | 0.00% |
| Short Certificate - premium for issuing certificate on same day | 10.00 | 10.00 | per certificate | 0.00% |
| | | | | |
| Certificate Postage Costs - "signed for" delivery | | | | |
| Administration Charge - Registrar Certificate | 3.00 | 2.00 | per envelope | -33.33% |
| Administration Charge - Superintendent Certificate | 5.00 | 2.00 | per envelope | -60.00% |
| Same day service certificates * | 25.00 | 37.00 | | 48.00% |
| Regular service applications * | 15.00 | 13.00 | | -13.33% |
| <i>* These total charges are made up of 2 elements - the certificate (statutory fee for Priority or Regular service) plus postage - see sections above</i> | | | | |
| | | | | |
| Private Water Supplies | | | | |
| Risk Assessment (each assessment) - Up to 3 hours | £174.72 for up to 3 hours plus £58.41 for each additional hour or part thereof, up to a maximum of £500* | £181.71 for up to 3 hours plus £60.75 for each additional hour or part thereof, up to a maximum of £500* | per assessment | |
| Sampling (each visit) | £100* | £100* | per sample | 0.00% |
| Investigation (each investigation) | £100* plus the analysis cost | £100* plus the analysis cost | per investigation | 0.00% |
| Grant of an authorisation (each authorisation) | £100* | £100* | per authorisation | 0.00% |
| Analysis (taken under regulation 10) | £25* | £25* | per analysis | 0.00% |
| Analysis (taken during check monitoring) | Analysis cost up to £100* | Analysis cost up to £100* | per analysis | 0.00% |
| Analysis (taken during audit monitoring)) | Analysis cost up to £500* | Analysis cost up to £500* | per analysis | 0.00% |
| <i>* Maximum permitted by regulation</i> | | | | |
| | | | | |
| Fireworks - all year sales licence (set at statutory maximum) | 500.00 | 500.00 | per licence | 0.00% |
| Ceremony Charges for Marriage and Civil Partnership | | | | |
| Approved Premises License | 1,600.00 | 1,700.00 | per licence | 6.25% |
| Mansion House - Monday to Thursday | 270.00 | 285.00 | per event | 5.56% |
| Mansion House - Friday | 325.00 | 340.00 | per event | 4.62% |
| Mansion House - Saturday (includes Premier Package) | 360.00 | 375.00 | per event | 4.17% |
| Approved Venue - Monday to Thursday | 375.00 | 395.00 | per event | 5.33% |
| Approved Venue - Friday | 430.00 | 450.00 | per event | 4.65% |
| Approved Venue - Saturday | 465.00 | 485.00 | per event | 4.30% |
| Approved Venue - Sunday, Bank holidays | 535.00 | 555.00 | per event | 3.74% |
| Register Office (simple ceremony) | 46.00 | 46.00 | per event | 0.00% |
| Church/Chapel ceremony attendance | 86.00 | 86.00 | per event | 0.00% |
| Legal notice of marriage or civil partnership | 35.00 | 35.00 | per notice | 0.00% |
| Certificate (issued at time of registration) | 4.00 | 11.00 | per certificate | 175.00% |
| Certificate (issued within 28 days) | 7.00 | 11.00 | per certificate | 57.14% |
| Citizenship Ceremonies | 95.00 | 95.00 | per event | 0.00% |
| Single Adult | 35.00 | 35.00 | per event | 0.00% |
| Same Day Service | | | | |
| Certificate (from archive) | 10.00 | 35.00 | per certificate | 250.00% |
| Regular Service | | | | |
| Standard Certificate (from archive) | 10.00 | 11.00 | per certificate | 10.00% |
| Short Certificate (from archive) | 10.00 | 11.00 | per certificate | 10.00% |

| Income Source | Current Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Unit of Charge (per hr / day etc) | % Increase |
|----------------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------|
| Legal Services | | | | |
| Local Land Charges (LLC1 only) | 6.00 | 6.00 | per search | 0.00% |
| Local Land Charges (NI is LLC1)) | 4.00 | 4.00 | per search | 0.00% |
| Additional parcel fee (LLC1) | 1.00 | 1.00 | per search | 0.00% |
| | | | | |

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Report

Cabinet

Part 1

Date: 12 February 2020

Subject Key Stage 4 Outcomes – Summer 2019

Purpose Inform Cabinet of 2018/19 Key Stage 4 Outcomes

Author Chief Education Officer

Ward All

Summary The report provides pupil performance data for Newport schools at Key Stage 4

Proposal Cabinet are asked to:

1. To acknowledge the position regarding pupil performance.
2. To consider any issues arising that the Cabinet may wish to draw to the attention of the Chief Education Officer

Action by Chief Education Officer

Timetable Not applicable

Not applicable

This report was prepared after consultation with:

- Cabinet Member for Education and Skills
- Chief Education Officer
- Chief Financial Officer
- Monitoring Officer
- Head of People and Business Change

Signed

Background

The Welsh Government (WG) has been developing new evaluation and improvement arrangements to replace parts of the current accountability system. These arrangements have been co-constructed with colleagues in schools, Estyn, local government, regional consortia, and taken international research into consideration. They have been carefully developed to ensure that they align with and help support the realisation of the new curriculum and associated reforms.

The new arrangements will support the aim of raising standards, reducing the attainment gap, and delivering an education system that is a source of national pride and public confidence.

The arrangements are based on the following four key principles. They will be:

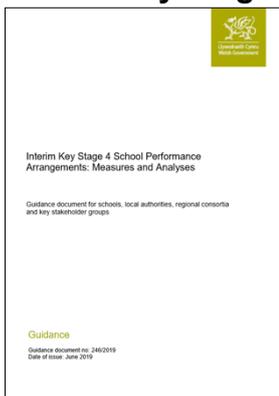
- fair – they will promote equity, inclusion, choice, individual pathways to learning and never losing sight of the learner;
- coherent – allowing each part of the system to work together without overlapping, with clear roles and responsibilities;
- proportionate – ensuring that the implementation of the new arrangements and process is manageable and makes a difference;
- transparent – recognising the breadth of learning experience across schools and the value added by teacher in class

Over the next three years, there will be an evolving programme of future developments, making the transition between the current system and the future plans. The process of developing the new Evaluation and Improvement arrangements by 2022 will evolve in a planned way to support schools and others to build a self – improving system and plan for sustained improvements.

In May 2018, the Minister for Education announced the introduction of a suite of interim Key Stage 4 performance measures that were developed through collaboration with head teachers and key stakeholders. The new measures, based on points scores, were designed to remove the historic emphasis on the Level 2 threshold measure and the narrow focus on borderline C/D grade learners that past use of threshold measures has cultivated. Instead, they reflect a school average of all individual learners' points' scores, rather than a percentage attaining a minimum threshold level.

The measures have been designed to help broaden learner choice, valuing individual learner needs and achievement. This will help better capture the progress of every learner. Whilst the interim measures are broader in order to achieve this goal, existing curriculum requirements and expectations of provision remain. There will continue to be headline measures on literacy, numeracy and science.

Interim Key Stage 4 School Performance Arrangements



In June 2019, the guidance document for schools, local authorities, regional consortia and key stakeholder groups was issued, on the Interim Key Stage 4 School Performance Arrangements: Measures and Analyses.

Guidance document no: 246/2019 Date of issue: June 2019

Reporting against the interim performance measures commenced in September 2019.

It is understood that the interim measures will not significantly change the systemwide behaviours. However, schools should not be placed under disproportionate scrutiny on the basis of one or two measures in isolation, as we move to a system that values a much wider range of factors in assessing a school's effectiveness in best providing for individual learners' needs.

There is an expectation that local authorities and regional consortia support schools to make appropriate decisions about their curriculum to avoid narrowing choice for learners.

As a minimum, there is an expectation that most learners will study:

- both a Welsh/English language and literature qualification;
- both mathematics and mathematics - numeracy GCSEs;
- and either three separate science GCSEs or a double award GCSE.

The best interest of the learner must always be the main factor in any decision about the qualifications chosen and learners' choices must not be dictated by changes to performance measures.

Over the next six months, Welsh Government will commission an independent research project to review the performance measurement system. Decisions on future indicators, and the associated systems that will supersede the interim arrangements, will be informed by this research, in conjunction with the responses received in response to a full consultation with schools and key stakeholders.

Interim Performance Measures: Basic principles

Cohort being measured

The cohort measured will remain as Year 11 learners. All Year 11 learners on the school's roll will be included in Key Stage 4 (KS4) results data with the exception of those identified as:

- NEWBES (New to the English or Welsh based Education System within the last two academic years); or
- FEWBES (From an English or Welsh based Education System but with qualifications that are not counted in Wales KS4 performance data).

Whilst such learners can be excluded from the figures, this will mean they will be excluded from all the KS4 performance data measures at a school level.

Qualifications that can be included in KS4 performance data

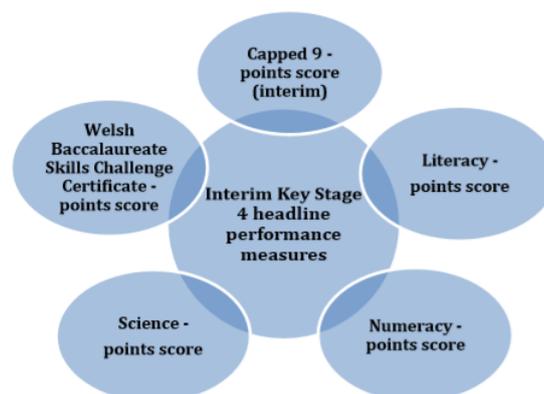
All qualifications approved or designated for delivery in Wales continue to count towards KS4 performance measures, other than where particular subject requirements are specified.

Only the first complete awarding of a qualification can be included in the measures, irrespective of whether a better grade is subsequently achieved for the same qualification by a learner. This change encourages schools to enter learners when schools are confident, they are ready to gain their best possible result. It does not prevent a learner resitting should a school or learner wish to attempt to improve their results, but the resit result would not count towards school performance measures, even if the outcome is higher.

Overview of headline measures

The interim performance measures are made up of five headline measures, all based on points scores:

1. Capped 9 measure (interim)
2. Literacy measure
3. Numeracy measure
4. Science measure
5. Welsh Baccalaureate Skills Challenge Certificate measure



Capped 9 Measure

| No* | Slot | Requirement | |
|-----|--|--|---|
| 1 | Literacy slot | Subject specific requirements** (GCSEs only) | Best result of first awarding of: Welsh first language or English language or Welsh literature or English literature |
| 2 | Numeracy slot | | Best result of first awarding of: mathematics – numeracy or mathematics |
| 3 | Science slot | | Best result of first awarding of (currently limited to awards in the WJEC suite of science GCSE qualifications available to learners): biology, chemistry, physics, science (double award) applied science (double award) and applied science (single award) |
| 4 | 'Other six' (GCSEs or equivalent volume of qualifications) | Best six remaining qualification awards*** | All qualifications approved/designated for pre-16 delivery in Wales can count, subject to usual discounting rules and excluding Essential Skills Wales qualifications. The Welsh Baccalaureate Skills Challenge Certificate qualification can count towards one of these slots where it features in a learner's best remaining awards. |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |

*Each slot is the equivalent of one GCSE in size.

The literacy, numeracy and science slots are also standalone performance measures.

**Where multiple awards can count, the best grade achieved by a learner is taken. Only the result for the first complete awarding of that qualification is considered when identifying the best grade.

*** There is no cap on total volume of non-GCSEs contributing to the 'Other six' slots.

Use of Data

In order to support robust and rigorous self-evaluation WG are making changes to the information they provide to schools in the All Wales Core Data Sets (AWCDS) to reflect the interim KS4 performance measures. The information should not be considered in isolation and is by no means an exhaustive list of what schools should be looking at. It should be considered alongside schools' own data (including, for example, learner participation, learner characteristics, prior attainment, socioeconomic background etc.), to enable a thorough evaluation of performance. Data is only a small part of what should be considered in evaluating how effective a school is.

The data pack will only tells part of the story; it is for each school, supported by their local authority and regional consortia, to consider it alongside other evidence and local knowledge in order to inform school self-evaluation, target setting and planning.

National benchmarking data was previously provided to allow a comparison with other schools in similar socio-economic circumstances to encourage collaboration. However, the way in which benchmarking has been used has instead driven competition between schools and local authorities rather than collaboration. It will, therefore, no longer be provided.

In its place, Welsh Government will be providing a range of new analyses to enable schools to look at data from a range of angles and taking into account the performance of all learners.

In line with the move away from threshold measures, WG will no longer be providing analyses on the percentage of learners achieving: individual subjects, including the Welsh Baccalaureate at Foundation or National, or threshold performance measures, namely the Core Subject Indicator (CSI) or Level 2 threshold.

The exceptions to this are the Level 2 inclusive (L2+) and Level 1 threshold measures – the requirement for schools to set targets for KS4 learners against these measures has remained in legislation for the 2018/19 academic year. Therefore, in order to assist individual schools with monitoring progress against targets, WG will provide schools with their Level 2 inclusive and Level 1 attainment data, in addition to the new interim measures. Two versions of the Level 2 inclusive measure will be provided: one with and one without Welsh or English literature qualifications being able to contribute towards the literacy component.

Some examples of the type of questions schools should be asking when looking at the data provided include:

- What are our stronger and weaker subjects / performance indicators?
- What are the trends for subjects / performance indicators?
- Is our performance higher, the same as, or lower than, expected?
- How different were actual outcomes from those expected (a little, a lot)? If there is a notable difference – what might have caused this?
- Are there any contextual factors that have affected performance for this indicator / subject?
- How does the performance of boys compare to that of boys in similar schools?
- How does the performance of girls compare to that of girls in similar schools?
- How does the performance of FSM learners compare to that of their counterparts in similar schools?
- Are there trends over time indicated for boys' / girls' performance?
- How does our school performance compare with our statistical family, the local authority and Wales? What are the similarities? What are the differences?
- Are some family schools more consistent in having higher outcomes?
- What might account for these e.g. have any specific strategies or curricular arrangements been implemented in the school?
- Are there trends over time to grade distributions?
- How do the grade distributions compare across subjects within the school, and with other schools in the family?
- Are there trends in the performance of the lower, middle or upper third?
- How do the average points scores for each third compare with the modelled points scores?
- What proportion of the school's cohort is included within each national third?
- How does that pattern compare across the family and with the local authority?
- How does the proportion of the school's Capped 9 Points Score (interim) ('other six' slots only) that is made up of non-GCSEs compare to that of similar schools?
- What could be the reasons for this?

Welsh Government, Estyn and WLGA Letter on Evaluation and Improvement Arrangements, 16 July 2019

Chairs of Scrutiny, Cabinet Members, Directors of Education, Chief Executive Officers, Managing Directors of Regional Education Consortia

This joint communication from Welsh Government, the WLGA and Estyn to Chairs of Scrutiny, Cabinet Members, Directors of Education, Chief Executive Officers, Managing Directors of Regional Education Consortia, stated that:

“It is counter-productive for schools to be placed under disproportionate pressure on the basis of individual measures. It is not in the interest of school improvement and risks undermining the ongoing change in culture that we are working together to achieve. We

expect local authorities and regional consortia to support schools to make appropriate decisions about their curriculum to avoid narrowing choice for learners.

Collectively, we have agreed that this is the right approach to take and strongly advise you to **use a broad range of un-aggregated data and information** to enable you to discharge your duties when reporting on school performance. Evaluating the performance of individual schools rather than generating aggregated data at local authority level will be more helpful to supporting and challenging individual schools with their improvement.”

The content of this Cabinet report is therefore intended to be used within the context of a wider range of information and a range of regional processes that the local authority will use to evaluate individual school performance, and therefore support and challenge more appropriately to secure improvement.

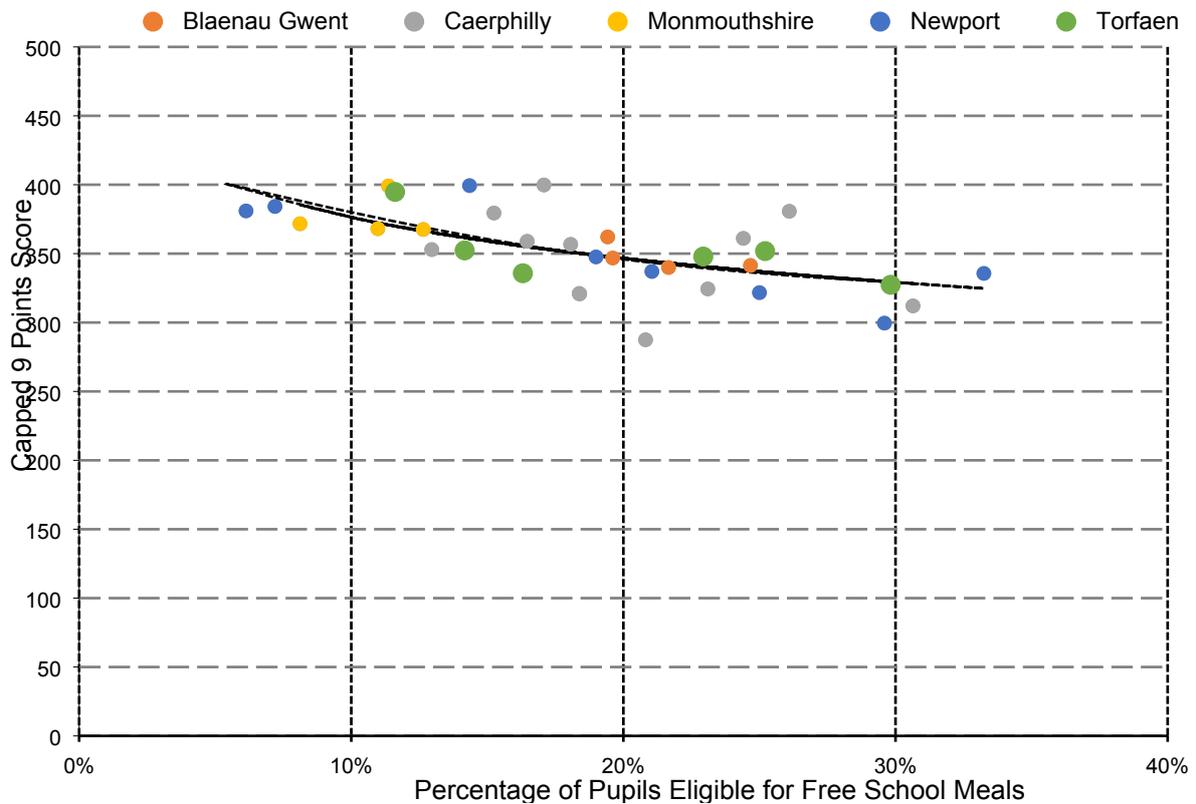
For example, for 2018-2019, the region is implementing a protocol for reviewing School Development Plans. The school development plan (SDP) is the school’s strategic plan for improvement. It should set out the actions a school will take to improve learner outcomes based on whole school self-evaluation, using a range of performance information. This regional review and evaluation process will support schools to ensure that the processes for school improvement planning are effective. It will support national reform and target setting arrangements.

Capped 9 Performance Overview

The charts below provide an overview of performance across all schools in the regions (anonymised and non-aggregated).

Each dot on a chart represents a single school within the region. Each chart is organised by the FSM % of each school (PLASC 2019), so that the schools serving our least disadvantaged communities are on the left, and those serving our most disadvantaged are on the right.

The single line through each chart is the 'line of best fit' across the region. If schools are on or around the line, then they are performing in line with expectation (for the region). Schools that are well above the line are performing well above expectation for that particular year. Schools that are well below the line, are performing well below expectation.



The table below provides a regional overview of performance for the new interim measures. This enables Cabinet to familiarise themselves with school level regional performance.

The table is sorted from highest performing Capped 9 to lowest performing. Each row represents a single school. Please note though that the school's Free School Mean (FSM) % is provided to provide some context.

| School | LA | FSM - 3 year RA | Capped Point 9 | Average points for best of Literature or first Language Welsh or English GCSE | Average points for best of Mathematics or Mathematics - Numeracy GCSE | Average points for best Science GCSE | Average points for Welsh Baccalaureate Skills Challenge Certificate |
|------------------------|----|-----------------|----------------|---|---|--------------------------------------|---|
| | | | 399.8 | 42.7 | 44.1 | 42.1 | 38.9 |
| St Joseph's RC High | N | 12.6 | 399.3 | 43.3 | 43.9 | 43.6 | 40.5 |
| | | | 399.1 | 43.7 | 45.5 | 44.0 | 40.5 |
| | | | 394.8 | 43.6 | 40.4 | 42.5 | 37.0 |
| Caerleon Comprehensive | N | 6.0 | 384.2 | 42.5 | 41.1 | 41.6 | 38.6 |
| Bassaleg School | N | 6.1 | 381.0 | 41.6 | 44.0 | 43.5 | 38.6 |
| | | | 380.7 | 40.8 | 39.1 | 38.6 | 41.3 |
| | | | 379.5 | 37.4 | 38.4 | 39.1 | 40.4 |
| | | | 371.7 | 41.2 | 40.7 | 40.7 | 42.8 |
| | | | 368.1 | 39.8 | 37.4 | 37.6 | 40.8 |
| | | | 367.5 | 41.2 | 41.6 | 37.6 | 42.8 |
| | | | 362.1 | 39.2 | 36.1 | 36.4 | 36.8 |
| | | | 361.1 | 37.3 | 38.1 | 37.3 | 39.1 |
| | | | 358.9 | 37.5 | 38.3 | 33.2 | 37.7 |
| | | | 356.7 | 41.8 | 35.7 | 40.1 | 41.3 |
| | | | 352.9 | 42.3 | 39.5 | 38.0 | 38.1 |
| | | | 352.3 | 41.9 | 38.4 | 39.1 | 36.9 |
| | | | 351.8 | 34.5 | 35.3 | 37.2 | 35.1 |
| | | | 347.9 | 38.0 | 38.6 | 36.7 | 33.5 |
| St Julian's School | N | 19.0 | 347.6 | 37.0 | 36.0 | 34.8 | 36.0 |
| | | | 346.8 | 38.2 | 30.7 | 27.7 | 38.1 |
| | | | 341.4 | 34.6 | 33.5 | 27.3 | 36.9 |
| | | | 339.9 | 37.4 | 35.5 | 36.5 | 38.0 |
| Newport High | N | 20.7 | 337.0 | 36.3 | 33.9 | 29.4 | 36.2 |
| | | | 335.8 | 38.1 | 35.3 | 32.8 | 32.0 |
| Llanwern High | N | 33.1 | 335.6 | 34.7 | 34.6 | 34.1 | 29.8 |
| | | | 327.4 | 33.8 | 31.6 | 34.0 | 36.2 |
| | | | 324.4 | 36.2 | 34.9 | 35.1 | 34.7 |
| The John Frost School | N | 26.0 | 321.7 | 37.4 | 34.1 | 31.2 | 31.8 |
| | | | 321.1 | 36.4 | 34.2 | 32.9 | 38.5 |
| | | | 320.8 | 35.7 | 36.1 | 36.5 | 33.0 |
| | | | 312.1 | 31.8 | 31.6 | 27.6 | 32.7 |
| Lliswerry High | N | 29.6 | 299.6 | 33.7 | 30.8 | 26.6 | 32.6 |
| | | | 287.5 | 35.6 | 32.7 | 29.9 | 36.5 |
| Highest | | | 399.8 | 43.7 | 45.5 | 44.0 | 42.8 |
| Median | | | 352.1 | 37.8 | 36.1 | 36.6 | 37.4 |
| Lowest | | | 287.5 | 31.8 | 30.7 | 26.6 | 29.8 |

RA = Rolling Average

The table below provides a regional overview of performance for the Capped 9 only, split by FSM / non FSM. The table remains sorted from highest performing Capped 9 overall to lowest performing. Each row represents a single school.

| School | LA | FSM - 3 year RA | Cohort non FSM | Cohort FSM | Capped Point 9 | | | |
|------------------------|----|-----------------|----------------|------------|----------------|---------|-------|--------|
| | | | | | All Pupils | non FSM | FSM | Diff. |
| | | | | | 399.8 | 413.6 | 317.4 | -96.2 |
| St Joseph's RC High | N | 12.6 | 198 | 29 | 399.3 | 403.1 | 373.3 | -29.8 |
| | | | | | 399.1 | 407.1 | 306.6 | -100.5 |
| | | | | | 394.8 | 398.3 | 362.2 | -36.1 |
| Caerleon Comprehensive | N | 6.0 | 203 | 13 | 384.2 | 394.3 | 226.4 | -167.9 |
| Bassaleg School | N | 6.1 | 251 | 13 | 381.0 | 386.4 | 277.0 | -109.4 |
| | | | | | 380.7 | 390.1 | 352.7 | -37.4 |
| | | | | | 379.5 | 393.2 | 321.2 | -72.1 |
| | | | | | 371.7 | 379.9 | 296.1 | -83.8 |
| | | | | | 368.1 | 377.5 | 251.9 | -125.5 |
| | | | | | 367.5 | 384.2 | 309.4 | -74.9 |
| | | | | | 362.1 | 374.7 | 325.5 | -49.3 |
| | | | | | 361.1 | 368.8 | 316.7 | -52.1 |
| | | | | | 358.9 | 369.0 | 311.0 | -58.0 |
| | | | | | 356.7 | 369.8 | 287.4 | -82.3 |
| | | | | | 352.9 | 362.4 | 273.6 | -88.8 |
| | | | | | 352.3 | 359.8 | 310.7 | -49.1 |
| | | | | | 351.8 | 362.8 | 311.0 | -51.8 |
| | | | | | 347.9 | 355.6 | 284.8 | -70.8 |
| St Julian's School | N | 19.0 | 202 | 40 | 347.6 | 356.3 | 303.8 | -52.5 |
| | | | | | 346.8 | 357.1 | 302.1 | -55.0 |
| | | | | | 341.4 | 354.0 | 301.4 | -52.5 |
| | | | | | 339.9 | 359.4 | 263.9 | -95.5 |
| Newport High | N | 20.7 | 141 | 32 | 337.0 | 351.5 | 273.4 | -78.1 |
| | | | | | 335.8 | 351.6 | 260.8 | -90.8 |
| Llanwern High | N | 33.1 | 96 | 52 | 335.6 | 363.6 | 284.1 | -79.5 |
| | | | | | 327.4 | 339.0 | 304.0 | -35.0 |
| | | | | | 324.4 | 355.4 | 252.0 | -103.4 |
| The John Frost School | N | 26.0 | 161 | 41 | 321.7 | 334.8 | 270.4 | -64.4 |
| | | | | | 321.1 | 329.7 | 286.8 | -42.9 |
| | | | | | 320.8 | 353.8 | 303.0 | -50.7 |
| | | | | | 312.1 | 328.4 | 251.6 | -76.7 |
| Lliswerry High | N | 29.6 | 90 | 30 | 299.6 | 316.1 | 260.0 | -56.1 |
| | | | | | 287.5 | 311.4 | 213.3 | -98.1 |
| Highest | | | | | 399.8 | 413.6 | 373.3 | -29.8 |
| Median | | | | | 352.1 | 362.6 | 298.8 | -71.5 |
| Lowest | | | | | 287.5 | 311.4 | 213.3 | -167.9 |

Meaningful evaluation of the outcomes at individual school level have taken place across the autumn term in dialogue between Local Authorities, EAS and school leaders. Support for individual schools will continue to be provided in line with the National Categorisation system.

Financial Summary

This report is for information only.

Risks

This report is for information only.

Links to Council Policies and Priorities

Corporate Plan

Education Service Plan

Wellbeing of Future Generation (Wales) Act 2015

Options Available and considered

Not applicable. This report is for information only.

Preferred Option and Why

Not applicable. This report is for information only.

Comments of Chief Financial Officer

There are no financial implications to this report.

Comments of Monitoring Officer

There are no legal issues arising from the report.

Comments of Head of People and Business Change

This report provides an overview of Newport secondary schools performance in comparison with other schools in the Gwent region. The Council's Corporate Plan and the Public Services Board have objectives to improve the aspirations of young people in Newport and to ensure that those who are from disadvantage backgrounds have every opportunity to succeed. This report demonstrates the challenges being faced by Newport schools and the continuous work that the Council, Education services and schools are making to improve performance in Newport. There are no staffing implications in this report.

Comments of Cabinet Member

Following the introduction of interim Welsh Government performance measures, which focus on individual schools rather than aggregated local authority data, comparison of results to previous years is not possible. However, the new performance measures, particularly the Capped Nine measure, will ensure that school leaders give equal importance to all subject areas and that the delivery of a quality broad and balanced curriculum for all learners is the priority of every school.

Officers are working closely with school leaders to evaluate the outcomes of individual schools. Individual schools are being monitored against their individual performance targets and school improvement priorities and Officers are ensuring each school receives the bespoke support they require from both the Local Authority and the Education Achievement Service (EAS).

Local issues

Not applicable.

Scrutiny Committees

None.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

An FEIA has not been prepared as this report is for information only.

Children and Families (Wales) Measure

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

Wellbeing of Future Generations (Wales) Act 2015

All local authorities have a long-term duty to develop a prosperous Wales by developing skilled and well-educated population in an economy which generates wealth and provides employment opportunities. Enabling and facilitating academic attainment for all learners provides a foundation for access to employment and helps break a cycle of deprivation.

Furthermore, regardless of the socio-economic demographic of an individual school community, all schools will be challenged and supported to improve pupil attainment with a view to create “more equal wales” that enables pupils to fulfil their potential no matter what their background or circumstances.

Improvement of pupil outcomes is supported by collaboration of schools, the Local Authority and the regional school improvement service (EAS) including the involvement of pupils, teachers, governors and wider community members.

Crime and Disorder Act 1998

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

Consultation

Not applicable

Background Papers

Not applicable

Dated: 13th January 2020



Report

Cabinet

Part 1

Date: 12 February 2020

Subject Newport City Council Brexit Preparations Update

Purpose To present an update to Cabinet on the Brexit preparations that Newport City Council has taken since the last Cabinet Report in October 2019.

Author Director of Place
Head of People and Business Change

Ward All

Summary In 2016 the UK voted to leave the EU in a national referendum. Over the last 3 years the UK Government negotiated a Withdrawal Agreement which was not able to be passed by Parliament and resulted in a general election in December 2019. The general election on 12th December 2019 resulted in a majority government being formed in parliament which has now given it a commanding majority to pass the Withdrawal Agreement by 31st January 2020.

Over the last 2 years, public sector bodies including Newport City Council, businesses and charities across the UK have been making preparations to mitigate the risks of leaving the EU whether it is on a No Deal exit or a deal being made with the EU. Newport City Council established a Brexit Task & Finish group to ensure service areas have the necessary mechanisms to monitor and where necessary manage the issues and/or risks that may arise as a result of Brexit.

Proposal Cabinet is asked to consider the contents of the report and note the Council's Brexit preparations.

Action by Senior Leadership Team and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service and officer Brexit 'Task and Finish' officer group

Signed

Background

In 2016, the UK public voted to leave the EU. Following the vote, the UK Government notified the EU that it was leaving and triggered Article 50. By triggering Article 50, the UK Government and EU had two years to negotiate and agree a withdrawal process from EU arrangements. The initial deadline date was set as 29th March 2019 but was extended to 31st October 2019. A further extension was granted on October 28th 2019, therefore the current deadline for the UK to leave the EU is 31st January 2020. The latest version of the Withdrawal Agreement Bill (WAB) was approved by MPs on 9th January 2020 and European Parliament on 29th January 2020. Following the UK leaving on 31st January, the UK will formally enter into a transition period with the EU to negotiate a trade deal and a future relationship with the EU. As it stands based upon the Agreement and information from the Financial Times (18th December 2019) the timescale of negotiations is:

- **31st January 2020 (Brexit Day)** – the UK and EU formally ratifies the Withdrawal Agreement Bill enabling the UK to formally exit the EU. The UK will enter into a transition period in which it will negotiate the UK-EU future relationship and trade arrangements. These negotiations will also encompass areas including law enforcement, defence, data sharing, security, supplies of electricity and gas, migration and tariff-free trade arrangements.
- **1st July 2020** – A summit is expected to take place in June 2020 for the UK-EU to assess the progress of talks and the 1st July 2020 is the deadline which the UK can request an extension of its transition period beyond 2020. The final date to which the UK can extend the transition to is 31st December 2022.
- **November 2020** – EU expects that a trade deal is negotiated, checked and presented to the European Parliament for it to be ratified by the end of the year.
- **31st December 2020** – If a trade deal has not been agreed and in place, the UK would have to fall back on World Trade Organisation terms which would essentially result in a ‘No-deal Brexit’.

The negotiations for establishing a new future relationship and a trade deal by the end of this calendar year will need to be monitored closely and require the Council to ensure it is fully prepared for different scenarios. The Council will continue to have a Brexit risk and will be monitored every quarter with reports being submitted to Cabinet and Audit Committee.

Newport City Council and other public, private and not for profit organisations have been making preparations to examine the risks and opportunities of leaving the EU and the necessary mitigations to reduce any impacts on Council services, residents and businesses in the city. Newport is a port city which receives and sends goods to and from the EU. The City is also home to many large organisations such as Airbus and other small to medium sized companies which trade with the EU. The longer term impacts for these businesses is still unknown and will depend upon the trade deal that is agreed with the EU. Newport is estimated to have 6,000 EU citizens (ONS, Annual Population Survey 2019) living in the city. Many businesses in Newport will also have EU citizens working for them that are from other local authorities in the South Wales and West region.

The Council’s Brexit Task & Finish group has been making preparations using the Welsh Local Government Association (WLGA) toolkit. The Brexit Task & Finish group consists of senior officers across the 8 service areas and representatives from critical service providers such as the Shared Resource Service (SRS) and Newport Live. The Council’s preparations focused on 3 aspects:

1. **Your Organisation** (Priorities / People / Finance & Funding);
2. **Supplies and Services** (Services, suppliers and supply chain / Core Operations / Legal, Data & Regulatory)
3. **Your Place** (Local Community)

Following the Task & Finish Group’s last meeting in January 2020, the current situation is summarised in Appendix 1 of this report. The updates that have taken place since the last Cabinet Report in October 2019 are highlighted below:

- **Food Poverty Grant** – WLGA has granted additional funding of £80,315 (£24,657 revenue / £55,658 capital) in November 2019 to enable local authorities to tackle food poverty that may be caused as a result of Brexit. The funding must be spent by October 2020 and contribute towards activities in the City that support the tackling of potential food poverty. The Connected Communities team (Policy, Partnership and Involvement) will be leading on this work and discussions have been held with service areas, third sector organisations to identify potential activities and schemes that may benefit from this funding. The £24k revenue funding is looking to be used in Regeneration Investment and Housing through the Hub model to target areas of need. It is proposed that capital funding be offered to third sector organisations (Food banks, community activities etc.) which they will be able to bid for. Finalisation of the process will be discussed with the Brexit Task & Finish group and the relevant Cabinet Members.
- **Homelessness Prevention Grant Programme** – WLGA has submitted a bid of £250k to tackle homelessness amongst migrant communities in Wales via the EU Transition fund. This equates to £45k for Newport City Council and must be utilised in the 2019/20 financial year. In Newport 7,113 people were registered as homeless of which 8% (566 individuals) are recorded as being EU nationals. The project has identified 3 areas which the funding can be spent contributing towards. These are: No Recourse to Public Funds (NRPF) training and guidance; developing a Welcome to Newport App to provide Migrants with access to information about Newport and maintaining a secure tenancy; and Homeless Information Cards to provide Homeless migrants with information around local services and how to access these. Discussions are also ongoing with the voluntary and housing sector to establish whether they would be able to utilise some of the funding to enhance advice services in relation to homelessness.
- **EU Settled Status Scheme / Community Cohesion**
 - Newport Council has made arrangements with Registrars and now provide an ID checking service for EU Settled Status applicants who are unable to access the EUSS Android app. This arrangement was reported to the Cabinet Member for Licensing and Regulation in November 2019.
 - Home Office figures (September 2019) show that 2,290 EUSS applications had been concluded for EU residents in Newport.
 - Mechanisms are in place for residents to report any hate crime or community tension that are related to Brexit and for these to be escalated to the appropriate authorities.
 - The Council are co-ordinating a weekly drop in provision for EU Nationals in partnership with all voluntary sector services funded to support applications to the EUSS
- **Food and medical supplies** – Social Services and School contractors have provided assurance with the food supplies, but have indicated that there may be produce where availability may be restricted and price rises could be encountered. Social Services are also working closely with the Health Authority to ensure medical supplies are available for homes and individuals.
- **Stability of social care providers and homes** – small to medium sized social care providers and homes are already vulnerable and have less tolerances to significant changes to costs e.g. energy supplies, food, and workforce. The Council's Social Services Commissioning team and Finance Service will continue to closely monitor the situation and is seeking assurances from providers to ensure necessary preparations are being made.
- **ICT costs / cyber security / data protection**
 - Leaving the EU on 31st January is unlikely to have an impact on supplies and availability of ICT equipment.
 - The Council's ICT contractor Shared Resource Service (SRS) will continue to monitor the situation relating to cyber security and any impacts relating to future legislative and regulatory arrangements with the EU.
- **Civil Contingencies** continue to monitor risks relevant to Brexit through the Gwent Local Resilience Forum and Welsh Government and ensure that business continuity arrangements are in place for any Brexit related disruption.
- **Businesses trading with the EU** – The small to medium sized business community will need to ensure that the necessary preparations are made for mitigating any future UK-EU trade agreement. The Council's Economic Development team have been raising awareness to businesses in Newport on signposting them to relevant Welsh Government and UK Government websites. Funding has also been allocated to support the officers in training and delivering an event to local businesses in the next couple of months.

Throughout this process the Council has been undertaking communication activities with Councillors, staff and members of the public. In September 2019 we issued guidance to Councillors on where to signpost residents and businesses if they were approached in their ward. This was followed up by a presentation to Councillors at the start of October 2019. We will continue to provide all stakeholders with the necessary bulletins and information on the situation throughout 2020 alongside regular Cabinet Reports in relation to the overall Brexit situations and Council preparations.

The full list of areas being monitored by the Task & Finish group are included in Appendix 1 of this report. The areas covered above and in Appendix 1 are being undertaken within existing resources.

Financial Summary

The Council's Finance team are monitoring any impacts on budgets through the monthly budget reporting process.

Risks

Brexit is recorded on the Council's Corporate Risk Register which is presented to Cabinet and Audit Committee every quarter. In Quarter 3 2019/20 Brexit was assessed with a risk score of 12 and will continue to remain on the risk register in the foreseeable future.

| Risk | Impact of Risk if it occurs* (1-5) | Probability of risk occurring (1-5) | 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? |
|--------|------------------------------------|-------------------------------------|--|--|
| Brexit | 4 | 3 | See Report. | Senior Leadership Team / Corporate Management Team |

Links to Council Policies and Priorities

Corporate Plan
Risk Management Strategy

Options Available and considered

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Comments of Chief Financial Officer

As outlined officers in the Council are undertaking actions as best they can to mitigate the short to medium term impacts of Brexit. The Council is collaborating as best it can with other local authorities, WLGA and partners to make the necessary preparations. The report considers the potential for risks and opportunities and local and regional arrangements for monitoring these.

HR implications are as outlined in the report.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report, which provides an update for Cabinet regarding the Council's Brexit preparations. The risks associated with a "no deal" Brexit have abated, following the Parliamentary General Election and the initial approval of the Withdrawal Bill by Parliament. Subject to the withdrawal being ratified on 31st January, then there will be a further period of trade negotiations up to the end of December 2020. Any legal implications for existing contracts for supplies, services and care provision, data security matters and any regulatory enforcement issues, particularly in relation to port health, will be addressed once the consequences of any trade agreement become clearer. In the meantime, the Registration Service will continue to provide an ID checking service for EU Settled Status applications

Comments of Head of People and Business Change

As outlined officers in the Council are undertaking actions to mitigate the short to medium term impacts of Brexit. The Council is collaborating as best it can with other local authorities, WLGA and partners to make the necessary preparations. The report considers the potential for risks and opportunities and local and regional arrangements for monitoring these.

HR implications are as outlined in the report.

Comments of Cabinet Member

The Leader of the Council is briefed on all aspects of risk management within the Council and related Brexit issues and work.

Local issues

Members to be aware the impacts that Brexit can have on our Local Communities and business.

Scrutiny Committees

The Council's Audit Committee receives regular risk register updates on the Council's Risk Register which includes the Brexit Risk.

Equalities Impact Assessment

Not applicable.

Children and Families (Wales) Measure

Not applicable.

Wellbeing of Future Generations (Wales) Act 2015

There are potential long term impacts of Brexit which could affect the future demand on our services to provide the necessary support, advice and guidance. There may also be opportunities that could arise and the Council will need to make preparations to accordingly. In preparation we have been working collaboratively across the Council and with our partners to make sure that our services to prevent any scenario where services are disrupted and to provide resilience across the City and to our local partners. We have also been involving our stakeholders and where necessary providing the necessary advice and guidance to those that need our support. Going forward we will continue to monitor and report where necessary any impacts which Brexit could have on the delivery of our services.

Crime and Disorder Act 1998

Not applicable.

Consultation

Senior Leadership Team
Corporate Management Team
Brexit Task & Finish Group

Background Papers

Cabinet Member Report - European Union Settlement Status - Document Identity Verification Service – November 2019

Corporate Risk Register to Cabinet 20th December 2019

Welsh Government website '[Preparing Wales to leave the EU](#)'

Welsh Local Government Association '[Brexit Website](#)'

Newport City Council's '[Brexit Webpage](#)'

Dated: February 2020

Appendix 1 – Summary actions taken through the Task & Finish Group

| Theme | Progress of Activity completed by Newport Council to 20 th January 2020 |
|--|---|
| Your Organisation (Governance) | <p>Mechanisms are in place through the Brexit Task & Finish group, the Corporate Management Team and Civil Contingencies have made arrangements to identify, escalate and report risks and issues in relation to Brexit. Briefings and presentations to Councillors have been made on how to signpost Brexit related queries and there has been increased communications to staff across the Council about Brexit related matters.</p> <p>The Council has a Brexit webpage on its website which also signposts residents and businesses to relevant Welsh Government and UK Government websites.</p> |
| Your Organisation (EU workers in Newport City Council) | <p>Our HR team analysed the number of staff that originate from the EU. In Newport City Council we confirmed that we have under 100 members of staff from the EU. To support these members of staff we issued guidance and directed staff to the Home Office website. Information sessions are planned for staff over the coming months to support anyone who may need to apply to the EUSS.</p> |
| Your Organisation (Finance and Funding) | <p>Newport City Council will be receiving approximately £6m from EU funding to deliver schemes such as Inspire to Achieve by 2022. The Council has received assurances that the funding will be in place to 2022. But there is no guarantee that this funding will be continuing after 2022 and the Council's Finance team will continue to monitor the situation.</p> |
| Supplies and Services | <p>The Council's Procurement team have been undertaking a review of the National Procurement Service Frameworks and contracts to gain assurances over critical supplies.</p> <p>Heads of Service and Senior Management Teams have been asked to review and contact their critical service providers and suppliers to ensure business continuity arrangements are in place and to raise any key risks. However, suppliers and providers have indicated that whilst they are making preparations, there remains uncertainty over availability and future prices of goods and supplies.</p> <p>Risk areas have been highlighted by service areas that have undertaken procurement exercises where companies have indicated potential increases to costs and supplies in the event of Brexit. These factors are now having to be considered by service areas and could impact on future budgets and decision making with contract providers who may decide to pass the cost increases onto the Council.</p> |
| Supplies and Services (ICT) Security / Data Protection arrangements | <p>The Council's ICT provider Shared Resource Service (SRS) have been undertaking a review of the Council's ICT systems and critical applications used. The SRS have indicated that it is unlikely that there will be any initial issues with availability of equipment but this will be monitored closely in 2020.</p> <p>Cyber Security threats remain the same and the Council has the necessary Firewalls, security and disaster recovery in place. Legislation and regulation will continue to be monitored in 2020 as the UK negotiates future trade relationships.</p> |
| Supplies and Services (Social Services) | <p>Food and medical supplies – Social Services contractors have provided assurance with the food supplies but have indicated that there may be produce where availability may be restricted and price rises could be encountered. This could result in alternative menus having to be devised. Social Services are also working closely with the Health Authority to ensure medical supplies are available for homes and individuals.</p> <p>Stability of social care providers and homes – small to medium sized social care providers and homes are already vulnerable and have less</p> |

| Theme | Progress of Activity completed by Newport Council to 20 th January 2020 |
|--|--|
| | <p>tolerances to significant changes to costs e.g. energy supplies, food, and workforce. The Council's Social Services Commissioning team and Finance Service are already closely monitoring the situation and are seeking assurances from providers to ensure necessary preparations are being made.</p> <p>As Newport has a large population of citizens from the EU, mechanisms are in place and communications issued to identify any children, adults that are in our care to enable them to apply for settled status. Advice and guidance is being provided by the Home Office on how to support this process.</p> |
| Supplies and Services (Regulatory Services / Port) | As a port city the Council's Regulatory Services have been liaising with the Association of British Ports and the Gwent Local Resilience Forum (LRF) on managing regulatory checks on exported supplies. Regulatory Services have also completed additional training to enable them to undertake additional checks but confirmed that staff resources may be impacted if they are having to undertake additional Brexit related work. |
| Local Community (Civil Contingencies) | As a member of the Gwent LRF we have established mechanisms to monitor and report on any civil contingencies impacts. The Gwent LRF have reviewed their existing risk register for potential Brexit implications and have also worked with Welsh Government / Central Government with regard to the mitigation of potential new Brexit related risks. The Gwent LRF are continuing to monitor the situation closely with its partners. |
| Local Community (Newport Community) Community Business | The small to medium sized business community will need to ensure that the necessary preparations are made for mitigating any future UK-EU trade agreement. The Council's Economic Development team have been raising awareness to businesses in Newport on signposting them to relevant Welsh Government and UK Government websites. Funding has also been allocated to support the officers in training and delivering an event to local businesses in the next couple of months. |
| Local Community (Community Cohesion) | To support our EU communities, we received additional funding from the Welsh Government to employ 2 Cohesion Officers (one based in Newport, one in Monmouthshire, hosted by NCC), based within our Connected Communities Team. These fixed term 2 year posts will focus on mitigating any identified increase in Brexit related community tensions, and supporting communities that are particularly affected, for example, EU citizens. |
| Local Community (EU Settled Status) | <p>EU citizens residing in the UK have until June 2021 to apply for EU Settled Status through the Home Office (December 2020 if the UK leaves without a deal). Applications can be made online or through an Android smartphone device. Home Office figures (September 2019) show that 2,290 EUSS applications had been concluded for EU residents in Newport. It is recognised that EU residents might not be fully aware of the requirement to apply or might not have access to a smartphone or computer device.</p> <p>Newport Registrars are offering an ID verification checking service for EU citizens to access. A Cabinet Member Report was approved in November 2019.</p> |
| Local Community – (Food Poverty) | WLGA has granted additional funding of £80,315 (£24,657 revenue / £55,658 capital) in November 2019 to enable local authorities to tackle food poverty that may be caused as a result of Brexit. The funding must be spent by October 2020 and contribute towards activities in the City that address potential food poverty. |

| Theme | Progress of Activity completed by Newport Council to 20 th January 2020 |
|--|--|
| | <p>The Connected Communities team (Policy, Partnership and Involvement) will be leading on this work and discussions have been held with service areas and third sector organisations to identify potential activities and schemes that may benefit from this funding. The £24k revenue funding is looking to be used in Regeneration Investment and Housing through the Hub model to target areas of need. It is proposed that the capital funding be offered to third sector organisations (Food banks, community activities etc.) which they will be able to bid for. Finalisation of the process will be discussed with the Brexit Task & Finish group and the relevant Cabinet Members.</p> |
| <p>Local Community (Homelessness)</p> | <p>WLGA has submitted a bid of £250k to tackle homelessness amongst the migrant communities in Wales via the EU Transition fund. This equates to £45k for Newport City Council and must be utilised in the 2019/20 financial year. In Newport 7,113 were registered as homeless of which 8% (566 individuals) are recorded as being EU nationals. The project has identified 3 areas where the funding can be spent contributing towards No Recourse to Public Funds (NRPF) training and guidance; a Welcome to Newport App to provide Migrants have access to information about Newport; and Homeless Information Cards to provide Homeless migrants with information around local services and how to access these.</p> |
| <p>Local Community</p> | <p>The Council set up a webpage on the Newport Council Website to provide advice and guidance to residents and businesses and provided links to the Welsh Government Brexit webpages and Home Office pages. An email address has been set up for community tensions to be reported and monitored, and details of racist incidents are now shared weekly by Gwent Police. An EU forum has been established, bringing service providers who work with EEA citizens together on a regular basis to co-ordinate provision and ensure consistent communications are shared with communities and agencies. Links have been established with those schools that have a high EEA pupil population and drop in sessions are ongoing to offer advice and support to parents.</p> |

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Report

Cabinet

Part 1

Date: February 2020

Subject Economic Growth Strategy

Purpose Approval to adopt an updated Economic Growth Strategy.

Author Development and Regeneration Manager

Ward Council Wide

Summary The Newport Economic Growth Strategy was adopted in 2015 and committed to a 10 year vision and framework for building Newport's economy through:

- (1) Delivering Shared Prosperity,
- (2) Creating an Excellent Economic Environment, and
- (3) Moving Newport up the Value Chain.

Since 2015 Newport has become a more competitive city with a growing influence in high value sectors. We have developed a multitude of training and development routes for future workers and the City is experiencing a rapidly expanding tourism sector. Newport now has a pivotal role in the success of both the Cardiff Capital Region and Western Gateway Partnerships and as an organisation we are embracing new ways of working.

In order to reflect changes in the local economy since 2015 and to keep apace with emerging trends, the Economic Growth Startegy has been refreshed and updated to ensure that we are maximising opportunities to enable and facilitate growth as well as complimenting the on-going physical regeneration of the city.

Proposal To adopt the updated Economic Growth Strategy.

Action by Development and Regeneration Manager

Timetable Immediate

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Finance (Chief Finance Officer)
- Head of Law and Regulations (Monitoring Officer)
- Head of People and Business Change
- Cabinet member

Signed

Background

The Economic Growth Strategy was adopted in 2015 and outlined a 10 year vision for building Newport's Economy through:

- (1) Delivering Shared Prosperity,
- (2) Creating an Excellent Economic Environment, and
- (3) Moving Newport up the Value Chain.

This ambitious strategy approved four core outcomes which aim to deliver a vibrant and growing city economy, These outcomes are:

OUTCOME 1: PEOPLE IN NEWPORT CAN ACHIEVE THEIR POTENTIAL

-  Skills Growth
-  Fewer people out of work
-  Fewer NEETs

OUTCOME 2: NEWPORT TO HAVE A COMPETITIVE ENVIRONMENT

-  Increased productivity
-  Greater Jobs Growth
-  Revitalised City Centre
-  Increased Wage Growth
-  Less Knowledge Drain

OUTCOME 3: NEWPORT IS BETTER PLACE TO LIVE

-  Increased Visitor Numbers
-  Lower Carbon Economy

OUTCOME 4: BUSINESSES IN NEWPORT HAVE THE OPPORTUNITY TO PROSPER

-  Growth in High Value Sectors
-  Increase in Private Investment
-  More Resilient Businesses

Since 2015 Newport has become a more competitive city with a growing influence in high value sectors. We have developed a multitude of training and development routes for future workers and the City is experiencing a rapidly expanding tourism sector. Newport now has a pivotal role in the success of both the Cardiff Capital Region and Western Gateway Partnerships and as an organisation we are embracing new ways of working.

Newport's Well-being Plan 2018-2023 was adopted in 2018 and underlines the Public Services Board's approach to improving the economic, social cultural and environmental well-being of Newport and is at the heart of the interventions we undertake. Moving forward we also need to maximise the benefits of working with our regional partners, aligning training and skills to meet demand in growth industries and leveraging in private investment to support sectoral development. It is important that we build upon our successes, such as the South East Wales Cyber Cluster, Compound Semiconductor manufacturing cluster and the growth in the visitor economy which has been stimulated by the opening of the International Convention Centre, Wales.

The Economic Growth Strategy aims and objectives also need to be aligned to the wider strategic objectives of the Council. This ensures that there is a 'golden thread' that integrates the plans, objectives and strategies of Newport's Well-being Plan 2018-2023 and Corporate Plan 2017-2022. There also needs to be synergy with our regional partnership commitments, including the Western Gateway Partnership and the Cardiff Capital Region Economic Growth Plan which focuses on cross-sectoral collaboration, infrastructure development, productivity growth, skills development and regeneration impact in the wider and foundational economy.

In order to ensure that the Strategy continues to be fit for purpose, the priorities and aims set out in the original strategy have been updated to take into account change in the local economy since 2015 and emerging trends. The key outcomes remain fit for purpose and are unchanged in the updated document. Increasing access to jobs, making businesses more resilient and making Newport a better place to live and

work are fundamental to the Strategy and over the last 5 years a number of successes have been achieved including:

- 11.7% increase in FTE gross weekly wages,
- 14.9% increase in business start up rate (with business closure rates down by 0.8%),
- £1.7m increase in visitor numbers,
- £405m increase in Newport GVA, (£2,124 per worker).

Conversely there is still some work to do in delivering the outcomes. Areas which have not improved since 2015 include:

- 6.5% increase in the gender pay gap difference average FTE
- Public perception of Newport and whether residents think Newport is a good place to live, and
- 2% fewer residents registered as self employed.

Growing Newport's economy is important if we are to take advantage of emerging opportunities, Newport has a number of strengths including being:

- an affordable location,
- gateway City,
- direct access to regional and national infrastructure,
- 5 year housing land supply,
- Business Improvement District, and
- 10.8% increase in average property values.

The updated Strategy identifies current threats and challenges as being:

- Maintaining a skilled workforce,
- Addressing the lack of Grade A office stock available,
- Reducing City Centre footfall,
- Contracting retail sector,
- Aging sports facilities,
- Absent landlords,
- M4 congestion,
- Graduate retention,
- Competing for investment opportunities with other Cities.

The updated strategy acknowledges and builds upon the identified strengths, challenges, opportunities and threats and also incorporates priorities and aims of national, regional and local policies and partnerships. Emerging trends are identified in areas such as location and connectivity, innovation, skills and the requirements for future workforces, community, identity and sport.

The core outcomes of the 2015 strategy remain the same and the updated strategy provides a refreshed list of aims which are required to support the delivery of the outcomes. These proposed aims and actions include:

- Increasing the percentage of Newport's population with qualifications NVQ Level 4 and above,
- Encouraging employers to sign up to the Newport Commitment,
- Developing a regional skills employability plan,
- Addressing skills shortages in key sectors, including digital, hospitality and construction,
- Supporting the supply and delivery of housing as identified in the Local Development Plan,
- Supporting the delivery of Grade A office and co-working/incubator space in the City Centre,
- Supporting the creation of new hotel bed spaces to meet the demand generated by the ICCW,
- Improving connectivity between the rail and bus stations,
- Delivering a City Centre Property Enhancement scheme,
- Developing an organisational carbon reduction programme with a carbon neutral vision,
- Promoting digital skills through training and employability programmes including Work Based Learning Academy & Right Skills,
- Exploring opportunities to develop a Digital Bid for Newport, and
- Increasing flexibility of City Centre uses to reflect market demand and sustain the City Centre as a place to live, work & visit.

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? |
|---|---|--|---|--|
| Business and Investment opportunities are missed because of a lack of guidance and skills support | H | L | Reviewing and updating the Economic Growth Strategy will make the growth aspirations for Newport more relevant to current demands and allow Service areas and external providers to ensure that skills and training opportunities are planned and delivered in a timely manner. | Development and Regeneration Manager |
| Non-delivery of agreed actions and aims | M | L | The actions and aims forming part of the updated Strategy have been identified in consultation with relevant service areas and are considered relevant and deliverable. | Head of RIH |
| Changes in strategic policy, regional commitments or local demand | L | L | The updated strategy is based on current corporate, national and regional policy as well as reflecting current economic trends. Should there be any fundamental change in policy, direction or trends, the strategy can be updated again. | Development and Regeneration Manager |

Links to Council Policies and Priorities

The updated Economic Growth Strategy reflects the Council's strategic policies, both for meeting education and skills needs and continued regeneration of the City Centre, as outlined in the Corporate Plan 2017-2022.

The strategy is consistent with the themes, objectives and priorities of the 'Newport Well-being Plan 2018 – 2023' which are:

- people feel good about living, working, visiting and investing in Newport.
- people have skills and opportunities to find suitable work and generate sustainable economic growth.
- people and communities are friendly, confident and empowered to improve their well-being.
- Newport has healthy, safe and resilient environments.

By enabling Newport to continue being a competitive city.

Options Available and considered

1. To proceed with adopting the updated Economic Growth Strategy to ensure that Newport continues to meet current needs and facilitates opportunities for growth and investment until 2025.
2. To not adopt the updated strategy and continue to implement the current Economic Growth Strategy until 2025.

Preferred Option and Why

To proceed with adopting the updated Economic Growth Strategy to ensure that Newport continues to meet current needs and facilitates opportunities for growth and investment until 2025.

Comments of Chief Financial Officer

The Newport Economic Growth Strategy was adopted in 2015 without any impact on the existing budget provision at that time. This continues to be the case and any aims and objectives refreshed as part of this update will also be met from current budgets.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report or the proposed update to the Economic Growth Strategy. The Strategy provides a framework for the delivery of future economic growth in Newport and ensures that development priorities are aligned to the corporate objectives set out in the Corporate Plan and Well-Being Plan and that there is a transparent process for monitoring and evaluating outcomes. The updated Strategy has been considered by Scrutiny Committee, who endorsed the proposed revisions, subject to some minor amendments and the production of a more detailed delivery plan. These changes have been incorporated within the updated document. The Economic Growth Strategy forms part of the Council's Policy Framework and the original 2015 Strategy was formally approved by full Council. This revision is simply a refresh and update to the previous Strategy, to reflect changes that have taken place in the intervening period and the over-arching strategic objectives set out in the original document have not changed. Therefore, it should not be necessary for full Council to approve the update and Cabinet can agree the proposed revised Strategy.

Comments of Head of People and Business Change

The Economic Growth Strategy aims and objectives have been aligned to the councils's well-being objectives and the One Newport Public Services Board's well-being objectives. This ensures there is a link to the Newport's Well being Plan 2018 2023 and council's Corporate Plan 2017 2022.

This strategy and the cover report have fully considered the Well-being of Future Generations (Wales) Act 2015. How the strategy meets the well-being goals and the sustainable development principle contained in the Act has been summarised in the appropriate section of this report.

Comments of Cabinet Member

The Leader as Cabinet Member for Investment and the Economy has approved the report for consideration by Cabinet.

Scrutiny Committees

The draft Strategy was presented to Overview and Scrutiny Management Committee in September 2019. The updates were endorsed and providing a detailed delivery plan was prepared to capture the aims and actions, it was recommended to Cabinet for approval.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

The decision recommended in this report will require officers with delegated responsibility to manage the delivery of the agreed aims and actions.

Children and Families (Wales) Measure

N/A.

Wellbeing of Future Generations (Wales) Act 2015

The strategy accords well with the five ways of working as set forth in the Wellbeing of Future Generations Act:

Long Term: Continued, sustainable economic growth in Newport will extend beyond the lifetime of this strategy. We will look forward as far as possible and we will continue to employ an evidenced based approach. Short term opportunities will not outweigh long term risks. There will be a focus on delivering outcomes for the present that can be built upon as milestones for future generations and we will continue to explore new ways of delivering strategy outcomes over the longer term.

Integrated: As an organisation we understand both individual and collective responsibilities to deliver the well-being objectives. We will work collaboratively and share information to meet the well-being objectives in a joined up way with our stakeholders and partners.

Involved: We will look to involve those with an interest in achieving the well-being objectives and goals. We will ensure that involvement reflects the diversity of the area. We also recognise that the views of stakeholders contributes to better outcomes and we will learn and improve from stakeholder feedback.

Collaboration: We will aim to maximise the benefits of collaboration with the Public Services Board, Cardiff Capital Region and Western Gateway partnerships and build upon relationships with stakeholders such as the Newport Economic Network and Business Improvement District to help align the long term strategic vision for economic growth.

Preventative: We will seek to prevent negative outcomes for our communities through careful monitoring of trends and long term planning. We will manage the risks that are identified for both the economy, society and environment. We will align the aspiration of a low carbon economy and sustainable travel with the Well-being Objectives.

The project is compliant with the well-being goals through improvements to economic, social and environmental aspects of Newport as follows:

Goal 1 – A Prosperous Wales

By improving perceptions of Newport as a place to live, work and invest and driving up skill levels for economic growth.

Goal 2 - A Resilient Wales

By improving skills and contributing to a sustainable and diverse economic base with regeneration and economic growth at its heart.

Goal 3 - A Healthier Wales

By ensuring residents have access to appropriate housing and encouraging access to sport, recreation and leisure facilities and promoting the use of sustainable transport.

Goal 4 – A More Equal Wales

By driving up skills levels for economic and social well-being and improving perceptions of Newport as a place to live, work, visit and meet.

Goal 5 - A Wales of Cohesive Communities

By embedding a culture of collaboration within the local the business community an supporting regeneration and economic growth.

Goal 6 - A Wales of Vibrant Culture and Thriving Welsh Language

By driving up skills for economic and social well-being and ensuring people feel part of their community and have a sense of belonging.

Goal 7 - A Globally Responsible Wales

By securing growth and investment for Newport and sustaining local supply chains, businesses will ensure that the objectives contribute fully to a globally responsible Wales.

Crime and Disorder Act 1998

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

Consultation

None.

Background Papers

Economic Growth Strategy adopted 2015.



Economic Growth
Strategy_Final versic



EGS UPDATE 2020
-Final draft.pdf

Dated: 20 January 2020

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Report

Cabinet

Part 1

Date: 12 February 2020

Subject Cabinet Work Programme

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

Author Cabinet Office Manager

Ward All Wards

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

The current work programme runs to June 2020, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Proposal To agree the updated work programme.

Action by Cabinet Office Manager

Timetable Immediate

This report was prepared after consultation with:

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

Background

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

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

The current work programme runs to June 2020, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Financial Summary

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

Risks

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

Links to Council Policies and Priorities

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

Options Available and considered

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

Preferred Option and Why

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

Comments of Chief Financial Officer

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

Comments of Monitoring Officer

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

Staffing Implications: Comments of Head of People and Business Change

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

Comments of Cabinet Member

The Chair has approved the report for consideration by cabinet.

Local issues

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

Scrutiny Committees

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

Equalities Impact Assessment and the Equalities Act 2010

This does not apply to this procedural report.

Children and Families (Wales) Measure

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

Wellbeing of Future Generations (Wales) Act 2015

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

Crime and Disorder Act 1998

This does not apply to this procedural report

Consultation

As set out above

Background Papers

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

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

Dated: 23 January 2020

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NEWPORT CITY COUNCIL: CABINET/COUNCIL WORK PROGRAMME 2019/20

| MEETING | AGENDA ITEMS | LEAD OFFICER |
|------------------------------|--|-----------------------|
| CABINET 19-JUN-19 | Treasury Management Year End Report | HoF |
| | Corporate Risk Register Update | HP&BC |
| | Forecast Numbers of LAC | SD People |
| | Work Programme | COM |
| CABINET 17-JUL-19 | Revenue Budget Monitor | HoF |
| | Capital Budget Monitor | HoF |
| | Commercial Property Fund Investment Guidelines | HoF |
| | Brexit Update | HP&BC |
| | Welsh Language Annual Report | HP&BC |
| | Performance Update – Early Year End PI Analysis | HP&BC |
| | Work Programme | COM |
| | PSB Summary Document (for information/awareness) | HP&BC |
| COUNCIL 23-JUL-19 | NNDR Relief Scheme Treasury Management Year End Report | |
| COUNCIL 10-SEP-19 | Appointment on Interim Chief Executive/Head of Paid Service Scrutiny Annual Report PSPO Newport Arcade | |
| CABINET 18-SEP-19 | Capital Programme Monitoring July 2019 | HoF |
| | Revenue Budget Monitor July 2019 | HoF |
| | WAO Annual Improvement Report | HP&BC |
| | Strategic Equality Plan Annual Report | HP&BC |
| | Corporate Risk Register Update (Quarter 1) | HP&BC |
| | Sustainable Travel Strategy | HoL&R |
| | Work Programme | COM |
| CABINET 16-OCT-19 | Corporate Plan Annual Report | HP&BC |
| | Brexit Update Report | SD - Place |
| | WAO Report – Corporate Safeguarding | HP&BC |
| | WAO Certificate of Compliance 1 | HP&BC |
| | Annual Report on Compliments, Comments and Complaints Management 2019 | Customer Services Mgr |
| | Work Programme | COM |
| CABINET 13-NOV-19 | Revenue Budget Monitor | HoF |
| | Capital Budget Monitor | HoF |
| | Work Programme | COM |
| | PSB Summary Document (for information/awareness) | HP&BC |

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| COUNCIL 26-NOV-19 | Democratic Services Annual Report Standards Committee Annual Report Strategic Equality Plan Annual Report | |
| CABINET 20-DEC-19 | Revenue Budget and MTFP: Draft Proposals | HoF |
| | Treasury Management 6 monthly Report | HoF |
| | Corporate Risk Register Update (Quarter 2) | HP&BC |
| | WAO Certificate of Compliance 2 | HP&BC |
| | Revised Contract Standing Orders | HoF |
| | Director of Social Services Annual Report | SD - People |
| | Work Programme | COM |
| CABINET 15-JAN-20 | Mid-Year Performance Analysis 2019/20 | HP&BC |
| | Revenue Budget Monitor | HoF |
| | Capital Budget Monitor | HoF |
| | Information Station Regeneration | HoRIH |
| | Part 2 Presentation – City Centre Regeneration | SD - Place |
| | PSB Summary Document (for information/awareness) | HP&BC |
| | Work Programme | COM |
| COUNCIL 28-JAN-20 | Mayoral Nomination 2020/21 Council Schedule of Meetings Revised Contract Standing Orders Treasury Management 6 monthly report Council Tax Reduction Scheme Director of Social Services Annual Report | |
| CABINET 12-FEB-20 | Capital Strategy and Treasury Management Strategy | HoF |
| | Revenue Budget and MTFP: Final Proposals | HoF |
| | Key Stage 4 Outcomes – Summer 2019 | CEdO |
| | Brexit Update | SD - Place |
| | Economic Growth Strategy | SD - Place |
| | Work Programme | COM |
| COUNCIL 25-FEB-20 | Budget and Medium Term Financial Plan Capital Strategy and Treasury Management Strategy National Non-Domestic Rates: Discretionary Relief: High Street Relief Scheme 2020-21 | |
| CABINET 11-MAR-20 | Pay and Reward Statement 2020/21 | HP&BC |
| | 2020- 2024 Strategic Equalities Plan Approval | HP&BC |
| | EAS Business Plan | CEdO |
| | Categorisation of Schools | CEdO |
| | 21 st Century School programme | CEdO |
| | Corporate Risk Register Update (Quarter 3) | HP&BC |

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|---|--|--------|
| | Work Programme | COM |
| | | |
| CABINET 08-APR-20 | Items TBC | |
| | Risk Management Strategy (t.b.c) | HP&BC |
| | Annual Corporate Safeguarding Report | HC&YPS |
| | Work Programme | COM |
| | PSB Summary Document (for information/awareness) | HP&BC |
| | | |
| COUNCIL 28-APR-20 | IRP Annual Report NNDR Rate Relief Pay and Reward Policy | |
| | | |
| CABINET 06-MAY-20 | Items TBC | |
| | Work Programme | COM |
| | | |
| COUNCIL 12-MAY-20 | AGM | |
| | | |
| CABINET 03-JUN-20 (t.b.c.) | Corporate Risk Register Update (Quarter 4) | HP&BC |
| | Risk Management Strategy | HP&BC |
| | Work Programme | COM |
| | | |

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