

Agenda

Cabinet



Date: Monday 22 February 2021

Time: 4pm

Venue: MS Teams

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 - 14)	
4 <u>Capital Strategy and Treasury Management Strategy</u> (Pages 15 - 70)	All Wards
5 <u>Revenue Budget and Medium Term Financial Plan (MTFP): Final Proposals</u> (Pages 71 - 224)	All Wards
6 <u>Proposed Leisure and Wellbeing Facility</u> (Pages 225 - 260)	All Wards
7 <u>Transporter Bridge Funding</u> (Pages 261 - 268)	Pillgwenlly
8 <u>Guidance on Socio-Economic Duty</u> (Pages 269 - 276)	All Wards
9 <u>Covid-19 Recovery Update</u> (Pages 277 - 292)	All Wards
10 <u>Brexit Update</u> (Pages 293 - 300)	All Wards
11 <u>Work Programme</u> (Pages 301 - 308)	

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Date of Issue: 16 February 2021

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Minutes



Cabinet

Date: 8 January 2021

Time: 2.00 pm

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

In Attendance: B Owen (Chief Executive), M Rushworth (Head of Finance), G Price (Head of Law and Standards), R Cornwall (Head of People and Business Change), O James (Assistant Head of Finance), T McKim (Policy Partnership and Involvement Manager), A Jenkins (Governance Team Leader)

1 Apologies for Absence

None received.

2 Declarations of Interest

None received.

3 Minutes of the Previous Meeting

Minutes from 16 December 2020 were confirmation as a true record.

4 Budget and Medium Term Financial Plan (MTFP) 2021-2022

The Leader presented the report, which outlined the draft budget proposals for 2021/22. It was the subject of significant work over the last few months; much of it was done within a challenging context of very little or no information from UK or Welsh Government (WG) regarding core and short term Covid-19 related funding for 2021/22 and uncertainty coming out of Brexit. The Council only received details of its draft 'Revenue Support Grant' (RSG) on 22 December 2020 and given the significant uncertainties mentioned above, finalised proposals after that. More work was still required, given the much higher than expected grant settlement, although a lot of work was done after the settlement so that the draft budget was as comprehensive as possible.

As a result of this the budget consultation started slightly later than usual but the remaining budget-setting timetable was adjusted to maximise the time available for consultation. This meant that residents, service users and stakeholders; such as the independent Fairness Commission, would have four full weeks to take part in the consultation. The consultation had commenced and the Leader asked that residents, partners and all parties engaged fully. The Leader was committed to a full and comprehensive engagement on this, including with internal processes such as scrutiny committees.

As always, all individual proposals, both investments and savings, were listed in the appendixes to the report. The budget savings with service impact were included in detail and

the report provided links to the detail of other budget savings. We were specifically consulting on those with service impact and would take comments received into consideration before finalizing any decisions in February. Others proposals with no impact were being agreed today for implementation by Heads of Service.

Turning to some of the detail:

- Inflationary costs increased the amount to just over £5m next year and was around this level each year, based on planning assumptions. There was significant uncertainty on pay inflation next year with both the UK Chancellor announcing a one year pay freeze, excluding the lowest paid and that Local Government determined its own pay arrangement. In addition, teacher's pay was determined by the relevant Welsh Government Minister. As this was a high risk budget area, the Council had provided for inflationary increases here, as noted in the report
- For 2021/22 specifically, the council was currently planning to invest almost £8m in the draft budget over and above an allowance for pay and pricing inflation. More details on proposed investments were included in appendix 1 and some of the key items included:
 - £1.8m investment in school budgets
 - £2.6m investment in the capital programme, to facilitate both the Councils and City Deal aspirations for the city and region
 - £1.5m for increasing demand in social care demand for both children and adult services
 - £305k investment to deliver the promises set out within the Corporate Plan such as the delivery of digital aspirations and a new household waste recycling centre.
- In terms of savings, the quantum for 2021/22 was £3.3m of which just over £600k had already been agreed in previous budget decisions and £2.7m were new proposals. Of this, the Council identified just under £1 million for consultation but we had also worked hard to identify as many savings with little or no impact and these amounted to £1.7 million.

The Council was consulting and agreeing on all budget savings set out in the report for this year and including a small amount of nearly £260k which was identified for future years.

There was also a proposed Council tax increase of 5%. The Leader appreciated that this was larger than inflation increase but as the report highlighted, Newport had a low Council Tax and even with a good WG financial settlement, we needed to be mindful of this to ensure support our most vulnerable residents, invest in our infrastructure and support our ambition for the city regeneration. Even with the good additional funding the WG settlement would bring, our need to invest in services and the city meant we needed to increase Council Tax and find savings. The budget was not about the Council Tax increase only; it was balanced by savings also being made and the investment in the city and services, which came with it.

Comments from Cabinet:

Councillor Rahman referred to the £35M savings and noted that since 2012 there had already been £74.8M worth of savings and cuts but that services were still running well, which was thanks to the staff delivering the services of a caring Council supporting residents.

Councillor Truman noted that these were challenging times but that the Council and residents would get through this. The budget demonstrated that the Council was investing in services and staff working were working hard, it was therefore important to invest in services where we could. This was a listening budget, which would welcome comments from members of the public. It was also mentioned that some councils had gone bankrupt but that Newport City Council were not in this position and was still managing to maintain services which was positive.

Councillor Jeavons referred to page 42 of the Agenda papers; waste enforcement officers still needed to continue to improve the recycling needs and he thanked residents for their recycling efforts. This essential service provision was still in place, which was good for Newport.

Councillor Davies commended the budget proposal, and echoed previous comments that this was a listening budget and that it was a key priority that residents responded. One of many investments which was to be praised, was the empty properties fund.

Councillor Harvey mentioned that we were in the worst situation since World War Two and that staff on ground were continuing to pick up waste/refuse whilst putting themselves at risk. Newport City Council delivered a first class service ran by first class staff.

Councillor Giles noted that the Council always and remained committed to ensure residents had everything they needed. This was a difficult time for parents/cares and teachers alike. Education Services had a demand on the budget, giving vital provision and commitment to new school builds, including Welsh Medium schools.

Councillor Mayer wanted to remind members of the public that there were different ways of commenting on consultation, via mail, the website; My Newport and Newport Matters. It was hoped that the residents would engage with the Council and give their feedback.

The Leader invited the Cabinet Member for Social Services, Councillor Cockeram to say a few words regarding the budget proposals and how it would impact on his portfolio/service area. It was explained how the council was making positive strides to improve social care for children by investing in accommodation such as Rose Cottage which cut down on out of County placements. There was huge savings being made by reducing Out of County placements. Rose cottage was a total success and was nominated for the Social Care Awards and although we did not win, were highly commended. Social Services gave an excellent All Wales presentation on Rose Cottage, giving an example of a local child, returned from Out of County Placement in Scotland, where they thrived at Rose cottage and eventually returned to their birth mother. Savings of around £8K per week was also being made. Another home was being refurbished and would be ready by February and Windmill Farm, with three houses, it was therefore justified to close Cambridge House.

The Leader reflected on the comments that colleagues made and it reiterated that it was their job as a Cabinet to consider the proposals that would go out to the public, which was an important decision to make. The Leader thanked Cabinet Members for their valued comments and experience in their portfolios, in particular Councillor Cockeram and Truman and the commitment of officers. The Council continued to modernise Newport without having a negative impact on the economy.

This was also about investing in the service areas as requested by the Wels Government and these were evidence based decisions on how services had been maintained throughout the pandemic, by comparison to other councils. These decisions were not taken lightly and the Council had a moral and ethical duty. The information was all there and the Cabinet welcomed comments from the public.

Careful consideration had been taken not to consult on the refurbishment of View Point Car Park with both Councillors Harvey and Giles supporting this decision. The Leader thanked Councillors Mayer and Whitehead for their input.

Agreed:

1. Cabinet considered very carefully all the proposals put forward by officers and agreed to the following draft proposals for public consultation:

- i) Budget savings proposals in appendix 2 (summary table) and appendix 5 (detailed proposals), including the decision making point (either full Cabinet or Head of Service) for each one. This was with the exception not to proceed with the savings proposal for introducing parking charges to three park and countryside car parks - Glebelands, Christchurch (Local Nature Reserve) viewing point and Morgan's Pond (off Bettws Lane) (proposal No STR2122/07).
- ii) Approved implementation of the delegated decisions in appendix 3 by Heads of Service with immediate effect, following the usual Council decision-making processes.
- iii) A council tax increase of 5%, a weekly increase of £0.77 - £1.02 for properties in Band A to C, the most common bands in Newport, as set out in paragraphs 3.21 – 3.24.
- iv) Proposed fees and charges in appendix 7, there were no increase in car parking fees in this Appendix.
- v) The budget investments shown in appendix 1.
- vi) The budget investment provision in schools of up to £4,937k, which was based on an assumed teachers/ NJC pay increase and provided for a fully funded increased funding requirement, based on that, plus the cost of new/ expanding school provision as noted in paragraph 3.14 – 3.20. Specifically here, Cabinet agreed to confirm and finalise this when there was certainty on Teacher's pay from September 2021 with the intention of retaining the objective described above, within the funding provision available.

2. Cabinet noted

- i) The position on developing a balanced budget for 2021/22, acknowledging that the position was subject to ongoing review and updates especially in light of the late announcement from WG in respect of the final 2021/22 funding.
- ii) The medium term financial projections, assumptions contained within and that the projections contained investments required to implement the Corporate Plan promises.
- iii) That initial Fairness and Equality Impact Assessments were completed for all those requiring one.
- iv) The need to prioritise the development of a 'strategic change programme' in order to develop a long-term sustainable financial footing for services.

5 November Revenue Budget Monitor

The Leader presented the report, which dealt with the revenue budget at the November 2020 position. It confirmed the latest forecast showed an underspend of £2.7 million. This was an increase on the September position which showed a forecast underspend of about £1.7 million, and reflected the improved forecast position within schools and also lower than anticipated demand currently being experienced with adult social care as a consequence of the ongoing Covid-19 pandemic. The bottom line underspend was inclusive of the £1.4 million revenue budget contingency which was currently not required and accounted for just under half of the overall underspend. Other in-year underspends were linked to some one-off budget savings this year due to, mainly, significant delays in recruitment and also far less miscellaneous expenditure being incurred than normal, for example travel/subsistence and printing costs. The forecasts made the assumption that the current areas of spend and lost income in relation to the Covid-19 situation would continue to be reimbursed and supported by the WG.

In terms of key issues, undelivered MTFP savings represented the largest individual budget issue at this time. The performance on forecast delivery of savings was significantly impacted by the Covid-19 situation and whilst this position had improved since that reported in September, there remained over £1 million of undelivered savings. Any undelivered savings at the end of the year would still need to be delivered as soon as possible in the following year but that would be in addition to any new savings for the 2021/22 financial year.

In that sense, whilst unavoidable, it would cause problems and be challenging. The Leader asked the Chief Executive, Heads of Service and Cabinet Members to focus on these now as much as was reasonably possible and continue the improvement. This was carried out in the most challenging context and situation and the Council was doing what it could to reduce pressure for next year. In addition to this, the other area of budget pressure was the continuing demand on social care budgets; children's in particular, and a £725 thousand overspend was forecasted. The overspends were offset by savings against other service / non-service areas totalling nearly £3 million, resulting in an overall underspend of £1.2 million, which was then added the currently unused general contingency budget of £1.47 million.

Whilst the level of forecast overspending across schools was an area of significant concern throughout the year, a forecasted underspend was anticipated as shown in the report. Forecasts were reviewed in light of the impact of the pandemic and the reimbursement that the schools would receive from the Welsh Government hardship fund and one off funding received. It was pleasing to note that school revenue budget forecasts had improved and this would increase the overall school reserves to nearly £1.7 million. The Leader was mindful however that school budgets continued to be under significant strain and many schools were still projecting an overspend in the current year. Officers continued to work with individual schools on their financial recovery plans and this was showing good results.

The forecasts showed that the Council was in a good position to face the challenges that were met. More work was required and was underway to review what unavoidable 'catch up' spending was needed to make next year and would be taken into account in assessing uses of the underspend. That element should not be significant in itself. This would also allow the Cabinet to consider how best to utilise the underspend. The Leader was mindful of the on-going risks of Covid and uncertainty at this point of the full package of support that Councils would receive next year for unavoidable Covid related costs and lost income faced in the first quarter or half year. Brexit was also potentially going to be an issue as much of the detail was still unknown and could have an impact. These would be key issues to consider as well as other Cabinet priorities and the usual need for one-off funds to support projects. The council would consider these in detail in due course but the position allowed flexibility to assess the above issues.

Comments from Cabinet:

Councillor Giles thanked all school staff, head teachers and Governors and would ensure support in every possible way for education to continue to provide a service to pupils.

Councillor Truman was concerned about the ambiguity around Brexit regulations and training for officers advising that clarification was needed.

Councillor Cockeram referred to Children Services and child referral, which had increased during the pandemic and the need to be mindful of this, as another lockdown was a serious issue for the safeguarding of children.

Agreed:

Cabinet was asked to:

- Note the overall budget forecast position and the significant overspending areas that was predominately resulting from undelivered MTFP savings impacted by the on-going pandemic; the risks associated with this and recommendation that Heads of Service (HoS) continued to focus on implementation of agreed savings;
- Note the planning assumptions within the forecast position and in particular, the uncertainty around (i) the ongoing impact that Covid would have upon service areas and (ii) funding support available from Welsh Government (WG) for the remainder of the financial year;
- Note the forecast movements in reserves;

- Note the significant financial challenges that had the potential to face schools in future should schools not manage within approved budget and the serious impact it was likely to have on the Councils other revenue budgets and reserves and that further work was in progress to review forecasts;
- Note that work was in progress to identify the impact of unspent budgets and grant funded areas to determine what needed to be carried forward to next year.

6 Capital Programme Monitoring and Additions - November 2020

The Leader presented the extensive Capital Programme, investing across the authority in areas such as schools, heritage assets, energy efficiency schemes, invest to save programmes and investing in the regeneration of the city centre.

This report built on the investment already approved by Capital with a request to add an additional £3.915 million to the programme to further enable the delivery of the Councils Corporate Plan priorities, the majority of which was in relation to the acceleration of the Cardiff Capital Region City Deal ("City Deal"). It also provided the latest forecasts on expenditure on this year's schemes and slippage of budget spend into future years, which was identified.

Cabinet was asked to approve an additional £3.915 million to the overall programme, mainly for accelerated spending by the Cardiff City Deal Region. As a member of the city deal, we were required to both provide capital funds to it as well as fund any cash-flow funding if spent in advance of Treasury funding. The latest business plan was reviewed and approved by the city deal Cabinet recently and approved the acceleration of spend. Whilst overall spending would remain within the agreed overall funding envelope, all Councils in the city region would need to fund this sooner than was originally planned. The original plan for city deal spending was being incurred each year up until 2026/27 but the new plan would see this expenditure bought forward to end in 2022/23. The revenue impact would therefore span many years and whereas this was steadily increasing up until 2026/27, it would accelerate and increase up until 2023/24, which would need to be factored into our budget planning for the next two financial years within our MTFP. Clearly, this was an ambitious acceleration of spending, in difficult circumstances and would be carefully monitored. The table showing the capital programme reflected this addition and the resulting budget this year was just under £32 million with an overall programme of nearly £211 million.

In terms of monitoring spend, the report confirmed a relatively low spending of just over £11 million on a budget of just under £32 million. This pattern was not uncommon but clearly, the challenging context for progressing schemes and resulting unavoidable slippage this year was understood. As part of the review of forecasts, budget/project managers identified nearly £4.6m of budget slippage which was requested to be carried forward now into future year budgets. The table showing the capital programme reflected this and the resulting budget this year was just under £32 million.

Comments from Cabinet:

Councillor Giles highlighted that the schools tied in with the comments on investment proposals in particular 21st Century Schools and Band B were match funded by Welsh Government and although this was not enough, the Council was doing the best we could considering all the improvements and developments taking place within Education. This was a good representation of our commitment to Newport residents.

Agreed:

That Cabinet

1. Approved the additions and amendments to the Capital Programme requested in the report (Appendix A)
2. Approved slippage of £4,568k into future years

3. Noted the update on the remaining capital resources ('headroom') up to and including 2022/23
4. Noted the capital expenditure forecast position as at November 2020
5. Noted the balance of and approve the allocation of in-year capital receipts

7 Mid-Year Performance Analysis 2020/21

The Leader presented the Mid-Year Performance Analysis for the first six months (April to September) of this year.

The Council's service areas provided an update on the progress against the delivery of their service plan objectives and performance measures, which contributed towards the Council's Strategic Recovery Aims and Corporate Plan.

The report also included feedback and recommendations of the People Scrutiny Committee and Place and Corporate Scrutiny Committee following the presentation of the mid-year reviews in November 2020.

Back in 2017, we launched our 5 year Corporate Plan which set out our vision and goals for improving people's lives in Newport and improving the delivery of our services.

The Council's eight service areas developed service plans, which outlined how they would contribute towards achieving the Council's objectives and improve the delivery of their services.

As with any plan there were challenges and external factors that could impact on the achievement of our goals.

2020 had been unlike any other year that we had faced as a Council and across our communities that had disrupted the delivery of services, and refocusing our efforts to support vulnerable and marginalised communities and households. This had also demonstrated however, the strengths of the Council as it had to respond quickly to these challenges and implement new and innovative ways of delivering our services.

To support this, Cabinet approved Newport City Council's four Strategic Recovery Aims, which supported the Council's Wellbeing Objectives aims but reflect the opportunities and challenges that have presented themselves.

The Leader detailed the progress against the four Strategic Recovery Aims, with majority of actions reporting a 'Green' overall status. The Amber status highlighted potential issues, which could impact on the successful delivery of these actions and only 1% of actions reported a Red status and were at risk of not being completed by their target date. The performance measures we discussed in detail by the Leader as outlined within the report.

The report had also highlighted some of the achievements and notable developments in the delivery of the Corporate Plan and Strategic Recovery Aims.

Cabinet also considered the Scrutiny Committee Feedback and Recommendations. The constructive scrutiny and feedback provided by the Council's Performance Scrutiny Committees back in November on the delivery against the service plans and wider context of the Covid crisis was welcomed by Cabinet. The report also included their feedback and key points raised in each of the meetings and full minutes / videos of the meetings could be accessed online through the Council's website.

Overall, the Scrutiny Committees understood the challenges that this Council and its partners had faced throughout the year and with both Officers and Members helping Committee Members to understand and provide assurance on the delivery of services and the plans.

The Leader and Cabinet colleagues accepted the feedback received from our colleagues at both Scrutiny Committees and encourage both Cabinet Members and Senior Officers of the Council to consider these in the delivery of services and future reports presented.

The Leader concluded that overall, Newport Council and its services were progressing well against their objectives despite the many and varying challenges during 2020 and in the New Year.

As highlighted throughout this year, the inequality in society remained a significant challenge and as a Council working together with its partners, residents and businesses there was an opportunity to make a difference for everyone in the City.

The Leader went on to say that Cabinet had a responsibility for the oversight and delivery of these service plans and where good progress was being made that this be recognised and celebrated. Equally, the Cabinet must also take responsibility and ensure that where underperformance was reported that the necessary action(s) was taken by the service areas to improve their performance and deliver the services required by our constituents.

The Leader therefore asked Cabinet Members to note and agree the contents of this report.

Comments from Cabinet:

Councillor Harvey reiterated that this was a terrible year however, was astounded by all the amazing results within the report and could not speak highly enough of officers, the report was commendable.

Councillor Truman echoed Councillor Harvey's comments and referred to his portfolio, and the selfless work of council staff that volunteered to work for Track and Trace. Environmental Officers also had to carry out their normal duties as well as providing a service for Track and Trace and congratulated them on their fantastic effort.

Councillor Davies mentioned that in December the Council was awarded two national solar powered awards. Newport City Council were striving to reduce their carbon footprint by using zero emission transport within Regeneration, Investment and Housing Service area.

Councillor Giles listed to the huge demands, which had been met regarding education and support for schools and within a short period of time, the strain on secondary schools, cancelled exams and staffing issues, looking after most vulnerable children, attendance, changes in teaching practice, protecting families, provision of MS Teams amongst many other challenges.

Councillor Jeavons referred to the collection of waste and recycling and reminded those present that staff also catch Covid but that this had not deterred their hard work. The willingness of staff from the bottom up did not go unnoticed.

Councillor Cockeram referred to the Youth Offending Team where not one child had been in custody over 18 months as well as the foster carer's initiative. There were an extra six foster carers which made excellent strides towards decreasing the independent sector.

Councillor Mayer referred to the development of Neighbourhood Hubs page which was on hold because of the pandemic however was looking forward to this being developed further in due course.

The Leader took the opportunity to thank the teams in Law and Regulation, People and Business Change and SRS who helped councillors to function as elected members, establish

our Governance and allow committees to continue to take place. The Cabinet would not be able to meet in this format if it was not for the staff support.

Agreed:

Cabinet were requested

1. To note the contents of the report
2. To receive a further update on the year-end position once the data was available
3. To take urgent action in conjunction with the Directors and Heads of Service to address areas of poor performance.

8 Local Government and Elections (Wales) Bill - Performance and Governance Consultation

The Leader introduced the next Cabinet Report, which was in relation to the Local Government and Elections (Wales) Bill and Welsh Government Consultation on the guidance to support councils implementing the new Performance and Governance requirements.

At the last meeting in December 2020, Cabinet was presented with an overview of the new Bill and were asked to consider the Council's response to the establishment of Corporate Joint Committees.

The Local Government Bill would receive Royal Assent this year and Councils would need to implement the new changes which ranged from electoral reform for local government elections, establishment of Corporate Joint Committees, and as outlined in this report Performance and Governance reform.

The Local Government Bill would replace the Local Government (Wales) Measure 2009 and under the proposals, councils would be required to:

- Conduct an annual self-assessment of performance;
- Complete periodic review to provide an external, expert perspective on performance;
- The Bill also gave Auditor General Wales powers to carry out special inspections; and
- Gives Welsh Ministers powers to intervene where councils faced significant problems.

Newport Council over the last five years made continuous improvement in the monitoring, reporting and scrutiny of performance against the delivery of the Corporate Plan. The Council was also well placed in producing annual reviews into the delivery of the Well-being Plan, Strategic Equalities Plan, Welsh Language and Annual Governance Review.

The Bill also placed additional responsibilities on the council's Audit Committee and Performance Scrutiny Committees to monitor and provide an overview of performance. It would also require councils to engage and involve its key stakeholders more in its annual self-assessment report and periodic reviews.

The Welsh Government (Minister for Housing and Local Government) issued its consultation paper asking councils for its opinion on the draft Statutory Guidance that would be issued to enable councils to effectively implement the new requirements for 2022. The Council's draft response to the consultation document was attached to the report.

The guidance provided a clear overview of the expected roles and responsibilities and considered how these assurance activities, governance arrangements could complement the overall process - subject to the final guidance. Cabinet welcomed the opportunity to comment and it was helpful that the guidance allowed flexibility for Councils to set out how to implement the new requirements in line with our own governance arrangements.

Cabinet was therefore asked to consider the contents of the report and agree the consultation response for submission by the closing date of 3 February 2021.

Agreed:

Cabinet considered the contents of the report and agreed the consultation response for submission by the closing date of 3 February 2021.

9 Covid-19 Response and Recovery Update

The Leader presented the Cabinet Report providing an update on the Council's and its partner's response to the Covid-19 crisis supporting the City (Residents and Businesses) to comply with the current restrictions and progress in the Council's Strategic Recovery Aims.

Since the last report was presented to Cabinet in December Wales upgraded to Alert Level four restrictions due to the new strain of Covid-19 spreading across communities. There was however also hope in the rollout of the mass vaccination programme starting this month.

During the update, the Leader advised that the Festive period was very different and difficult for us all as the new Alert Level four restrictions came into place from midnight (Sunday morning) 20 December following the confirmation that the new Covid-19 strain attributed towards the rise in the number of positive (covid-19) cases across South East Wales.

Once again, this meant that non-essential businesses, gyms, leisure centres and hospitality had to close and households had to stay at home and not to continue with their extended household bubble (excluding single person households and Christmas Day).

In the last few months the NHS across Gwent was under enormous pressure in dealing with the increase in hospital admissions and sadly seeing the lives of many loved ones lost due to Covid-19.

The Council and its partners would continue to support our health partners to come through this crisis and also continue to support the Welsh Government's message of staying at home and only go out to exercise, food and work (if required).

It was important that all residents and businesses complied with these restrictions and help us get through this very difficult time. There was hope in the rollout of the vaccines (Pfizer and Oxford/AstraZeneca) and the Council would be supporting the Welsh Government and Aneurin Bevan University Health Board to ensure that as many Newport residents received the vaccines over the next year. This would be a long process and many residents would need to be patient but with the vaccine it would enable us all to meet each other again and help many of our businesses recover.

It was important that Cabinet supported people into new jobs, training and gaining new skills; support children, young people and schools with their education; reduce the inequalities that remained in society for our marginalised, low income households and BAME communities; and finally support those businesses to recover and grow.

Throughout 2020, Newport Council alongside our partners continued to deliver its services with officers going above and beyond to ensure the most vulnerable are cared for and supported. The report continued to highlight the ongoing work, challenges faced by services and achievements being delivered by Newport Council.

The Leader thanked staff, partners and other sectors for their continuous work and supported in the delivery of services and looking forward for a better 2021. Further updates on the Council's progress would be provided next month.

Comments from Cabinet:

Councillor Truman mentioned that whilst Christmas was like no other there was a light at end of tunnel with three vaccines due to be rolled out however, we must be patient and would get through it.

Councillor Harvey echoed Councillor Truman's comments and urged those who thought it was a hoax that thousands of people had died from the virus.

Councillor Rahman echoed comments and stressed that younger people were also contracting the virus and that it and only took one person in a household to have Covid and then infect a whole family.

Councillor Davies highlighted how the council was functioning well and that waste collection continued over Christmas. Officers focussed to ensure homeless people were supported with accommodation and food banks that were in operation. Councillor Davies also mentioned the dedication of carers that had gone unrecognised.

The Leader concluded that the report reflected on all the hard work being carried out by everyone involved and welcomed the comments from Cabinet colleagues. The Leader thanked all those people who donated to food banks. The service delivery ran by these people were also at risk to Covid and we must be mindful going forward to monitor this.

Agreed:

Cabinet considered the contents of the report and noted the progress being made to date and the risks that were still faced by the Council.

10 Post Brexit Transition - Newport City Council Update

The Leader presented the Cabinet Report, which gave an update of the Brexit trade negotiations between the UK Government and European Union and the Council's preparations for post 31 December arrangements.

On 24 December, the UK Government and EU announced that they had agreed a future trade relationship that would mean businesses would be able to trade tariff free from 1 January 2021.

For many businesses in Wales and Newport that trade with the EU this provides much needed certainty in what has been a very difficult 2020/21. Businesses would still have to comply with the new custom rules and there could be disruption in the supply of certain goods and services in the short term. The Leader encouraged businesses in Newport to visit the Welsh Government (Business Wales) websites and ensure that they understood and complied with the new regulations.

Newport is a city that has a long heritage of forging strong business and trade relationships with the world, enabling people from around the world to live and work in the City, it would be important to continue to promote Newport and provide opportunities for small to medium sized businesses to grow as we recovered from the Covid pandemic.

From 1 January 2021, there was also new rules that came into place. One of the biggest changes was the end of free movement of UK and EU citizens (excluding Irish Citizens) and the introduction of a new points based immigration system. With this in mind, Newport would always be an inclusive city and it was important for all residents (UK / Non UK Citizens) to know that everyone was welcome to live and work supporting the sustainable growth of the city and region.

Newport had already seen a large number of people receive confirmation of their settled status, but there were many more that needed to apply before 30 June deadline. The

Council alongside its multi-agency partners had supported and encouraged EU residents to apply and would continue this up to and after the deadline.

The Leader gave progress on the update as at 31 December 2020 as outlined in the Report:

- Working in collaboration with the Welsh Government, local authorities and multi-agency partners, the Council's Brexit Task & Finish Group and the Gwent Local Resilience Forum were identifying and considering any key risks / issues in the short term as well as the medium to long term.
- Any Brexit related issues that may emerge would be reported into the existing Covid Gold mechanisms.
- The Council was contacting all key suppliers and providers of services and were assured that supplies would be available with as much supply chain risk reduced.
- The Council's Communication team were issuing messages signposting businesses to the 'Business Wales' and Welsh Government websites.
- The Council's Community Cohesion team were working with Food Banks working group, EUSS Working Group to support EU citizens, residents and asylum seekers and to encourage ongoing take up of EU Settled Status. The Food Banks worked tirelessly throughout 2020 supporting low income and vulnerable households. Funding from the Council helped to support the Food Banks in the city.
- The Council was working with Gwent Police and other multi-agency groups to identify any issues of hate crime and discrimination directed at EU Citizens living and working in the City.

The table in Appendix 1 of the report provided full details across the areas covered by the Task & Finish Group.

The Leader welcomed thoughts of Cabinet Members on the report.

Agreed:

Cabinet considered the contents of the report and noted the Council's Brexit preparations.

11 PSB Summary Document - For Information

The link to the Public Service Board Summary Document was attached for information.

12 Work Programme

This was the regular monthly report on the work programme.

Agreed:

Cabinet moved acceptance of the updated programme.

13 Date of Next Meeting: 22 February 2021 at 4pm



Report

Cabinet

Part 1

Date: 22 February 2021

Subject 2021/22 Capital Strategy and Treasury Management Strategy

Purpose The purpose of this report is to present to Cabinet the Capital and Treasury Management Strategies, noting the comments made by Audit Committee before recommending these strategies to Council for approval. Both strategies are appended to this report. The report summarises and highlights the key areas relating to the strategies, alongside those areas of key implications/risks coming out of them, which are brought to the Cabinet's attention for their review.

Author Head of Finance

Ward General

Summary The Council has ambitious plans for the city as set out in its Corporate Plan and the promises set out within it. A key enabler to deliver on this ambition is the capital programme. This report includes both the Capital and Treasury Management Strategies which, at their core (i) confirm the capital programme, as part of the Capital Strategy and (ii) the various borrowing limits and other indicators which govern the management of the Council's borrowing & investing activities, as part of the Treasury Management Strategy.

The 'Capital Strategy' also sets out the long-term context (10 years) in which capital decisions are made and demonstrates how/that the Local Authority takes capital and investment 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 this report below and are also appended.

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) and the borrowing requirements/limits needed to deliver the current capital programme.
- The Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) for 2021/22. (Appendix 3)
- As part of the above:

- To note the increased debt and corresponding revenue cost of this in delivering the current capital programme, and the implications of this over both the short and medium-long term in terms of affordability, prudence and sustainability.
- To note the Head of Finance recommendation to Council, that borrowing needs to be limited to that included in the current capital programme and the recommended prudential indicators on borrowing limits do this
- Beyond the current capital programme period, there are potential financial challenges around on-going affordability and sustainability but these will need to be reviewed closer to the start of the new programme within the context of funding levels and the Councils budget position.
- Note comments made by Audit Committee on 28 January 2021 (paragraph 5 & 6).

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Leader of Council Cabinet Member for Economic Growth and Investment
- Chief Executive
- Strategic Directors
- All Heads of Service
- Newport Norse
- The Council's Treasury Advisors
- Accountancy Staff

Signed

Background

CONTEXT

Governance and requirement of Councils

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. Whilst Cabinet make decisions relating to what capital projects and spend to make, it is the full Council that approves the 'borrowing limits' that these are kept within. Many projects are funded from capital grants, capital receipts and specific reserves which do not impact on borrowing levels, but where borrowing is required, the programme is required to be set within those limits.

This is an important area of overall financial management governance in that borrowing levels, once taken up, lock in the Council to a long term liability for revenue costs in relation to the provision of the repayment of those loans (MRP costs) and external loan interest costs – together known as 'capital financing costs',

3. The key governance documents that explain and control this area are

Capital Strategy

This, at its core:

- i) Sets out the long term context (10 years) in which capital decisions are made and includes the medium term capital programme;
- ii) Demonstrates that the Local Authority takes capital / investments decisions in line with service objectives, giving consideration to both risk/reward and impact;
- iii) Shows how the Council takes account of stewardship, value for money and affordability, sustainability and prudence in its decisions and plans

Treasury Management Strategy

This, at its core:

- (i) Sets out the Councils longer term borrowing requirement and plans, which is driven mainly by the capital programme requirements and in Newport specifically, its reducing 'internal borrowing' capacity
- (ii) Includes how it will manage and invest its surplus cash which also have various targets/limits as part of the suite of 'prudential indicators'
- (iii) Includes additional guidance - the Welsh Government Investment Guidance and the Minimum Revenue Provision Policy.

Both these strategies are a requirement of CIPFA's Prudential Code which sets out the requirement for them and ensure, within the frameworks which these document set, that capital expenditure plans are:

- **Affordable** - capital spend and programmes are within sustainable limits. Councils are required to take into account current and forecast funding available to them and the totality of their capital plans and their costs in assessing affordability.
 - **Prudent** – Councils need to set borrowing limits (called ‘operational’ and ‘authorised limits’ – part of the suite of Treasury ‘prudential indicators’) which reflect the Councils plan for affordable capital plans and their financing costs. On investing activities, Councils need to consider the balance between security, liquidity and yield which reflects their own risk appetite but which prioritises security and liquidity over yield.
 - **Sustainable** – Council’s capital plans and the revenue cost of financing the current and future forecast borrowing/debt taken out for that needs to be sustainable in terms of the Councils overall finances and its impact on that.
4. The Capital Strategy and Treasury Management Strategy are inherently linked and the main recommendations and observations coming from these are summarised in the following sections. Full Council are required to approve these strategies and the limits and the prudential indicators within.
5. The report was taken to Audit Committee on 28 January 2021 for observations and comment. The following comments were received from the Committee and where relevant the response is reflected in the report:
- Noted the significant increase in the capital programme over the period from 2020/21 due to the completion of the current capital programme.
 - Chair noted that while the report highlighted that the debts were unsustainable going forward and were high, the strategy does not answer the question “how high is high?”
 - Chair commented that it was difficult to tease out what the recommendations of the Head of Service are, and that it seemed the level of borrowing is basically driven by the capital programme. Chair recommended if the recommendation was that debt levels were getting too high, then the operational boundary could be amended or clarified in the paper.
 - Chair also said the paper could give further clarity to councillors on the operational debt levels and whether the capital programme was too ambitious for the Councils funds.
6. In response to the above comments:
- The current capital programme is restricted by what is deemed as affordable and sustainable. This is because the increased budget provision put into the capital financing budget has meant that the high levels of borrowing are currently affordable whilst the risks to sustainability are no different to those that exist today and the percentage of the Councils overall budget allocated to this is broadly the same at the end of the programme compared to current levels today. The operational boundary limit in paragraph 11 limits the amount debt funded expenditure the Council can undertake and reflects the current capital programme for which the revenue budget exists.
 - There are potentially future affordability and sustainability issues beyond the levels here in the current programme but these cannot be confirmed or assessed until we are nearer to the new programme period and more certainty is known on funding levels and the Council’s general budget position at that time. In saying this, affordability and sustainability issues will need to be carefully considered and should impact and drive the size of the next capital programme.
 - The Head of Finance summary in this report provides clarity on the affordability of the current programme and the sustainability on future borrowing levels, summarised above.

Capital Strategy 2020/21 to 2029/30

Capital Programme to 2024/25

7. The Council's capital programme goes 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). It is a significant capital programme and Cabinet's intention to bring forward a new leisure scheme in the city centre (included in another report to this Cabinet meeting), regeneration schemes plus fund its share of the accelerated investments being made by the Cardiff City Region requires this to increase further and also therefore, the borrowing limits to facilitate these. A further £4.5m of further 'capacity' for borrowing to facilitate further schemes funded from borrowing between now and 2022/23 is also required for flexibility.
8. The capital programme includes £211.4m of already approved projects and alongside the investments above; the borrowing for cost of carry for Cardiff City Capital Region spend at £17.3m, £19.7m for the new leisure scheme and £4.5m for further uncommitted borrowing for future projects – brings a total investment of £252.9m for the programme ending 2024/25. The table below shows the prudential indicator for estimates on expenditure and financing, from which the borrowing limits will be set (Table 2).

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

	2018/19 Actual £m	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Budget £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	Total 7-year programme £m
TOTAL EXPENDITURE	29.5	31.4	32.7	62.7	71.6	17.9	5.6	252.9
Financed by:								
TOTAL COMMITTED (Appendix 1)	29.5	31.4	32.7	60.7	50.9	17.9	5.6	228.7
TOTAL UNCOMMITTED*			1.5	2.0	20.7			24.2
TOTAL FINANCING	29.5	31.4	34.2	62.7	71.6	17.9	5.6	252.9

9. The capital programme is financed through a variety of different funding streams; external grants, use of reserves and borrowing.
10. Capital Expenditure funded by debt increases the need to undertake external borrowing. A further driver for the need to undertake external borrowing is the capacity to be 'internally borrowed' reducing as earmarked reserves are utilised, which in turn needs to be replaced with external borrowing. This is the case particularly for this Council which has a high level of 'internal borrowing'; which is now reducing over the medium-long term. 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.
11. **Affordable borrowing limit:** The Council is legally obliged to approve an affordable borrowing limit (also termed the 'authorised limit' for external debt) each year.

The 'Operational borrowing limits' over the medium term, have been set in line with the expected borrowing required to finance the current capital programme to 2024/25. If any increase to the operational boundary is required, including to borrow for investment/income generation schemes or regeneration investment (loans) this will need to be brought to Council for approval. The 'Authorised

borrowing limits', provide a buffer for the ability to manage day to day cash requirements (ii) undertake a level of borrowing early where appropriate / affordable.

Table 2: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	254	281	283	284
Authorised limit – PFI and leases	42	41	39	36
Authorised limit – total external debt	296	322	322	320
Operational boundary – borrowing	187	226	231	234
Operational boundary – PFI and leases	42	41	39	36
Operational boundary – total external debt	229	267	270	270

12. For the remaining three years of the current capital programme until 2024/25, the level of borrowing to facilitate the current capital programme is substantial with external borrowing increasing from an estimated £164m at the end of this financial year to £234m in 2024/25, an increase of over £70m. To summarise the position at the end of the current capital programme:

- actual external borrowing is forecast to be c£234 (Operational boundary)
- the total committed requirement for external borrowing is forecast to be c£284m (Authorised limit)

The difference between both is the Council's 'internal borrowing' because of its cash backed reserves, which has been used in lieu of external borrowing. As reserves are spent over the medium term, in particular the PFI reserves, our reducing capacity for internal borrowing will need to be replaced with 'real', external borrowing. The Council will therefore, over the medium-long term, see this difference reduce and the external borrowing will increase to the committed requirement. This will have a revenue impact due to increasing interest costs of the 'real', external borrowing (2%-2.5% currently) compared to internal borrowing ('nil'/'minimal' cost currently).

13. The commitment to increase external borrowing leads to increasing capital financing costs as shown in table 3 below, and show a significant increase in capital financing costs from 2020/21. These costs are included in the Council's MTFP. Costs will continue to increase into the medium to long term. Compared to comparative authorities, the percentage of the capital financing costs as a proportion to the Councils total net revenue is high, particularly when compared to other Councils of similar demographics, showing the need to maintain a sustainable level of spending on capital expenditure funded by debt to manage these costs.

Table 3: Capital Financing Costs

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget	*include s charges direct to service areas
Provision for repayment of debt (MRP)*	8.5	9.4	9.4	9.6	
Net interest cost	7.0	7.3	7.3	7.5	
Total capital financing (exc PFI)	15.5	16.7	16.7	17.1	
PFI	5.5	5.6	5.6	5.7	
Total Financing costs* (£m)	21.0	22.3	22.3	22.8	
Proportion of net revenue stream	7.0%	7.0%	6.9%	6.9%	

14. The Council has received a positive draft settlement from Welsh Government, and therefore to ensure it is funded at the point of approval and to support the Medium Term Financial Plan reducing

the overall budget gap, Cabinet has, in its draft budget, ring-fenced the budget required to fund the full capital programme until 2024/25 in Appendix 1 in 2021/22.

15. At the end of the current capital programme the revenue budget required to finance the level of borrowing is forecast to be £22.8m, representing about 6.9% of the Council's predicted net budget at that point. The percentage of the capital financing budget/costs as a proportion to the Councils total net revenue is high when compared with other comparable Welsh Councils, though the allocation of available resources to different services/costs is a decision for individual Council's. 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, though as a percentage of the net budget, is staying reasonably static given the increase in the Council's net budget, especially in 2021/22. There is currently no medium term UK budget and there is uncertainty of how funding might be affected by any plans to deal with the UK debt.

Beyond the current capital programme (2023/24 onwards)

16. Any debt funded capital expenditure means that the Council is locked into the commitment to borrow for the long-term. The Council must approve a capital strategy which ensures that the capital expenditure plans of the authority are affordable, prudent and sustainable. To help achieve this, the Council will need to set a sustainable limit for debt funded capital expenditure over the long-term and will need review as we approach 2024/25.

Beyond the current programme, the context for that is its starting point, which are:

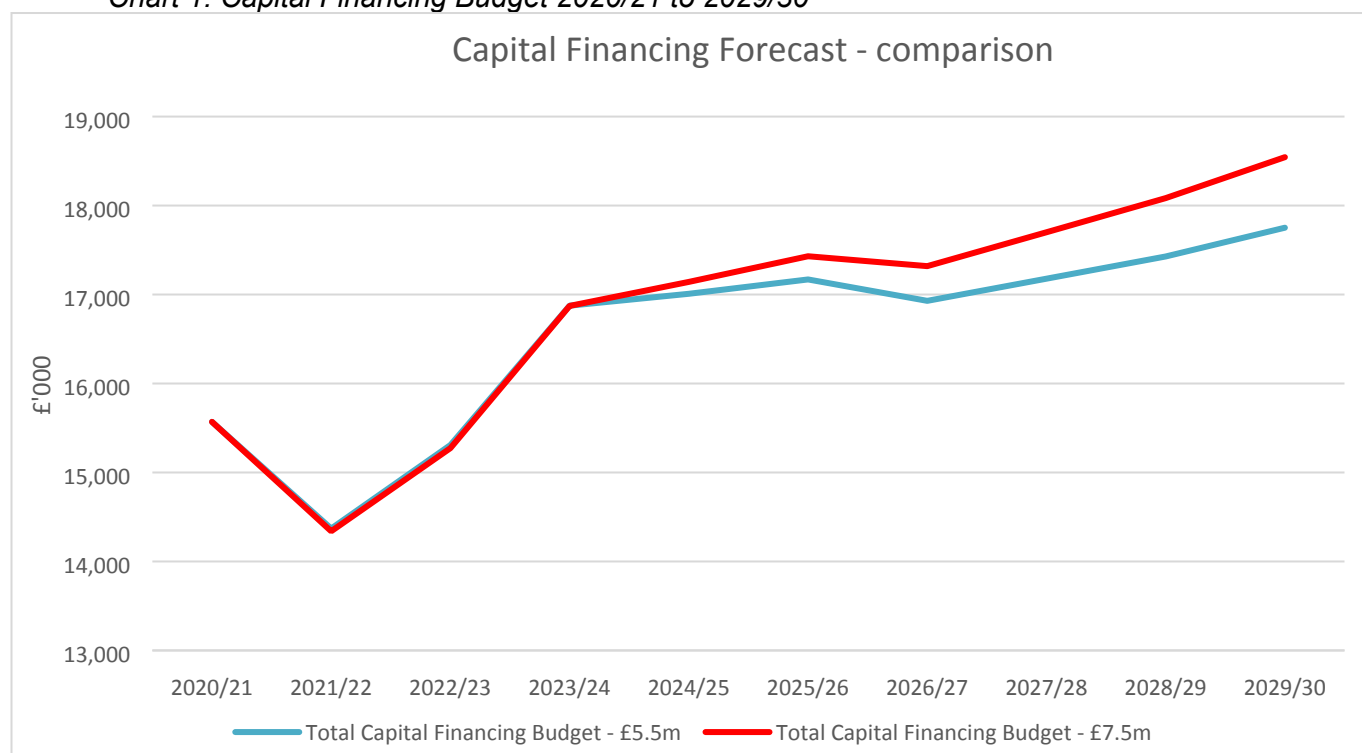
- a higher level of forecast borrowing at the end of the current capital programme
- a corresponding higher level of capital financing cost at the end of the current capital programme
- continuation of the reduction in reserves and therefore capacity to be internally borrowed, requiring a continuing increase in external borrowing to replace it
- the methodology for charging MRP at the Council, which realised a budget saving when changed 2-3 years ago but which increases the charge each year from that point and will continue to do so

Ultimately, the issues above will also need to be seen in the context of (i) the Council's future funding; both external from WG core funding and local Council Tax which, for the former, will depend to some extent on the UK's response to the current debt and WG funding priority for the Local Government sector (ii) the Council's ability to produce robust/balanced budgets and (iii) progress on delivery (and spend) of the current capital programme.

The current trajectory of debt funded capital spend and associated debt to finish the current capital programme will inevitably provide a challenging context.

17. Chart 1 below shows two modelled scenarios from 2023/24, (i) £5.5m debt funded expenditure per annum and (ii) £7.5m debt funded expenditure per annum.

Chart 1: Capital Financing Budget 2020/21 to 2029/30



18. The above shows the increasing capital financing costs over the next 10 years with a limit of both £5.5m and £7.5m of debt funded capital expenditure after the current programme. As is evident, based on the current programme the revenue capital financing costs of implementing a large capital programme is increasing year on year from 2021/22 to the end of the current programme in 2024/25 and alongside a revenue budget Medium Term Financial Projection showing a funding gap, provides the challenging context mentioned above.

19. Beyond the current programme:

- With limiting borrowing to £5.5m per annum, this reduces the Councils long-term committed need to borrow over the period, but actual borrowing reduces only very slightly. This is due to internal borrowing capacity reducing which in turn increases the need to borrow, dampening out most of the potential benefit of the reducing long-term committed need to borrow. This therefore reduces costs very slightly itself but is then offset by the increasing MRP charge methodology, increases the net capital financing costs
- With £7.5m borrowing per annum, the Council's actual borrowing does not reduce and stays broadly level, with no dampening of this from the reducing long-term committed need to borrow which is at a smaller level than above. The MRP charging methodology increases the capital financing costs as before

Whilst the costs of the current capital programme is now funded, these are the issues which will provide further medium-long term challenges to funding the Council's future capital programme thereafter and will, as said, need to be reviewed in light of forecast/known funding and the position on the Council's overall budget

Other Capital Strategy areas

20. The Capital Strategy includes a number of other areas to be considered by Council which are included in full in Appendix 2. One area that requires particular attention is the commercial activities section which has changed since last year.

21. Due to the economic impact of Covid-19 and the recent changes to the criteria in accessing the Public Works Loan Board for commercial investments, the Council's future commercial activities and in particular the £50m investment fund that was agreed as part of the capital strategy during 2019/20 has been paused. Council will be updated following a review on the future of these activities. The figures above in relation to capital expenditure and associated borrowing already incurred and included within the programme to 2024/25 do not include any borrowing forecast for the previously announced investment fund.

Treasury Management Strategy

22. Our detailed Treasury strategies for 2021/22 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

23. The capacity to be internally borrowed will reduce over the medium to long term. In 2021/22 the Council is expected to undertake external borrowing both for the refinancing of maturing loans and to fund increasing capital spend in the existing 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. This will be done in line with advice from our Treasury Advisors.
24. The Council is committed and has a requirement to be a 'net borrower' over a long-term as shown in paragraph 11-12. The Council's medium term financial projections (MTFP) include the revenue costs required to finance the borrowing limits in relation to finance the capital programme as mentioned above. Where this borrowing is undertaken for the investment/income generation schemes or investment purposes the revenue costs would be offset by the income received from the investment.
25. It is recommended given the long-term need to remain a 'net borrower', that future external borrowing will be taken over long time period taking into account the maturity profile of existing debts, in conjunction with advice from the Council's treasury advisers.

Investment Strategy

26. 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.
27. 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 2021/22, this has been delayed from 2020/21 due to the current economic climate as a result of the pandemic. 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.
28. The approved counterparty list and limits are shown table 4 of Appendix 3.
29. 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 the approved counterparty limits.

30. 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.

Head of Finance Summary

31. The Councils capital strategy and in particular the capital programme itself are, from a financial perspective, decisions with long term implications and where decisions today 'lock-in' the impact on budgets once projects have progressed and borrowing taken out. Decisions taken today are also being made in a period of significant uncertainty on future funding, within a challenging time for public finances. As explained in the context section above, the core requirements for Councils are to make decisions here taking into account:

- (i) affordability – what are the increasing costs of debt that may be required, can it be funded/afforded in the overall revenue budget taking account of other spending pressures and forecast future income, including the impact of this spend vs spend in other areas?
- (ii) sustainability – the impact of the debt and financing costs on the Councils budget long term and sustaining the impact of that
- (iii) prudence – appropriate limits and targets are set to manage and monitor affordable and sustainable borrowing and investments are made with a view to balance security, liquidity and yield

In terms of the Councils current capital programme to 2024/25 and increases to it

Affordability

- There is a significant increase in the Council's level of external borrowing and its associated capital financing costs over the next three years. Due to the better settlement the Council was awarded for 2021/22, Cabinet were able to set the revenue budget required in order to fund the current capital programme to its conclusion in their draft budget. The current capital programme is now affordable, in totality, as a result of this.

This is an important position to be in for the following reasons, taken together:

- The Council has an unbalanced MTFP over the next three years.
- The revenue capital financing cost increase is very significant over a short period of time
- Funding availability is uncertain, with a low funding base and uncertainty surrounding future funding from WG given the lack of a UK Comprehensive Spending Review and the increasing cost pressures on the budget from education/schools and social care

Sustainability

- The increased level of external borrowing and associated capital financing costs over the current capital programme period will produce some challenges and increased risks potentially in terms of sustainability and in agreeing to the borrowing limits, the Council needs to be aware of this. This is because of the increased budget requirement to fund the increasing debt, the relatively high amount of the Council's revenue budget allocated to this already and over the medium-long term, costs will continue to increase as internal borrowing capacity reduces.

In saying this, it is forecasted that the proportion of the overall net budget that is spent on this cost will broadly remain the same by 2024/25 compared to now and is therefore no more potentially challenging than the current position. This is also based on currently prudent MTFP assumptions on WG funding, certainly based on funding increases over the last few years.

Therefore the risk here is the potential prospect of reduced public sector funding or funding not keeping up with budget demands and the 'locked-in' capital financing costs which are high and rising and therefore the risk to other service budgets. Council needs to be aware of this position but again, is not new or different to the current position or level.

Prudence

- Prudent operational limits on the level of capital expenditure funded by borrowing have been recommended which matches the current programme requirement carefully, including allowances for new schemes and regeneration schemes such as the new leisure centre but no more and therefore the Council's priorities, and in turn the capital programme need to be managed within those limits set. This ensures the programme and external borrowing are closely aligned and Council has oversight and limits the current significant increase. This is in line with the requirements of the CIPFA Prudential Code.
32. The starting point for the next capital programme beyond the current one with current forecast indebtedness and associated capital financing costs increasing is challenging and introduces some challenges as a starting point. Thereafter, reducing capacity for internal borrowing and an increasing MRP charge provides further funding challenges over the medium-long term. Key issues will therefore be the forecast/actual known funding position for the Council and the position on the Council's budget and demands on that.

It should also be remembered that most of the Council's funding for its capital spend comes from capital grants (c.60-65% on the current programme) and this is very likely to continue, especially in relation to key WG policy areas such as school buildings, for example.

33. Council are required to approve the Capital and Treasury Strategies including the prudential indicators and limits within these strategies.

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	Members, Head of Finance
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
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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 endorse both the Capital Strategy and the Treasury Management Strategy and the recommendations within to Council for approval, and approve the capital programme 2018/19-2024/25.

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.

The Capital Strategy highlights the significant increase in borrowing and resultant revenue costs resulting from the current capital programme. Continuation of borrowing at this level into the next programme is unsustainable.

While the current capital programme is affordable and budgets have been identified in the 2021/22 budget for the delivery of the programme, it is important that expenditure is kept within the financing limits within the programme. If further borrowing is required this will need to be approved by Council.

Over the longer-term beyond the current capital programme, a slow-down of debt funded capital expenditure would be required, and even with the limited borrowing shown in the capital strategy the capital financing costs continue to increase, therefore showing the importance of agreeing a prudent limit for the future programme.

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 specific legal issues arising from the report. The proposed Capital Strategy will provide a framework for future capital and investment decisions, having regard to principles of affordability, prudence, sustainability and risk/reward. The Treasury Management Strategy sets out the financial management principles that will underpin the capital strategy. As such, both strategies will form part of the Council's overall budget framework and they will need to be formally approved and adopted by full Council. Audit Committee have been asked to comment on the draft Capital Strategy and Treasury Management Strategy as part of its responsibility for reviewing and monitoring the effectiveness of the Council's system of internal controls and the proper administration of its financial affairs and their comments have been included in the Report. Audit Committee were only concerned with the effectiveness of the strategies in terms of how capital and investment decisions are made, and the detail of individual capital and investments decisions within the capital programme are executive decisions for Cabinet.

Comments of Head of People and Business Change

There are no human resources implications arising from the report. An effective capital strategy will enable the Council to support long term planning in line with the sustainable development principle of the Well-being of Future Generations Act.

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 2020
Capital Monitoring and Additions Report

Dated: 22 February 2021

Appendix 1 – Detailed Budget Breakdown of the current 7 year Programme

	Outturn 18/19	Outturn 19/20	Budget 20/21	Budget 21/22	Budget 22/23	Budget 23/24	Budget 24/25	Total
21st Century Schools - Band A	8,046	1,220	74	-	-	-	-	9,340
21st Century Schools - Band B	675	1,712	3,345	23,418	35,944	10,137	140	75,371
Jubilee Park - Fixtures, Furniture & Equipment	13	-	-	-	-	-	-	13
Gaer Annexe Education Use	-	416	79	-	-	-	-	495
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
Llswerry High (S106 Funds)	110	80	-	-	-	-	-	190
Maesglas Reducing classroom size	-	64	200	257	-	-	-	521
Llswerry IT Replacements	53	-	-	-	-	-	-	53
Welsh Medium Primary School	-	150	373	1,978	1,000	2,300	-	5,801
Reducing Classroom size bids	-	61	527	-	-	-	-	588
Bassaleg Demountables	-	116	90	-	-	-	-	206
ICT Equipment Lease (Clytha Primary)	-	20	-	-	-	-	-	20
ICT Equipment Lease (St Mary's)	-	11	-	-	-	-	-	11
St Patricks ICT	-	12	-	-	-	-	-	12
Bassaleg ICT	-	69	-	-	-	-	-	69
ICT Equip Lease Ysgol Gymraeg Ifor Hael	-	10	-	-	-	-	-	10
Ringland Perimeter Fence	-	-	85	-	-	-	-	85
Llanmartin Primary ICT	10	-	-	-	-	-	-	10
Malpas Park Primary	11	-	-	-	-	-	-	11
Education Maintenance Grant 2018/19	-	1,470	358	-	-	-	-	1,828
Education Maintenance Grant 2019/20	-	-	1,341	800	-	-	-	2,141
Education Asset Improvements - balance to be drawn down	1,055	200	27	-	-	-	-	1,282
Bassaleg Demountables - year 7	-	-	771	14	-	-	-	785
EdTech Grant	-	-	362	-	-	-	-	362
Education Accessibility Studies	-	-	268	-	-	-	-	268
Charles Williams Renovations	-	-	110	1,510	-	-	-	1,620
Llswerry Safeguarding	-	-	57	-	-	-	-	57
Maindee Primary Toilets	-	-	172	-	-	-	-	172
Milton IT replacement	-	-	26	-	-	-	-	26

St Michael's It replacement	-	-	16	-	-	-	-	16
Prior Year Scheme - Various	(38)	(39)	-	-	-	-	-	(77)
Education	10,032	5,614	8,289	27,977	36,944	12,437	140	101,433
Gypsy/Traveller Site Development	2,993	78	10	55	-	-	-	3,136
Indoor Newport Market	-	-	1,000	3,500	-	(4,500)	-	-
HLF Market Arcade Townscape Heritage Scheme	39	266	1,556	980	-	-	-	2,841
Indoor Market Facilities Improvements	(2)	-	-	-	-	-	-	(2)
Civic Centre / Info Station Service Relocations	116	121	29	-	-	-	-	266
Info Station NSA enabling	536	-	-	-	-	-	-	536
123-129 Commercial Street (Pobl Regen)	623	623	-	-	-	-	-	1,246
Cardiff City Region Deal	1,208	-	412	2,594	5,188	-	-	9,402
Cardiff City Region Deal - Cost of Carry	-	-	-	-	1,850	9,987	5,482	17,319
Mill Street Development Loan	-	2,341	1,659	-	-	-	-	4,000
Neighbourhood Hubs	915	1,344	-	-	-	-	-	2,259
Arva Investment Loan	385	333	32	-	-	-	-	750
Disabled Facilities	898	1,092	1,100	1,000	1,000	-	-	5,090
Safety at Home	364	375	270	300	300	-	-	1,609
ENABLE Adaptations Grant	197	197	197	-	-	-	-	591
Homelessness Prevention Grant	98	-	-	-	-	-	-	98
Asset Management Programme	1,066	1,245	1,519	2,619	1,500	-	-	7,949
Flying Start Schemes	-	-	-	-	-	-	-	-
FS Maintenance 1819 / 1920	31	38	-	-	-	-	-	69
FS Shaftsbury Community Centre	183	-	-	-	-	-	-	183
Childcare - Flying Start	-	546	428	1,095	-	-	-	2,069
All Wales Play Opportunities	-	-	183	-	-	-	-	183
Castle Kids Refurbishment Works	-	-	18	-	-	-	-	18
Central Library - Structural Works	72	17	200	374	-	-	-	663
Transporter Bridge	72	913	265	10,287	1,400	-	-	12,937
Chartist Tower	-	1,344	256	-	-	-	-	1,600
PAC System	-	57	-	-	-	-	-	57
OLEV Residential EV charging Equipment	-	-	-	-	-	-	-	-
Medieval Ship	-	-	-	12	-	-	-	12
Information Station	-	-	140	1,610	-	-	-	1,750
Renewable Energy Investment	-	2	5	1,722	-	-	-	1,729
FS City Wide Maintenance & Repair of Premises	-	-	43	90	-	-	-	133

Improvements to Flying Start Facilities	-	-	118	-	-	-	-	118
TRI Thematic Funding	-	-	1,078	-	-	-	-	1,078
Prior Year Scheme - Various	(7)	(18)	-	-	-	-	-	(25)
Regeneration, Investment and Housing	9,787	10,914	10,518	26,238	11,238	5,487	5,482	79,664
IT Replacement Schemes	94	9	-	665	150	-	-	918
Corporate EDMS Rollout	-	13	-	-	-	-	-	13
CRM	250	276	243	-	-	-	-	769
I Trent Development	-	91	144	-	-	-	-	235
Print 2010- Managed Printer Service	131	-	249	-	-	-	-	380
People and Business Change	475	389	636	665	150	-	-	2,315
Telecare Service Equipment	97	12	36	30	30	-	-	205
Equipment for Disabled Grant (GWICES)	165	165	165	165	165	-	-	825
Home Care System	32	-	-	-	-	-	-	32
Centrica Lodge	(6)	(3)	-	-	-	-	-	(9)
SNAPF	320	305	297	-	-	-	-	922
Adults and Community Services	608	479	498	195	195	-	-	1,975
Disbursed accommodation and Covid-19 equipment	-	-	337	-	-	-	-	337
3 New Homes	701	792	629	-	-	-	-	2,122
Oaklands Respite Home	505	102	-	-	-	-	-	607
Windmill Feasibility Study	41	110	90	1,300	-	-	-	1,541
Children's and Families Services	1,247	1,004	1,056	1,300	-	-	-	4,607
Fleet Replacement Programme	797	1,912	2,428	1,153	1,850	-	-	8,140
Bus station - Friars Walk Development	29	93	-	-	-	-	-	122
Flood Risk Regulation Grant	24	34	33	-	-	-	-	91
Cemetery Infrastructure Improvements	16	30	64	-	-	-	-	110
Peterstone Sewage Scheme	1	28	194	-	-	-	-	223
Road Safety Capital 2018/19	-	1,379	-	-	-	-	-	1,379
Composting	567	-	-	-	-	-	-	567
Docksway Cell 4 Development	1,555	1,046	-	-	-	-	-	2,601

CCTV	-	37	8	-	-	-	-	45
Smaller Bins - MTRP BC	70	1,177	-	-	-	-	-	1,247
Newport Station Footbridge - LTF	77	314	1,024	2,645	-	-	-	4,060
Decriminalised Parking	232	874	280	-	-	-	-	1,386
Update Facilities in Parks	18	47	-	-	-	-	-	65
Decommissioning of Cemetery Office & Toilets	11	-	-	-	-	-	-	11
Building Improvements to Lodges	14	94	-	-	-	-	-	108
Small Scale Works Grant	34	-	-	-	-	-	-	34
Road Refurbishment Grant Scheme	931	198	711	-	-	-	-	1,840
Street Lighting LEDs	564	2,202	132	-	-	-	-	2,898
Park Square Lights	-	-	65	-	-	-	-	65
Velodrome Lights	-	173	166	-	-	-	-	339
Local Transport Fund - Active Travel Northern 2018/19	290	196	114	-	-	-	-	600
Tredegar Park Car Park	-	-	12	-	-	-	-	12
Tredegar Park - Pedal Power	-	3	152	35	35	-	-	225
Lliswerry Road (81)	-	9	2	-	-	-	-	11
28-30 Stow Hill (11/0269)	-	7	-	-	-	-	-	7
Foalishier Road (15/0720)	-	9	-	-	-	-	-	9
Passive lighting	-	109	-	-	-	-	-	109
Local Transport Fund - Active Travel Design 2018/19	240	-	-	-	-	-	-	240
Bus Stop Enhancements	-	24	376	-	-	-	-	400
One AFT Allocation	-	340	-	-	-	-	-	340
Inner City Links	-	684	206	-	-	-	-	890
LTNF - ECO Stars	42	41	-	-	-	-	-	83
Safe Routes - St David's RC Primary	84	145	60	-	-	-	-	289
Gwastad Mawr Flood Attenuation Improvement Works	2	-	53	-	-	-	-	55
18-19 Collection Collaborative Change Programme	1,175	-	-	-	-	-	-	1,175
LTF Monkey Island Bridge Lliswerry Pill	29	121	-	-	-	-	-	150
LTF Sustainable Transport	25	309	-	-	-	-	-	334
Riverside Park	20	-	-	-	-	-	-	20
Pye Corner Railway Station Development Works	21	-	-	-	-	-	-	21
Nappy Grant	-	202	-	-	-	-	-	202
Improving Flats Recycling Towards 70%	-	344	-	-	-	-	-	344
Increased Recycling at Docks Way	-	86	-	-	-	-	-	86
Plastic Waste Prevention Project	-	30	-	-	-	-	-	30
Green Infrastructure	-	-	234	-	-	-	-	234
Highways Annual Sums	455	322	501	500	500	-	-	2,278

Lliswerry Recreation Ground Changing Rooms	4	339	-	-	-	-	-	343
Safe Routes - St David's RC Primary Year 2	-	-	278	-	-	-	-	278
Sustainable Transport Improvements Year 2	-	-	291	-	-	-	-	291
Upgrading and Replacement of Bus Stops	-	-	100	-	-	-	-	100
Road Safety Capital A48 Llandeud	-	-	74	-	-	-	-	74
Resilient Roads	-	-	65	-	-	-	-	65
Western Corridor-Inner City Links	-	-	607	-	-	-	-	607
Monkey Island Bridge Year 2	-	-	990	-	-	-	-	990
Core Allocation Year 2	-	-	99	-	-	-	-	99
Flood and Coastal Erosion Risk Management	-	-	105	-	-	-	-	105
Carnegie Court Emergency River Works	-	-	1,100	-	-	-	-	1,100
Parry Drive Play Area Improvements	-	-	23	-	-	-	-	23
Brecon Road Play Area Improvements	-	-	3	-	-	-	-	3
Sorrell Drive Repairs and Glasllwch Kickwall Installation	-	-	26	-	-	-	-	26
Marshfield Community Centre	-	-	16	-	-	-	-	16
Improvements to Throwing Facilities at Newport Athletics Stadium	-	-	154	-	-	-	-	154
Total sustainable transport measures in response to Covid	-	-	600	-	-	-	-	600
Ultra Low Emission Grants	-	-	205	-	-	-	-	205
Flood recovery works - Tredegar Park	-	-	-	-	-	-	-	-
Kingsway car park operation	-	-	25	-	-	-	-	25
Increased Recycling	-	-	25	-	-	-	-	25
Repair & Reuse Activities in Town Centres	-	-	400	-	-	-	-	400
Repair & Reuse Newport Makerspace	-	-	58	-	-	-	-	58
Prior Year Scheme - Various	(11)	-	-	-	-	-	-	(11)
City Services	7,316	12,959	12,059	4,333	2,385	-	-	39,051
Total	29,466	31,359	33,054	60,705	50,914	17,924	5,622	229,045
Financed By:								
General Capital Grant	4,754	3,858	4,107	4,000	4,000	-	49	20,768
Supported Borrowing	4,058	4,077	4,097	4,058	3,219	1,701	-	21,210
Unsupported Borrowing	2,126	5,790	4,872	16,151	15,647	7,086	5,482	57,154
Prudential Borrowing	84	123	-	-	-	-	-	207
External Grants	12,911	13,055	15,838	33,107	25,014	9,137	91	109,154

S106	868	523	509	2,170	2,446	-	-	6,516
Other Contribution	242	268	65	397	-	-	-	972
Capital Receipts	3,136	820	2,325	448	588	-	-	7,317
Revenue Contribution	75	68	79	374	-	-	-	596
Reserve	1,081	2,777	913	-	-	-	-	4,771
Finance Lease	131	-	249	-	-	-	-	380
Total	29,466	31,359	33,054	60,705	50,914	17,924	5,622	229,045

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EXECUTIVE SUMMARY

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.

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 Council's current capital programme has a substantial amount of borrowing to 2024/25, and while this is affordable due to the revenue pressures being forward funded in the 2021/22 budget, it would be unsustainable to continue borrowing thereafter, at the current level.
- The Council's Medium Term Financial Plan includes the revenue costs for the financing of the current capital programme to 2024/25, which includes a potential leisure scheme which have not yet been approved and a level of uncommitted borrowing headroom limited at £4.5m. This will exclude any borrowing for any schemes which are self-financing over the life of the project.
- If the level of capital expenditure funded by borrowing is required to be increased from that detailed in the current programme it would need to be approved by Full Council.
- As per the agreed framework (detailed in the report) the current programme needs to be maintained within the agreed limits, therefore not putting additional pressure on the capital financing budgets that have been funded in 2021/22 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 Head of Finance recommends Council agree a limit debt funded capital expenditure in the future programme. The impact of a limit of £5.5m and £7.5m per annum is included within this strategy.
- 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.

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 (4 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 Leader of the Council cabinet member for Economic Growth and Investment. 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. This means that the borrowing limits will include and limited to the approved capital expenditure and the amount of uncommitted capital expenditure included within the current programme. The exception to this would be any schemes for which borrowing is required, but which finance themselves through the savings generated. 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 is based on what is included in the table 2 of the capital financing within this report. If the borrowing within the current capital programme requires to be increased this will need to be approved by Council.
- 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 Cabinet in January 2020. 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 limit is made up of identified uncommitted capital reserves and capital receipts, an estimated level of borrowing which is within the Minimum Revenue Provision (MRP) budget and a prudent estimate of future capital receipts

The latest capital programme is summarised in the table below. For 2021/22, the Cabinet have approved capital schemes of £60.7m, and the overall programme to 2024/25 included uncommitted borrowing is £252.9m (this includes £17.3m for the cost of carry of undertaking borrowing for Cardiff Capital Region 'City Deal' schemes prior to the funding from HM Treasury being received):

	7-YEAR CAPITAL PROGRAMME							
	2018/19 Actual £m	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Budget £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	Total 7- year programme £m
Approved Schemes	29.5	31.4	32.7	60.7	49.1	7.9	0.1	211.4
City Deal - cost of carry					1.8	10.0	5.5	17.3
Regeneration Schemes (not yet approved)					19.7			19.7

Uncommitted borrowing to invest in council assets / regeneration*			1.5	2	1			4.5
TOTAL EXPENDITURE	29.5	31.4	34.2	62.7	71.6	17.9	5.6	252.9

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

The current approved capital programme is substantial and leads to a considerable increase on the Capital Financing Requirement (CFR) over the medium term. Table 1 includes the current capital programme Cabinet approved in January for the November monitoring and additions report, any regeneration schemes not yet approved and a level of uncommitted borrowing for potential additional capital schemes. A limit of £4.5m has been placed on any additional borrowing to fund capital expenditure within the current programme after 2020/21 to 2022/23.

Over the current capital programme there is a significant increase in borrowing to fund the projects within. Capital financing costs are increasing substantially with a £2.1m investment in the capital financing budget in 2021/22. It is important to note that this budget will not be fully required in 2021/22 and is a forward commitment, therefore a large proportion will be available in 2021/22 to fund other priorities.

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 limit of uncommitted borrowing that is available allows for additional capital expenditure without increasing the pressures on revenue.

The general fund capital grant in 2021/22 remains the same as awarded 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 there will be any increase 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
- A number of HLF grant funded schemes including Transporter Bridge and Newport Market Arcade
- Cardiff Capital Region City Deal (CCRCD)
- Regeneration schemes which have not yet been formally approved.

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 2 is as follows:

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

	7-YEAR CAPITAL PROGRAMME							
	2018/19 Actual £m	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Budget £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	Total 7-year programme £m
TOTAL EXPENDITURE	29.5	31.4	34.2	62.7	71.6	17.9	5.6	252.9
Financed by:								
Committed Grants and contributions	19.2	17.7	20.1	39.7	31.5	10.8	0.1	139.1
Committed Reserves, capital receipts, revenue	4.3	3.7	3.1	1.3	1.1	0.5		14.0
Committed new borrowing	6.0	10	9.5	19.7	16.5	(3.4)		57.3
Committed new borrowing for City Deal Cost of Carry					1.8	10.0	5.5	17.3
TOTAL COMMITTED (Appendix 1)	29.5	31.4	32.7	60.7	50.9	17.9	5.6	228.7
Potential Borrowing required for Regeneration Schemes					15.2			15.2
Capital Reserves for Regeneration Schemes					4.5			4.5
Uncommitted borrowing			1.5	2.0	1.0			4.5
TOTAL UNCOMMITTED*			1.5	2.0	20.7			24.2
TOTAL FINANCING	29.5	31.4	33.1	62.7	71.6	18.4	5.6	252.9

Due to the better settlement the Council will receive in 2021/22, Cabinet have front loaded the required medium term budget into 2021/22. This means that the current capital programme, any regeneration schemes not yet approved and a level of uncommitted borrowing limited to £4.5m has been funded within the MTFP. Any underspends available within the short term will be able to be used for voluntary revenue payments (VRP) or moved to reserves.

The forecast borrowing for 2020/21 to 2024/25 is £78.6m, if this is to be increased it would need approval by Council.

There is a substantial increase in the Capital Financing Requirement (CFR) as a result of the current programme, which is not sustainable if the level of borrowing continues into the next programme. The level of capital expenditure funded by borrowing must slow down after the current programme, therefore, for the next capital programme, a borrowing limit for capital expenditure funded by borrowing will need to be agreed.

Ultimately, the issues above will also need to be seen in the context of (i) the Council's future funding; both external from WG core funding and local Council Tax which, for the former, will depend to some extent on the UK's response to the current debt and WG funding priority for the Local Government sector (ii) the Council's ability to produce robust/balanced budgets and (iii) progress on delivery (and spend) of the current capital programme.

This strategy has modelled two scenarios, which limits the level of borrowing to either £5.5m or £7.5m per annum and shows the impact of this additional borrowing on the CFR. This is further discussed in the long-term view of capital expenditure section below.

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 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
MRP budget	7.8	7.9	8.5	9.4	9.4	9.6	9.8

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

	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
Financing costs* (£m)	21.0	22.3	22.3	22.8
Proportion of net revenue stream	7.0%	7.0%	6.9%	6.9%

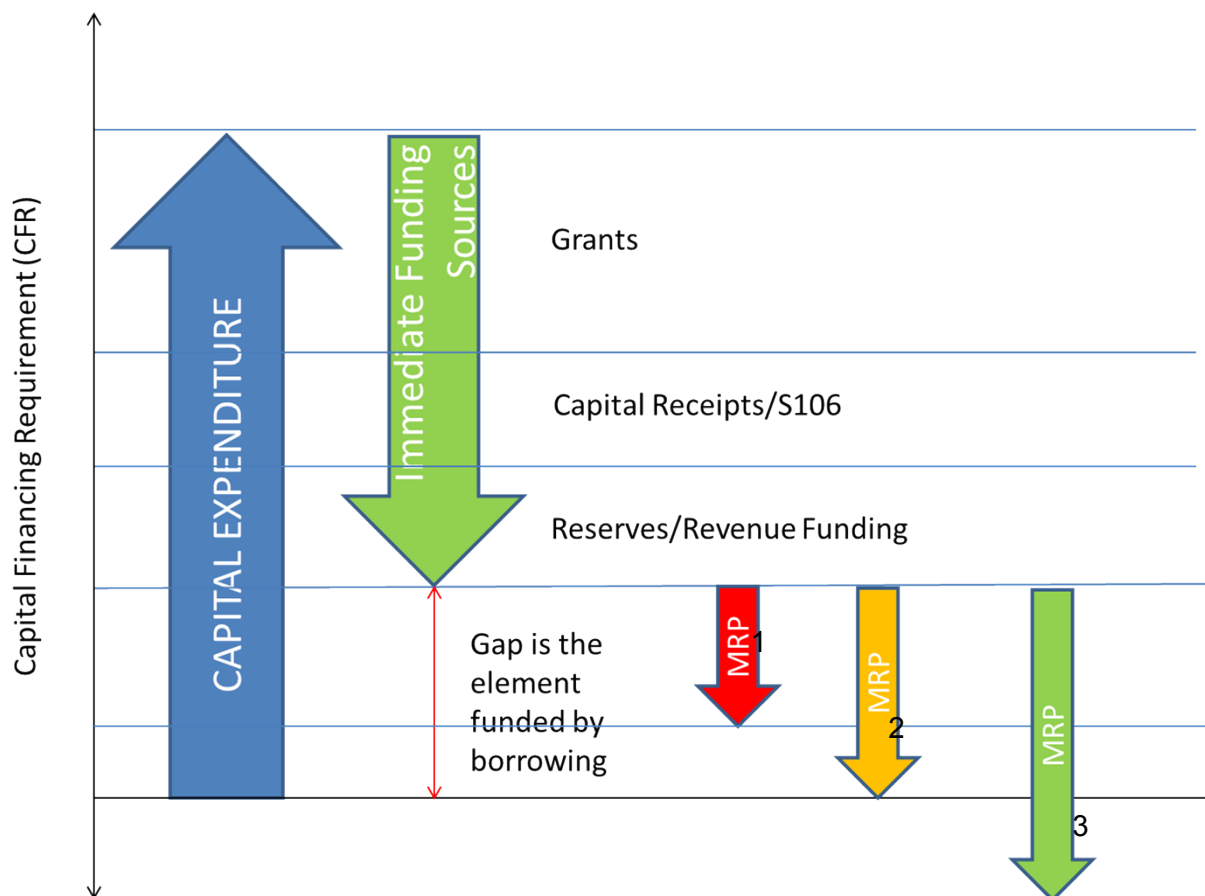
*includes capital financing costs of PFIs

Capital costs continue to rise beyond the current programme even when limiting borrowing to £5.5m. This is because our 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 2021/22 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 £1.5m during 2021/22. 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	278.8	280.2	281.7	295.4	319.8

With the pending introduction of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase, due to the change in the way that finance leases for lessees are treated. CIPFA LASAAC taken the decision to defer the implementation of IFRS 16 Leases until the 2022/23 in response to pressures on council finance teams as a result of the COVID-19 pandemic.

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 2021.

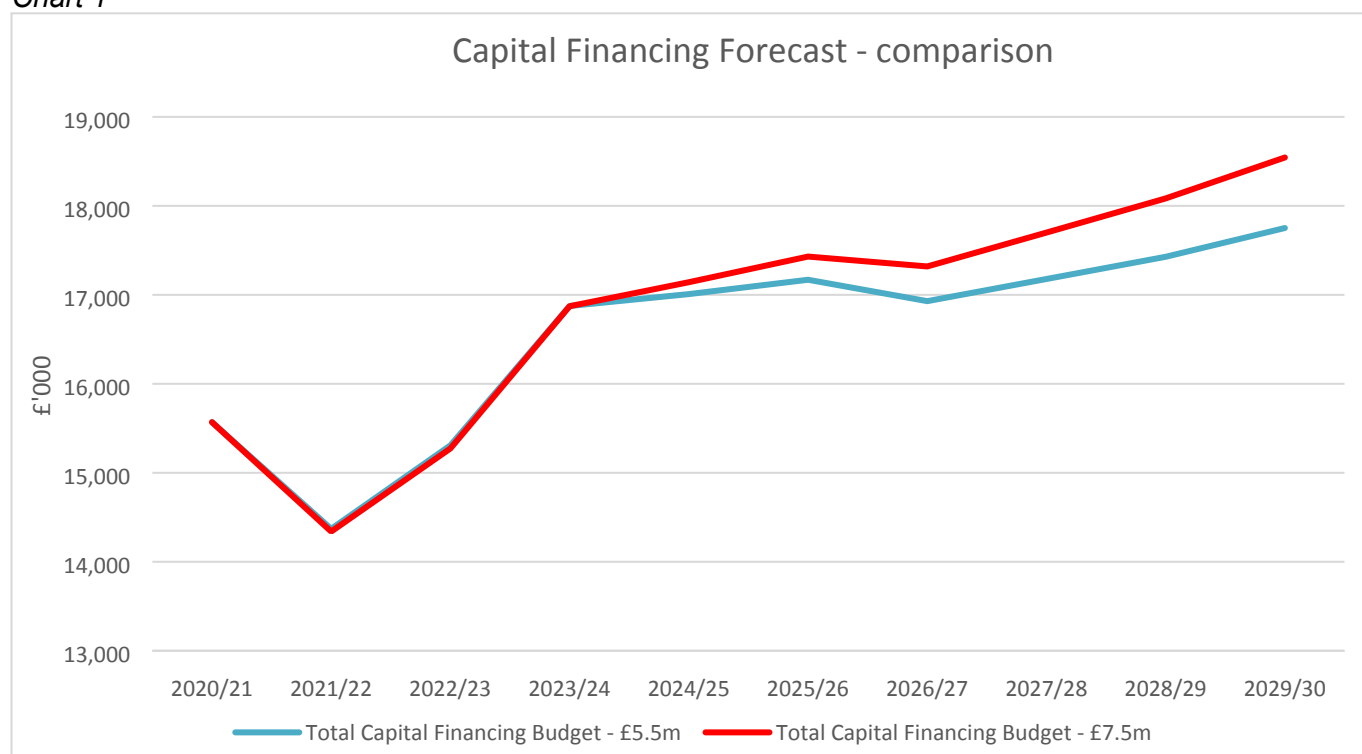
4. LONG-TERM VIEW OF CAPITAL EXPENDITURE

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. The capacity to use internal borrowing is also reducing which 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 with a limit of £5.5m and £7.5m of capital expenditure after the current programme. As is evident, based on the current programme the revenue cost of implementing a challenging capital programme is increasing year on year from 2021/22, with only a very limited amount of uncommitted borrowing available. 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 table illustrates the significant increase in financing costs as a result of the current capital programme, which, although it is funded due to the better than expected settlement, it shows that even by limiting the capital expenditure in the future to either £5.5m or £7.5m revenue costs will be substantial and will continue to rise.

With limiting borrowing to £5.5m per annum, this reduces the Councils long-term committed need to borrow over the period, but actual borrowing reduces only very slightly. This is due to internal borrowing capacity reducing which in turn increases the need to borrow, dampening out most of the potential benefit of the reducing long-term committed need to borrow. This therefore reduces costs very slightly itself but is then offset by the increasing MRP charge methodology, increases the net capital financing costs

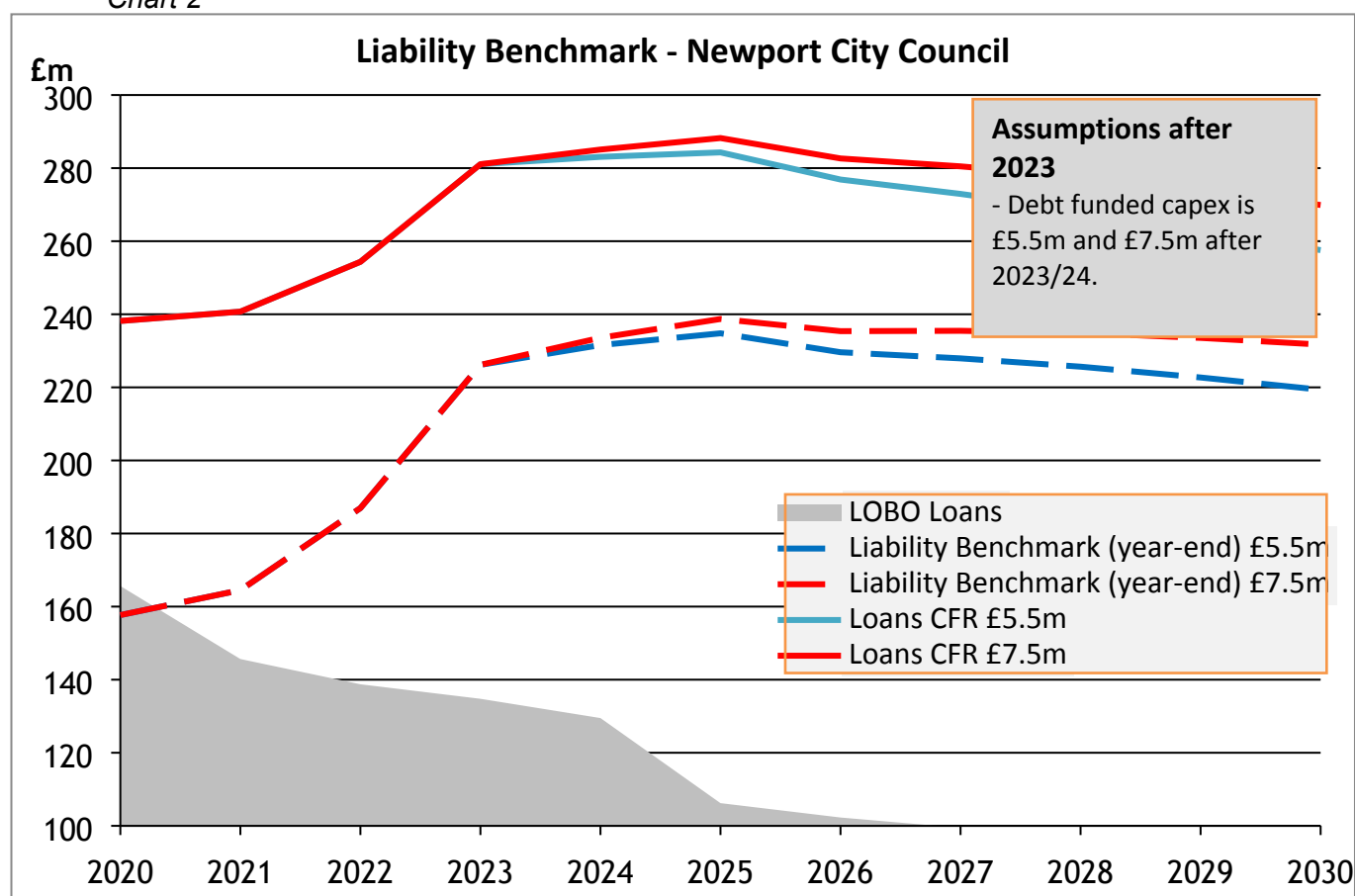
With £7.5m borrowing per annum, the Council's actual borrowing does not reduce and stays broadly level, with no dampening of this from the reducing committed need to borrow. The MRP charging methodology increases the capital financing costs as before.

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 our overall need to borrow (Capital Financing Requirement) and need for external borrowing if the liability benchmark is set at £5.5m and £7.5m.

Chart 2



- The chart above illustrates the following:
 - In the current programme there is a significant increase in the need for external borrowing with the steepness of the curve over the next 4 years.

- This is unsustainable if it continues at the same level as the current programme, so there must be a limit placed for future which is wither £5.5m or £7.5m per annum.
- 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.
- A limit needs to be agreed to limit future borrowing to ensure that the liability benchmark is kept within a sustainable level
- A limit of £5.5m will reduce the level of borrowing after the current programme and £7.5m will keep the level of debt borrowing level, however in both scenarios as shown in Chart 1 previously the level of capital financing continues to increase over the long-term.
- 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). 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.
- Whilst the costs of the current capital programme is now funded, these are the issues which will provide further medium-long term challenges to funding the Council's future capital programme thereafter and will need to be reviewed in light of forecast/known funding and the position on the Council's overall budget.

- 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:

- Schools estate - £55m
- Other Council operational estate - £30m

5. TREASURY MANAGEMENT

The Treasury Management Strategy is taken alongside the Capital Strategy within the same report for approval at Council. The figures within link directly with the borrowings resulting from this Capital Strategy.

The Council will need to approve both the prudential indicators detailed below and limits of borrowing that this strategy recommends.

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 £149m borrowing at a weighted average interest rate of 3.7% and £29m treasury investments at a weighted average rate of 0.17%.

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 0.1%) and long-term fixed rate loans where the future cost is known but higher (currently around 1.5 to 2.5%). 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). You will note the estimate projected debt is the same as the operational boundary as a limit for borrowing to carry out the programme as highlighted within this Capital Strategy.

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

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Debt (incl. PFI & leases)	208	229	229	267	270
Capital Financing Requirement	280	287	296	322	322

With the pending introduction of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase during 2021/22 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 2021-22 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 approve an affordable borrowing limit (also termed the 'authorised limit' for external debt) each year.

The 'Operational borrowing limits' over the medium term, have been set in line with the expected borrowing required to finance the current capital programme to 2024/25. If any increase to the operational boundary is required, including to borrow for investment/income generation schemes or

regeneration investment (loans) this will need to be brought to Council for approval. The 'Authorised borrowing limits', provide a buffer for the ability to manage day to day cash requirements (ii) undertake a level of borrowing early where appropriate / affordable.

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

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	254	281	283	284
Authorised limit – PFI and leases	42	41	39	36
Authorised limit – total external debt	296	322	322	320
Operational boundary – borrowing	187	226	231	234
Operational boundary – PFI and leases	42	41	39	36
Operational boundary – total external debt	229	267	270	270

➤ Further details on borrowing are in the treasury management strategy

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

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Near-term investments	12.5	10	0	0	0
Longer-term investments	0	0	10	10	10
TOTAL	12.5	10	10	10	10

➤ Further details on treasury investments are in pages 6 to 10 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.

COMMERCIAL ACTIVITIES

5.4. COMMERCIALISATION

Due to the ongoing pressures and risks and challenges as a result of the Covid-19 pandemic, the commercialisation strategy has been paused for the short-term.

6. OTHER LONG-TERM LIABILITIES

In addition to debt of £149m 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 (23 years remaining) and for Glan Usk Primary School (14 years remaining). As at 31 March 2020 the value of the liability was £42.3m. 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 £348.2m).

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.

7. 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

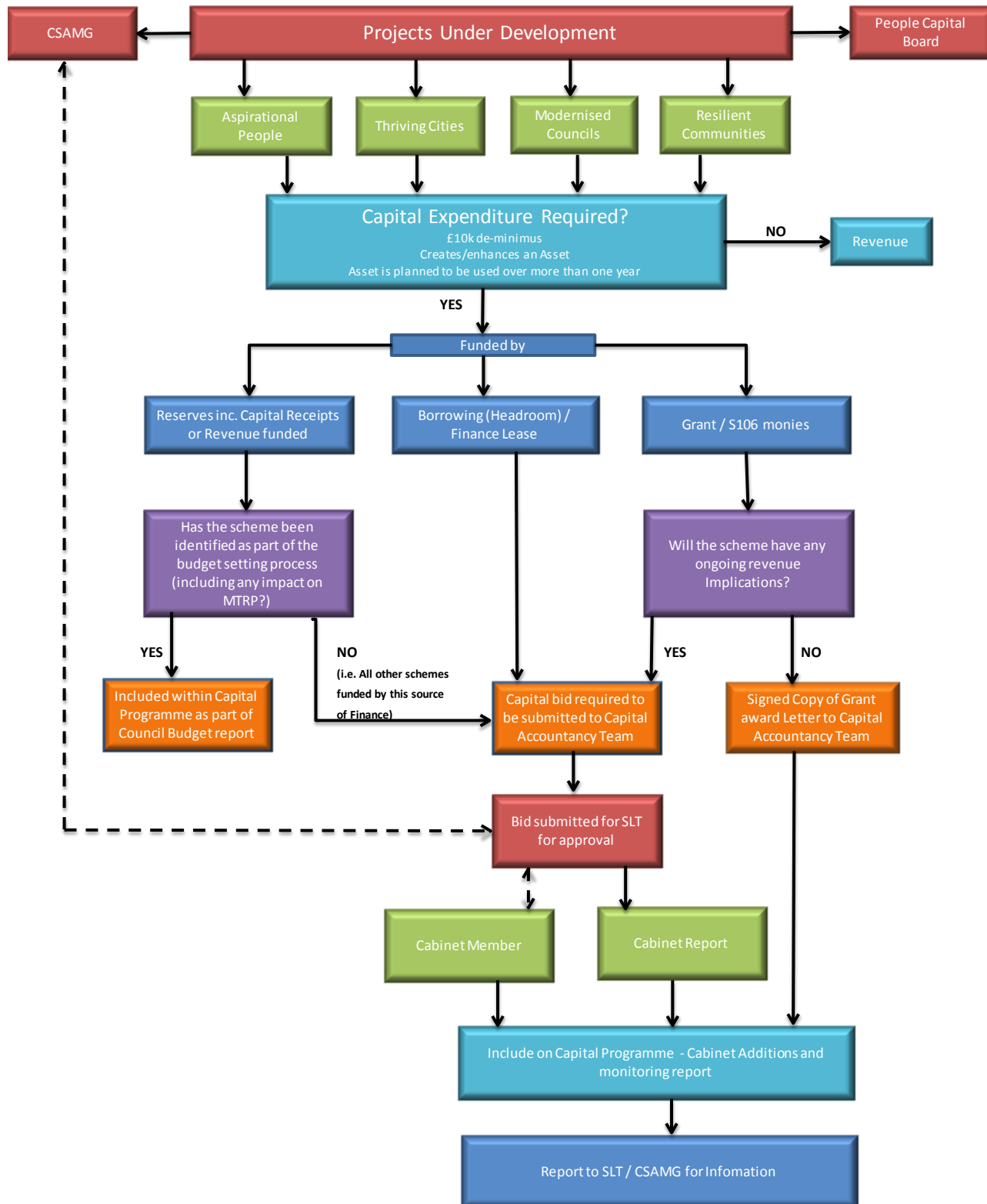
Training is offered to members to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance. The Council also involves members at a very early stage of a projects life cycle.

8. **SUMMARY**

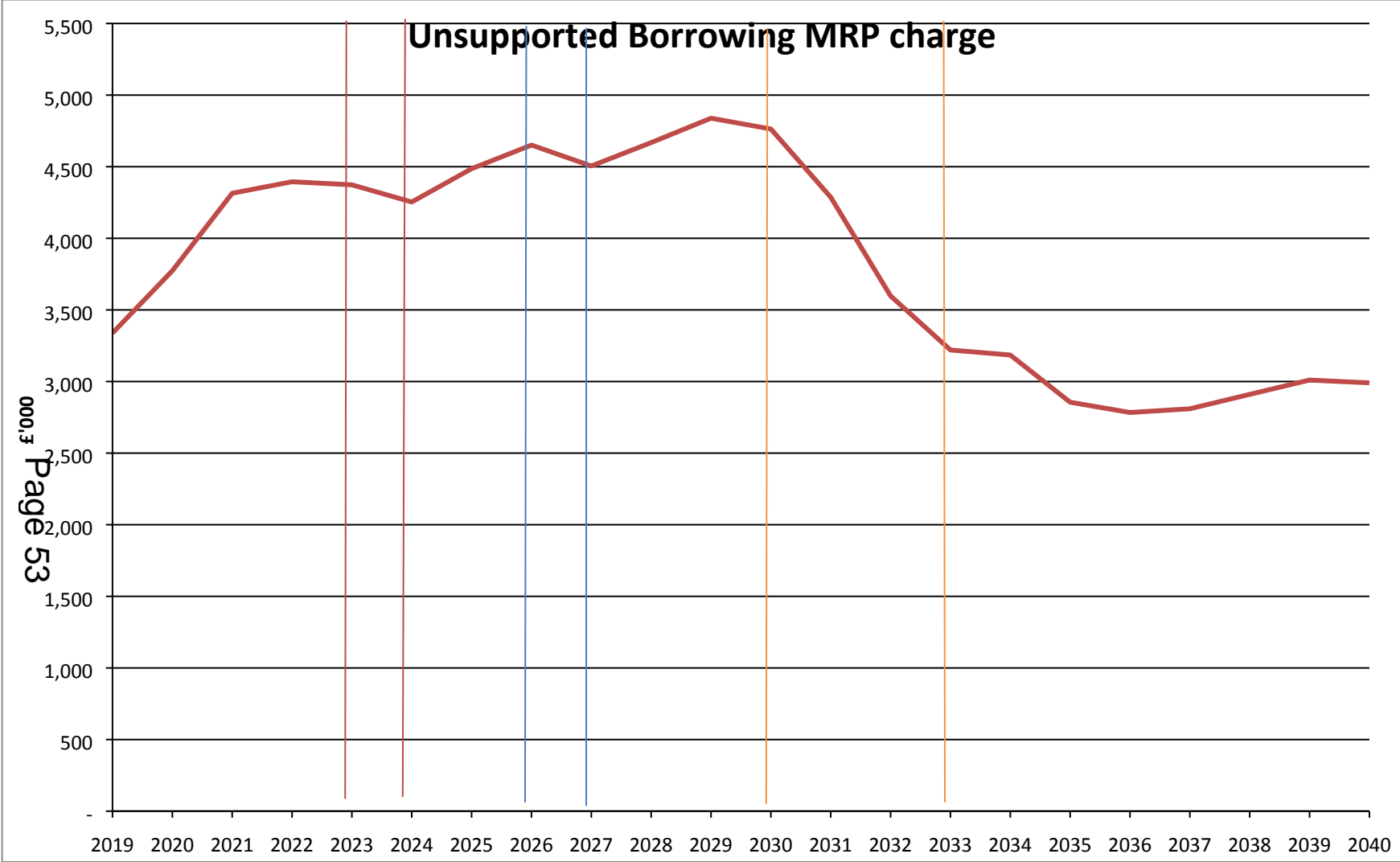
- Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
- The MTFP includes the current revenue costs for the capital programme, which includes level of headroom for additional capital projects to be added without impacting further on the revenue budget.
- As per the 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

NO CABINET MEMBER/CABINET REPORT SHOULD BE SUBMITTED UNTIL THIS PROCESS IS COMPLETE



Appendix 2b



Treasury Management Strategy Statement 2021/22

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 impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

Credit outlook: After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

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 investments will be made at an average rate of 3%, and that new long-term loans will be borrowed at an average rate of 2%.

Local Context

On 31st December 2020, the Authority held £149.2m of borrowing and £28.8m 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

	31.3.20 Actual £m	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m
General Fund CFR	280.2	281.7	294.8	319.2	318.9
Less: Other debt liabilities *	(42.3)	(41.3)	(40.7)	(38.4)	(36.1)
Loans CFR	237.9	240.4	254.1	280.8	282.8
Less: External borrowing **	(165.6)	(145.6)	(138.7)	(134.8)	(129.5)
Less: Usable reserves	(87.1)	(82.8)	(74.0)	(61.5)	(58.1)
Less: Working capital	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)
Preferred Investment position		10.0	10.0	10.0	10.0
Treasury Investments or (New borrowing)	18.2	(18.6)	(48.0)	(91.1)	(101.8)

* 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.

With the pending introduction of IFRS 16 Leases, the CFR is likely to increase during 2021/22 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 2021-22 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 a significantly increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £101.8m over the forecast period, this is broken down into £36.1m refinancing of maturing existing borrowing and £65.7m additional (£165.6m to £231.3m) external borrowing, while internal borrowing and investments are forecast to reduce by £29.0m and £8.2m respectively as shown in table 2 below.

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

	31.3.20 Actual £m	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m
Loans CFR (as per table 1)	237.9	240.4	254.1	280.8	282.8
- Cumulative Internal Borrowing	90.5	86.2	77.4	64.9	61.5
- Investments	(18.2)	(10.0)	(10.0)	(10.0)	(10.0)
- Cumulative External Borrowing	165.6	164.2	186.7	225.9	231.3
Increase in External Borrowing		(1.4)	22.5	39.2	5.4
<i>Represented by:</i>					
Change in loan CFR (Cap Exp funded by debt less MRP)		2.5	13.7	26.7	2.0
Reduction in reserves		4.3	8.8	12.5	3.4
Reduction in investments		(8.2)	0	0	0
Increase in External Borrowing		(1.4)	22.5	39.2	5.4

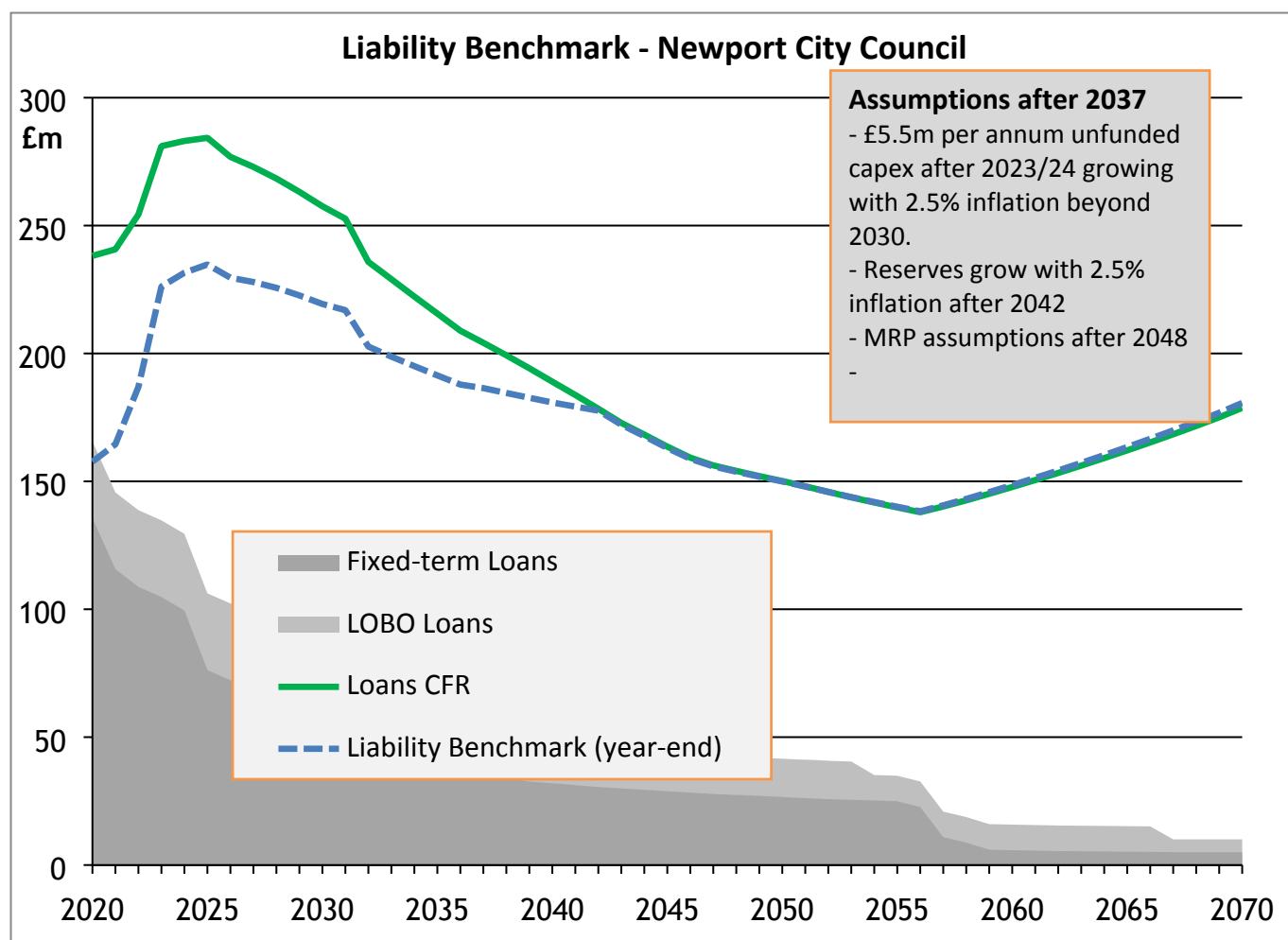
CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2021/22.

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

	31.3.20 Actual £m	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m
Loans CFR	237.9	240.4	254.1	280.8	282.8
Less: Usable reserves	(87.1)	(82.8)	(74.0)	(61.5)	(58.1)
Less: Working capital	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)
Plus: Minimum investments	18.2	10.0	10.0	10.0	10.0
Liability Benchmark	165.6	164.2	186.7	225.9	231.3

From the table above and chart below it is evident to see the steep increase in the liability benchmark, flagging the need to slow down borrowing beyond the current programme. The long-term liability benchmark beyond the current programme shows a model based on a prudent level of capital expenditure to reduce the long-term liability benchmark. This is shown in the chart below (detail of scenarios for the period of the next 10 years are included in the capital strategy):



The chart above shows actual borrowing maturing over time (grey area reducing), however our need to borrow (the

green CFR line) is increasing significantly over the short term due to the extensive capital programme. Over the long-term, to ensure a sustainable position the CFR needs to come down in order for the liability benchmark to stabilise and reduce to current levels, note even with a steep reduction in CFR the liability benchmark doesn't reduce to current levels until 2047. Therefore, the chart is showing the following important points/assumptions:

- To be sustainable the capital financing requirement cannot continue increasing at the rate it is currently, and a prudent limit should be placed on the future capital programme to reduce the CFR over the long-term (set out further in the Capital Strategy)
- 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 significantly in the short term, 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 £149.2 million of loans, a decrease of £17.1 million on the previous year, as part of its strategy for funding previous years' capital programmes, there was also a significant amount of temporary borrowing at year end to cash-flow business grants in the early period of the Covid-19 pandemic. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £164.2 million in 2021/22. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £254 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 2021/22 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 will consider 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. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

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 further short-term loans to cover unplanned cash flow shortages.

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- 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 issues bonds on the capital markets and lends the proceeds to local authorities. This is 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 2021/22, 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 £12.5 million and £65.2 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: The COVID-19 pandemic has increased the risk that the Bank of England will 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. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. 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 2021/22. 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 the coming year while it has been put on hold due to the Covid-19 pandemic.

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

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£20m	Unlimited
Secured investments *	20 years	£10m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£25m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£10 m	£25m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£5m

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

***Minimum Credit rating:** Treasury investment limits in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. 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.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £20m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

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 Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies 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. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (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.

Registered providers (unsecured): 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 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.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that 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.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

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. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1 million per bank (in exceptional circumstances i.e.

late receipt of significant sums this may be higher for a short-period of time). 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. The credit rating agencies in current use are listed in the Treasury Management Practices document. 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 2020, 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 investment levels to fall 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 entities 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: Additional Investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country

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 2021/22 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 2021/22 is £7.8 million, based on an average debt portfolio of £2.7 million at an average interest rate of 3.7%. 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 – December 2020

Underlying assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market r.													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Artingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

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

Appendix 3b – Existing Investment & Debt Portfolio Position

	31/12/2020 Actual Portfolio £m	31/12/2020 Average Rate %
External borrowing:		
Public Works Loan Board	104.3	3.8
Local authorities	0.0	-
LOBO loans from banks	30.0	4.4
Other loans	14.9	1.3
Total external borrowing	149.2	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	192.3	
Treasury investments:		
Banks (unsecured)	3.8	0.02
Local authorities	25.0	0.19
Total treasury investments	28.8	0.17
Net debt	163.5	

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 will provide loans where there has been appropriate due diligence and where possible ensure there is appropriate security i.e. charges on assets. In some cases where security is not available in order to be prudent the Council may fund the loan at the point of drawdown through an appropriate charge i.e. Minimum Revenue Provision charge or through a reserve.

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.

The MRP policy and charges in relation to the Cardiff City Capital Region 'City Deal' will reflect those within the Joint Working Agreement.

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 2021, the budget for MRP has been set as follows:

	31.03.2021 Estimated CFR £m	2021/2022 Estimated MRP £m
Supported capital expenditure	161	4
Unsupported capital expenditure	76	4
Finance leases* and Private Finance Initiative	42	1
Total General Fund	279	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: 22 February 2021

Subject: Revenue Budget and Medium Term Financial Plan (MTPF): Final Proposals

Purpose To present to Cabinet the consultation results from the draft budget set out in their January 2021 meeting, and the current position on the Council's funding envelope. In light of these updates, ask Cabinet to agree their final budget proposals, and recommend the associated Council Tax level required for agreement at Full Council in their meeting on 3 March 2021.

Author Head of Finance

Ward General

Summary The draft budget proposals for 2021/22 agreed in the January Cabinet meeting have been subject to detailed consultation, and the results have been set out within this report and its appendices.

Whilst the results of the draft settlement were reported to Cabinet in January; at the time of writing and making public this report, the Council are not yet in receipt of the final settlement from Welsh Government, which is due on 2 March. 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 2021/22 budget based on the funding position made up of the draft Revenue Support Grant, the confirmed increase in the Council's tax-base and Council Tax income at the rate that will be recommended at this meeting.

The draft settlement confirmed that Newport received the greatest share of the 3.8% net funding increase for Local Government across Wales, and much higher than that included within planning assumptions. This report summarises the draft budget key areas, feedback on the consultation on those and other key contextual matters before setting out the current position on the 2020/21 budget which Cabinet will consider. The final proposals will be announced at the meeting, following consideration of these.

Section:

- 1 Financial summary
- 2 Finalising the budget
- 3 Financial planning assumptions
- 4 Public consultation
- 5 Medium term financial plan (MTPF)
- 6 Risk, reserves, financial resilience and performance
- 7 2021/22 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	Specific responses to consultation
Appendix 5	Budget investments
Appendix 6	Budget savings
Appendix 7	Medium term financial plan (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 3-5)

1. To note the formal consultation on the budget as outlined in section 4 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 and confirm budget proposals (appendix 5 - 6), as currently summarised within the medium term financial plan (appendix 7) and allocate the financial flexibility shown in table 5. In doing so, agree the implementation of the full medium term savings programme and the use of invest to save as noted in paragraph 6.4 to implement savings as part of the medium term savings requirement.
4. To agree the 2021/22 fees and charges of the council shown in appendix 11.
5. The budget investment in schools of up to £4,937k, is based on an assumed teachers/ NJC pay increase and provides for a fully funded increase in funding requirement in addition to the cost of new/ expanding school provision as noted in paragraph 3.7 – 3.12. Specifically, Cabinet agrees to confirm and finalise this when there is certainty on Teacher's pay from September 2021 with the intention of at least retaining the objective described above, within the funding provision available.

Overall revenue budget and resulting council tax 21/22 (section 6 and 7)

6. To note the Head of Finance's recommendations that minimum General Fund balances be maintained at a level of at least £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.

7. 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 6.
8. To recommend an overall net budget 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 3 March.
9. 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 January 2021 meeting.

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

Heads of Service – implement agreed saving proposals with immediate effect and apply new fees and charges

Timetable Immediate

This report was prepared after consultation with:

- Cabinet Member for Community & Resources
- Chief Executive
- Head of Finance
- Head of Law and Regulation
- Head of People and Business Change

Signed

1 Financial summary

- 1.1 The draft settlement received on 22 December 2020 confirmed that the funding position for 2021/22 would increase by 5.58% (5.48% after transfers), which was welcomed as it enabled the council to deal with a number of budget pressures and priorities, including those that would assist in reducing the budget gap over the medium term. Most, but not all, of the available funding was allocated in the draft budget.
- 1.2 As always, the budget process has continued since Cabinet agreed the detailed budget proposals for consultation in January 2021 with a small number of new budget pressures and savings identified. The table below sets out the changes that have arisen during this time; with the 'balance in hand' being the current available funds to finally allocate to meet spending priorities and respond to budget consultation, as needed.

Table 1: Key changes to pressures/ investments since January

	2021/22 £'000
January 2021 MTFP balance	(140)
Proposed new savings - January Cabinet	(2,711)
Balance in hand as at January Cabinet	(2,851)
Removal of saving proposal STR2122/07	29
New saving - reduction in historical pension liability for 'added years' as numbers reduce	(80)
Reduction in capital financing pressure after reduction of 0.5% in interest rates confirmed	(500)
Reduction in council tax reduction scheme 'top slice' of council tax increase due to lower percentage of tax paid this way	(258)
Lower than anticipated National Living Wage rates	(328)
Revised balance in hand	(3,988)

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

- 1.3 Whilst the settlement from Welsh Government (WG) for 2021/22 was much improved from that anticipated, the medium term outlook is still very uncertain which makes planning for the future difficult. The pandemic has seen Wales and the UK experience an unprecedented collapse in economic output in the second quarter of the 2020 calendar year. Whilst there was a large recovery in the third quarter, the economic recovery is extremely uncertain and the longer-term impact of national and local lockdowns and ongoing public health measures remains to be seen.
- 1.4 Significantly, the UK Comprehensive Spending Review (CSR) planned for 2020 only confirmed one-year budgets for public services and it is uncertain how the UK Chancellor and government will deal with the unprecedented level of UK debt the fiscal response to the pandemic has bought about.
- 1.5 Given that in Newport, the Revenue Support Grant (RSG) received from WG contributes 76% to its net budget funding, with council tax making up the balance; what happens to this grant over the medium term is critical. The graph in chart 1 below illustrates how the scale of the budget challenge over the medium term is very sensitive to changes to RSG.
- 1.6 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 2 March. Therefore, Cabinet will agree final

budget proposals and recommended a council tax level to Council based on the draft settlement. 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 3 March.

2 Finalising the budget

2.1 Within the above-summarised position, Cabinet have considered their final budget decisions. In doing this, key contextual and relevant considerations include:

- (i) the draft budget key assumptions and budget proposals – section 3;
- (ii) results of the public consultation on these – section 4;
- (iii) the medium term context within which Cabinet are making this decision – section 5;
- (iv) financial risks and reserves – section 6;
- (v) comparative council tax for neighbouring authorities – section 7.

3 Financial planning assumptions - summary

3.1 It is important to remind Cabinet of the key assumptions that have been included within the medium term financial plan (MTFP), the 2021/22 draft budget and the quantum of investments / savings.

3.2 The table below illustrates the key assumptions and their financial consequence before the 2021/22 budget requirement is considered.

Table 2: Financial implication of key assumptions

MTFP Summary	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
RSG Increase +5.58% in 21/22, +1.85%, +1.18% and 1% thereafter	(12,719)	(4,297)	(2,755)	(2,350)
Council tax increase +5% in 21/22 and 4% pa thereafter	(3,214)	(2,434)	(2,532)	(2,633)
Pay award and increments - NJC staff (inc. schools non teaching staff and other pay) +2% pa	2,221	3,240	2,265	2,269
Pay award and increments - teachers +2.75% in 21/22 and 22/23 and 2% thereafter	2,111	1,890	1,449	1,361
Contract Inflation - 0% to 8.2% over the life of the MTFP	3,922	3,301	3,423	3,549
Other investments (inc. social care demand and corporate plan priorities)	5,551	382	157	400
Other school investments	1,848	1,547	1,309	1,075
Savings - including new and previously agreed	(3,411)	(812)	0	0

Pay assumption

3.3 Assumptions around pay awards include an uplift in 2021/22 of 2.75% for teachers and 2% for all other staff. This assumption remains as although the UK Chancellor announced a one-year pay freeze in his spending review, he has also confirmed that Local Government has its own pay review arrangements and here in Wales, the relevant Welsh Minister agrees teacher's pay. This position will continue to be reviewed but is a prudent to provide for such a key budget risk area.

Thereafter, the MTFP assumptions for pay are 2% for all staff groups in each year.

Contracts assumption

- 3.4 Contract inflation is applied to budgets only where the council has a contractual commitment for increased costs or where costs unavoidably increase outside of the Councils direct control, e.g. energy prices. These ensure budgets are set at a level that are a true reflection of costs that are to be incurred.
- 3.5 Contract inflation has reduced since the January update following the announcement of the National Living Wage rates for 2021. Confirmation of these rates will see 2021/22 inflation reducing by £328k within social care therefore adding to the revised balance in hand as shown in table 1.

Investments

- 3.6 Appendix 5 sets out the budget investments over and above inflation. These are investments required to create capacity across the authority, to support priorities set out within the corporate plan and to ensure budgets are realistic to deal with the demands being faced within key areas. Schools investment is also a key area of significant investment in 2021/22.
- 3.7 Cabinet considered the schools' funding position during their January meeting which included a cash increase of £4,937k for the overall school budget. This amount reflects the assessed increase in school costs, including costs of new school / pupil number increases. This has been developed within the context of significant uncertainty around teachers and non-teaching staff pay from September 2021, which makes up most of the draft budget increase. As noted above, a prudent, additional provision has been made to fund teachers' pay award from September 2021. Whilst part of the overall cash increase, Cabinet are recommended to distribute to schools after confirmation of any pay award by the WG, with the aim of maintaining a funding increase, which at least reflects the cost increases within schools within available resources.
- 3.8 The total proposed investment of £4,937k represents a 4.6% growth in school's budget and the key elements are set out within the table below.

Table 3: Proposed schools funding 2021/22 to 2024/25

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
Teaching staff - pay award - 2.75% Sept 2021, 2% thereafter	1,398	1,285	960	986
Teaching staff - increments	712	605	489	375
Non Teaching school staff - pay award - 2% per annum	642	659	674	688
Non Teaching school staff - increments	165	101	82	42
Contract & Income Inflation	172	179	186	194
New and growing Schools	1,115	865	846	1,050
Secondary School Transitions	733	682	463	25
	4,937	4,375	3,700	3,360

- 3.9 The agreed funding increase for schools related to the pay award from September 2021 will be earmarked for schools ISB but will not be allocated and distributed to individual schools until the actual pay award is known.
- 3.10 Whilst the proposal here funds school assessed increased costs, it does not provide any additional funding over and above that and therefore those schools with accumulated deficits or base budget over-spending will still need to implement and develop deficit recovery plans. Good progress continues to be made in this respect and previous levels of base budget over-spending have been reduced. In saying that, further savings are required to reduce accumulated deficits in some schools.

- 3.11 Currently, school projections are forecast to underspend against budget, mainly due to the impact of Covid-19, which has seen many schools closed/ substantially closed for prolonged periods and specific costs reimbursed. Excluding the temporary impact of this current situation, their baseline / core position continues to be an area of concern given that £2.7m has been transferred from schools reserves over the last 2 years to fund overspending on their budgets. Current projections of £953k underspending would see reserve balances increase to £2,066k. Based on historical levels of over-spending, this is not a sustainable level and schools will need to continue to make savings. Officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend.
- 3.12 The council are yet to receive indicative grant allocations from the Education Achievement Service (EAS). Cabinet will be updated once confirmation of funding has been received.
- 3.13 Cabinet are also asked to note the reduced pressure in respect of the capital financing that has been amended since January. This generates a saving of £500k due to a reduction in interest rates. This is reflected within both appendix 5 and the council's medium term financial plan (appendix 7).

Savings

- 3.14 As part of the planning assumptions within the January report, the council were required to identify a significant level of savings to balance the budget, both for 2021/22 and the next three 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 2021/22 given the identified pressures and investments set out within appendix 5.
- 3.15 Cabinet will be aware that when agreeing the draft budget for consultation, the value of savings being proposed were £3,360k, which were made up of, previously agreed savings and new savings some of which were included within the public consultation. The table below provides a summary of savings that formed the basis of the draft budget in January 2021.

Table 4: Summary of projected savings

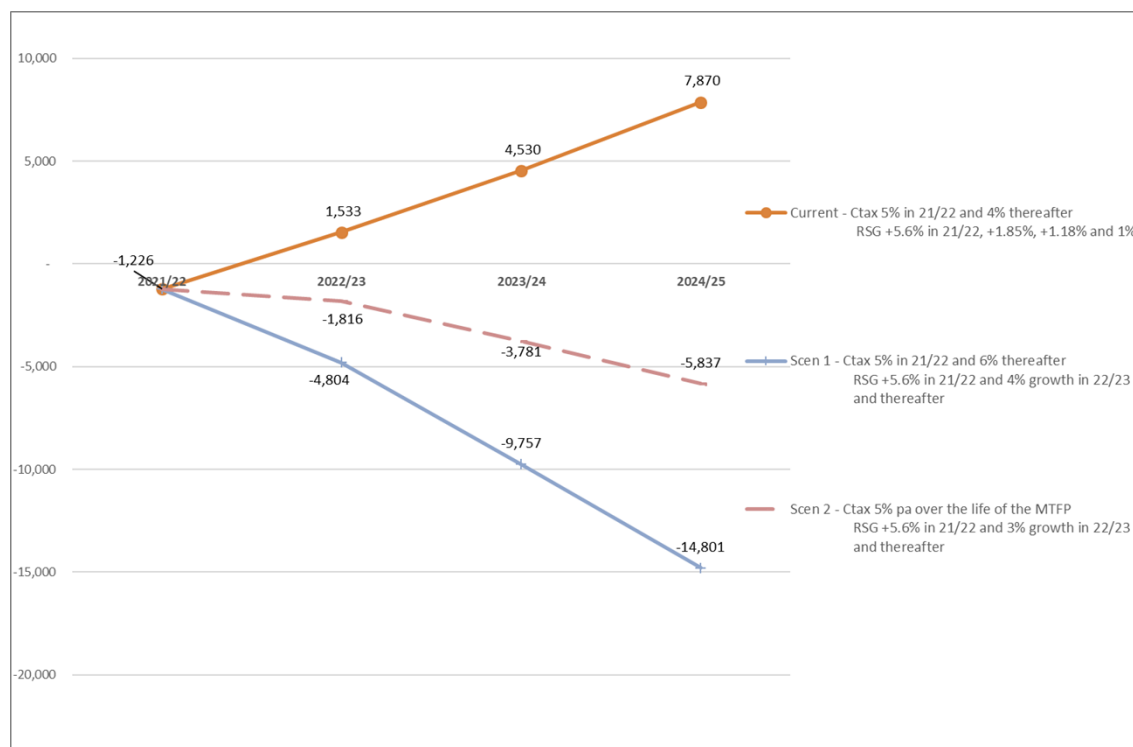
Savings Decision Type	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	Staff Impact FTE
Budget savings for full Cabinet decision (appendix 2 & 5)	924	239	0	0	24.09
Budget savings delegated to officers (appendix 3)	1,787	19	0	0	6.9
New Budget Savings	2,711	258	0	0	31.0
Previously agreed budget savings (appendix 4)	649	563	0	0	0.0
Total Budget Savings	3,360	821	0	0	31.0

- 3.16 During the January Cabinet meeting, one of the 2021/22 savings proposals was removed therefore reducing the quantum of savings down to £3,331k. Of the proposals put forward seven savings proposals were consulted upon in addition to the proposed increase in council tax and this report presents the results to enable Cabinet to make an informed decision upon which proposals are to be implemented.
- 3.17 Since this time, a further saving has been proposed and will increase the budget flexibility in 2021/20 further by £80k. This comes as a result of a reduction in historical pension liability for 'added years' as numbers reduce. A full summary of savings can be found within appendix 6.

Funding – RSG and Council Tax

- 3.18 As table 2 above confirms, the budget gap and the resulting savings requirement for the council are significantly affected by funding assumptions – the WG grant and council tax increases. The graph below shows the sensitivity that the council faces in respect of their impact on future budget gaps and reinforces the importance of considering the medium term when agreeing a final budget in any single year.

Chart 1: Sensitivity analysis–budget gap based on RSG and council tax assumptions



- 3.19 This chart replicates that reported to Cabinet in January and adjusted for the new savings/ investments set out in table 1. Key assumptions made over the life of the MTFP will be reviewed once the Chancellor announces the spring budget. Although, the lack of information is problematic from a planning perspective, a 1.85% uplift in RSG has been currently assumed for 2022/23.
- 3.20 Since the January report, the assumed uptake in the council tax reduction scheme (CTRS) has been reviewed, and based on historical data, reduced from 20% to 15% reflecting the current demand in council tax benefits. This has created a reduced funding pressure of £258k in 2021/22.
- 3.21 In addition to RSG and council tax funding; specific grants are a key element of the Councils funding which often assists in supporting core service delivery. A significant level of grant funding is received from WG each year and at this time; we still await the finer details of funding levels for 2021/22. It is likely that a small number of grants will see decreases in funding during 2021/22 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. These grants will be included within service areas budgets once the value and conditions are known.

One-off funding

- 3.22 Whilst the specific budget proposals described above and the detail included in the appendices do not deal specifically with one-off funding, Cabinet are reminded that the funding of the increasing capital financing budget in 2021/22 will fund that to the level required for the end of the capital strategy report 2023/24. The need for this is explained in the Capital & Treasury elsewhere on this Cabinet's agenda. This will generate c£3m of one-off funding over the next 2-3 year and alongside underspending in the current financial year, will result in a significant level of one-off funding availability. This will be confirmed in the Cabinet's June meeting when the outturn is confirmed.
- 3.23 This funding will be available to support the priorities of the Council administration and initially, should provide financial mitigation capacity for financial risks in 2021/22 resulting from on-going Covid and Brexit issues.

4 Public consultation

- 4.1 The budget proposals agreed by Cabinet in January 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 4 February 2021, (minutes included within appendix 1). Specific responses from the Union and Community Councils can be found in appendix 4b;
 - With all Scrutiny Committees in their January 2021 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 14 January 2021. Responses are included in appendix 3;
 - With the public from 8 January 2021 to 12 February 2021. 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.
- 4.2 During the 2021/22 budget consultation over 500 members of the public were engaged. This is a significantly lower figure than the previous year, when a record response was recorded; however, this reflects the huge challenges and impacts on society brought about by the Covid-19 public health crisis. For instance, bus wifi surveys responses have been less than 10% of the rate achieved during last year's budget consultation. It is also actually the case that public engagement work has increased over the course of this year as we have made efforts to engage with communities affected by Covid-19, for example through a Participatory Budgeting programme which will involve community members in allocating funding to address the impacts of Covid-19. However, Covid-19 has inevitably meant attention has had to be diverted from budget engagement work, although this is mitigated by the accumulated knowledge from year on year budget engagement. Despite the challenges, a varied programme of engagement was undertaken as outlined below.
- 4.3 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 c.270 responses;

- An in-depth online survey, which received over c.250 responses;
- A number of responses through e-mails, letters and social media;
- 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;
- Engagement with Newport Fairness Commission – their response is included as appendix 4a;
- Engagement with Newport Youth Council so that young people's voices are included in the consultation.

4.4 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:

- **Wentlooge Community Council** – a letter from the Community Council regarding the proposed introduction of charges for disposal of non-household waste at the HWRC.
- **Coedkernew Community Council** – a letter from the Community Council regarding the proposed introduction of charges for disposal of non-household waste at the HWRC.
- **Unison** – a letter from the Unison Branch Secretary regarding the budget proposals and particularly the implications for Council employees.

The above representations can be found in appendix 4b.

5 Medium Term Financial Plan (MTFP)

- 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 included in appendix 7 includes funding for the key priorities and promises set out in the plan, as needed. 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 four years. It includes those savings, which have previously been approved over the life of this plan in February 2020 Cabinet meeting as well as new proposals. Whilst the Council is required to set a balanced budget for 2021/22, this is to the backdrop of sustaining over £35m of savings over the last five years. Future uncertainties such as future WG financial settlements, the on-going impact of Covid-19 and subsequent economic recovery and 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 2021/22, there is uncertainty on the continuation of the additional funding allocated to Local Government beyond 2021/22. Whilst it is appreciated that the 2020 Comprehensive Spending Review (CSR) was undertaken in unprecedented conditions as the nation continued to deal with the impact of the Covid-19 pandemic on people, the economy and public finances, the Treasury were unable to deliver a three-year review that had initially been planned. Planning assumptions will therefore be adjusted once information is received.

- 5.4 Cabinet is asked to take a strategic 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 Risk, reserves, financial resilience and performance

- 6.1 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

- 6.2 Any overspend in 2020/21 over and above the revenue contingency budget would be an issue, however, after taking account of the revenue contingency budget, no overspend is forecast for 2020/21. In saying this, the councils base budget issues in a small number of areas have continued therefore creating budget overspends. Whilst some of these have been temporarily mitigated in year, budget investments included within appendix 5 are proposed to deal with a number of these areas. The remaining issue to draw to the attention of Cabinet include:
- The schools budget challenge is still significant, and for some secondary schools in particular. Schools position have improved as deficit recovery plans are being implemented and the current financial years underspending will be helpful. In saying this, schools have benefitted from one off savings this year due to school closures and reimbursement of additional costs and lost income via the WG hardship fund. The base position before the current year was still difficult with most schools over-spending in-year. The budget and additional funding for schools assumes they will make the necessary savings required to manage within their annual budgets.
- 6.3 New saving proposals over the next two years amount to £4,223, the vast majority of which relate to 2021/22. 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 and in particular during the current challenging period.
- 6.4 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 January 2021. 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. The current projected use of invest to save funds over the medium term is £3.5m and will see invest to save balances reduce to £4.7m.
- 6.5 Prudent pay and specific contracts, inflationary increases in budgets have been set but the impact of Covid and Brexit cost increases are still uncertain which invariably introduces a degree of financial risk.

Covid and Brexit

- 6.6 During 2020/21, external support from WG in the form of the hardship fund has seen loss of income and additional costs relating directly to the pandemic being reimbursed.
- 6.7 Whilst it has been confirmed that WG will fund specific policy areas and continue financial support in areas such as free school meals (FSM) the residual risk of lost income and increased staff costs remain, should responses continue. To put this into context the total amount claimed to date from the hardship fund during 2020/21 in respect of additional costs and lost income is in the region of £17m and whilst support will continue for FSM this contributes only £2m to the claims made to date.
- 6.8 In both of these cases, whilst the financial impact remains unknown the councils financial resilience set out in appendix 10 provides mitigation in the form of a good level of reserves and the general contingency budget. As we progress with discussions over the next few months, it is hoped that any potential impact will be known with greater certainty and the medium term projections updated.
- 6.9 The in-year underspending during 2020/21 is expected to be significant as £2.7m underspend was reported to Cabinet in January. This underspend is expected to increase again due to further financial assistance being provided by WG. This position will be reviewed further at year-end.
- 6.10 Mitigation for these areas include:

- £1.5m general contingency included within the base budget;
- Current level of earmarked reserves

These ultimately provide, in the last resort, some mitigation for overspending. If this was to happen, then future projects, funded from these reserves, may not be able to progress or in using other reserves, budgetary provision would need to be made to 'repay' these, creating further pressure on the Council's MTFP. There are no easy, impact free solutions through reserves but they do ultimately provide some cover in the last resort and in the short term.

- Anticipated new one-off funding which will be generated from the current year's underspending and from the budget itself over the next two years, as described in the report above will provide significant capacity to deal with overspending.
- Cabinet are considering additional provision for key budget areas, which may be impacted by further Covid and Brexit issues. Any resulting provision will provide additional financial capacity to mitigate this risk.
- Services may need to reduce spending in other areas to provide capacity to the most pressing need.
- Like most other Welsh Councils, we will be working closely with the WG to ensure any specific issues are highlighted and funding, where available, is secured to deal with financial pressures coming from Covid issues.

Reserves

- 6.11 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 2021/22. 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.

- 6.12 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.
- 6.13 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 £10m for Newport and this has grown compared to current general reserves levels as the Council's net budget has grown fairly substantively over the last few years. Whilst this implies that the Council could prudently consider increasing the current level, in the context of the above and the financial risks inherent in the proposed budget, the Head of Finance recommends that the current minimum level of general reserves could remain at its current minimum level of £6.5m. This is on the basis it is supported by the base general budget contingency of £1.5m and the Council has other reserves which could be deployed to augment this, though, as earmarked for specific purposes, they would most likely lead to on-going budget pressures to replenish if used. Nonetheless, in the worst-case scenario, they are available for use and are key considerations when assessing the level of minimum general reserves.
- 6.14 An analysis of projected earmarked reserves can be found in appendix 10a.

Financial Resilience

- 6.15 A robust view is 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 with the vast majority earmarked for specific purposes and already committed. The contingency base budget and other risk reserves held by the council are taken into consideration when assessing the level of the general reserve, and help to mitigate the risk to the Council. The decline in school reserves over the last few years is a concern and although current projections suggest a forecast of £953k underspend, this is largely as a result of lower than estimated costs due to Covid. The forecast underspend will see reserve balances increase to £2,066k at the end of this financial year but unless schools continue to manage within budget in future this has the potential to significantly impact on the financial resilience of the overall council budget.
 - The council has identified and continues to monitor budget reductions of £5.4m in 2020/21. This is alongside delivering outturn within budget over recent years, despite the delivery of £35m savings over the last 5 years. This needs to be viewed within the context of continued significant demands which are faced by service areas namely children's social care, which have been highlighted throughout the year as part of the budget monitoring process.
 - Although the 2020/21 forecast is within budget the overspending position in some key areas is not sustainable in the longer term and is a risk should the level of investment in 2021/22 be insufficient to match demand.
 - In light of the continuing financial pressures and demands placed on the Council further savings of at least, £9m need to be found by 2024/25 prior to the acceptance of current savings and based on current assumptions. A strategic longer-term

approach is recognised as being needed to deal with this given savings found to date over the last 5 years and more.

- 6.16 Overall, whilst there are some underlying issues and challenges, the Council's financial resilience remains strong and it has financial capacity to develop and change services in response to continuing pressure on funding and increased demand for services.

Risk register and performance

- 6.17 As part of setting the Councils budget, key consideration is given to the risks the Council faces and the improvement objectives that the Council has put in place.
- 6.18 The Council maintains a corporate risk register, which is regularly reviewed by the corporate management 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)

- 6.19 In line with the council's legal duties as set out in the Equality Act 2010 and the Welsh Language (Wales) Measure 2015, all budget proposals have undergone a full equality impact assessment, which have been updated to reflect public consultation responses.
- 6.20 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.

7 2021/22 proposed council tax

- 7.1 The draft budget council tax increase of 5% is above the base assumptions of 4% in future years. This additional 1% in monetary terms adds around £580k to the Councils overall funding.
- 7.2 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 £3,988k. Cabinet will decide on how this credit budget is to be utilised to give a balanced position.

Table 5: 2021/22 available and required budget

The table below shows the available and required budget funding with a 5% increase in council tax. Cabinet will be aware that beyond 2021/22 there has been a further 5% 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 5%	£1,257.77
Budget requirement	£000
Base budget 2020/21	300,270
Inflation & increments	7,744
Budget investments – (£7,611k (inc. £209k of transfers in from RSG) shown in list of pressures plus increase of	8,281

£670k required in council tax benefit based on 5% council tax increase)	
Budget savings	(3,411)
DRAFT BASE BUDGET 2021/22	312,884
<u>Draft funding available</u>	
Draft WG settlement	240,796
Current council tax at new tax base	72,193
Increased council tax @ 5%	3,883
Total	316,872
Balance available 'in hand'	(3,988)

7.3 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 January Cabinet
- consider the level of council tax increase required to balance the budget. A 0.1% change in council tax equates to £58k. The current MTFP and draft 2021/22 budget assumes an increase of 5%.

7.4 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 5% 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 6: Scenarios illustrating weekly council tax increases

Weekly Increase	£0.23	£0.69	£0.92	£1.15
Increase per annum	£11.98	£35.94	£47.92	£59.89
Newport Band D tax 2021/22	£1,209.86 (1%)	£1,233.82 (3%)	£1,245.80 (4%)	£1,257.77 (5%)
Comparison with existing Band D council tax (rounded)				
Current year (2020/21) before any increase:				
Newport	£1,198			
Caerphilly	£1,184			
Wrexham	£1,233			
Cardiff	£1,266			
Torfaen	£1,367			
Monmouthshire	£1,381			
Swansea	£1,406			

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	Heads of Service Head of Finance
Unforeseen Pressures	H	L	(i) retention of reserves and budget contingency (ii) robust budget review	Head of Finance/ Heads of Service

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

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

Options Available and considered

Taking a strategic medium term view Cabinet should approve the four year plan as summarised in the MTFP, though they could approve 2021/22 proposals only. For 2021/22 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 are asked to approve a four-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

Since the draft budget agreed in January, the proposals have been subject to public consultation as well as review by the Council's scrutiny committees, fairness commission, schools forum and the employee partnership forum. Comments and feedback are included in this report. All proposals, as required have been subject to equalities assessments.

Whilst the WG funding has increased relatively significantly, the requirement for investment in services to meet demand and the administration priorities has resulted in savings still being required.

The proposals here will generate one-off savings over the next two years and alongside a budget underspend in the current 2020/21 year, will generate one-off funding which will also be available to support the revenue budget and priorities. It is recommended that this is initially used to help provide financial mitigation for the Covid / Brexit risk and assessed during the 2021/22 financial year as the impact of those and what WG support is available become clearer. The June 2021 Cabinet will confirm the year –end position as well as assess current earmarked reserves and provides an initial opportunity to do this.

The Council has a good level of financial resilience and whilst the vast majority of reserves are earmarked, they do, in the last resort, provide potential mitigation for unexpected financial problems. The budget proposals here include a prudent level of provision for pay inflation and these should be confirmed during the Spring 2021 and alongside the final outturn of the 2020/21 budget, will result in further decisions on the Council's finances sometime then.

Cabinet will need to ensure that in agreeing the final budget decisions in their meeting; they set a balanced budget and recommend an appropriate Council Tax level, which achieves this as well as ensuring the resulting budget is robust. The recommended Council Tax level will be considered and a final decision made by the full Council in their meeting on 3rd March.

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 and investment proposals and proposed fees and charges in order to deliver a balanced budget for 21/22. Where the relevant business cases are not delegated to Heads of Service in 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, prior to making a recommendation to Council regarding the budget for 21/22. 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.

The Cabinet is also required to have due regard to the socioeconomic duty which will form part of the equalities obligations as from 1st April 2021 and should consider what impact, if any, the savings and investment proposals may have on the socially disadvantaged. 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 21/22 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 2021/22 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 four years. This is set against a backdrop of unprecedented challenges to public services due to the Covid19 public health crisis, on top of ongoing financial pressures, which have created a difficult environment and increased financial uncertainty. This is despite the Council having received a relatively favourable draft

funding settlement from Welsh Government and agreements in place to provide the Council with financial support to cover costs related to Covid19.

Council staff have been impacted by changes, to date, in a number of ways and the organisation now employs significantly fewer staff than it did five years ago. All staff potentially impacted upon by these proposals 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 consultation process 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 via email, letter, the on-line consultation pages, through free bus wifi and in sessions with Newport Fairness Commission and Newport Youth Council.

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

Comments of Cabinet Member

The Chair of Cabinet, as Cabinet Member for resources has approved the report for consideration and approval by Cabinet.

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 Wellbeing of Future Generations Act 2015, which came into force in April 2016 provides a framework for embedding sustainable development principles within the activities of Council and has implications for the long-term planning of finances and service provision. The business cases used to develop savings proposals include specific linkage with Future Generation Act requirements of the “five ways of working”.

Integration – A quality assurance process is in place to ensure that the council delivers a sustainable budget that ensures the impact of any proposals is managed in terms of the wellbeing of our communities.

Long Term – A medium term approach is important in ensuring financial sustainability over the longer term. Whilst the funding from WG over the medium term is uncertain it is imperative that medium term planning is at the forefront of budget discussions. In light of the Corporate Plan priorities, the Cabinet are mindful of the need to target investment and growth within the financial envelope that is available.

Prevention – The council is mindful of the demographic increases, expansion and growth that we are seeing across the City and the potential impact that this could have on the services that we provide. With this comes increasing demand and therefore costs which have been reflected within the medium term projections. 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'. A key part of the Plan and therefore the areas of investment relates to prevention and increasing resilience of communities.

Collaboration – A key part of our Corporate Plan relates to working alongside partners to deliver key public services. Whilst this budget presents significant savings, the base budget for 2021/22 continues to support numerous examples of multi-agency working particularly with public service board partners.

Involvement – During the 2021/22 budget consultation over 500 members of the public were engaged. This is a significantly lower figure than the previous year, when a record response was recorded; however, this reflects the huge challenges and impacts on society brought about by the Covid19 public health crisis. Public engagement work has increased over the course of this year as we have made efforts to engage with communities affected by Covid-19. The council seeks to involve and inform key stakeholders whilst setting out the financial context. The results of this engagement is key to budgetary decisions.

The Well-being of Future Generations Act has involvement as one of the five ways of working under the sustainable development principle. Involvement in the development of this budget has included a five-week period of public consultation and consultation with Trade Unions via the Employee Partnership Forum, with all Overview and Scrutiny Committees, with the Schools' Forum and with the Council's Fairness Commission.

Crime and Disorder Act 1998

N/A

Consultation

Wide consultation on the budget has been undertaken, as outlined in section 4 of the report and within the appendices.

Background Papers

January 2021 Cabinet report - 2021/22 Budget and Medium Term Financial Projections

Dated: 22 February 2021

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Minutes

Employee Partnership Forum

Date: 4 February 2021

Time: 10.00 am

Present: Councillors D Mayer (Chair)

In Attendance: Rachael Davies (HR Manager), Beth Burns (Health and Safety Manager) Owen James (Assistant Head of Finance), Cerys Caswell (HR & OD Officer), Jade Davies (Health & Safety Business Partner), Kevin Howells (Senior HR & OD Business Partner), Kirsty Plant (HR & OD Business Partner), Howard Mason (Senior HR & OD Business Partner), Richard Hughes (Headteacher of Alway Primary School), Peter Garland (UNISON), Gareth Hawksworth (NASUWT), Andy McDowall (UNITE), Rowena Hayward (GMB), Greig Churcher (Inspector), Debbie Scott (NEU), Craig Jenkins (NASUWT) Pamela Tasker (Governance Support Officer)

1. Apologies

Andy McDowall-Unite Wales, Rhys Cornwall-Head of People & Business Change.

2. Declarations of Interest

None

3. Minutes of the Last Meeting

The GMB representative stated that on page 4 on the Minutes in relation to RIDDOR, that they were receiving emails from members in relation to disparity on pay and that some members were being reduced to zero pay. They were concerned that after 6 months members were on half pay, which reduced to zero pay after 12 months. The GMB representative expressed their concern that there were financial penalties on people with an injury and that a person with an injury sustained was still treated the same as a person off with another illness such as a cold etc.

The Senior HR & OD Business Partner confirmed that Green Book conditions covered every authority and not just Newport.

Agreed: The minutes of the last meeting of the 15th October 2020 were accepted as a true and accurate record.

4. Health & Safety Update

The Health & Safety Manager confirmed for the forum that Jade Davies had been appointed as the new Health & Safety manager who will be in post from the end of February 2021.

The Health & Safety Manager stated that the Health and Safety Report still had the same format and the team was still leading on Covid responses, continuing to support schools with Covid risk assessment, operational management and case management.

The proactive review of policies and procedures was being considered and a timetable being drawn up to ensure all policies and guidance documents were up to date, starting with the Corporate Health and Safety Policy.

It was commented on the issue of staff contracting Covid. The Health and Safety Manager stated that these cases were reported to the Health & Safety Team and every case known was sent to a manager to be reported.

The GMB representative asked about information on how cases were mapped as this was not in the report, which would be useful for the Council. The GMB representative stated that when staff have had positive cases, they had been told to isolate as they had been wearing PPE but this was only the case if it was medical PPE. It was confirmed that the reports received stated which area the person worked in and this was then analysed for evidence of an outbreak and a couple of these cases were being investigated at present.

It was discussed that in care homes PPE could be considered a mitigating factor. The Health and Safety Manager stated that care homes were leading on issues and they were speaking to the team about any issues so they could go back to them about this as this was concerning as it was not being reported to the Health and Safety Team.

The NEU representative questioned as to whether there were any statistics on the numbers of classes who have had to isolate and whether there were any statistics up to Christmas 2020 on the effect on the staff and children in schools.

The Health and Safety Manager confirmed that the keeping of those records was led by Environmental Health, e.g. numbers of cases etc. It was discussed that at present schools were not at full capacity as only key workers children were attending and that it would be useful to have information on the community spread of Covid and looking at disruption as children could be in school and off again.

The Senior HR & OD Business Partner confirmed that they were currently working on this data and the information once complete, would be shared as soon as possible.

5. Probationary Period Policy

The Probationary Period Policy was a revision of policy and included was a list of comments from Unions who had responded.

The GMB representative stated that the GMB Union welcomed anything that clarified what was required in the role.

It was commented on the point “A probationary period will apply to all new employees of the Council, including those who have joined from another local authority area’ that it was felt by GMB that this was a clarification and not a new provision.

It was confirmed by the HR & OD Manager that as roles were very different in different authorities. The employee’s competency and performance in the role had to be assessed in the probationary period.

The UNISON representative questioned whether the person would be aware that they were on a trial period.

The HR & OD Manager confirmed that this would be in their offer letter, so the employee would know of the expectation.

6. Budget Proposals

The Assistant Head of Finance stated that the medium term financial plan (MTFP) included within the Council’s 2020/21 budget report identified a potential budget gap of £5 million (m) in 2021/22 and £9.9m over the period 2021/22 to 2022/23. The report provided an update to the planning assumptions made over the medium term, which included a further two years to 2024/25.

It was explained that there was no certainty on the level of funding from Welsh Government that the Council would receive over the medium term, and for the following year the Council did not receive its draft ‘Revenue Support Grant’ (RSG) until the 22nd Dec 2020 and this created uncertainty and challenges in financial planning.

The budget report was presented to Cabinet on the 8th January 2021. Overall, the draft RSG was positive compared to previously modelled assumptions, and confirmed that the Council would receive £240,796k for 2021/22. After allowing for new specific grant transfers into the RSG, this is a cash increase of £12.5m (+5.48%) from current funding, compared to a Welsh average of +3.8%.

The Assistant Head of Finance referred to Appendix 1 in particular the Budget Pressures with assumptions of a £16.2 million in Total Budget Pressures with an MTFP budget gap of £9.2 million.

New Budget Savings could be viewed within Appendix 2 and consultation results were to be reported back to Cabinet in February 2021, when Cabinet

would agree a final budget and recommend the required / corresponding council tax level to full Council in March 2021.

Discussion:

The UNISON representative commented on the use of language in relation to the term savings. They stated that savings meant cuts to services and it was appreciated the position Newport City Council was in, but they were concerned due to the impacts from the cuts to services.

The Assistant Head of Finance stated that the proposals in the report were positive to the Council.

The Chair commented that although the Council were making services more efficient but that the public will see that we were making savings as we were not efficient.

The GMB representative stated it was interesting that Welsh Government have done a rebasing of the population. The GMB representative also questioned whether there would be a look at services that had an impact such as refuse collection and recycling, as these haven't had an investment and whether Cabinet would be looking at this.

The Chair stated a lot of money had been spent that was not anticipated, so a balance was needed.

The GMB representative stated that resources had not increased, and now there was an acknowledgement that the population had increased would investment go back into these services.

The Chair commented that this depended on the needs of service and that half of the vehicles have been sought for recycling so there had been a lot of investment. Wastesavers reported that since March the collection total had been the same as the Christmas collection.

The GMB representative stated that they were aware from members that there was a high level of agency workers with permanent posts not being filled. There was also reports of staff losses in children's and adults services.

It was hoped that this would be on a voluntary basis, and those who wished to remain would be redeployed in the interim before taking on new roles.

The Assistant Head of Finance stated that they could not comment on Children's services but that the Budget was formed from pressures and needs provided by Heads of Service but that the comments from the GMB representative would be taken forward as part of the minutes.

It was confirmed that there was to be no investment in vehicles in this budget but that the Head of City Services had invested in electric vehicles.

The UNISON representative requested for the agenda item on *Deletion of Posts* to be discussed under this agenda item as they wanted this fed back into the consultation process.

The UNISON representative stated it was hoped that there would be no compulsory redundancies and that the lack of empty posts had an impact on staff left behind. It was commented that services could not continue as they were if posts were deleted. The UNISON representative felt that the wellbeing of staff needed to be considered and they wanted this acknowledged.

It was commented that 50% of council workers completed work in their own time on their own good will and this was not taken into consideration.

The GMB representative confirmed that they totally supported this comment and was seeing across unions, mental health issues due to lack of resources. The GMB representative stated that staff were off for a few weeks and then back at work again due to lack of resources as they didn't want to let other staff members down. It was questioned as to what the statistics were on this and what the trigger points were.

It was pointed out that case work had really increased which lead to work related stress due to a lack of resources and posts left vacant. Work had to then be picked up by someone else. This occurred at all levels of the organisation and it was questioned whether there were any statistics around work related stress.

The Health and Safety Manager stated that statistics could be provided on stress related illnesses and well-being referrals to the Health and Safety team. However the referrals would not confirm whether it was a personal issue. There was further work to be done on this issue.

The UNISON representative stated that the deletion of a post would have a far greater impact than it did a few years ago. Staff could do it for a short period but it affected people mentally and physically.

The Chair stated that lessons could be learned from this and it was a very tough situation. Flexible working was a great option but not being stuck inside.

The GMB representative stated that they agreed with flexible working but enforced working was different. The third lockdown was very hard on people. In relation to stress risk assessments meetings were being completed but stress was not relieved. The employee was desolate as the employer could not do anything and the employees stress and mental health elevate. So they must either stay in work or go off sick and this was not a healthy workforce.

7. GMB Thinking Differently at Work

The GMB representative stated that they had raised neurodiversity at the last meeting. The guide explained different ways of working with people with mental health issues. Policies and procedures needed to be amended for people so it was accessible and the person could participate so they were not outside of the process. It also looked at ways that information could be brought into the working of the council. Every trade union has a similar item.

The HR manager confirmed that the team had started to look at long-term sickness in the future and were moving away from sanction based towards a more collaborative approach and to engage with the employee.

The Senior HR & OD Business Partner stated this was in the early stages of development with a plan to engage with employees early on to be developed further and unions would be contacted on this.

The HR manager confirmed that a more proactive approach was favoured to work things closely with unions to engage.

The NEU representative requested an update on employee casework disputes.

The HR manager confirmed that the policy was in draft at the moment and agreed that a more mature way of looking at issues was required.

8. GMB/TUC Reasonable Adjustment Passport

The GMB representative explained that this reasonable adjustment passport would enable an individual to not go through the process over and over. Adjustments could go with the individual. Adjustments made 5 years ago may not always be relevant so they could be changed. If an employee started a new job their adjustments came with the person so there was no delay. This would enable the individual to feel they could do their job. It was hoped that Newport City Council to adopt this.

The Chair commented that it was comparable to a SEN document.

The HR manager stated that it was a topic to investigate and explore further and it was topic that could be given to the Inclusive Access Network so they would be a voice and it was a good topic for them.

The Chair agreed that it was a useful document for an employee moving from one local authority to another so starting all over again should be avoided.

The GMB representative stated that the passport took into account not just a physical disability but also invisible disabilities. It needed to be looked at across policies and how they were applied.

9. GMB Domestic Abuse Charter

The GMB representative explained that during the pandemic statistics of domestic abuse increased significantly. It was hoped the Council would consider that many workers may experience domestic abuse and their partners may want to contact them at work. Unfortunately, people may leave their partner and this partner could try to intimidate a person through their workplace. This may involve the partner phoning the workplace asking for the person so it was important to not give their number out or if the person was waiting for them, they were able to go out somewhere else. The practical side was important.

The HR Manager stated that on a previous agenda it was discussed how all staff must complete Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) training which all staff must complete. The training was reviewed in November 2020. The HR manager agreed to send a copy of this over to the GMB representative.

10. GMB Taking Care - A Charter for Home Care

It was explained that colleagues of sister unions already have similar documents. The GMB representative stated that they felt this was important and local authorities should sign up. It contained clear criteria to ensure staff within the private care sector were paid correctly. It was hoped that Newport City Council would adopt it.

The HR manager stated that the charter needed to be referred to Chris Humphrey-Head of Adult and Community Services to receive comments from them. The GMB representative stated that they would be willing to have a meeting with the Head of Adult and Community Services.

The GMB representative mentioned fair pay and a briefing paper recognising that NHS staff were heavily relied on and it was important that they were paid a proper living wage. It was important to have a pay scale within job evaluation and this salary was not always in public domain.

It was discussed that although this was not listed on the agenda, HR would have a look at this.

11. Deletion of Empty Posts

Already discussed under item 6 .

12. Mental Health & WellBeing of Staff

The UNISON representative asked how the Council were going to plan support for staff after Covid restrictions eased as on the other side people would need further support.

Appendix 1 – Minutes from Employee Partnership Forum

The HR manager stated that the team report on what was currently happening and options for the future. The HR team were to get together to think about the working week and what practical things that could be done. There was a report to go to Scrutiny and Cabinet on this.

The Staff newsletter has staff well-being support to provide support on a wide range such as childcare, finances etc. The Occupational health team were still operating but on a phone call basis.

The Chair requested for the Unions to provide any other issues that needed to be discussed as Unions have fuller pictures on issues that members were experiencing as Covid had moved the focus.

The UNISON representative felt that there was a resistance from middle managers regarding flexible working but process now worked well and it was felt that staff should not be drawn back into the civic centre if it was not needed.

The HR Manager stated that the Leader had already signed up to the Healthy Travel Charter and had signed up to Environmental Charters as well.

Date of next meeting to be agreed and circulated.

Minutes



Performance Scrutiny Committee - Place and Corporate

Date: 18 January 2021

Time: 4.00 pm

Attendees:

- Paul Jones – Head of City Services
 - Rhys Cornwall – Head of People and Business Change
 - Meirion Rushworth – Head of Finance
 - Amie Garwood-Park – Senior Finance Business Partner
-

2021-22 Budget and Medium Term Financial Projections

Finance and Non-Service

Proposal 9 – N/A – Increase council tax increase from 4% base assumption by 1% to 5%

The Head of Finance gave an overview of the budget position, which had followed a similar process to previous years. The budget gap was £4.1 million in September of last year. Officers had then looked at planning savings down to half a million by the time the settlement was brought forward, and so the budget was almost balanced at this point. Grant funding received just before Christmas was £9 million better than expected. Population numbers were used as a large part of this calculation and the numbers being used for Newport historically had been too low. This had now been corrected and so we had received more money this year. Also, rather than it being phased in, the grant was made in full which had made it significantly better for the council this year. The final budget would be set in February following feedback received and considered.

Members asked the following:

- Members commented that the report states the Council is £9 million better off than anticipated, but also states that “given all of these challenges, at least another £9 million has to be found by 2025 based on current planning assumptions and projections. It was then asked if that £9 million has not obviated the necessity to find further savings and if we are still in a challenging position.

APPENDIX 2 - Extracts from Scrutiny Committees

It was advised that Cabinet will decide what it wants to do with the additional settlements that we received this year. There are a number of future budget pressures and budget investments that are required and need to be considered in the budget. Assumptions have been made about what the settlements will be in those future years, and those assumptions need to be considered before February's Cabinet meeting and Council in March.

The Head of Finance then advised that based on the on the 1% increase in our RSG each year, the 4% on Council Tax each year and the pressures that have already been identified in those future years, we still have that £9million . The second figure of £9million for future years are purely coincidental. It was advised that we are still in a challenging position.

For additional context, the committee were advised that within the draft Cabinet report, included was the Medium Term Financial Plan (MTFP) and the £9million is the budget gap for future year and around the Revenue Support Grant (RSG) plus 1% council tax each year. These are planning assumptions and not decisions at this point because it is in the future. The budget pressures that are identified in the MTFP for the future years lead up to that gap.

- Members commented on point 1.5 in the Cabinet report – **“The public sector has faced a prolonged period of real term reductions and funding levels for a number of years and core spending is still below 2009/9 levels, in real terms.”** Have we not really recovered from the 2008 crash?

It was advised that we still have not caught up. If we took our grant funding back then, and with rising inflation to where we are now, that would be our expected ground level.

- Members then queried point 3.16 in the Cabinet report – It alludes that there is hope of not allowing individual school reserves build up, but on page 48 it states that the decline in school reserves is a concern?

It was explained that school reserves have reduced significantly quickly over the last three years. There are 4-5 secondary schools that have individually large deficits. We are still on the positive side in school reserves but there are little left. There has been a underspend this year due to schools not physically being open because of Covid-19. Most of the Primary schools are overspending, but have positive reserves and will still do so after this year, but this is an area to keep an eye on. Members were also advised that there is ongoing work being done with deficit schools to ensure that they are bringing forward recovery plans. The draft Budget is planning to fund next years schools cost increases. The cost next year is uncertain but the intention is to confirm when it is known.

APPENDIX 2 - Extracts from Scrutiny Committees

- Members asked for clarification in point 3.15 of the Cabinet report that states the draft Budget makes provision for schools to receive investment of up to £4.9 million, which represents a 4.6% growth in the schools budget. Is this a significant increase? Members then queried about the level of the budget compared to past years which had reduced from not increasing council tax and due to austerity, and asked if this was the reason we are currently behind.

Members were advised that it is a significant increase. The Head of Finance did not have the figures, but we have seen the settlements either reduce in cash terms or increase by not keeping up in real terms, which has been a problem. It is also linked with demand increases and budget increases from a growing city, such as new schools and demand for more social care. The grant funding is not increasing enough to cover the budget demands. It was also clarified that council tax accounts for 25% of the council's funding, the RSG is the main issue.

- It is proposed to raise council tax by 5%, with the announced settlement we would still be in benefit if council tax was not raised. Would the Head of Finance advocate this, or is it not economically prudent?

Members were advised that this decision would be down to Cabinet. From a finance perspective, the Head of Service advised that Newport has lower council tax than almost all of Wales. Missing a year of increase would be problematic as it would take a long time to catch up.

- Members queried Objective No 10 on page 199 in the Cabinet report – **“Work with partner agencies and 3rd sector to provide advice and assistance to those with debts and financial problems.”** Is the service area confident that this action will be completed by the 1st March 2021 end date, and with some of the extra money to invest, could it be used to engage with people that do not normally face financial worries due to loss of income?

The Head of Service advised that this relates to council tax arrears, and for residents who contact us regarding their arrears, the Revenues Team make sure that where appropriate, they get referred to agencies such as Citizens Advice Bureau. Residents are also made aware of the council tax reduction scheme and how to check if they are entitled.

The Chair thanked the invitees for attending.

City Services

Proposal 3 – STR2122/02 – Charges for non-household waste taken to Household Waste Recycling Centre (HWRC)

The Head of City Services advised that currently the Council does not charge for materials under the waste regulations, but are allowed to charge for certain types of wastes. The proposal is to introduce a small charge for two items of waste, tyres and plasterboard.

Members asked the following:

- Members advised that they receive numerous complaints about tyres being dumped in their ward and it seems to be a problem throughout the city. Comment was then made that imposing a charge to take tyres to the HWRC might not be a wise thing to do as it could increase fly tipping.

Members were advised that if tyres are not charged at the point of disposal, then they are being paid for from their council tax. It is deemed that this is a fairer charge towards those who are disposing of more tyres. In terms of fly tipping, the Head of Service advised that it is mostly people that are involved in other forms of crime, such as white vans that charge to dispose of waste but do not have a proper duty of care.

The Head of Service then advised the committee that there has been a lot of work this year in terms of surveillance and prosecution for flytipping, which will feed into next year.

- Has the additional waste and fly tipping that has been accumulated during lockdown created any additional pressures on the budget for the way services we are running?

Members were advised that waste that was usually produced in work is now being generated at home, so the Council have to provide more resources to do those collections. It has not put a strain on refuse collections as the most of the increase are recyclable materials, however extra food waste in particular has put a strain on the budget. The budget proposals that have been drawn together are under the assumption that at some stage life will return to normal, which could take a year or more but it is a risk. If the patterns do stay the same, as domestic collections require more resources.

- Concern was raised about extreme weather events, which are happening more often. Are the service area confident they will have the capacity and financial ability to deal with this increased risk, and would more funding be needed?

APPENDIX 2 - Extracts from Scrutiny Committees

The Head of Service advised that this is a challenge, especially for flooding. A concern is in terms of what council can do, and expectations from the public of what council can and allowed to do, can sometimes be greater than reality. Climate change has had a huge impact. Once we can maintain systems we have and carry along our current projections, we can look at making small improvements. It is not a budget issue as such, it is that often these events are point events. Members were then advised that the service area are always looking at ways to improve.

Proposal 4 – STR2122/05 – Streetworks – Increased Fees and Charges

The Head of City Services advised that this proposal is a specific significant increase for the fees and charges that utility companies pay whenever they dig up the road. This had been reviewed over the last two years and the proposal is to move the charges in line with neighbouring authorities. It will generate around £20,000 of income.

Members had no questions for this proposal.

Proposal 5 – STR2122/06 – Creation of pay and display car park Mill Parade

The Head of City Services advised Mill Parade car park was one of the few remaining highways car parks without a story. The service itself did not originally envisage as a saving, it was meant to try and resolve issues in the car park but it does generate income so it needs consultation. It was hoped that the proposal of the creation of a pay and display system would help resolve issues in the car park. The fees would be in line with the fees at Maindee car park.

Members asked the following:

- Comment was made that the charges may turn be a turn off for visitors, and asked if we could stay mindful where to ask people to park.

Members were advised that one of the issues for visitor to the Transporter Bridge Visitor Centre is there is nowhere to park, but this is an ideal place for visitors as it is so close to the centre. It would help free up space to use as a car park and stop it being used as a dumping ground.

Members queried if the first hour of parking could be free? The Head of Service advised that the savings are based on those charges.

APPENDIX 2 - Extracts from Scrutiny Committees

Proposal 7 – New fees and charges within cemetery services

The Head of City Services advised the fees and charges come into two categories. The first is around public health funerals, which are funerals that the Council are legally required to undertake for people who have died and we are unable to track their family. Previous, this was outsourced to a private contractor but it is proposed for an operational change so the Council do those works ourselves. It will provide some savings but it is more operational and improving efficiency.

The second is a change of charges, as are there some that have not been updated in years. Example was given to the committee of test digging. This would be a small increase of income compared to other fees but it is listed to consult as they effect the public

They are relatively small income compared to the overall income generated from the cemeteries but listed to consult as they effect public.

Members asked the following:

- Members queried test digging and asked what happens if the Council's records are incorrect, somebody pays for the dig and then find out that there are 3 people in a grave, but there are only 2?

Members were advised that in those instances the charge would not be levied.

- Are the charges from the Council sent to the bereaved or to the funeral director?

Members were advised that it depends on the arrangement. Normally deals are arranged through the funeral director as a go between through people's insurance, but it can vary.

The Chair thanked the invitees for attending.

Regeneration Investment and Housing

Proposal 8 – RIH2122/04 – Information Station move to Central Museum and Library

The Head of Regeneration Investment and Housing advised that the decision to relocate the Information Station was taken previously, so this proposal relates to the savings associated with the move. The Council do not own the Old Station Building, it is owned by a company named Arch Co, and the Council have to pay rent for the Ground and First Floors. The savings made from not paying the rent have been taken to pay for the relocation works. The balance of the savings would be £117,000 by not paying the balance of the rent.

APPENDIX 2 - Extracts from Scrutiny Committees

Members asked the following:

- Members were advised that the decision to relocate the Information Station was made in 2019 and is already tied up with the idea that we use the Ground and First Floor as an incubation type networking hub, so this in process of being delivered as a regeneration project.
- Members asked if there is any possibility of the space vacated being used, or for a linked purpose?

Members were advised that the Ground Floor is already been in process of securing an operator. Officers have been speaking to the firm all throughout lockdown to understand their position and make sure that their requirements have not changed, and they are still interested in the move.

- Members asked for clarification on whether the savings that will be made each year, are they for the life of the lease that we have on the Information Station, and will those savings be put back into the Central Library afterwards?

The Head of Service confirmed that it would be the balance of the remaining term, which is 7 and a half years. following the expiry of the council lease, it will be open for all existing occupiers to discuss a new lease with the freeholder. There has been a lot of engagement over what is provided in the new location of the Information Station and necessary budget to deliver those are in place.

- Members queried Budget Investment RIH9 – **Norse Joint Venture – Increased contract payment as a result of assumed 2% uplift each year from 20/21** and asked for a brief explanation of the payment. The Head of Service advised she did not have these details to hand but would send would send the details to the committee.

The Chair thanked the invitees for attending.

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.

APPENDIX 2 - Extracts from Scrutiny Committees

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

Proposal 3 – STR2122/02 – Charges for non-household waste taken to Household Waste Recycling Centre (HWRC)

- The Committee were concerned that any charges could result in an increase of flytipping, which would also burden the budget, and hope that there is a contingency plan in place in case this was to happen. A suggestion was made that extra investment would be used for the Pride of Newport to help concerns about increases of flytipping and to clean up any potential hotspots.
- Further investment suggestions were made for the service area to employ additional Enforcement Officers and more CCTV in known flytipping hotspots.

Proposal 5 – STR2122/06 – Creation of pay and display car park Mill Parade

- Members had a robust conversation and agreed with the proposal to turn this into a public car park, to improve security at the site. However, concern was raised in relation to the proposed charges and whether they would deter visitors. Some Members suggested one hour free parking, while others suggested free parking all day but with some sort of voucher scheme. A Member also stated that they would also welcome the views of the Ward Members.
- The committee acknowledged that this would not deliver the Medium Term Financial Plan income and it would be some time before the Transporter Bridge was re-opened as a visitor attraction. Therefore, they asked Cabinet to consider all of these issues when making a final decision on this budget proposal.

Proposal 8 – RIH2122/04 – Information Station move to Central Museum and Library

- The Committee praised the service the Information Station has provided the residents of Newport, but voiced concerns of any possibility that some services could be lost during the transfer. The committee wished to seek assurance that we maintain the range of services that are provided whilst completing the transfer.

Proposal 9 – N/A – Increase council tax increase from 4% base assumption by 1% to 5%

- The committee acknowledged the proposal for the increase. Members then suggested if some money from the future investments could be used to focus on engaging with people that do not normally face financial worries due to loss of income.

Minutes



Performance Scrutiny Committee - People

Date: 19 January 2021

Time: 10.00 am

Present:

- Chris Humphrey, Acting Director of Social Services
- Meirion Rushworth - Head of Finance
- Sally Jenkins – Head of Children and Young Peoples Services

2021-22 Budget and Medium Term Financial Projections

The Head of Finance gave an overview of the budget position which had followed a similar process to previous years. The budget gap was £4.1 million in September of last year. Officers had then looked at planning savings down to half a million by the time the settlement was brought forward, and so the budget was almost balanced at this point. Grant funding received just before Christmas was £9 million better than expected. Population numbers were used as a large part of this calculation and the numbers being used for Newport historically had been too low. This had now been corrected and so we had received more money this year. Also, rather than it being phased in, the grant was made in full which had made it significantly better for the council this year. The final budget would be set in February following feedback received and considered.

1. A Member asked if any capital money was used to reduce revenue costs, particularly in relation to environmental initiatives in schools.

The Head of Finance replied that the capital programme included a number of energy efficiency schemes including energy saving lights, green roofs, etc. but that much depended on the learning environment in some schools and taking into account the condition of the existing school buildings.

2. A Member asked about projected pension costs.

In response to this question about pension costs, the Head of Finance confirmed that there were 2 relevant pension schemes, the NGAC fund and the Teacher's fund. The latter had increased last year but the NGAC employer contributions would need to increase next year, and this had been built into future budget requirements.

3. A Member asked what changes to the budget were envisaged as a result of the Covid recovery plan?

There were continuing discussions regarding the budget due to ongoing increased costs, particularly in the domiciliary and residential care budgets. There had been additional financial support available during the pandemic but this funding (hardship fund) was due to cease at the end of March. This meant they would need to look into what the ending of the funding would mean going forward into next year. It could be that a more sustainable model would need to be found going forward. There were also specific challenges in some services due to additional costs such as PPE which would be a permanent funding issue and there were currently no specific reserves put aside for this.

The Chair thanked the Head of Finance for his report.

Adult and Community Services

Proposal 1 - AS2122/03 – Transformation of Adult Day Services

The Acting Director of Social Services introduced the saving proposal:

The service currently ran a number of day services from the Brynglas site. Over the past few years, the numbers attending the services had significantly reduced while there had been an increase in the referrals for older persons' respite care. Younger people coming into the adult PMLD group and their families did not want the traditional building-based service. The current service model delivered from Brynglas was not flexible enough to meet the needs of younger people coming through transition in the service. Some people tended to stay in the service for longer than they should, which created a dependency. For example, many of the people with mental health problems had continued to be supported by the service for more than 12 months, when there were other community based services that could meet their needs. During Covid the facility had been shut and this had provided the opportunity to deliver these services in a different way which had worked well.

Members raised the following:

- Mental health issues had become a huge issue for all, but was a particular issue in relation to the elderly. It was concerning to hear that this proposal would mean an end to meeting up and socialising in a group setting. Socialisation was hugely important so was this an acceptable proposal in this respect?

The Acting Director of Social Services responded that the number of elderly who attended Brynglas was very small, 10 people. It was proposed to move this facility from Brynglas to Spring Gardens, where there was synergy with the existing building based respite service for older people. This would allow the existing management structure in day services to be stream lined, overseen by the Homes Team Manager of Spring Gardens.

APPENDIX 2 - Extracts from Scrutiny Committees

- A member queried the consultation carried out with young attendees.

The Acting Head commented that findings had shown that the younger people coming forward were looking for a different type of service from the traditional 9 to 5 day service to wanting more access to opportunities in the community. Because of this, numbers of attendees had reduced over the years. It was beneficial having strong partnerships with those who provided services more in keeping with what families seemed to prefer.

- A Member queried how the Service worked with partners and how this helped to reduce costs?

The Acting Director of Social Services replied that the teams worked closely with colleagues to ensure that children moving into adulthood had their skills worked on in readiness. Working with Aneurin Bevan Health Board to ensure their need were met in the best possible way. They had been constantly reviewing what people needed and worked in close partnership. This had proved to be one of the strengths in Newport during the pandemic.

A Councillor queried who the different partners that were referred to throughout the reports were and would it be possible to have this provided as background information in future.

The Acting director stated she would take advice on providing this information taking into account data protection issues.

- A Member asked what back up was in place should one of our private providers give up their contract with little or no warning

The Acting Director of Social Services replied that this was always a risk and that the right approach was to have a sufficient number of providers so we were not overly reliant on one provider only. Approach in Newport was to have a healthy mix of different providers and not rely sole on one dominant organisation. We also had some in house services that we could use, the focus always being to ensure people were not left without any care. There were contingency plans in place should any issue arise.

- A Member asked if there were any particular concerns as a result of Brexit?
a.

Response was that there was a whole range of work in place for EU staff who wished to remain and work in the UK. In Newport, rather than an issue with numbers of carers, it was more of a supply of nurse issue, which did not directly affect our service provision. The Health board were responsible for ensuring adequate supplies of medications and any issues had previously been identified and contingency plans were already in place.

The Chair thanked the Acting Director of Social Services for her report.

Children and Family Services

Proposal 2 – CS2122/03- Closure of Cambridge House as a Children's Home

The Head of Children and Young Peoples Services introduced the saving proposal for the Service Area.

There had been a clear commitment made by the Council to provide our own children's homes in the City and we currently had more than any other Local Authority in Wales. It was recognised that if we managed and implemented the care planning for our own children then we were more in control. Cambridge House had been used for over 30 years but it was no longer in good condition and needed a considerable amount of money spent to make it fit for purpose. It was not ideally situated, being very close to the city centre, which was also not ideal for children in care when trying to keep them safe. We would be looking to develop our portfolio further over time so this proposal was not about walking away from providing residential care but more into looking to provide the best care possible.

Members asked the following:

4. A member asked how many children were currently based in Cambridge House and to where would they be transferred?

The Head of Children and Young Peoples Services replied that it was registered for 6 children but there had only been 1 child there very recently. This meant that move on arrangements would be minimal if the proposal was accepted.

5. A Member asked what emergency provision was proposed to replace those provided at Cambridge House

a.

The Head of Children and Young Peoples Services confirmed that historically it had been used to provide emergency accommodation but not for a number of months. There was 1 bedroom available at Forest Lodge and Brynglas Bungalow could also be utilised.

6. Members asked if there had been an increase in numbers of children coming into care and what was the situation with the proposed new home at Windmill Farm?

The Head of Children and Young Peoples Services commented that surprisingly, there had been no increase in numbers during the pandemic. Staff had worked incredibly hard during Covid and they had also recruited more foster carers during this period. Risks had been managed well even during this very trying period. Windmill Farm proposals had just completed the Planning process and because it was a new building, rather than a conversion, it was likely to take longer to complete.

The Chair thanked the Head of Children and Young Peoples Services for presenting and discussing the budget proposal.

APPENDIX 2 - Extracts from Scrutiny Committees

There were no specific budget savings proposals for Education contained within this report however Members wished to ask the Chief Education Officer questions regarding the Education Service in general.

- A Member asked what was being done to address the deficit that some schools currently had and what would be the impact on the education these schools were able to deliver?

The Chief Education Officer commented that the forecast showed an improving position. This was partly due to the pandemic – there were less consumables being used such as lighting and heating etc. but also, schools were able to claim costs through the hardship fund. With the 8 schools currently in deficit, the Service had set up deficit monitoring schemes and all had shown progress. The monitoring panels were made up of Business Improvement Team staff, together with Finance and Education staff to ensure modelling and assumptions were correct in order to reduce deficits.

It was important to ensure there was not a risky outcome for children and the risks had to be discussed against proposed cost savings. There were ways to investigate savings from small tweaks that would not have a knock on negative effect.

- Members asked what the situation was regarding the provision of laptops and free school meals?

The Chief Education Officer replied that they had provided 2,600 mifi units to support children and other IT on order from China was due to arrive at the end of January. Having done as much as possible with the funding available, it was the responsibility of each school to be aware of the situation of each of their pupils. Not all learning had to be provided electronically, blended learning was a menu of activities to reach all children. Live lessons were not always the best way but this was not the only way of learning remotely.

As regards free school meal provision, from April 2020, supermarket vouchers were provided during lockdown, holidays and to those in self isolation. Provision was linked to Housing Benefit so should have been automatic. The vouchers could not be used to purchase tobacco, alcohol or fuel.

- Members asked about blended learning and how the quality of teaching was being monitored?

a.

The Chief Education Officer responded that the Education Achievement Service (EAS) had been instrumental in building an effective network of information across the 5 local authorities to ensure successful learning outcomes. They had set up a website dedicated to blended learning to show how it should be implemented across the school sector. 2 blended learning surveys had been sent out by the Authority and it was vital that all governing bodies ensured these were completed and submitted in order to see where improvements could be made and best practice shared. It was noted however that self reported surveys did not always provide a totally accurate

APPENDIX 2 - Extracts from Scrutiny Committees

picture and so challenge advisors also worked with schools to validate the surveys in a positive way to provide support and constructive criticism where necessary. The surveys helped to identify any gaps in provision and provide any appropriate guidance.

The Chair thanked the Officers and their staff for information provided to the Committee and on behalf of all members present asked that their sincere appreciation be passed on to all staff working in their Service Areas during the Covid crisis.

Conclusion - Comments to the Cabinet

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

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

General Comments

- The Committee felt that officers did lots to address concerns. They felt assured that these are the right proposals to take and that due consideration has been taken to mitigate concerns.

Proposal 1 - AS2122/03 – Transformation of Adult Day Services

- The committee raised concern about older people being isolated and meeting together and socialising. Changing the format in which they are supported needs to be considered and managed appropriately.

Proposal 2 – CS2122/03- Closure of Cambridge House as a Children's Home

- The committee welcomed the detailed report and accepted this proposal. Members commented that every effort should be made to redeploy staff rather than issue compulsory redundancies. The committee would also like to know whether the building could be used for any other purpose, such as for homelessness charities and other supporting networks.

Minutes

Newport Schools Forum

Date: 14th January 2021

Time: 3:30pm

Venue: Microsoft Teams

Present:

Nicola Allan (NA), Nick Brain (NB), Caroline McLachlan (CM), Ann Tai (AT), Jo Giles (JG), Steve Rayer (SR), John Guy (JG), Dean Probert (DP), Dean Taylor (DT), Tracey Jarvis (TJ), Gavin Jones (GJ), Kate Guest (KG), Mark Rowland (MR), Eirion Jones (EJ), Kate Knight (KK), Jan de Clare (JdC)

Officers in Attendance:

Sarah Morgan (SM), Andrew Powles (AP), Karyn Keane (KK), Katy Rees (KR), Deborah Weston (DW), Owen James (OJ), Clare Watts (CW), Charlotte Clegg (CC), Nicholas Lo Turco (NLT)

1. Apologies for Absence

Peter Garland (PG) received during meeting

2. Minutes of meeting held on 26 November 2020

Attached



Final Schools
Forum Minutes 26th

ACTION: Page 2 – HT asked if an amendment could be made to the minutes dated 26.10.20. First paragraph to include when the committee reviewed the staffing ratios for the Learning Resource Bases (LRB) they were not aware of the new Rogerstone Primary's ASD class at the time.

Forum had no objections to the amendment and agreed that the remainder of the minutes were an accurate record of the meeting.

3. Matters Arising

HT raised that the ALN implementation group is overdue and that they were acting on interim measures.

LAO confirmed there was a plan to take this forward at the beginning of February and asked if the group were happy for the current membership to continue and forum felt this was sensible. The group will link in with the formula sub group work ready for the schools forum formula meeting in Autumn Term.

ACTION: KR to review ALN Implementation membership details and agree with Headteacher leads.

APPENDIX 3 – Schools Forum Minutes

LAO asked if the existing formula sub group members were also happy to continue. SBM confirmed they were happy to continue in their roles on the group.

ACTION: CC to contact existing members and seek confirmation.

4. Update on Final Settlement – Owen James

Verbal Update

Assistant Head of Finance (AHoF) gave a verbal update on the final settlement.

The LA in a different position than previous years as the draft settlement was delayed, this would normally be received in the autumn but was not received until December.

Draft settlement was published on the 23rd December 2020 with the cabinet report published on the 4th January 2021.

Points 3.14 to 3.20 of the cabinet report pack refer specifically to schools funding and appendix 1 outlines budget investments.

Very positive settlement with a 5.48% cash increase taking into account transfers in of specific grants such as teachers pay and equates to a £12.5m cash increase.

The LA saw the largest % increase as the Distribution Sub Group (DSG) took into account the rebasing of population due to growth in the city. This makes up approx. £4m of the 5.48%.

Appendix 9 (p.125) of the cabinet report shows the £12.8m total increase, council tax increase of 5% out for consultation equating to circa £15.7m additional funding in 22/23.

Total pressures across the council such as pay, increments, schools, demand etc equate to £16.2m therefore a budget gap of £500k however cost reductions from prior years leave a balanced position.

Savings proposals are yet to be agreed by cabinet which would further improve the position detailed in appendix 9.

HT asked out of £16m pressures identified, what is included in the £1.5m 'other' pressures.

AHoF confirmed it is broken down in appendix 1 and includes pressures such as the Revenue Support Grant (RSG) transfer in of Teachers pay award, investment accounts, pension deficit, neighbourhood hubs, strategic economic development and various other pressures.

5. Review of School Cabinet Papers – Owen James Electronic Copy Issued in Advance



Public reports pack
08th-Jan-2021 14.00

AHoF gave an update on the proposed schools funding.

The total pressure for schools is circa £4.9m and the LA position is to fully fund the cost increases identified in the cabinet report in Schools.

It does not deal with deficits but does deal with cost and demand pressures and schools with deficit recovery plans will continue to be supported by the council to get back to a base position.

Pay inflation is an extra £1.8m, which compares favourably with other LAs and reflects a 4.6% growth to budget over prior years

APPENDIX 3 – Schools Forum Minutes

Central Education pressures largely relate to Learning Resource Bases (LRB's) and Autistic Spectrum Disorder (ASD) provision which is also picked up in appendix 1 and closely linked to that is the confirmation that the Additional Learning Needs (ALN) grant will continue at same level as 2021.

The settlement has allowed the LA to deal with some medium term pressures such as capital financing costs which is positive.

Schools in deficit will still need to continue to focus on recovery. The LA will work closely with schools in a deficit to deliver savings.

SBM asked if the £4.9m increase to the Individual School Budget (ISB) includes the teachers' pay grant.

AHoF confirmed that both the income and the pressure were included. Whilst the chancellor has said there would be a pay freeze for teachers, England do not have control over that in Wales. The independent pay body in Wales may take the decision to award teachers a pay increase in 21/22 and this has been reflected in the budget just in case. This would reduce potential pressure on schools.

SBM stated that in the September 2020 pay award, schools had been given extra funding to get through Sept-March and queried whether schools will still have to pay for the increase.

AHoF confirmed that the April to August 20 pay award was transferred into the ISB for 2021-22 and the September 21 pay award will be ring fenced for schools and released if needed.

SBM asked if pay award costs can be split out and modelled.

AHoF confirmed that schools can work with their Finance Business Partners to identify the cost in April to August and September to March.

Chief Education Officer (CEO) said that she was thrilled that budget pressures can be met for next year. It was hard to request large sums of money as other service areas were also faced with pressures. The medium term plan demonstrates extra investment in ASD provision and to support LRB's, ensuring that the most complex needs are met whilst trying to reduce spend on Out of County provision and ensure best value for money.

HT asked if increases to the settlement like this would continue going forward and offer more stability.

AHoF stated that this increase was largely due to population rebasing and that future increases may not be as significant but this is a good base position. The average increase in settlements across Wales was 3.4%. Other LA's do not have such a growing population putting extra demands on their schools.

HT asked if this calculation is likely to keep pace with population growth if it continues.

AHoF stated that he does not sit on the DSG subgroup within WG who deal in that area but The Head of Finance, Meirion Rushworth will be able to provide an update. The DSG perform reviews on a periodic basis to avoid big leaps in population.

AHoF invited questions and comments from forum in relation to appendix 1.

HT raised concerns in relation to the proposal to reduce the size of the nursery Communication Class from 16 to 8 full time equivalent places (FTE) as this will reduce the dedicated nursery provision for children with ASD when the population of ASD pupils is continuing to rise.

LAO advised that this was a non-statutory provision and funds have been diverted to mainstream. Education Services will be looking at ALN data going forward over the next 2 months and should have future projections to feed into the system.

APPENDIX 3 – Schools Forum Minutes

HT asked if there is likely to be a requirement again next year for another ASD base in mainstream or is there going to be room in Ysgol Bryn Derw to facilitate these children.

LAO stated the LA is exploring options for creating additional ASD capacity for learners in the Foundation Phase. LAO confirmed costings were being prepared the same way as for new schools.

HT welcomed the consideration of additional provision but raised concerns over the reduction in the size of the Communication Class. It was noted that a reduction in early year's provision would lead to increased challenges around collating appropriate information and evidence in relation to these pupils.

LAO stated that the data trend analysis will be reviewed going forward and by reducing OOC placements, local provision such as Catch 22 and Newport Live could be increased therefore making use of money already in the system.

HT noted that the narrative was incorrect in relation to breakfast clubs in appendix 1.

LA to amend this and CEO confirmed that new school builds would have resource to have a breakfast club.

HT stated secondary school transitions appear to be decreasing over time and did this mean that projected future secondary schools transitions would be lower at that stage.

LAO advised that the LA has funded new demand in Primary provision in the new and growing schools, these pupils then filter their way into the secondary schools and the LA does have some surplus capacity in secondary schools. Secondary school expansions are reviewed as the pupil projection model is updated.

SBM stated that the deficit figure for his school was different on the monitoring paper (p153) than the figure he had provided and asked what had been adjusted.

LAO confirmed that the position provided by the school had been adjusted to account for the teachers pay grant that had been announced.

SBM stated that the 2021 outturn for schools was more favourable than expected but suggested this was down to the impact of COVID-19 and savings secondary schools have made in areas such as exam fees and supply cover.

This would be a one off saving due to the extenuating circumstances and that schools had also been holding balances back on the basis that COVID-19 funding was currently only available until the end of March 2021 and had been waiting for settlement information to come through.

HT reiterated this point and said the positive position was in part due to prolonged closures which have meant a reduction in school running costs. What stood out in the report was the in-year overspend for a number of Primary Schools despite the circumstances. Schools have reduced their reserves and the challenges remain.

HT asked what the plan was for the transfer from FMS to BMS over the next couple of months and asked if training would be rolled out.

LAO advised that at present only budget monitoring had been moved over and schools would still need to keep FMS for other functions for the time being. All core service school business managers had received training and in enhanced service schools, Finance Business Partners will provide individual training and update your schools forecast with you during your monitoring visits.

Chair NA lost internet connection and vice chair MR took over in her absence.

SBM asked what the timeline was for the indicative budgets.

APPENDIX 3 – Schools Forum Minutes

AHoF confirmed the budget will go to Cabinet on 22nd February 2021, and then to Council on 3rd March 2021 to get the go-ahead.

LAO advised the intention is to get the indicative school budgets issued by 14th Feb with final budgets by 31st March as we are still aiming for the normal timetable however the pandemic is impacting on certain elements required to run the funding formula.

6. Questions

Raised in above section

7. AOB

Chair re-joined the session and resumed her role.

LAO shared proposals regarding pupil count arrangements and Catering funding.

Secondary Pupil Count Data - The funding formula for the secondary pupil count requires the following as the basis for a 3 point average:

- January 2021 PLASC count
- September 2021 estimate
- January 2022 estimate

Given the delay to the PLASC collection, now not likely until sometime in March, it was proposed the following for 21/22 pupil average:

Count based on 26 January 2021 as per the initial delayed count date from Welsh Government.
September 2021 and January 2022 estimate to be determined by school as normal

The above will be compared to PLASC 2021 for the retrospective adjustment in 2022/23 financial year.

For the 20/21 retrospective adjustment in 21/22 funding this would normally compare the following:

- Jan 2019 PLASC
- Sept 2020 estimate v actual
- Jan 2021 estimate v Jan 2021 PLASC (delayed)

It is proposed that the Jan 2021 estimate is compared to the Sept 2020 count for the adjustment.

SBM confirmed that he and other school representatives were happy to progress based on these proposals.

Free School Meal (FSM) Funding - The following is the basis for allocating FSM funding to schools within the formula:

Primary pupils:

- The number of pupils per school receiving free school meals during January 2021.

Secondary Schools:

- The number of pupils per school receiving free school meals each month from April 20 to January 21 and a projection for February 21 and March 21.

Special School:

- The number of pupils per school receiving school meals during January 2021.

APPENDIX 3 – Schools Forum Minutes

The pandemic has impacted on the uptake of FSM and it was proposed that the LA use 20/21 allocation basis for 21/22 with the actuals included if reasonable for February to March for secondary schools.

The LA had met with the school forum secondary school business managers to consult on these proposals prior to the meeting and all agreed this was a sensible approach.

HT queried if the proposal should be to use *actual* free school meal entitlement numbers.

LAO advised that the funding formula it is based on the actual uptake of meals which is lower at approx. 70-75% of the entitlement figure. If the formula was based on entitlement alone then it would fund schools for more meals than they were actually providing.

AHoF advised will need to monitor this for future pressures and finance will carry out some analysis on entitlement and will share with forum.

Forum agreed this was a sensible approach and would be interested in the results of the entitlement analysis.

Action – CW to share results of FSM entitlement analysis with forum.

AHoF advised forum that he would be leaving the authority in the next few months and thanked everyone for their support over the years and it had been great working with you all.

Forum thanked the AHoF for being available for forum member's queries and sharing data and wished him all the best.

Meeting closed.

Date of next meeting(s) –

11th March 2021

15th July 2021

Newport's Budget Challenge

Budget Saving Proposals for 2021-22

The following report summarises the results of the consultation surveys on the budget saving proposals for 2021-22. This process took two forms:

- An online survey that is open to all citizens; and
- A shortened survey involving users of the free bus Wi-Fi.

The consultation ran from the 8 January 2021 until the 12 February 2021.

A total of 599 responses were received including 285 through the online consultation survey and 314 through the bus Wi-Fi survey.

With regard to the online consultation survey respondents were asked their opinions on 8 of the proposals being considered by Cabinet. The summary of the results includes a description of each of the proposals, the options being considered, alongside the results given and a selection of the received comments.

For the bus Wi-Fi survey, the focus was on gathering users' views on the proposed increase in council tax, while promoting the full online survey and where to access.

In addition, during the consultation period we separately received feedback from Newport Councillors, which are summarised below:

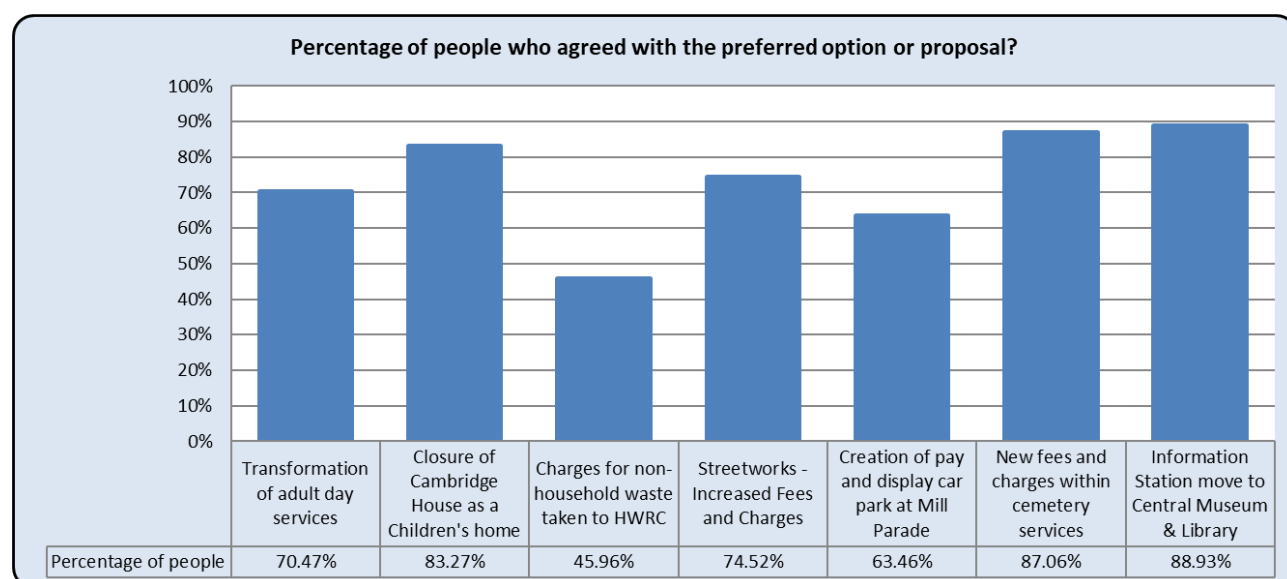
- General acknowledgment of the impact of Covid-19 on finances but highlighting the need to ensure that contingencies are in place taking into account both increased demand for services and decreases in revenue.
- Is there confidence in the outlined demand for social care e.g. high-end autism placements, older persons/mental health placements?
- Will the savings at the HWRC be eaten up by increased fly tipping, which is a real and big issue?
- Highlighted concerns from constituents on the level of increase in Council Tax, which they feel is too high, especially in these challenging times.

Online Budget Consultation Survey

There were 285 responses received (including 2 completed in Welsh), with the results shown below:

Overview of Results

Budget Proposals		Percentage of people who agreed with the...		Percentage of people who believed the proposal was fully or partly explained in the business case
		Preferred option	Proposal	
AS2122/03	Transformation of adult day services	70.47%		91.80%
CS2122/03	Closure of Cambridge House as a Children's home	83.27%		94.29%
STR2122/02	Charges for non-household waste taken to HWRC	45.96%		96.68%
STR2122/05	Streetworks - Increased Fees and Charges		74.52%	93.88%
STR2122/06	Creation of pay and display car park at Mill Parade		63.46%	99.18%
STR2122/08	New fees and charges within cemetery services	87.06%		94.78%
RIH2122/04	Information Station move to Central Museum & Library	88.93%		96.12%
Proposal		Agree a 5% increase is 'About Right'		
N/A	Increase in Council Tax		31.05%	
N/A	Increase in Council Tax (Bus Wi-Fi Survey)		20.06%	



List of Budget Proposals 2021-22 – People

Proposal Number 1

AS2122/03 – Adult and Community Services

Transformation of adult day services

The day opportunities service provides specialist services for people with profound and multiple learning disabilities (PMLD) and people needing support with their mental health. A number of rooms on the Brynglas site are also used by an older persons' group.

The PMLD and older people's services provide respite for carers as they require round-the-clock personal care and support. Brynglas also provides the opportunity for people to socialise and participate in a range of activities.

Over the past few years, the numbers attending the services have significantly reduced so that typically there are between 10-14 people in the mental health service each session; and between 21-23 in the PMLD per day.

There have been minimal referrals to the PMLD day service over the past two years while there has been an increase in the referrals for older persons' respite care. Younger people coming into the adult PMLD group and their families do not want the traditional building-based service.

The ending of the contract for an external respite for mainly older people ends on 31 March and this presents an opportunity to deliver the same level of service by our own staff. Community based care would mainly focus on supporting older people and unpaid carers. In order to deliver a community based model of care and support that meets people's needs, a staffing restructure would be required. There are efficiencies that can be made by delivering this service model compared to a building based model, which would be achieved through a reduction in overall staffing.

It is proposed to commission day services for people with PMLD or mental health services from providers who have the experience and facilities.

Savings: £437k (2021/22); £145k (2022/23)

Reduction of Staff: 16.97 Full Time Equivalent (FTE)

The following options have been put forward:

Option 1: Continue to deliver a building based day service from Brynglas for people with PMLD, older people and people with mental health problems (status quo).

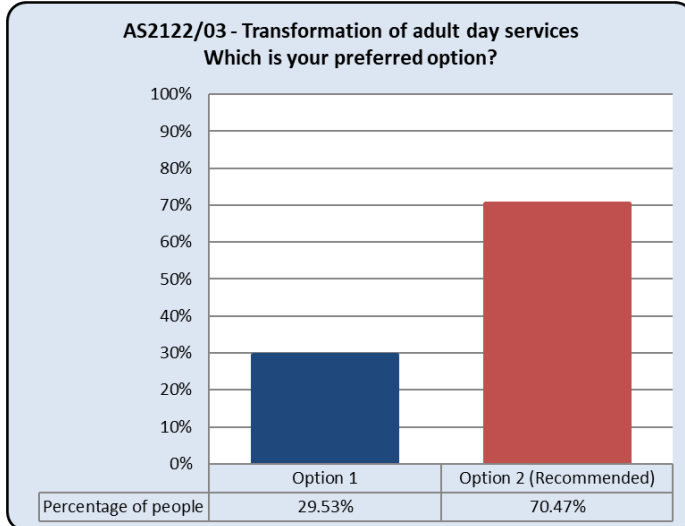
Option 2 (**Recommended Option**): Move to a community outreach model and:

- Re-provision the Mental Health service to third sector provision;
- Move to a community based outreach model of respite, care and support for older people and unpaid carers;
- Provide a mixed range of provision for PMLD clients which include both building and community based services using a mix of internal and external provision.

Q1a: Which is your preferred option?

Preferred Option	Number of people	Percentage of people
Option 1	75	29.53%
Option 2 (Recommended)	179	70.47%

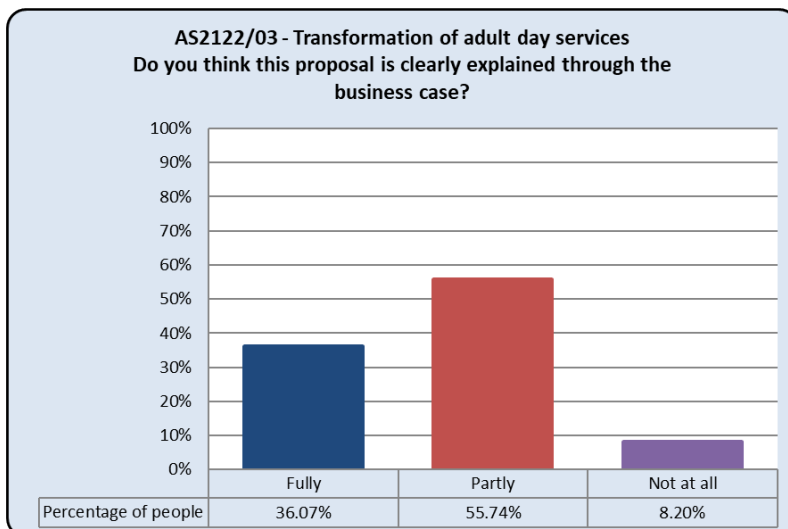
NB: There were 31 no responses to Q1a.



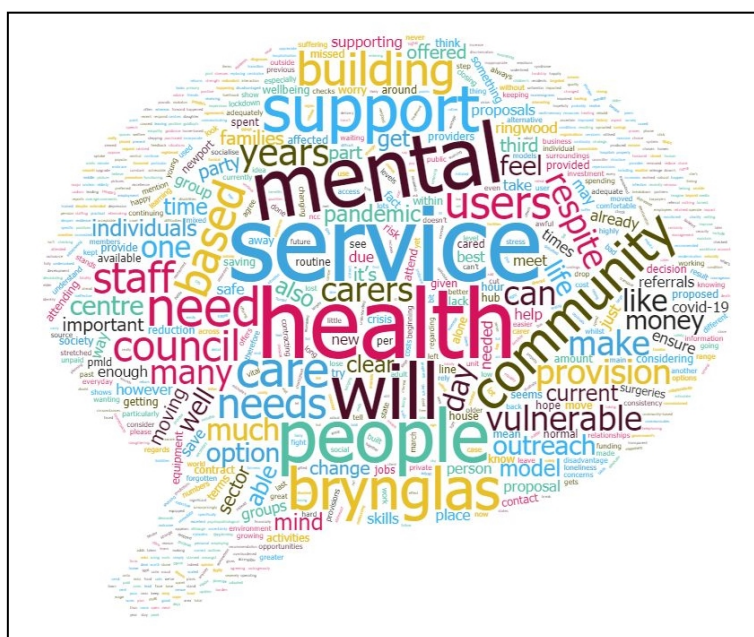
Q1b: Do you think this proposal is clearly explained through the business case?

Clearly Explained	Number of people	Percentage of people
Fully	88	36.07%
Partly	136	55.74%
Not at all	20	8.20%

NB: There were 41 no responses to Q1b.



Q1c: Do you have any other comments about this proposal (60 comments received – a selection of these comments to give an overview of the main issues are shown below)?



- It is important that people get to meet together. This has been particularly underlined during the recent pandemic. Home-based services are not enough.
- Seems sensible given that the proposed alternative would provide a service more in line with what people want/need.
- Brynglas offers a much needed service! Referrals may have dropped because the service isn't offered to young people leaving children's services and entering the adult provisions!
- Seems like a good idea to incorporate and work collaboratively with other partners.
- Many carers require the respite break that an outside setting offers. Simply 'supporting carers more' is not adequate. Respite services need to be improved and escalated not scaled down.
- I think that firstly you have to ascertain what support those that are attending are getting from the service as it currently stands. Whilst you consider the numbers are low, I consider that those that are attending may be getting something that they can't access elsewhere and so removing the service or changing it could mean that they lose out. If they can access the same support as they get from this service by other means then that is the time to look at this as an option, not before.

Proposal Number 2

CS2122/03 – Children and Family Services

Closure of Cambridge House as a Children's home

Cambridge House (CH) is a children's home in the Stow Hill area of the city. There has been a children's home at CH for over 30 years. As a children's home, CH is a very large building which is out of kilter with best practice in children's residential care. The building layout is challenging to manage children with more difficult behaviours. The building is in poor condition and in order for continued safe use requires extensive capital spend. It is in the middle of the city, which again poses extensive challenges because of the risk to children being exploited and targeted.

As a local authority (LA), Newport City Council has undertaken extensive works to maintain and enhance the residential care in Newport. This includes Forest Lodge and Rose Cottage with Rosedale due to come into operation at the end of November 2020. Windmill Farm is progressing and it is anticipated will come into operation during the autumn of 2021. Oaklands provides short breaks for disabled children. The proposed closure of Cambridge House would be in line with the developments of smaller children's homes with focussed methodologies of care set in the more rural areas of the city. Smaller homes are more able to meet the needs of children and are better suited to developing a family environment. Children's homes in close proximity to the city centre do have advantages in terms of access to facilities, public transport and other services. However, these advantages are outweighed by risks because of being close to areas of the city with inherent risks and difficulties for children and young people. Children's homes a little out of the city centre provide children with the advantages of more space, some rural activities and distance from more difficult aspects of the city centre. The developments within Newport are all within easy distance of services and facilities and do not suffer from isolation.

The council currently has the largest number of residential homes of any Welsh LA with a commitment to quality of practice and safe care for children. In order to achieve a closure and savings for a full year the decision for closure will require a timely decision. The staff group across children's residential care would be consulted in order to ensure the remaining children's homes were effectively & safely staffed.

Rosedale has been acquired and the capital works completed using Integrated Care Fund (ICF) grant funding. Rosedale is on schedule to be ready for use by early December. The revenue budget has been calculated on the same basis as Rose Cottage which has the same number of children and is working in the way planned for Rosedale. Rosedale has been planned in the same way as Rose Cottage with the original revenue budget coming with the children who have been placed out of county. If this business case is agreed, then the revenue attached to the children returning will be reconsidered either against the pressures being absorbed within Children's Services or as the next steps to reduce the numbers of agreed placements in out of county residential.

In order to maximise the savings element of this proposal, the final element is the targeting of one bed in Rosedale to be used by a neighbouring LA. Discussions have commenced with another LA for one child to return to Gwent and to be placed in Rosedale. This will also ensure the regional element of ICF capital funding is sustained. The current need for residential placements across Wales vastly outstrips local provision. It is therefore anticipated that one bed could consistently be used by another LA contributing towards the revenue budget for Rosedale.

The existing Cambridge House budget is £816k. The Rose Cottage budget is £601k, with £215k the projected saving. In addition, the contribution from another LA to a placement a year will equal £124k. The total saving in this business case is thus £339k with savings being realised from June 2021 onwards.

Savings: £254k (2021/22); £85k (2022/23)

Reduction of Staff: 5.12 FTE

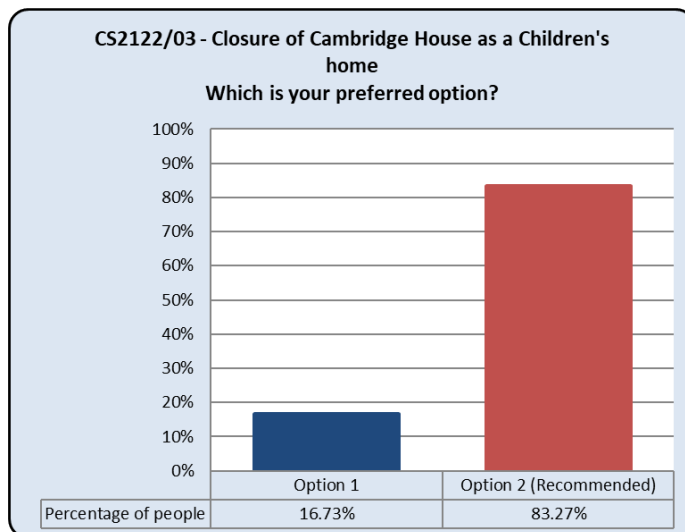
The following options have been put forward:

Option 1: Retain Cambridge House as a children's home.
Option 2 (Recommended Option): Cambridge House is closed as a children's home.

Q2a: Which is your preferred option?

Preferred Option	Number of people	Percentage of people
Option 1	43	16.73%
Option 2 (Recommended)	214	83.27%

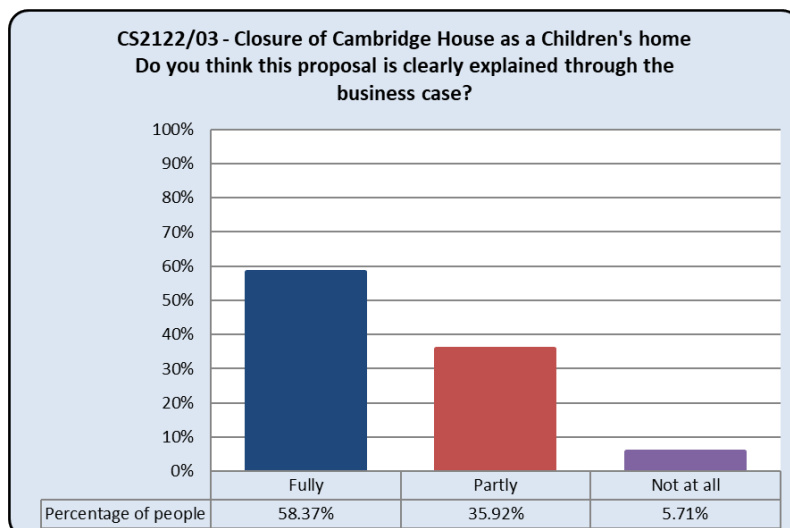
NB: There were 28 no responses to Q2a.



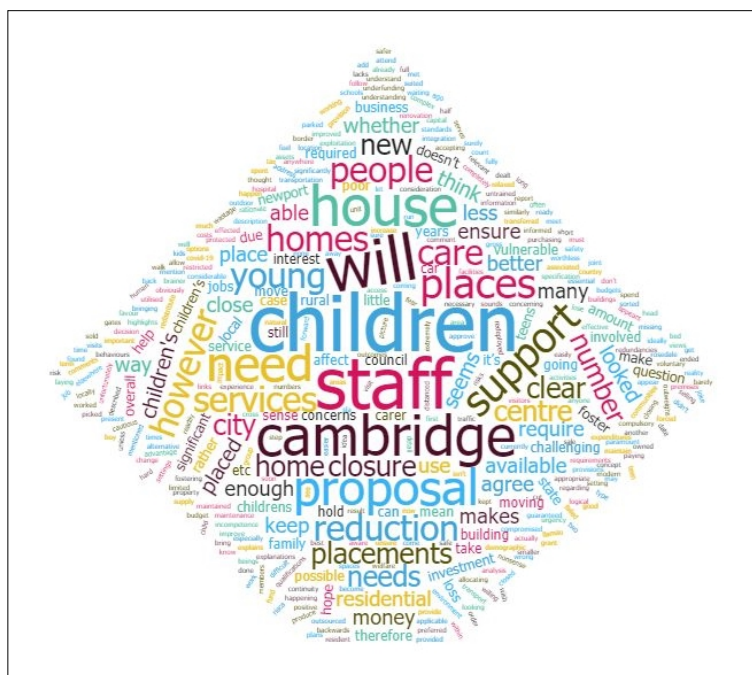
Q2b: Do you think this proposal is clearly explained through the business case?

Clearly Explained	Number of people	Percentage of people
Fully	143	58.37%
Partly	88	35.92%
Not at all	14	5.71%

NB: There were 40 no responses to Q2b.



Q2c: Do you have any other comments about this proposal (50 comments received – a selection of these comments to give an overview of the main issues are shown below)?



- I agree with the closure of CH with clear care plans for the children to be placed in appropriate placements. I am unsure where the LA are going to place the children, this doesn't appear to be clear within the proposal and it is concerning due to placements being extremely limited.
- I do have a question about the children and where they are going to be placed. Has there been any thought about joint working with Llamau?
- I fully approve the advantage of more spaces for outdoor and rural activities, more distanced from a city centre reality. It sounds to be in the best interest of those children.
- To ensure no loss of service and ensure children are protected I agree with this business case, however you have failed to mention how moving out of the city centre would affect the children in care. This must be looked at to be able to make an informed decision.
- I completely agree with the concerns about the risks associated with it being so close to the city centre. Having worked in Cambridge House many years ago it was challenging for staff to keep the young people safe as they only had to walk out of the gates and they could easily be picked up in a car and there was little we could do other than report them missing. However, I do have concerns that there seems to be a reduction in the number of children who would be able to access support in this way.
- I am an ex resident of Cambridge house children's home and I ended up there after a foster carer had to go into hospital. Services for teens have not improved in Newport and places are not readily available for teens or young people. To close this home would put young people at risk.

List of Budget Proposals 2021-22 – Place Proposal Number 3

STR2122/02 – City Services

Charges for non-household waste taken to household waste recycling centre (HWRC)

Historically the council has accepted non-household waste from residents such as DIY and construction materials.

This has incurred additional costs to the council and this proposal is to introduce a small charge to offset these costs.

Benchmarking analysis shows that while charges for these type of materials are not common in Wales, most other councils across the UK apply charges to DIY waste, plasterboard and tyres, with prices ranging between £2.50 and £6 per bag of plasterboard, and £4 to £5 per tyre.

New fees would be in place from 1st April 2021, and residents would be charged at the point of booking an appointment for disposal of the items.

Savings: £20k (2021/22)

Reduction of Staff: Not applicable

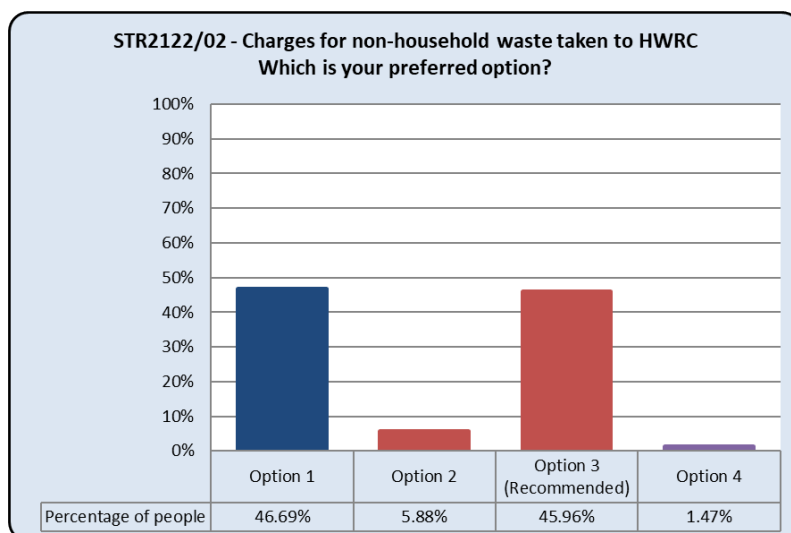
The following options have been put forward:

Option 1: Maintain status quo.
Option 2: Introduce charges for rubble, tyres and plasterboard. Main costs are generated by collection of rubble, tyres and plasterboard. Rubble is a material commonly produced as part of house renovations and the amount of rubble disposed of at the HWRC is high. While introducing new charges would bring additional revenue, it would impact on more residents and significantly impact on the recycling rate. If charges were introduced for all three elements, based on a cost recovery basis, the council would save c£90k. However, it is expected that some residents would opt for disposing of their items a different way or just not recycle them, which would lead to an overall decrease in the amount of material.
Option 3 (Recommended Option): Introduce charges for tyres (£2.5 per item) and plasterboard (£5 per bag – up to approx. 25kg). Rubble is a material commonly produced as part of house renovations and the amount of rubble disposed of at the HWRC is high; although the impact of introducing new charges would be high in terms of additional revenue, it would affect a higher number of residents both in frequency and cost, and would also have a significant negative impact to the recycling rate. However, tyres and plasterboard are relatively minor waste streams by weight, so any losses due to resident's opting out would be negligible in terms of recycling rate, while at the same time contributing to decrease the current extra costs to the recycling budget. Imposing charges for disposal of tyres and plasterboard would deliver savings of 20k while not having a significant negative impact on the recycling rate.
Option 4: Stop accepting tyres and plasterboard. There would be a saving, but a reduction in recycling and not be in line with the council's well-being objective of promoting economic growth and regeneration while protecting the environment.

Q3a: Which is your preferred option?

Preferred Option	Number of people	Percentage of people
Option 1	127	46.69%
Option 2	16	5.88%
Option 3 (Recommended)	125	45.96%
Option 4	4	1.47%

NB: There were 13 no responses to Q3a.

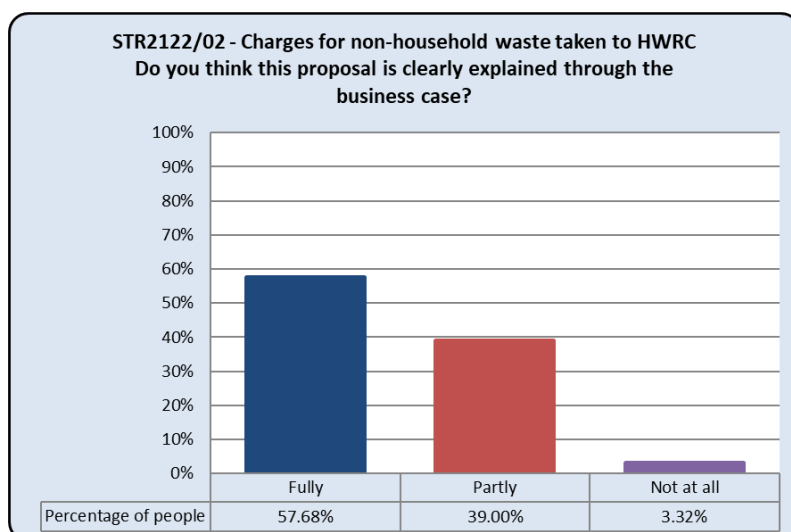


We also received feedback from two Community Councils who did not support the above proposal. For more information, see the letters appended in the Cabinet Report.

Q3b: Do you think this proposal is clearly explained through the business case?

Clearly Explained	Number of people	Percentage of people
Fully	139	57.68%
Partly	94	39.00%
Not at all	8	3.32%

NB: There were 44 no responses to Q3b.



Proposal Number 4

STR2122/05 – City Services

Streetworks – Increased Fees and Charges

This proposal seeks to increase the Council's current fees for the approval and processing of Temporary Traffic Regulation Orders applications by public utilities and developers who want to carry out works in the adopted highway.

This is a statutory requirement that all contractors must obtain prior to commencing any works that will affect the availability for road users and pedestrians whereby roads will require closure and diversion to a suitable alternative route to enable the works to be carried out safely.

The Council's Streetworks team administer all such applications and ensure efficient coordination is carried out to ensure minimal service disruption and shared access can be agreed as far as possible.

This legal process incurs both administrative and legal costs and includes advertising where required. Currently the council charge £800 per application exclusive of advertising, which is charged separately to the applicants on long term road closures only.

The proposal is to increase the fees charged to be inclusive of advertising costs so applicants are aware that a standard set fee is relevant to every application. The fee proposal is £1,450 per application, in line with other Councils.

Analysis of applications received per year indicate an anticipated number per annum of 58 will be received and an anticipated increase of gross income will be generated. An allowance for advertising costs is to be included based on long term closures experienced previously for £15k.

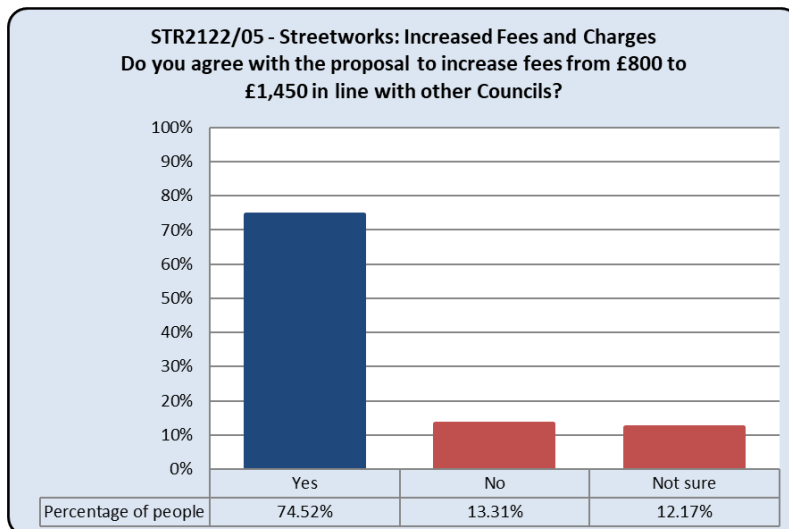
Savings: £21k (2021/22)

Reduction of Staff: Not applicable

Q4a: Do you agree with the proposal to increase fees from £800 to £1,450 in line with other Councils?

Do you agree?	Number of people	Percentage of people
Yes	196	74.52%
No	35	13.31%
Not sure	32	12.17%

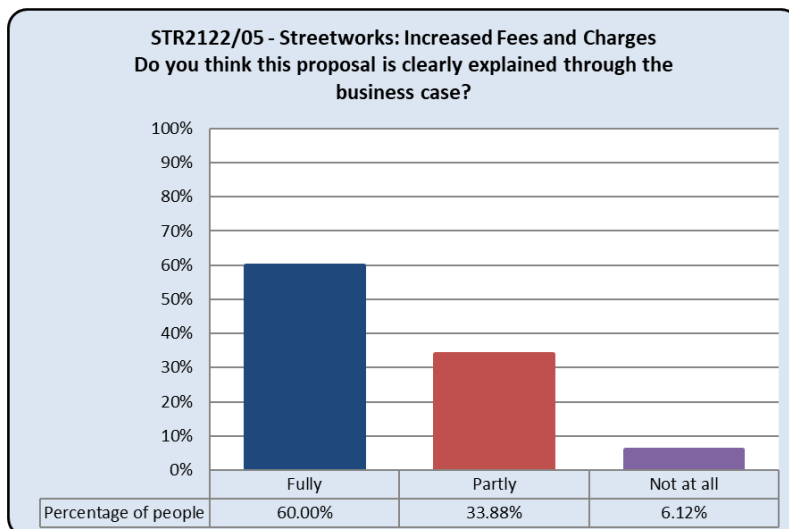
NB: There were 22 no responses to Q4a.



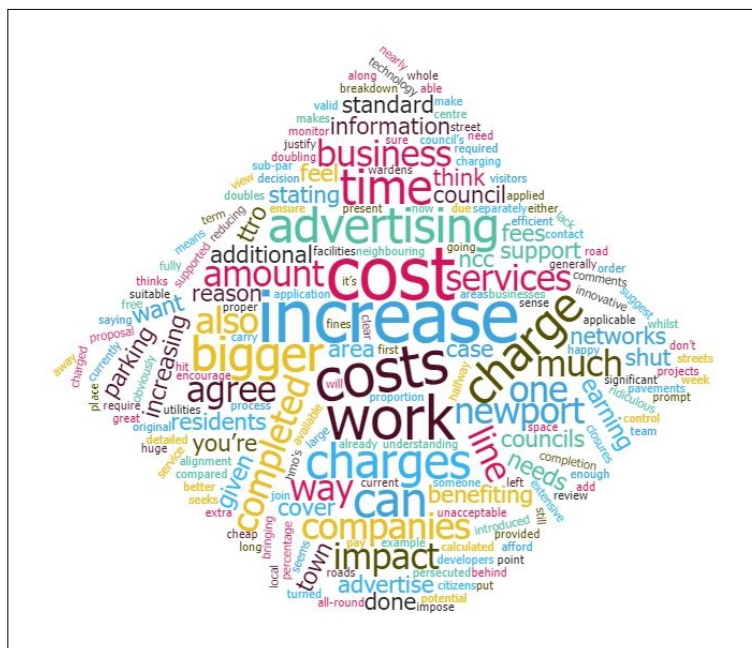
Q4b: Do you think this proposal is clearly explained through the business case?

Clearly Explained	Number of people	Percentage of people
Fully	147	60.00%
Partly	83	33.88%
Not at all	15	6.12%

NB: There were 40 no responses to Q4b.



Q4c: Do you have any other comments about this proposal (31 comments received – a selection of these comments to give an overview of the main issues are shown below)?



- Along with charging companies to carry out these services. NCC should also monitor the standard of work to ensure pavements / roads are left in a suitable way after work has been completed.
- I think that £800 per application was a very cheap cost, and that if you are going to increase costs for some services, it makes sense to increase them for large businesses (developers and utilities companies) who can still afford them during this time.
- You need to be more efficient with technology.
- Suggest an amount halfway, if extensive advertising is required, charge extra but agree with charges generally because of the impact on citizens.
- What would be better all-round is that you control the whole process and impose fines on the companies if the work is not completed on time and if the work completed has not been done so up to a proper standard.

Proposal Number 5

STR2122/06 – City Services

Creation of pay and display car park at Mill Parade

At the moment, the council does not charge to park at 30-space car park at Mill Parade, directly opposite the Transporter Bridge visitor centre.

It has been recently upgraded with electric vehicle charging facilities for 4 vehicles at this site.

Currently the site is being used by residents and commercial businesses, some of which are storing and maintaining vehicles off road free of charge for inordinate periods. Complaints have been received regarding a lack of public parking at the location currently being available. The site is an ideal parking facility for the nearby Transporter Bridge tourist attraction and nearby commercial premises.

This proposal is to introduce charging for the facility in line with the other out of city council car parks and adopt tariff charges as used at Maindee car park to enable its use to be for utilisation of residents and visitors to the area.

There will be a requirement for an initial invest to save capital allocation to be approved for the equipment and associated signage and legal traffic order amendments.

The scheme will include the installation of a CCTV camera to monitor the site. It is also noted that regular enforcement patrols by the council's civil parking enforcement officers will be necessary.

It is estimated these works and the formal process will be delivered by March 2021.

Savings: £21k (2021/22)

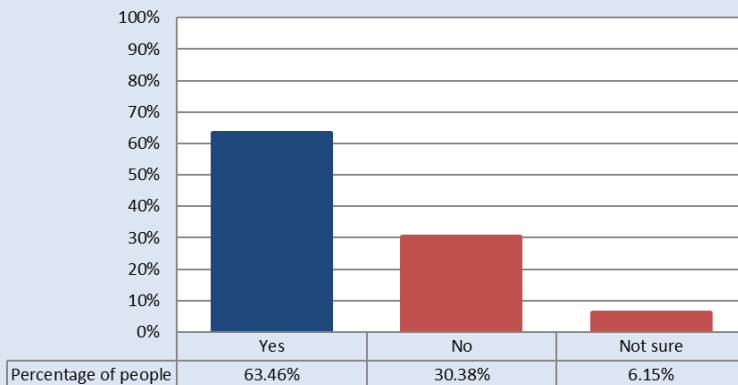
Reduction of Staff: Not applicable

Q5a: Do you agree with the proposal to introduce charging at Mill Parade in line with the other out of city council car parks and adopt tariff charges as used at Maindee car park?

Do you agree?	Number of people	Percentage of people
Yes	165	63.46%
No	79	30.38%
Not sure	16	6.15%

NB: There were 25 no responses to Q5a.

STR2122/06 - Creation of pay and display car park at Mill Parade
Do you agree with the proposal to introduce charging at Mill Parade in line with other out of city centre car parks and adopt tariff charges as used at Maindee car park?

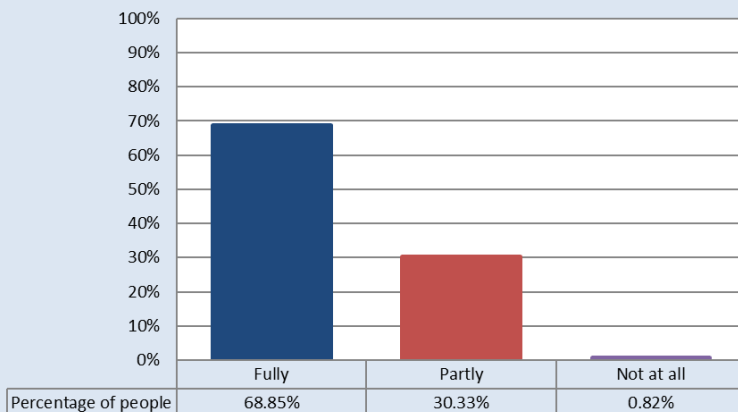


Q5b: Do you think this proposal is clearly explained through the business case?

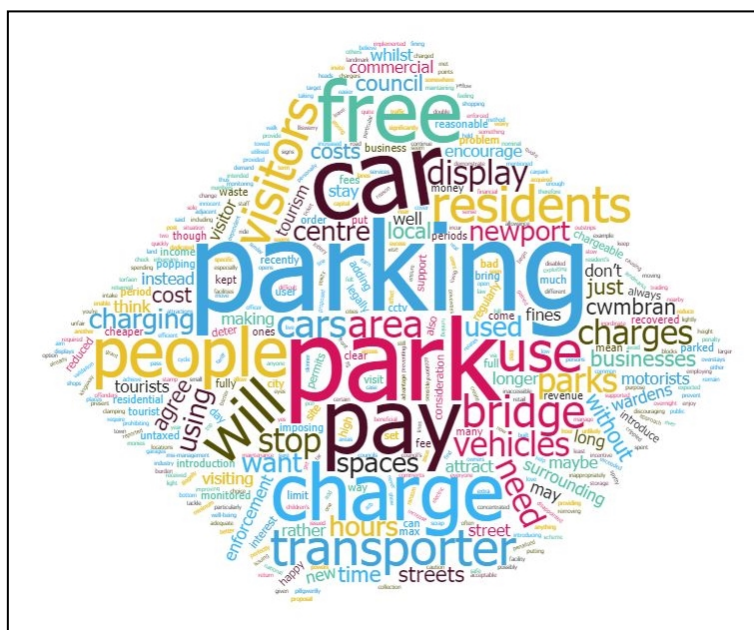
Clearly Explained	Number of people	Percentage of people
Fully	168	68.85%
Partly	74	30.33%
Not at all	2	0.82%

NB: There were 41 no responses to Q5b.

STR2122/06 - Creation of pay and display car park at Mill Parade
Do you think this proposal is clearly explained through the business case?



Q5c: Do you have any other comments about this proposal (54 comments received – a selection of these comments to give an overview of the main issues are shown below)?



- Newport is crippled by car parks that are chargeable. Bad move and will create bad feeling.
- Agree providing the tariff is kept low to the cost of the user. Car park fees are set too high, particularly for those who have no choice but to use their cars and park up somewhere safe for the day in order to earn a living.
- Consideration could be to have free parking for a set time. For example, 2 hours. This would not stop visitors to this area but stop residents and commercial use. This could be enforced by the CCTV proposed as in other cities.
- Yes, agree with this but a reduced cost would be sensible to ensure that tourism income is gained.
- People should pay to park cars and the money spent on improving cycle lanes.
- This car park is only lightly used so the costs may not be met by the income. The new visitors' centre at the Transporter Bridge may increase demand though.
- People will park in the surrounding streets causing further ASB to more residents.

Proposal Number 6

STR2122/08 – City Services

New fees and charges within cemetery services

Introduction of new fees and charges for services provided within the cemetery service. To date these services have not been provided or were not defined as a separate service or have been benchmarked against service provision and costs within the authority and other neighbouring local authorities.

These new charges will be implemented from the 1st April 2021 and will provide the public with a clear and concise list of charges for burial services and memorialisation within Newport owned and managed cemetery sites.

The proposed new costs are as follows:

- Traditional Graves Installation of full kerb set - £400 per unit (estimated 10 per year)
- Double Depth Grave - £200 per unit (estimated 30 per year)
- Triple Depth Grave - £300 per unit (estimated 15 per year)
- Test Dig of a Grave - £140 per unit (estimated 10 per year)
- Bricking up a Single Grave - £650 per unit (estimated 4 per year)
- Bricking up a Double Grave - £1,300 per unit (None estimated)
- In-house provision of Public Health Funerals – potentially saving £6,248

Savings: £25k (2021/22)

Reduction of Staff: Not applicable

The following options have been put forward:

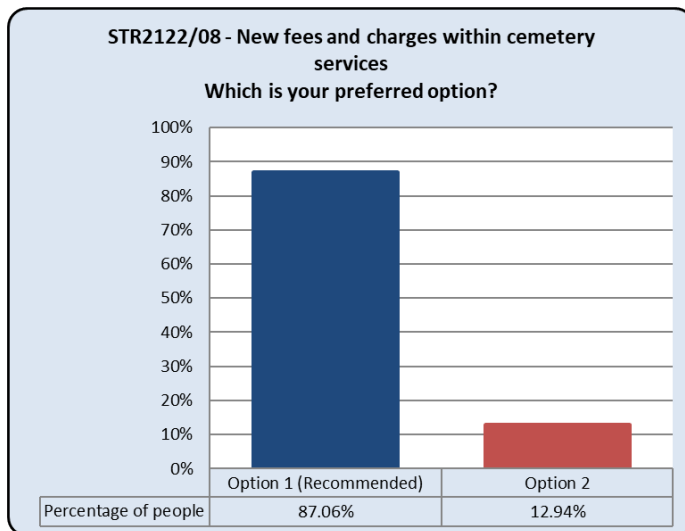
Option 1 (**Recommended Option**): Introduce charges at the levels indicated. This gives clarity to families arranging the funeral and allow all costs to be identified and considered at the earliest stage therefore eliminating 'hidden' costs.

Option 2: To not provide additional services – or only as necessary – with additional costs applied retrospectively, causing distress to grieving families.

Q6a: Which is your preferred option?

Preferred Option	Number of people	Percentage of people
Option 1 (Recommended)	222	87.06%
Option 2	33	12.94%

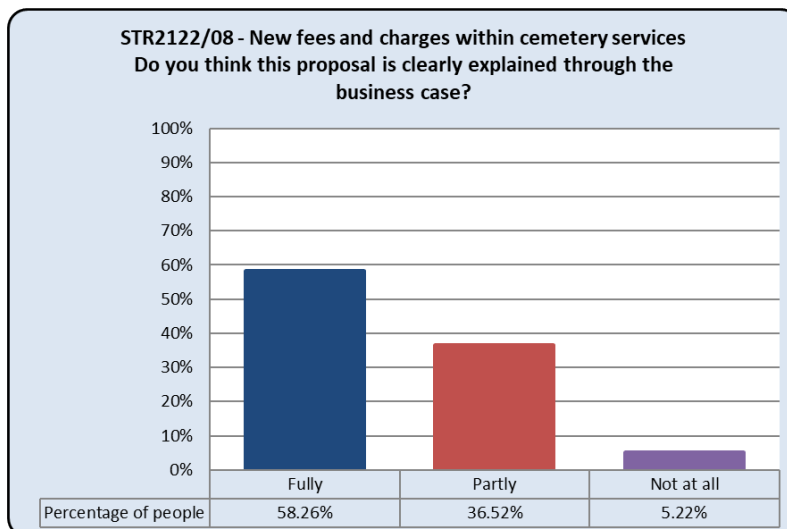
NB: There were 30 no responses to Q6a.



Q6b: Do you think this proposal is clearly explained through the business case?

Clearly Explained	Number of people	Percentage of people
Fully	134	58.26%
Partly	84	36.52%
Not at all	12	5.22%

NB: There were 55 no responses to Q6b.



Proposal Number 7

RIH2122/04 – Regeneration, Investment and Housing Information Station move to Central Museum and Library

The saving will be achieved by moving the Information Station call centre and face to face facilities to the Central Museum and Library (CML) building. The overall budget saving will be offset by the cost of borrowing, facilities management of the CML and transferring of utilities budgets.

The relocation of the face-to-face service has previously been approved by Cabinet and will enable the use of the Information Station as a business incubator/co-working hub. The occupier has been secured (Tramshed Tech) and will not only bring this successful concept to Newport, but it will also provide much needed flexible working space for start-ups and knowledge intensive small and medium enterprises (SMEs). There is currently a lack of such facilities in Newport and will provide us with the opportunity to retain and support some of the new start-ups and talent emanating from the likes of the National Software Academy, the Cyber Academy and the Alacrity foundation, all of which are based very close to (or within) the Information Station building.

This decision also allowed the council to conform to the approach outlined in the Strategic Asset Management Plan for rationalising our estate reducing our risk and liability. The Central Museum and Library was chosen as a suitable new venue for the provision of the Information Station service due to it providing the opportunity to maximise use of an existing council building and also being located in an accessible and central part of the city centre.

This saving should be fully realised by April 2021, with the CML site becoming fully operational in September 2021.

Savings: £117k (2021/22)

Reduction of Staff: Not applicable

The following options have been put forward:

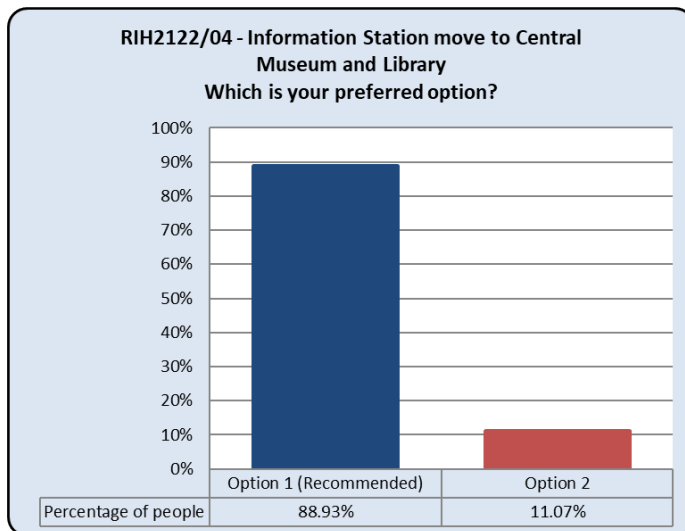
Option 1 (Recommended Option): To proceed with opportunities to commercialise the Information Station building, on the basis that officers can secure new occupiers and external finance required to deliver the project. Also relocate existing staff and services from the Information Station to the Central Museum and Library.

Option 2: To not proceed with opportunities to commercialise the Information Station building, continue to operate the building in the current format, including no change to the services provided in the Central Museum and Library building.

Q7a: Which is your preferred option?

Preferred Option	Number of people	Percentage of people
Option 1 (Recommended)	233	88.93%
Option 2	29	11.07%

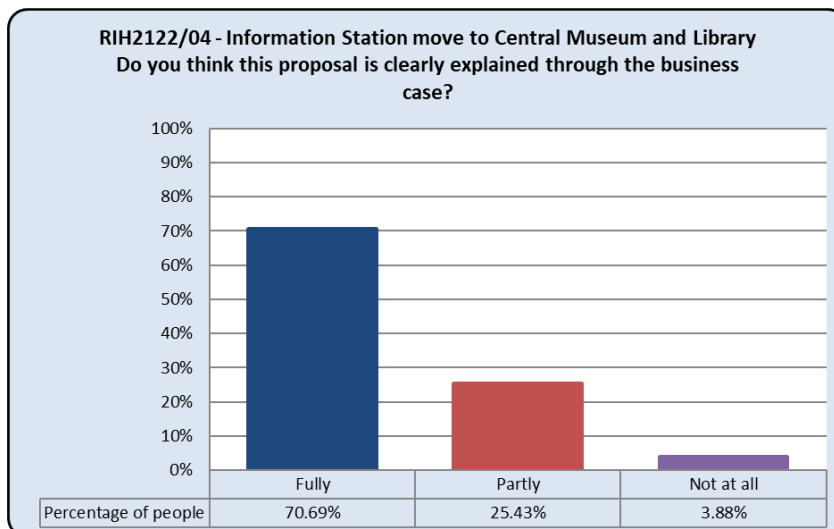
NB: There were 23 no responses to Q7a.



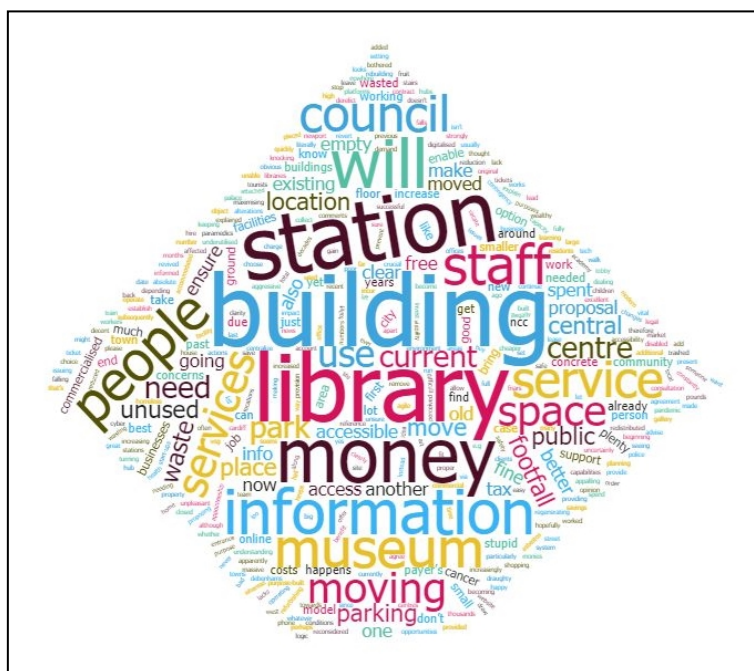
Q7b: Do you think this proposal is clearly explained through the business case?

Clearly Explained	Number of people	Percentage of people
Fully	164	70.69%
Partly	59	25.43%
Not at all	9	3.88%

NB: There were 53 no responses to Q7b.



Q7c: Do you have any other comments about this proposal (43 comments received – a selection of these comments to give an overview of the main issues are shown below)?



- Fully support increased use of library building. Turning library facilities into 'information hubs' is becoming increasingly successful in other towns such as the excellent Cardiff model.
- Keeps services central and easy access.
- Concerns about accessibility of the Library site - small ground floor lobby area, only one public lift. Information Station is purpose-built to ensure it is accessible for the public and safe for the staff working there.
- Hopefully by moving the info station to the library it will increase public footfall and bring more people back to the library and museum.
- I have concerns on safety if the Information Station services is moved to the Library as it is not the best place when dealing with aggressive people, homeless people and for the Police to remove them from the building down the stairs or if someone has a health issues and Paramedics need to get to that person.
- As a disabled person I find it very difficult to access the current building because of where it is. Moving it would centralize the service to a better location. And yes the unused space since the reference library was moved (closed).

List of Budget Proposals 2021-22 – Finance and Non-Service

Proposal Number 8

Non Service

Increase in Council Tax

A base 4% increase is already included in our medium term financial projections each year. This year, it is proposed that an additional 1% increase is applied to council tax in 2021-22 bringing the proposed increase to 5%.

Band	A	B	C	D	E	F	G	H	I
Annual increase	£39.93	£46.58	£53.24	£59.89	£73.20	£86.51	£99.82	£119.79	£119.79
Weekly increase	£0.77	£0.90	£1.02	£1.15	£1.41	£1.66	£1.92	£2.30	£2.30

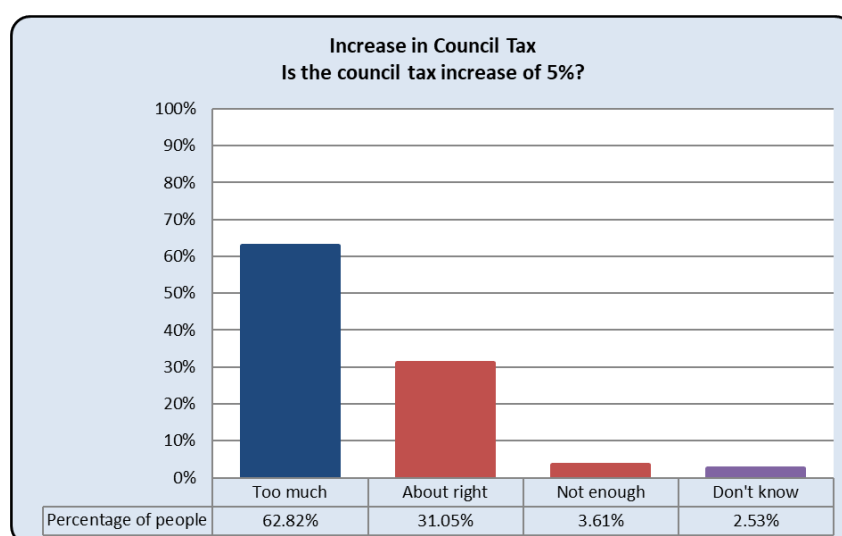
Given that over half of Newport's chargeable properties are banded A-C, the majority of households would see an increase of between £0.77 and £1.02 per week based on a 5% increase.

It is well documented that Newport's council tax is low compared to others in Wales, generating approximately 24% of our income, compared to around 25% for most Welsh councils. Newport continues to be one of the lowest council tax levels in Wales.

Q8a: Is a council tax increase of 5%?

Is the increase	Number of people	Percentage of people
Too much	174	62.82%
About right	86	31.05%
Not enough	10	3.61%
Don't know	7	2.53%

NB: There were 8 no responses to Q8a.



Q8c: Do you have any other comments about this proposal (104 comments received – a selection of these comments to give an overview of the main issues are shown below)?



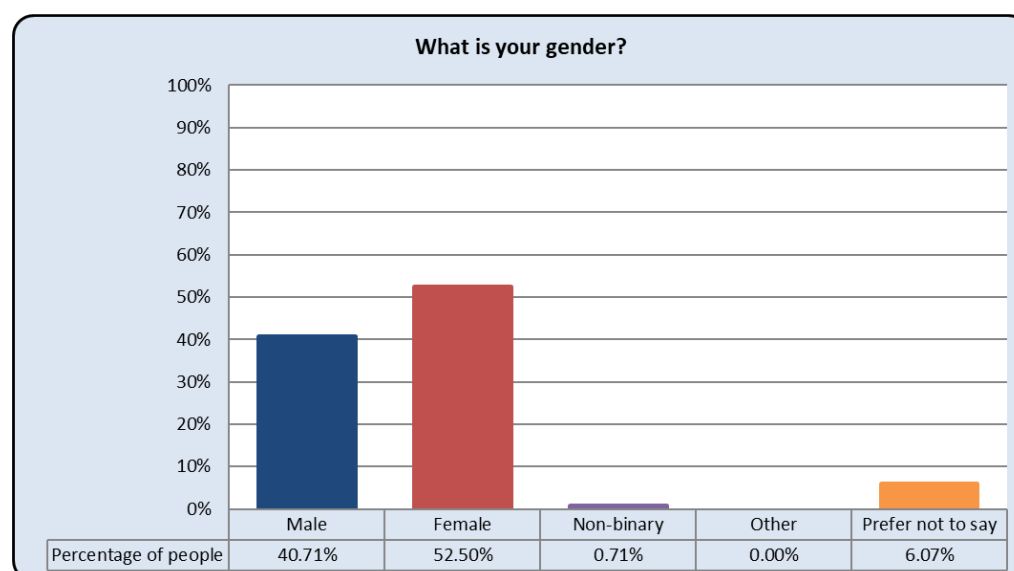
- Concerns for families who have been hard hit financially in 2020 as a result of Covid, e.g. redundancy, small business owners etc.
- It seems a lot but understandable with re-cooping Covid costs.
- Just think times are difficult enough at the moment. People are struggling so much, make the increase as small as possible after such a difficult year.
- Families and people in Newport living in poverty and an increase in council tax would put a strain on household income. Very unfair for low skilled workers on below average wages.
- Far too much. The pandemic has resulted (and continues to result) in significantly reduced household income. Many people have been out on furlough, had hours cut or unfortunately been made unemployed. Services over the last year have been significantly cut, and represent poor value for money. The council have furloughed far too many staff and I am sure this will have yielded an unexpected saving on cost. This continues to create stress, anxiety and uncertainty and now is NOT the time to be increasing council tax.

Equalities Monitoring

Q9: What is your gender?

Gender	Male	Female	Non-binary	Other	Prefer not to say
Number of people	114	147	2	-	17
Percentage of people	40.71%	52.50%	0.71%	-	6.07%

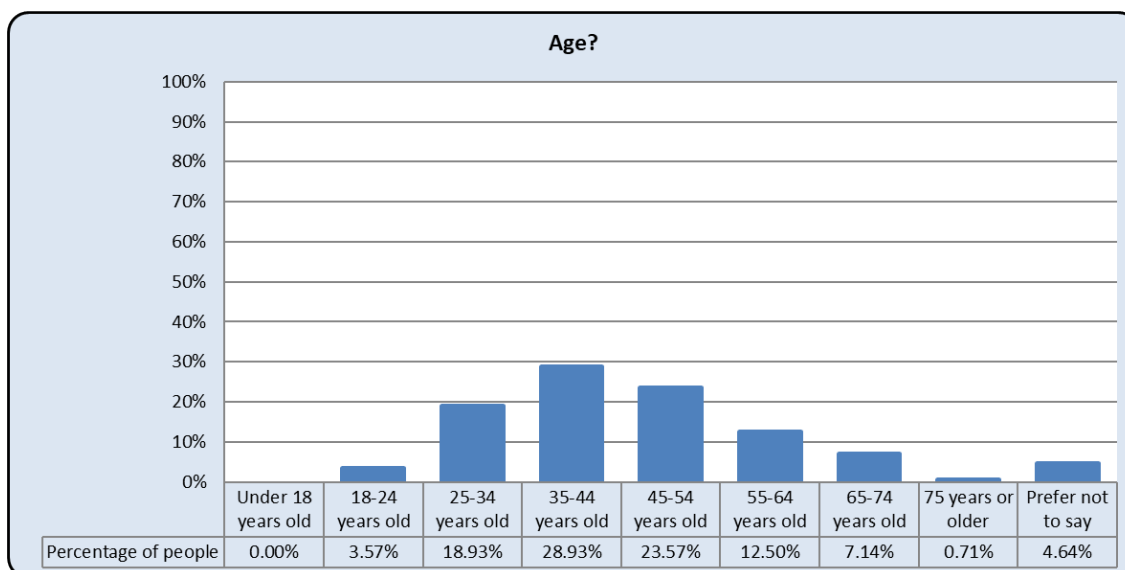
NB: There were 5 no responses to Q9.



Q10: 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	-	10	53	81	66	35	20	2	13
Percentage of people	-	3.57%	18.93%	28.93%	23.57%	12.50%	7.14%	0.71%	4.64%

NB: There were 5 no responses to Q10.

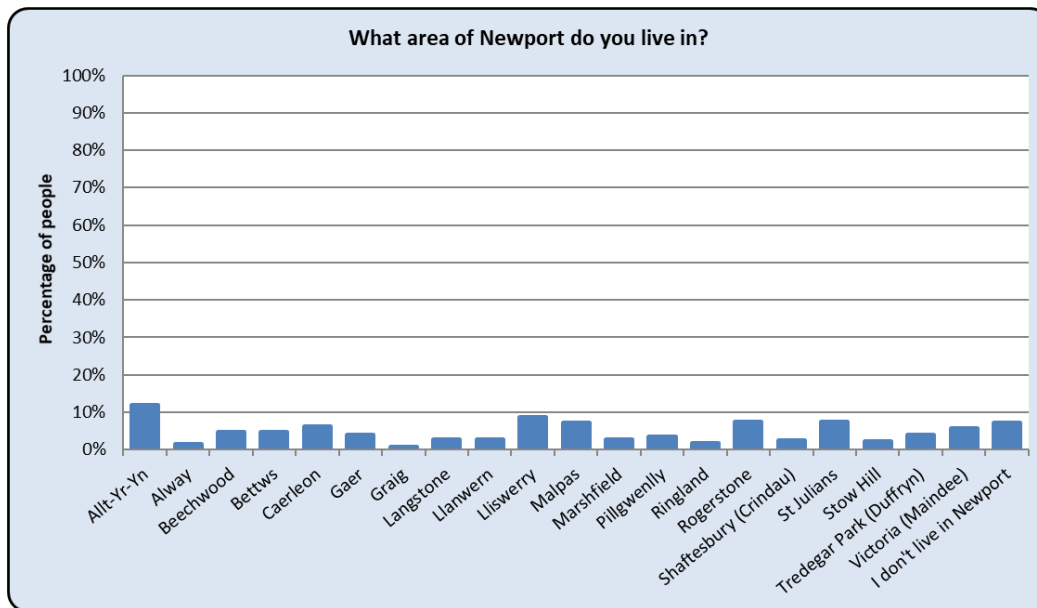


Q11: What area of Newport do you live in?

Ward	Number of people	Percentage of people
Allt-Yr-Yn	33	11.87%
Alway	4	1.44%
Beechwood	13	4.68%
Bettws	13	4.68%
Caerleon	17	6.12%
Gaer	11	3.96%
Graig	2	0.72%
Langstone	8	2.88%
Llanwern	8	2.88%
Lliswerry	24	8.63%
Malpas	20	7.19%

Ward	Number of people	Percentage of people
Marshfield	8	2.88%
Pillgwenlly	10	3.60%
Ringland	5	1.80%
Rogerstone	21	7.55%
Shaftesbury (Crindau)	7	2.52%
St Julians	21	7.55%
Stow Hill	6	2.16%
Tredegar Park (Duffryn)	11	3.96%
Victoria (Maindee)	16	5.76%
I don't live in Newport	20	7.19%

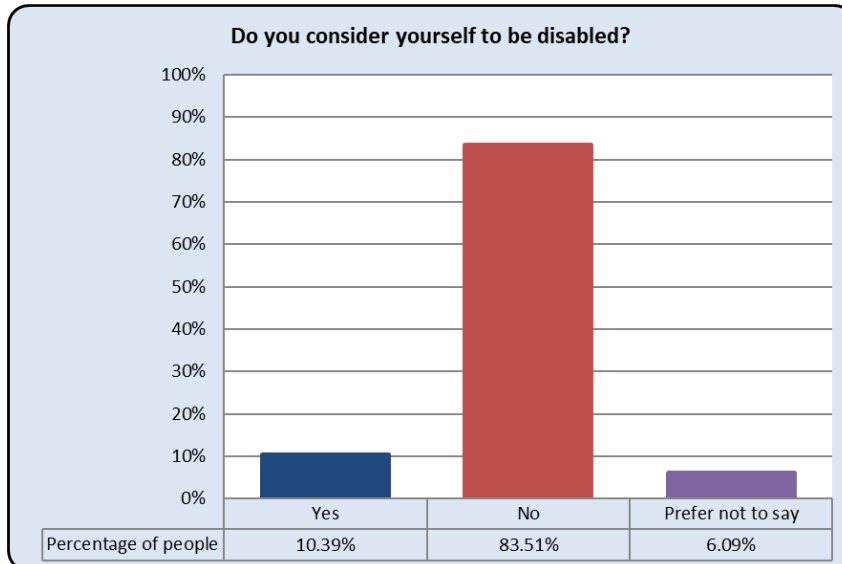
NB: There were 7 no responses to Q11.



Q12: Do you consider yourself to be disabled?

Disabled	Yes	No	Prefer not to say
Number of people	29	233	17
Percentage of people	10.39%	83.51%	6.09%

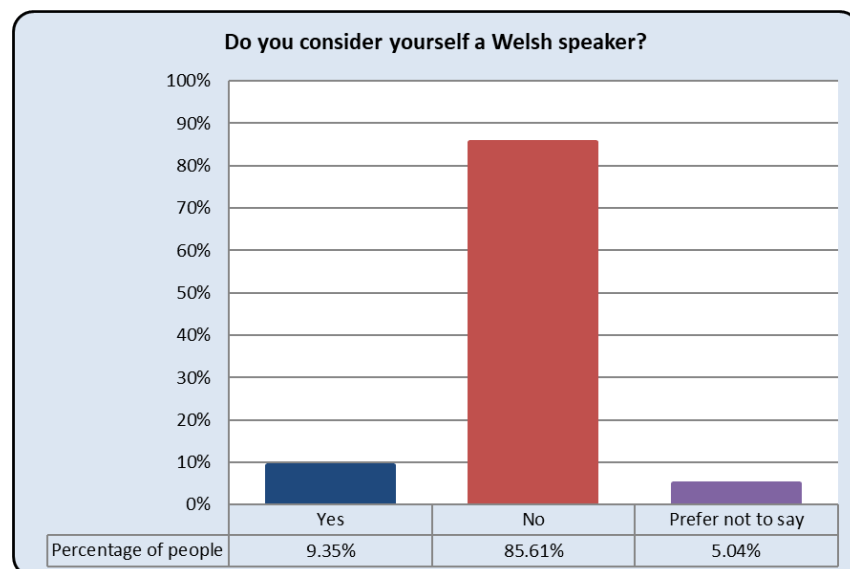
NB: There were 6 no responses to Q12.



Q13: Do you consider yourself to be a Welsh speaker?

Welsh Speaker	Yes	No	Prefer not to say
Number of people	26	238	14
Percentage of people	9.35%	85.61%	5.04%

NB: There were 7 no responses to Q13.



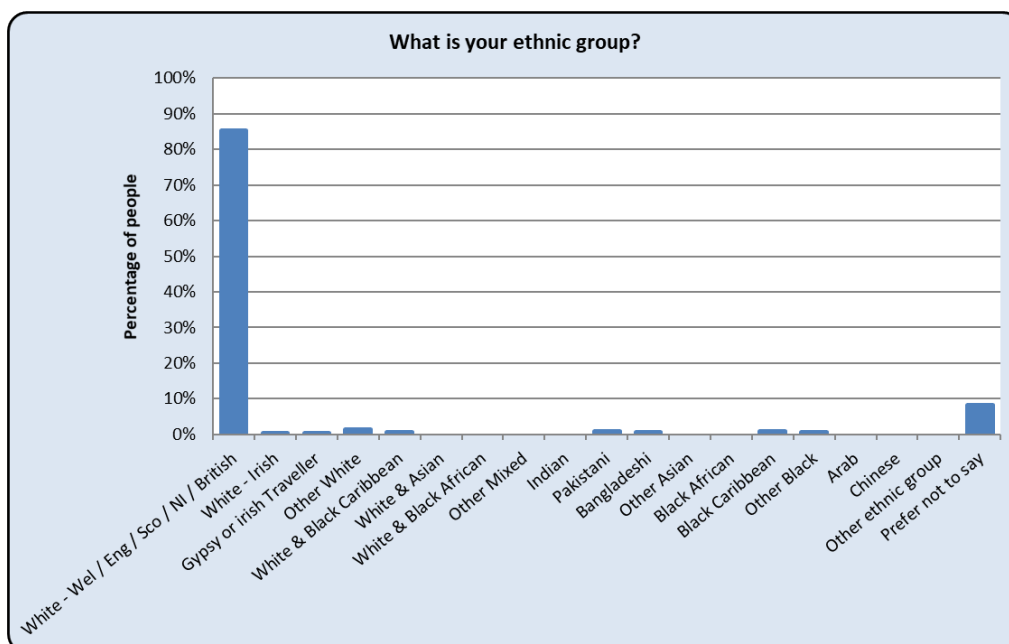
Q14: What is your ethnic group?

Ethnicity?	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	238	85.30%
White - Irish	1	0.36%
Gypsy or Irish Traveller	1	0.36%
Other White	4	1.43%
White & Black Caribbean	2	0.72%
White & Asian	-	-
White & Black African	-	-
Other Mixed	-	-
Indian	-	-
Pakistani	3	1.08%

Ethnicity?	Number of people	Percentage of people
Bangladeshi	2	0.72%
Other Asian	-	-
Black African	-	-
Black Caribbean	3	1.08%
Other Black	2	0.72%
Arab	-	-
Chinese	-	-
Other ethnic group	-	-
Prefer not to say	23	8.24%

NB: There were 6 no responses to Q14.

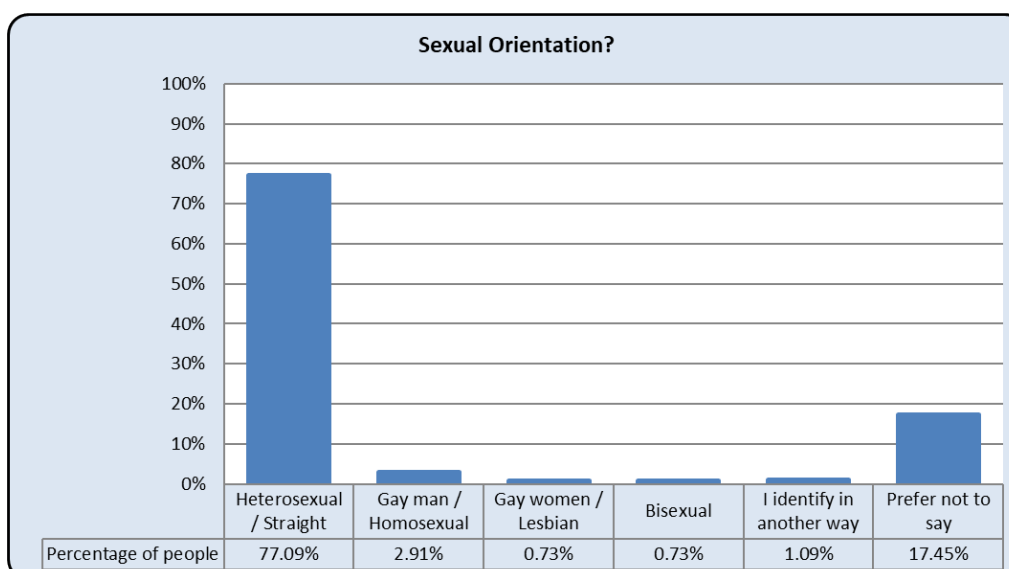
Other – White: European New Zealand European
Other Black: British British



Q15: 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	212	8	2	2	3	48
Percentage of people	77.09%	2.91%	0.73%	0.73%	1.09%	17.45%

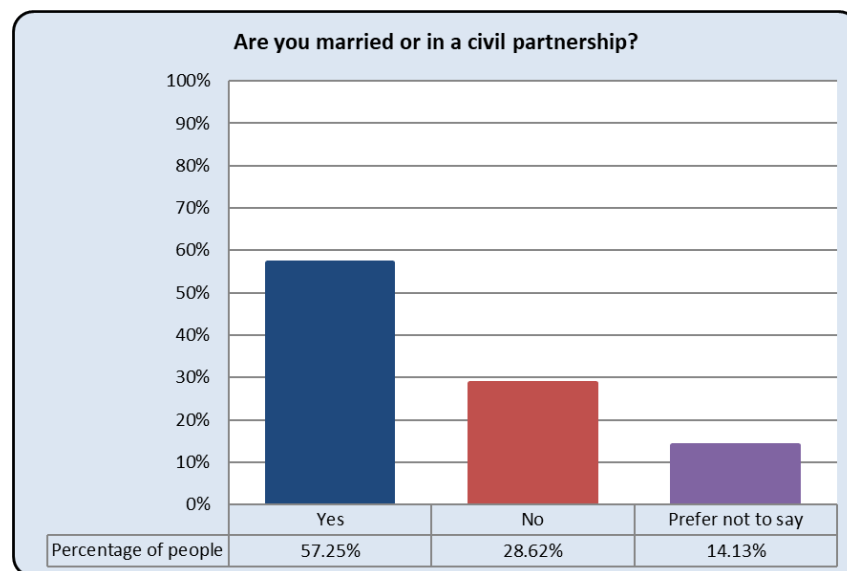
NB: There were 10 no responses to Q15.



Q16: Are you married or in a civil partnership?

Married / Civil Partnership	Yes	No	Prefer not to say
Number of people	158	79	39
Percentage of people	57.25%	28.62%	14.13%

NB: There were 9 no responses to Q16.

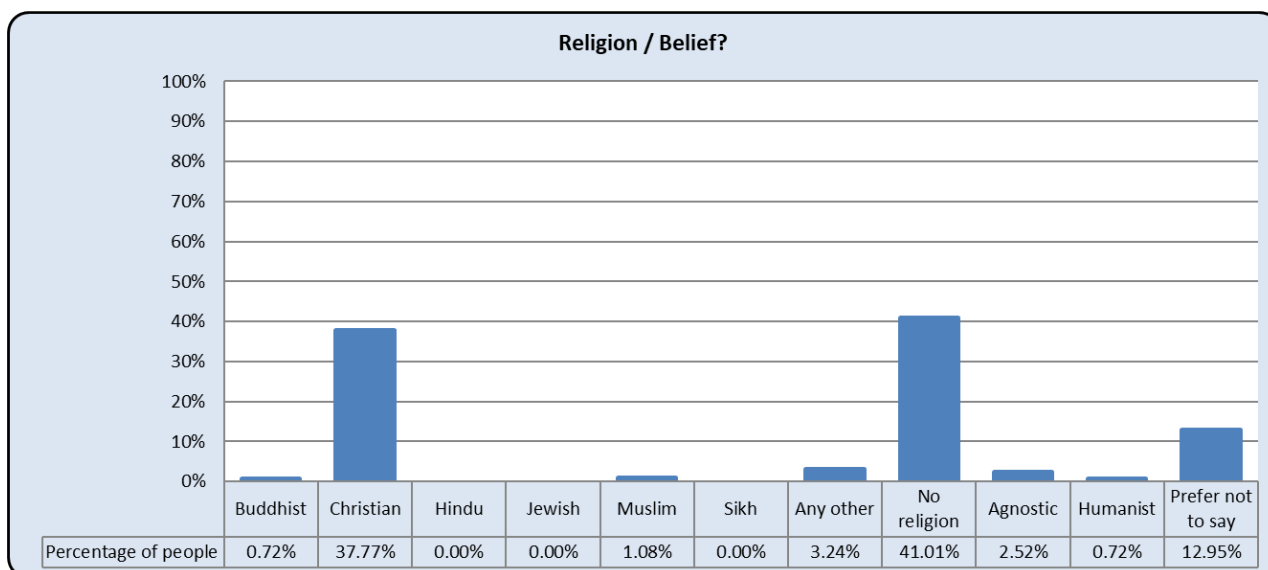


Q17: Religion / Belief?

Religion	No. of people	% of people
Buddhist	2	0.72%
Christian	105	37.77%
Hindu	-	-
Jewish	-	-
Muslim	3	1.08%
Sikh	-	-

Religion	No. of people	% of people
Any Other	9	3.24%
No religion	114	41.01%
Agnostic	7	2.52%
Humanist	2	0.72%
Prefer not to say	36	12.95%

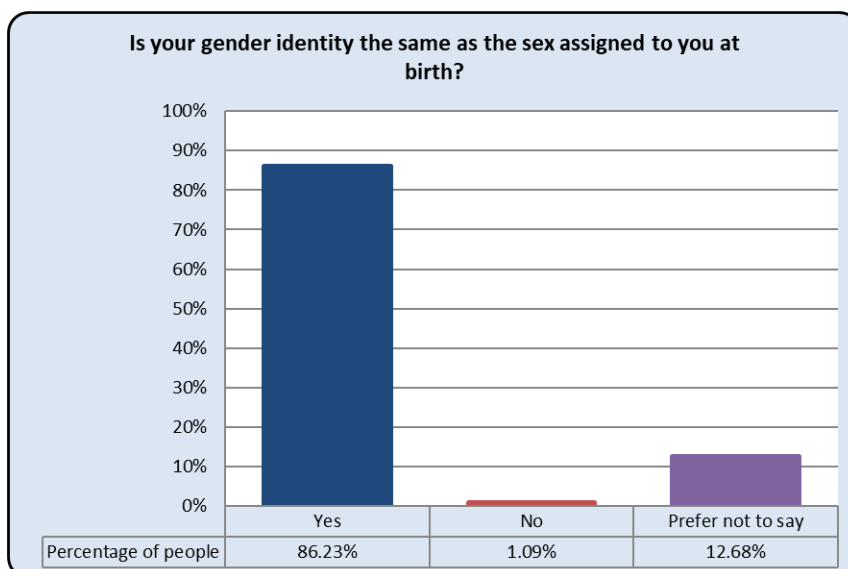
NB: There were 7 no responses to Q17.



Q18: Does your gender identity match your sex as registered at birth?

Identity	Yes	No	Prefer not to say
Number of people	238	3	35
Percentage of people	86.23%	1.09%	12.68%

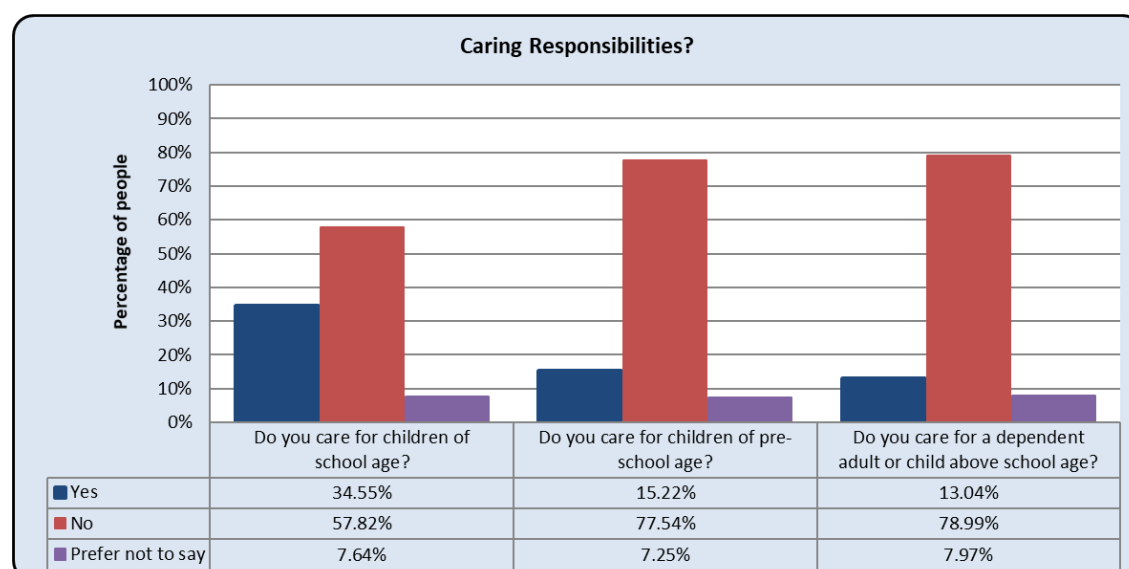
NB: There were 9 no responses to Q18.



Q19: Caring Responsibilities?

A: School Age	Yes	No	Prefer not to say
Number of people	95	159	21
Percentage of people	34.55%	57.82%	7.64%
B: Pre-school Age	Yes	No	Prefer not to say
Number of people	42	214	20
Percentage of people	15.22%	77.54%	7.25%
C: Above School Age	Yes	No	Prefer not to say
Number of people	36	218	22
Percentage of people	13.04%	78.99%	7.97%

NB: There were 10 no responses to Q19.a / NB: There were 9 no responses to Q19.b / NB: There were 9 no responses to Q19.c.



Bus Wi-Fi Survey

A total of 314 responses were received during the consultation, where users were asked their views on the rise in council tax for 2021-22.

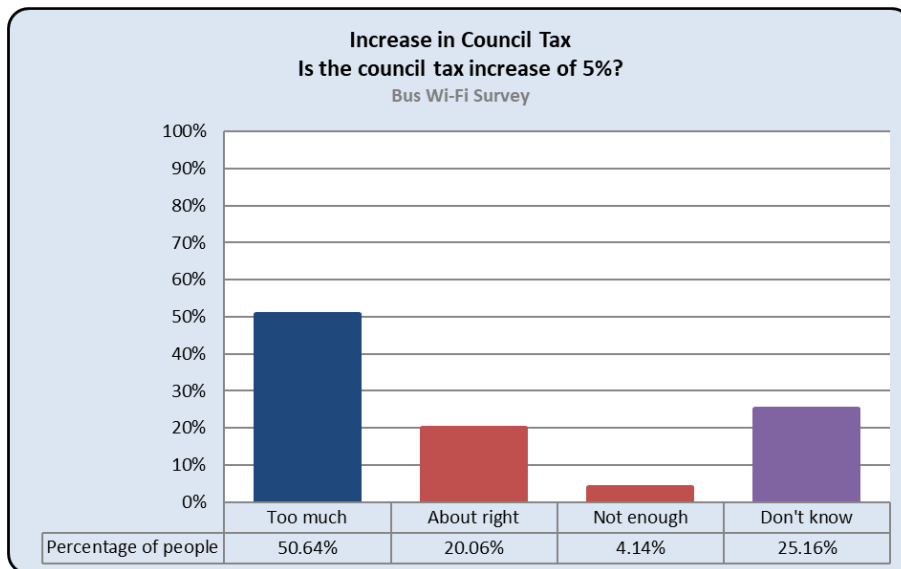
Increase in Council Tax

Q1: It is well documented that Newport's council tax is low compared to others in Wales, generating approximately 24% of our income, compared to around 25% for most Welsh councils. Newport continues to be one of the lowest council tax levels in Wales.

The council is proposing a rise in council tax of 5% (1% above the base increase of 4%). Given that over half of Newport's chargeable properties are banded A-C, the majority of household would see an increase of between £0.77 and £1.02 per week.

Is a council tax increase of 5%?

Is the increase	Number of people	Percentage of people
Too much	159	50.64%
About right	63	20.06%
Not enough	13	4.14%
Don't know	79	25.16%

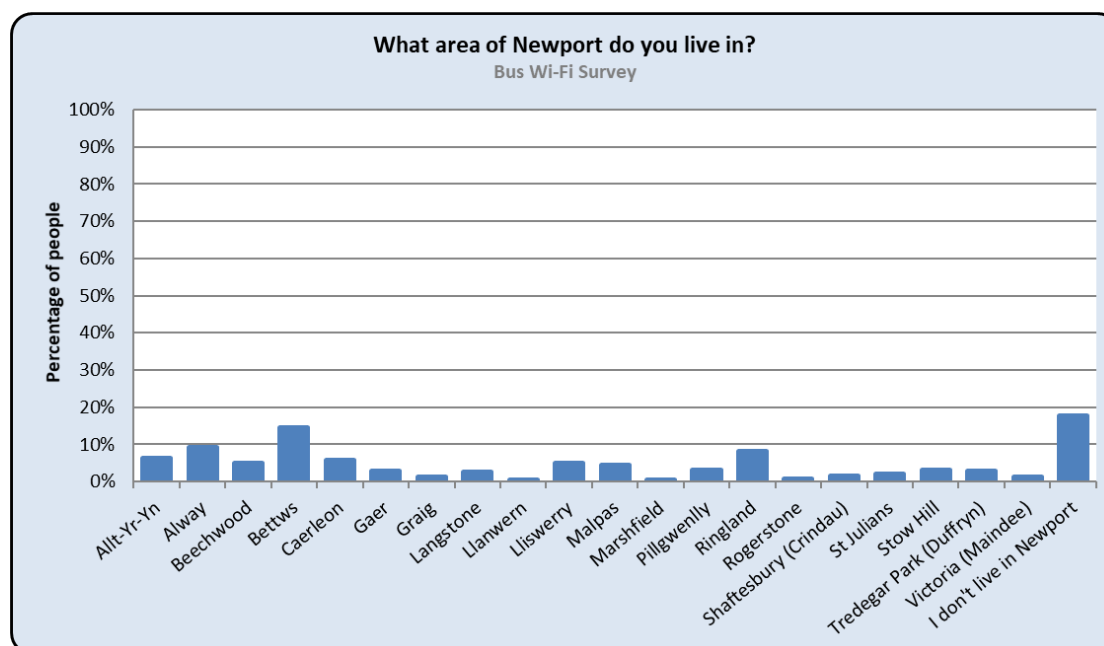


Equalities Monitoring

Q2: What area of Newport do you live in?

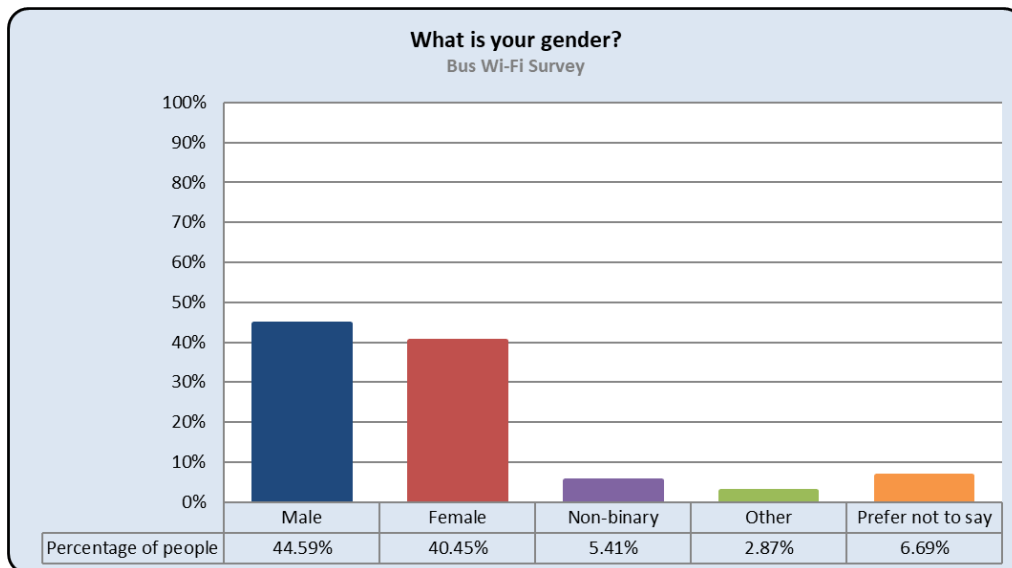
Ward	Number of people	Percentage of people
Allt-Yr-Yn	20	6.37%
Alway	29	9.24%
Beechwood	16	5.10%
Bettws	46	14.65%
Caerleon	18	5.73%
Gaer	9	2.87%
Graig	4	1.27%
Langstone	8	2.55%
Llanwern	2	0.64%
Lliswerry	16	5.10%
Malpas	14	4.46%

Ward	Number of people	Percentage of people
Marshfield	2	0.64%
Pillgwenlly	10	3.18%
Ringland	26	8.28%
Rogerstone	3	0.96%
Shaftesbury (Crindau)	5	1.59%
St Julians	7	2.23%
Stow Hill	10	3.18%
Tredegar Park (Duffryn)	9	2.87%
Victoria (Maindee)	4	1.27%
I don't live in Newport	56	17.83%



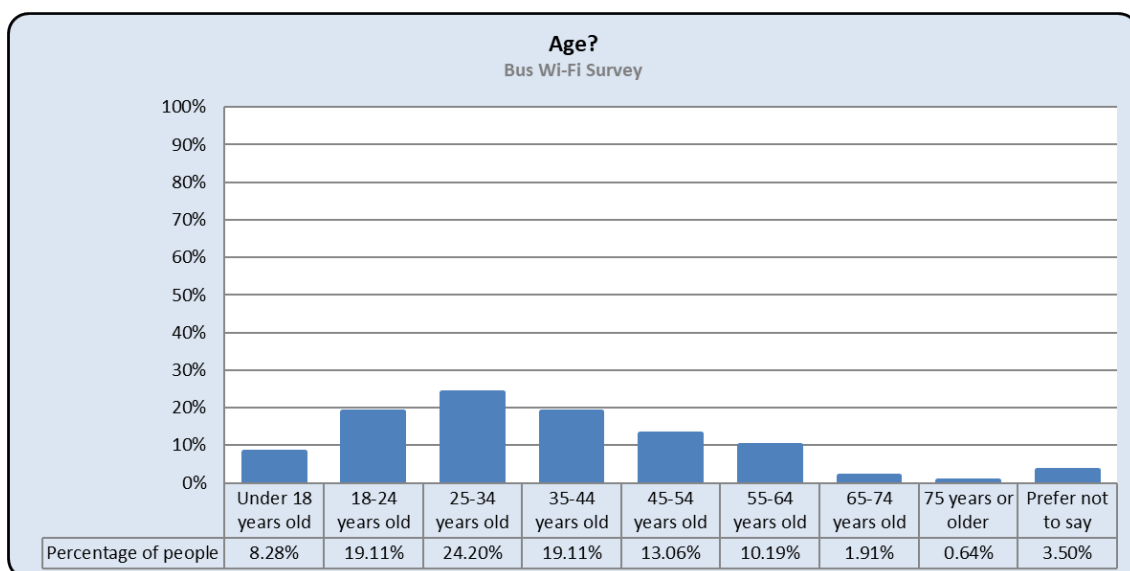
Q3: What is your gender?

Gender	Male	Female	Non-binary	Other	Prefer not to say
Number of people	140	127	17	9	21
Percentage of people	44.59%	40.45%	5.41%	2.87%	6.69%



Q4: Age?

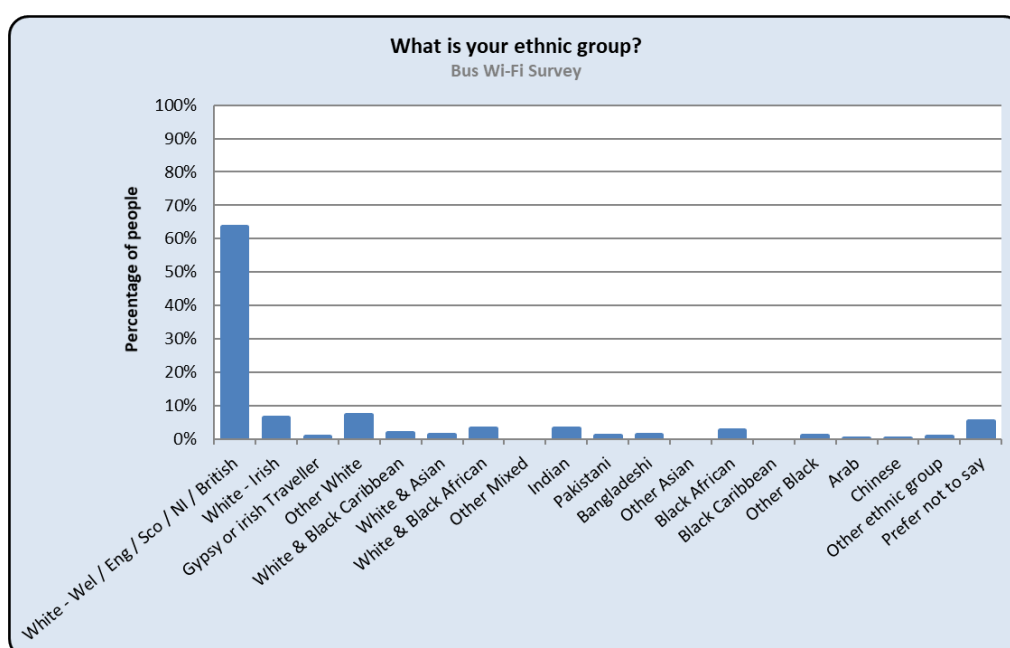
Age	Under 18	18-24	25-34	35-44	45-54	55-64	65-74	75 or older	Prefer not to say
Number of people	26	60	76	60	41	32	6	2	11
Percentage of people	8.28%	19.11%	24.20%	19.11%	13.06%	10.19%	1.91%	0.64%	3.50%



Q5: What is your ethnic group?

Ethnicity?	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	200	63.69%
White - Irish	20	6.37%
Gypsy or Irish Traveller	2	0.64%
Other White	23	7.32%
White & Black Caribbean	6	1.91%
White & Asian	4	1.27%
White & Black African	10	3.18%
Other Mixed	0	0.00%
Indian	10	3.18%
Pakistani	3	0.96%

Ethnicity?	Number of people	Percentage of people
Bangladeshi	4	1.27%
Other Asian	0	0.00%
Black African	8	2.55%
Black Caribbean	0	0.00%
Other Black	3	0.96%
Arab	1	0.32%
Chinese	1	0.32%
Other ethnic group	2	0.64%
Prefer not to say	17	5.41%



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Newport City Council Budget Consultation 2021-22
SUMMARY of response from the Newport Fairness Commission
February 2021

Please note that this provides a summary of our overall response. A fuller version will be provided separately.

Authors:

Gideon Calder (Chair), Emma Fitzmaurice, Elen Ghassempoory, Ruth McKie, Terry Price, June Ralph, Cllr Kate Thomas, Shereen Williams.

With supporting work by Sade Ajoye (Swansea University)

- This is our ninth annual response to the Newport City Council budget proposals.
- 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.
- We have analysed each Budget Saving Proposal in connection with each **Principle of Fairness: Equity, Priority, Inclusion and Communication**. (See appendix.)
- To summarise our comments, we have applied a **rating** to each proposal.

Analysis of Budget Saving Proposals for 2021-22

This section presents our analysis of each Budget Saving Proposal, in connection with each Principle 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.

We present first a summary of our ratings, and then a second table with comments explaining the ratings.

Summary of ratings

No.	Proposal name	Equity	Priority	Inclusion	Communication	Overall rating
1	Transformation of adult day services	D	D	C	D	D
2	Closure of Cambridge house as a children's home	B	B	E	E	E
3	Charges for non-household waste taken to household waste recycling centre (HWRC)	E	E	C	E	E
4	Streetworks – Increased fees and charges	A	A	B	A	A
5	Creation of pay and display car park Mill Parade	C	B	E	E	E
7	New fees and charges within cemetery services	D	A	C	A	C
8	Information Station move to central museum and library	D	D	D	E	E
9	Increase council tax increase from 4% base assumption by 1% to 5%	D	D	A	B	C

Commentary

Proposal title	Principles rating and summary				Overall rating and further comments
	Equity	Priority	Inclusion	Communication	
1.Transformation of adult day services	<p>D</p> <p>This seems to be a well-reasoned proposal in terms of equity of its effect, but the performance will require very careful communication and monitoring where these very vulnerable groups are concerned. Staff without cars will be impacted. This proposal has a good economic rational which in general would rate but it impacts, arguably, the most vulnerable group of our citizenship: low numbers but potential for high impact on a few individuals.</p>	<p>D</p> <p>Consistency in provision may be more important to this group than the general citizenship. This may have to be weighed against the economic gain. If a level of flexibility in the new model e.g., some provision at Spring Gardens could be prioritised, the rating would be reduced. The needs of the various groups seem to warrant a low rating, but performance will be dependent appropriate provision of third sector and community services which may warrant a high rating. Ultimately, the third sector and community involvement envisaged requires further clarification.</p>	<p>C</p> <p>Prolonged Covid-19 lockdown has provided a long-term pilot for the home-based model. Provided impacts are canvassed well, there could be high confidence in the model. However, building based services provide a social setting for carers and service users with mental health problems. Loss of social interaction is a possibility. Impact on users in terms of staff having to use public transport may have benefits and we therefore depend on social services for pairing client needs and abilities to best outcome.</p>	<p>D</p> <p>All users are at risk of lack of digital inclusion. PMLD users are at severe disadvantage in expressing opinion. This point impacts on the other three principles. It is difficult to deliver fair policies without communication.</p>	<p>D</p> <p>There is potential for high risk of unfairness to users of the services and staff members, though this could be reduced through some changes as suggested.</p>

<p>2. Closure of Cambridge house as a children's home</p>	<p>B</p> <p>The view that in balance the risks of a city centre location outweigh the benefits of access to facilities is appreciated, but location question may not have been comprehensively assessed with consideration of young people's perspectives. It is not clear whether key considerations for the current residents have been made and whether relocation would disadvantage/ isolate them given Cambridge House is located centrally. We wondered if the age profile of the current residents was a factor.</p>	<p>B</p> <p>There is detail regarding smaller sites providing better facilities for children and developing a family environment, but does this also take into account the significant increase in numbers of children entering care and future demand for beds? The need for a timely decision and staff across the group being consulted for readiness is acknowledged - but what are the transition plans (if any) for those currently residing in Cambridge House and the staff?</p>	<p>E</p> <p>Who has been engaged in this proposal so far? What are the plans to engage the residents? Key staff?</p>		<p>E</p> <p>On the basis of the information given, the impact was too difficult to measure due to gaps in the perspectives of young people. This gap may be genuine or just not explicit within the detail of the proposal. In balance, these perspectives may need to be heard but ultimately disagreed with.</p>
<p>3. Charges for non-household waste taken to household waste recycling centre (HWRC)</p>	<p>E</p> <p>No info provided other than in FG comments. It assumes that charges will not overly deter collection processes and unintended consequences such as fly tipping and dumping. We know that poor neighbourhoods like Pill suffer hugely from no</p>	<p>E</p> <p>There is no info to really complete this and as yet no assessment as to how this may impact on different and especially the most vulnerable. One can imagine a greater impact on those on lower incomes, lower levels of education, language</p>	<p>E</p> <p>Picking up points raised above, how will the views of a wider range of disadvantaged groups be sought, most are unlikely to be being used to responding to wider consultations. No mention of any plans to target some groups and</p>	<p>E</p> <p>Communication There appears to be no attempt to talk with groups and localities most likely to feel negative impacts either through inability to pay, lack of understanding of new rules or living in areas more likely to witness greater risk of dumping. The main means to get</p>	<p>E</p> <p>This proposal is lacking in crucial information. I'm not sure if the proposal for charges applies to collection of materials from local neighbourhoods or the depositing of refuse at specific dumps by residents or both. Although there are some comments in relation to wellbeing & future</p>

	<p>compliance with waste and dumping – partly possibly because of ignorance of rules but possibly cost related. One wonders if introducing charges will prompt higher levels of dumping in poorer neighbourhoods particularly.</p> <p>From work I did in Pill some years ago we know there were major issues agencies faced because people either ignored the rules or were unaware of them and there were difficulties in agencies improving levels of understanding and compliance. This does look like a more complex charging system and therefore may be even more difficult to promote in such areas than is current position.</p>	<p>barriers and more chaotic lifestyles. There is no indication as to how they may compensate with such groups and overcoming issues of ability to pay, compliance with routines. Would expect greater negative impact on these rather than better off areas.</p>	<p>neighbourhoods and to work with them to find workable solutions that don't risk non-compliance and higher levels of dumping with impacts in some communities likely to be far worse.</p> <p>One also assumes that to be cost effective, it will be an entirely digital system thus further disadvantaging those more likely to be uncomfortable with such for either digital of literacy reasons.</p>	<p>feedback relies on whether there are views included in the general budget proposals. No idea of what plans they have to ensure people know of, and understands the charging system, nor of soliciting their views to this proposal. One would have thought they could do some direct sampling with some groups and in some poorer communities especially. Currently there is no data or information on how residents without access to this booking system are disposing their excess non-recyclable waste. Will every single vehicle be checked for waste regardless of whether they've declared the type of waste they have? If this is the case, it adds time and delays to the site being accessed. If the system is reliant on residents self-declaring then it opens it up to abuse. There is also no information on how payments will be made.</p>	<p>generations, there seems to be a lot of guesswork as to impact without any evidential base to support it. There is no FEIA, only a note this needs to be done. So crucial information is completely lacking for me. It will rely on general responses through the wider budget consultation process ie awaiting any negative reaction, which is a very lazy way, as issues may be hidden by more contentious proposals in the whole.</p>
4. Streetworks – Increased fees and charges	A	A	B	A	A

	<p>It seems all costs are paid by the requesters and there is no financial implication or burden for Newport residents.</p> <p>The proposal also states that the proposed charges are in line with road closure charges made by other local authorities. This indicates to me that Newport will not suffer from a lack of infrastructure improvements or land/property developments that would be made elsewhere because its road closure charges are too high.</p>	<p>The savings offered are low in the grand scheme of things but useful nevertheless. All costs seem to be paid by for the requesters and there is no financial implication or burden for Newport residents.</p>	<p>Based on the proposal being directed at circumstances where availability for road users and pedestrians is affected, there will be implications for the public. However, it is not specified whether developers have to consult the community or just pay application fees to the council to mitigate the temporary inconvenience while construction takes place. However future wellbeing should be improved by Streetworks and consultation may create problems for development.</p>	<p>The proposal seeks to standardise charges for road closures. It is not specified what is meant by 'developers', but we take it to mean those engaged in property or land development.</p>	<p>Overall this proposal doesn't impact on the fairness principles as June sees them.</p>
<p>5. Creation of pay and display car park Mill Parade</p>	<p>C</p> <p>Is it hitting an already economically challenged community with further costs OR is it responding to community concerns regarding lack of parking? It's unclear how pay and display would effectively tackle this. Is there an Anti-</p>	<p>B</p> <p>Maybe charging will help Newport prioritise the most vulnerable and disadvantaged generally by increasing income? Can this income be somehow ringfenced for Pill?</p>	<p>E</p> <p>There is no evidence that local citizens/businesses have either suggested or expressed the need for this proposal or been part of the design/delivery. Might this disproportionately hit</p>	<p>E</p> <p>Is the Maindee car park example a credible one? Is there evidence about the effect of charging on usage here, effect on Maindee foot fall and citizens views on this. Maindee car park cited as a parallel example</p>	<p>E</p> <p>More information is certainly needed to ensure harm to the local community is minimised. Have the interests of stakeholders including businessowners, citizens and even tourists really been considered? It seems as though the belief of success is</p>

	<p>social behaviour issue that necessitates CCTV or does the introduction of CCTV link only to monitoring car parking?</p> <p>We are assuming that many visitors to the Transporter Bridge visitor centre will be able to afford to pay and that won't be a barrier to some. This is a much needed tourist attraction in an area that would benefit from its success. The possible income from visitors and the positive additional effects of this footfall should be weighed up against the minimal income from introducing pay and display (which doesn't benefit local people directly) and may put some visitors off.</p> <p>Agree parking needed for TB visitor centre but less convinced of the need to charge for it.</p> <p>Will charging mean that people are less likely to attend the TB visitor centre and therefore bring less footfall / spend into Pill OR would the presence of a paid parking option reassure visitors and make</p>	<p>Where will those currently using the carpark for free parking now park? Will this just shift the problem?</p> <p>Can fixed penalty notices be issued to those taking advantage of the space (targeted intervention) rather than introducing pay and display which affects all?</p>	<p>business owners (who are parking there) struggling in the midst of Covid?</p> <p>What is the reason behind and relevance of electric charging points – are these for visitors to the Transporter Bridge, businesses, residents? Feels tokenistic. Perhaps part of the WBFG agenda.</p> <p>Although residents have complained about lack of parking it's a jump to assume that people will therefore pay for this. Little evidence of thought as to where businesses and residents will now park and how this change will be communicated with them. Can this be mitigated in any way? Phased implementation etc.?</p> <p>Need for CCTV not given – is there a sub text?</p> <p>We have assumed there will be disabled parking bays.</p>	<p>but only from an income generation point of view. Lack of details on how the 6k will be made (pay and display/electric charge?)</p> <p>No evidence as to the scale and nature of the residents' complaints.</p>	<p>based on ideals and assumptions, but this may be due to a lack of information. Details are needed to decipher whether this implementation will be beneficial.</p>
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	them more likely to visit/spend in Pill? Interests of different groups affected (such as minorities) don't appear to have been taken into account.				
7. New fees and charges within cemetery services	<p>D</p> <p>It may appear to penalize families by charging for missing details when the forms are incomplete or mistakes made. If they are in a position choose a more expensive private provider they would probably be supported through administrative processes. With little information provided on the incidence of previously used plots requiring the digging of test graves the proposed charge seems substantial. It is assumed this proposal links closely to the brick facings and therefore should the cost be spread across the entire cemeteries budget to be equitable and not born entirely by individual bereaved family. A description of the circumstances which necessitate brick linings is scant in this budget</p>	<p>A</p> <p>All councils are obliged to provide internments for deceased citizens who are without assets. This focused approach to saving council tax payer's funding on Public Health Funerals, instead of using private providers, is also welcome.</p>	<p>C</p> <p>It is recognised that there remain many individuals in society with low educational achievement and literacy skills, also Newport's diverse communities and cultures mean that English will not be the first language for many. Undoubtedly many people will also make mistakes when distracted by grief. The incidence of such mistakes is not given but it would be reassuring to know that in these situations there is signposting voluntary organisations such as Citizens Advice and that information is available in translation. Under the present circumstances digital exclusion and skills also need to be considered.</p>	<p>A</p> <p>It is thought this is the first time in recent years that cemetery services have appeared for public consultation. Their inclusion adds to the council's transparency and accountability in decision-making however for comparison, details of previous charges, which it is stated has been available, would be useful to the public, who may not in a position to know if increases are reasonable. However, it may appear uncaring if charges increase substantially at a time when the public are being told the number of deaths (from Covid-19) are rising and that their elderly and vulnerable loved-ones are at risk of dying prematurely.</p>	<p>C</p> <p>Some concerns.</p>

	<p>proposal however, it is recognised that they may be requested by some families. There no information provided on how plots are allocated, or the incidences of the necessity of stabilising the soil within some plots. Unless the provision of brick lining is at a family's request, or where it is needed to support subsidence in an older previously purchased plots, where the walls might collapse when being dug out, it would seem inequitable to charge the family. If land subsidence is a problem in previously unused ground, to be equitable, should the cost be spread across the entire cemeteries fees and not born entirely by individual bereaved family who may not be able to be given a choice of interment plot.</p>				
8. Information Station move to central museum and library	<p>D</p> <p>Not enough info provided to assess impact on service provision and service users. It may well be a good move and says so but other than</p>	<p>D</p> <p>It seems that its priority groups and their ease of access to a service might not change and it says (without detail to assess)</p>	<p>D</p> <p>The Info-station service is usually pretty inclusive. It, without detail, implies there will be better access which may</p>	<p>E</p> <p>Oddly it mentions consultation with staff, private businesses and targeted users of the library and museum but mentions</p>	<p>E</p> <p>This proposal lacks crucial information. There is no detail of the new facility to help with Fairness judgements. It says a</p>

	<p>in FG comments. Provided it maintains the same levels of provision it sounds a sensible move but this detail is missing.</p>	<p>that access would be better. Does it retain the capacity to offer the same levels of support/service to users? It says there will be no significant detriment to users but does this imply there will be non-significant detriment or not – not clear.</p>	<p>indicate improvements in inclusion but the detail is infuriatingly missing to confirm whether this is the case or not. Is the site sharing with Museum/Library likely to advantage users, would this encourage users to make use of these additional services or not – no info to support this supposition.</p>	<p>none with Info-station users. There is no indication if this has happened or is planned. It almost appears the bigger consideration is in filling a gap for business start ups. It does beg the question of how different interests views have been sought and balanced. It might have the full support of users but we don't know that from the info given.</p>	<p>FEIA has been carried out but only a snippet is selectively quoted in this submission, it would have been useful to have seen the fuller version. Most of the proposal's information relates to the new use of the building rather than new physical location and capacity of the Info-station. On the surface it appears a positive change but it lacks detail. Presumably the move to a joined City centre location does not cause any issues with users accessing the site and it seems that access may be improved for users but there is no detail to support this. It would have been useful to know if the new location has as much space and physical capacity. Can it deal with the same number of users, does it have same/better facilities and opening times etc. This sort of detail is missing.</p>
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<p>9. Increase council tax increase from 4% base assumption by 1% to 5%</p>	<p>D</p> <p>Wales has a higher proportion of its population employed in public services. These workers have had more employment security however a pay freeze has been announced, which will impact many and those earning below £24k will see only a 1% uplift. For those retaining their employment, there are likely to substantial changes to contracts of employment. Some of these may constitute new agreements, resetting the clock on previously accrued years of full employment rights protection. Salary increments cannot be assumed, and higher Wales and UK tax increases may be introduced. With some other cost increases in particular council services, citizens may have a choice not to use them, council tax is, for nearly all families, universal and unavoidable.</p>	<p>D</p> <p>Although the extra weekly amount maybe considered small, citizens with permanent disabilities may experience increased financial insecurity and extra ill-health related costs leading to difficulties making decisions on which of their bills to prioritise. This may exacerbate the gap in quality of life experience between the more secure and financially stable and those who are most vulnerable.</p>	<p>A</p> <p>The council's monthly collection as the default payment but does offer plans to alleviate hardship are these alternatives known to those with difficulty managing their budgets.</p>	<p>B</p> <p>The council have experienced difficulties recovering outstanding council tax during the last year. Is the recovery of these amounts influencing the proposed increase? The council previously set a base-line of 4% annual increases in Council Tax to gradually close the gap created by previous year's diminished Revenue Support Grants. Within this year's proposals it is not made clear to consultees that increases of 4% is an historical budget decision and the proposed 1% rise is a discretionary figure. 1% may not be an above inflation rise but 5% definitely will be.</p>	<p>C</p> <p>This proposed increase in council tax will enable the local authority to develop and improve some of it's public services but is coming at a time of huge uncertainty when the types of demand and volume are unpredictable. This proposition, providing approximately £500k, may enable the local authority to offer some greater flexibility in finding ways to minimise the impact to struggling families which could otherwise cause possibly overwhelming demand on council services.</p>
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Appendix: Principles of Fairness

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?*

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Unison Response to NCC budget 2021

This year's budget proposal comes amid a year that nobody would have anticipated.

Newport's figure is better than expected which is always good news. There are still going to be redundancies and cuts to services.

Newport have in the past tried to avoid compulsory redundancies by deleting empty posts and asking for staff to volunteer for redundancy. This avoids compulsory redundancies which Unison would always challenge. This avoids financial impact on individuals but is not impact free on services or staff.

When service areas delete empty posts it is seen as a painless cost cutting exercise but it often leaves the remaining staff trying to cope with the same volume of work with less staff resource. It also affects the robustness of a team to manage annual leave/sickness and support staff with work/life balance requests.

If two vacant posts from a team of eight posts are deleted that's a twenty-five percent decrease in staffing resource this is after ten years of austerity measures that have decimated staffing levels within local government. Volume of work will not decrease and new ways of working are usually untested or can take time to implement with the remaining staff taking up the strain.

The introduction of the outreach service is a welcome change of direction seeing a new service within social services after the last few years in which the supported living service was lost and extra care was outsourced to Radis. With Brynglas unable to open due to Covid restrictions for the last year and for the foreseeable future.

The new outreach service will not be supporting all of the client groups that use Brynglas and there are some concerns around how existing staff from Brynglas will be able to support the service if they are non-drivers but these have been raised directly within that proposal.

Whilst understanding the position that Newport find themselves in facing having to make cuts and changes to services making savings in the ball park figure of ten million over the next three years forced on them from central government. After many years of austerity cuts there are no easy or simple ways to make those savings. Cuts that were once billed as trimming the fat are now hollowing out the bone marrow in the body of local government.

Stress and anxiety at work are a major cause of sickness absence at work. This will only increase when councils are continuing to have to sweat their resources to meet their legal requirement to remain within budget. When speaking of equipment this phrase is understandable but we cannot and will not allow staff to become the resource that is pushed beyond their limits.

We would ask that Newport continue to challenge the year in and year out issue of having to do more with less when in discussions with Welsh Government around financial support. We would also like to point out that NCC staff are its greatest asset and have shown time and time again over the last twelve months why that is. We urge Newport City Council to protect that asset with no further outsourcing to private or arm's length company's in future budgets.

Peter Garland Branch Secretary

Unison Newport City Branch

Coedkernew Community Council

Coedkernew.co.uk

**Heather Boswell, 4, Smithfield Cottages, Blacksmith Way, Coedkernew,
Newport, NP10 8TR
Tel. 01633 682834
heather.boswell@btinternet.com**

Ms S Gonzalez-Lopez
Newport City Council
Civic Centre
Newport
NP19 4UR

02 February 2021

Dear Ms Gonzalez-Lopez

Members of Coedkernew Community Council have asked me to write to you regarding the proposed new charges for householders using the refuse centre for DIY waste, although we see there could be an income of £20,000 we fear that a lot of people will not pay this and therefore could possibly fly tip in the rural areas.

As you are aware we have seen an increase in fly tipping in the Coedkernew area, we feel that this collection of the extra fly tipping could wipe out the possible income expected on the new charges.

We would be interested in your thoughts on the pros and cons on this anti social issue faced by all wards within the city.

Yours sincerely

Heather Boswell
Clerk to Coedkernew Community Council

WENTLOOGE COMMUNITY COUNCIL

Chairman: Mr Brian Miles

Clerk : Mrs Maria Mulcahy

Peterstone Village Hall
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07592 820378

clerk@wentloogecommunitycouncil.co.uk
www.wentloogecommunitycouncil.co.uk

27.1.2021

Newport City Council
NEWPORT

Dear Sirs

In response to your proposed budget, we draw your attention to the planned charges for certain items of waste at the recycling centre in Newport.

As an Authority which is currently blighted by fly tipping and significant clean-up costs it appears that this suggestion is very single minded. We feel that the charges proposed would only push more people to fly tip around the Newport City area and in turn increase the clean up costs of the Authority to a far greater amount than the £21,000 saving they are looking for at the Centre.

As the Authority does not have a good track record for prosecutions as shown from a recent FOI request no monies would be recovered to offset the increase.

We have responded to the consultation but felt compelled to write direct on this matter due to, not only the effect on the environment but also the wellbeing of those people who are affected by fly-tipping

Yours faithfully

Maria Mulcahy
Clerk to Wentlooge Community Council

APPENDIX 5 – Budget Investments

New Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
PEOPLE								
Children & Young People Services	SOC30	NCC Child res	Policy Change	Potential loss of Integrated Care Fund (ICF) funding from March 2022 for statutory services.	0	TBC	0	0
Children & Young People Services	SOC30	NCC Child res	Demand - Social Care	There is no budget for emergency placements within Children Services however, there are situations where no other suitable placement can be found and therefore locations such as Brynglas Bungalow, holiday cottages and caravans are used and staffed accordingly depending on the need of the child. £200k is the predicted annual overspend as at end of June 2020.	200	0	0	0
Children & Young People Services	SOC20	Leaving Care	Demand - Social Care	Newport has a growing portfolio of properties to accommodate young people who are both British nationals and Unaccompanied Asylum Seeking Children (UASC) ageing between 16-18yrs. The management of these properties is becoming increasingly difficult due to the trauma these young people have experienced and some have had to move into 24hr provision which is costly.	300	0	0	0
Adult & Community Services	SOC5	First Contact	Policy Change	Potential loss of Integrated Care Fund (ICF) funding from March 2022 for statutory services.	0	TBC	0	0
Education	n/a	n/a	Other	RSG Transfer In - Teachers pay	209	0	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Bubble Classes - New reception bubble classes from September 2020 to be established in Mount Pleasant - 30 FTE class opening from Sept 2020	75	0	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Education (Schools)	EDU1	Schools	Demand - New Schools	Bubble Classes - New reception bubble classes from September 2020 to be established in Ysgol lfor Hael - 15 FTE class opening from September 2020	38	0	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	New Rogerstone Autistic Spectrum Disorder (ASD) Learning Resource Base (LRB) - an additional 10 place ASD specific LRB has been established in Rogerstone Primary from September 2020. This unit is to be funded for the period September 2020 - March 2021 via the Additional Learning Needs (ALN) grant, funding will then be required to be met via the ISB from 2021/22.	157	0	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Amalgamation of Kimberley and Fairoak Nursery Schools onto current Fairoak site effective September 2021. Amalgamated mainstream FTE for nursery will be 70 FTE with the additional communication class seeing a reduction from 8 FTE to 4 FTE (16 pupils to 8 pupils) from September 2021. £35k one off amalgamation funding in 2021/22 will be removed in following year.	51	-65	-16	-13
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - Funding based on Category 2 Special school place led funding. To open a total of 24 places over the foundation phase - 8 places per year group for reception, year 1 and year 2. Opening to Reception pupils in September 2021.	129	185	160	67
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - Funding based on Category 2 special school place led funding. To open a total of 32 places for Key Stage 2 provision, 8 places per year group for years 3 to 6. Opening to year 3 pupils in September 2023.	0	0	123	181
PLACE								
RIH	RIH2	Strategy & Dev	Other	Events/ Marketing - enhancement to destination management and events resource	30	0	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
RIH	RIH12	Plan & Dev Mngt Acc	Other	Empty properties fund - Empty property enablement fund to bring empty properties back into use	150	0	0	0
RIH	RIH28	Tredegar House + Grounds	Other	Tredegar House pension deficit - pension valuation led to an increase which has been passed on to NCC via an increase in the contract price.	63	0	0	0
RIH	RIH2	Strategy & Dev	Other	Strategic Economic development post	73	0	0	0
RIH	RIH2	Strategy & Dev	Other	Unauthorised use of council land	20	0	0	0
RIH	Various	Various	Other	Neighbourhood Hubs - defer final savings pending evaluation and future development of neighbourhood hub model	315	0	0	0
City Services	STR5	Senior management team	Other	Christmas lights - base budget for Christmas lights in the City centre	40	0	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
City Services	STR11	Sustainable waste	Other	Waste Enforcement Officers - to provide permanent funding for waste education and enforcement officers	90	0	0	0
City Services	STR24	Winter Maintenance	Other	Winter maintenance - further investment required to deal with increasing demands due to extreme weather conditions	40	0	0	0
City Services	STR19	SDR South Distrib Road	Other	SDR contract - Electricity cost increases	60	0	0	0
City Services	STR15	Drainage Operations	Other	SAB (drainage) - Income pressure	70	TBC	0	0
CORPORATE								
Finance	FIN5	Council Tax & NNDR	Other	NDR Allowance - reduction in grant	40	0	0	0
Law & Regulation	LAW9	Comm safety	Other	CCTV - unachieved income from contracts	150	0	0	0
NON SERVICE								
Non-Service	n/a	n/a	Other	Crematorium - Shortfall in income	151	0	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Non-Service	n/a	n/a	Other	Corporate Joint Committees - shared cost of committees	40	0	0	0
				NEW BUDGET INVESTMENTS TOTAL	2,491	120	267	235

APPENDIX 5 – Budget Investments

Agreed/ Revised Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'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 fluctuate the service is aware of 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 pressure also takes into account a reprofiled saving (20-21 pressure reduction of £250k) which has been pushed back to 22/23 due to Covid and includes a pressure reduction of £96k that needs to be achieved in 21/22.	976	-63	0	0
Education	EDU6	SEN Recoup OOC	Demand - Other	SEN Out of County (OOC) pupil demand - Demand increasing at 16 pupils per year based on 16/17-20/21 trend at an average cost for 20/21 pupils with a conversion rate of 75% for pupils moving to out of county provision.	30	255	157	192
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.	35	15	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	<p>Secondary School Transitions - In line with pupil projections as reviewed by Planning of School Places group and 2020/21 average pupil funding for secondary school pupils.</p> <p>This equates to an increase of 238 FTE from 20/21 - 21/22 and 227, 157 and 29 to the year 24/25 respectively.</p> <p>This excludes Welsh medium pupils who are accounted for in a separate pressure</p>	733	682	463	25

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
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 medium term financial planning cycle. The school was established under a a seedling model and expanded by 1 year group per academic year, the school had year 7 - 11 pupils in September 2020, growing to accommodate post 16 pupils in the following 2 years. Costs have been revised in line with pupil projections as reviewed by Planning of School Places group and 2020/21 average pupil funding for secondary school pupils.	107	116	99	77
Education (Schools)	EDU1	Schools	Demand - New Schools	New Llanwern (Village) Primary Schools - This school will be established on the housing development at Llanwern Village, and is being funded as part of S106 agreements. The school will be a 1.5 FE school, with a nursery and 10 place learning resource base (LRB) unit on site. The MTFP assumes that the school will open in September 2024 as a growing school with a small number of pupils in each year group with the intention of these growing each year. N = 20 FTE R-Y6 = 15 pupils LRB = 10 pupils	0	0	0	428
Education (Schools)	EDU1	Schools	Demand - New Schools	New West Glan Llyn Primary School: This school was established on the housing development at St Modwens, and was built by the developer as part of S106 agreements. The school is a 2 form entry school, with a nursery and 20 place learning resource base (LRB) unit on site. The school opened in September 2019 as a growing school with a small number of pupils in every year group with these growing each year.	211	324	86	0
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 Pillgwenlly Primary school to expand from 2 form entry (FE) to 3FE. The MTFP assumes that the school will expand from January 2023.	0	19	185	91

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Education (Schools)	EDU1	Schools	Demand - New Schools	Welsh medium primary school: The school will be a 2 form entry, with a nursery on site. The school will open in September 2021 as a seedling school, with a capacity of 444. The school will open with a nursery and reception class in the first year with a further year group added every year until it reaches capacity. A 10 place learning resource base will open in the school in September 2023 and is anticipated to be full upon opening.	278	243	173	184
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.	40	0	0	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	29	43	36	35
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.	5	5	0	0
RIH	RIH9	Centralised Properties	Pricing	Norse JV - Increased contract payment as a result of assumed 2% uplift each year from 20/21.	154	186	0	0
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	TBC	TBC	0	0
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. New site has been delayed so full year impact not required in 21/22.	55	175	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
CORPORATE								
People & Business Change	PBC12	Shared Res Serv	Pricing	Shared Resource Service (SRS) - Increased contract payment as a result of assumed pay award and pension deficit cost.	53	55	0	0
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	250	0	0	0
NON-SERVICE								
Non-Service	n/a	n/a	Capital Financing - other	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	2,164	0	0	208
Non-Service	n/a	n/a	Pricing	Pension Deficit - Estimated 1% pa increase from 2021/22 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	753	0	0
AGREED/ REVISED BUDGET INVESTMENTS TOTAL					5,120	2,808	1,199	1,240
BUDGET INVESTMENT TOTAL					7,611	2,928	1,466	1,475

APPENDIX 5 – Budget Investments

Pressures Summarised:

Pressures by Type	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
New budget pressures	2,491	120	267	235
Previously agreed/ revised budget pressures	5,120	2,808	1,199	1,240
New and previously agreed/ revised pressures	7,611	2,928	1,466	1,475
Inflationary pressures (Inc increments)	7,745	7,125	6,818	6,848
TOTAL BUDGET PRESSURES	15,356	10,053	8,284	8,323

APPENDIX 6 – Budget Savings

New Budget Savings for Consultation

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
PEOPLE								
Adult and Community Services	SOC4	Day Opportunities	AS2122/03	Transformation of adult day services	437	145	0	0
Children and Family Services	SOC30	NCC Child Res	CS2122/03	Closure of Cambridge House as a Children's home	254	85	0	0
PLACE								
City Services	STR13	HWRC	STR2122/02	Charges for non-household waste taken to household waste recycling centre (HWRC)	20	0	0	0
City Services	STR4	Asset Management	STR2122/05	Streetworks – Increased fees and charges	21	0	0	0
City Services	STR20	Car Parks	STR2122/06	Creation of pay and display car park Mill Parade	21	0	0	0
City Services	STR2	Cemeteries	STR2122/08	New fees and charges within cemetery services	25	0	0	0
Regeneration, Investment and Housing	RIH8	Station Buildings	RIH2122/04	Information Station move to central museum and library	117	0	0	0
NEW BUDGET SAVINGS FOR CONSULTATION					895	230	0	0

APPENDIX 6 – Budget Savings

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Funding	n/a	n/a	n/a	Increase council tax increase from 4% base assumption by 1% to 5%	580	0	0	0

New Budget Savings Implemented Under Delegated Authority

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
PEOPLE								
Adult and Community Services	Various	Various	AS2122/01	Proposed reductions in non-staffing budgets	284	0	0	0
Adult and Community Services	SOC10.1-10.3	Community Care Packages	AS2122/02	Community opportunities for adults with learning disabilities and adults with physical disabilities	150	0	0	0
Children and Family Services	Various	Various	CS2122/01	Savings across children's services	74	0	0	0
Children and Family Services	SOC28	Child Protection	CS2122/02	Staffing	35	0	0	0
Education Services	Various	Various	EDU2122/01	A reduction in various budget lines within Education Services which will not have an impact on services or people	124	0	0	0

APPENDIX 6 – Budget Savings

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Education Services	EDU10/ EDU11	Education Welfare Service/ Bridge Achievement Centre	EDU2122/02	Term time only contracts	7	0	0	0
Education Services	EDU19	Schools Admissions + Appeals	EDU2122/04	Deletion of post in schools admission team	28	0	0	0

PLACE

City Services	Various	Various	STR2122/01	Miscellaneous operational savings	64	0	0	0
City Services	STR21	Street Cleansing	STR2122/03	Reduced use of chemical for weed removal	10	0	0	0
City Services	STR18	Highways	STR2122/04	Construction of footway vehicle crossing	20	0	0	0
Regeneration, Investment and Housing	Various	Various	RIH2122/01	Reduction in budget lines	16	0	0	0
Regeneration, Investment and Housing	RIH9	Centralised Properties	RIH2122/02	Budget realignment to reflect agreed changes to payments for services	85	0	0	0

APPENDIX 6 – Budget Savings

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Regeneration, Investment and Housing	RIH16	Development Mngt	RIH2122/03	Increase in income generation (planning pre-application fees)	15	0	0	0
CORPORATE								
Finance	FIN5	Council Tax + NNDR	FIN2122/01	Revenues income collection section (council tax/ national non-domestic rates NNDR) - self service developments	24	0	0	0
Finance	FIN4	Strategic Procurement	FIN2122/02	Removal of software license budget	28	0	0	0
Finance	FIN1	Accountancy	FIN2122/03	Reduction in support / management costs for budget management system (BMS)	13	0	0	0
Finance	FIN4	Strategic Procurement	FIN2122/04	Generate additional income through the corporate credit card programme (pCard)	0	7	0	0
People and Business Change	PBC2	HR Emp Serv	PBC2122/01	Process digitisation and transformation – employment services	70	0	0	0
People and Business Change	PBC12	Shared Res Serv	PBC2122/02	IT Systems rationalisation and associated contract savings	90	12	0	0
Law and Regulation	LAW6	Legal	LR2122/01	Reorganisation of the Legal Section to delivery efficiency savings	75	0	0	0
Law and Regulation	Various	Various	LR2122/02	Miscellaneous increases in income and reductions in supplies and services budgets	65	0	0	0

APPENDIX 6 – Budget Savings

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
NON-SERVICE								
Non Service	n/a	n/a	NS2122/01	Early repayment of loan premium which requires use of earmarked reserve	510	0	0	0
Non Service	n/a	n/a	NS2122/02	The Non-operational Pensions budget pays contributions to both ex Gwent employees and non-statutory teachers pensions where additional benefits have been agreed to be paid that are not covered by the Teachers Pensions Agency. Our liabilities gradually reduce over time and this budget can be reduced in line with expected actual costs.	80	0	0	0
NEW BUDGET SAVINGS TOTAL - DELEGATED AUTHORITY					1,867	19	0	0

APPENDIX 6 – Budget Savings

Budget Savings Previously Approved

Cabinet

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	Staff Impact
PEOPLE							
Children and Family Services	SOC28	Child Protection	CFS2021/04	Reduction in Legal Costs	20	150	0.0
CORPORATE							
People and Business Change	PBC6	Partnership	PBC1920/02	Reduction in Voluntary Sector Grants	27	0	0.0
People and Business Change	PBC10	Digital	PBC2021/03	Digital Savings - Public Building Wi-Fi - "Community Cloud"	15	0	0.0
Non Service	n/a	n/a	NS2021/01	Council Tax Reduction Scheme	280	280	0.0
PREVIOUSLY AGREED SAVING - Cabinet					342	430	0.0

Head of Service

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	Staff Impact
PEOPLE							
Education Services	EDU23	Joint Services	EDU1920/03	Reduction in core funding to EAS of 2% for the financial year 2019/20	8	0	0.0

APPENDIX 6 – Budget Savings

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	21/22 (£'000)	22/23 (£'000)	Staff Impact
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PLACE

City Services	Potentially all codes	Potentially all codes	CS2021/02	Training Within Industry (TWI) Programme	100	100	0.0
City Services	STR11	Sustainable Waste	CS2021/03	Composting site expansion	20	0	-1.0
City Services	Various	Various	CS2021/11	My Newport Development	70	0	0.0
Regeneration, Investment and Housing	RIH11	Building control	RIH2021/01	Increase in Income Generation (Building Control & Regeneration)	56	0	0.0
Regeneration, Investment and Housing	RIH9	Centralised properties	RIH2021/02	Increased Revenue from Newport Norse profit share	30	30	0.0

CORPORATE

Finance	FIN4	Strategic Procurement	FIN2021/02	Increase income through additional collaborative contract work	5	0	0.0
Finance	FIN4	Strategic Procurement	FIN2021/03	Increase Income Through pCard Programme	3	3	0.0
People and Business Change	PBC14	Spatial Data	PBC2021/04	Newport Intelligence Hub - Finalise centralisation of Resources and Restructure	15	0	1.0
PREVIOUSLY AGREED SAVING - Delegated Head of Service					307	133	0

APPENDIX 6 – Budget Savings

Savings Decision Type	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
Previously Agreed Cabinet Savings	342	430	0.0
Previously Agreed Delegated Head of Service Savings	307	133	0.0
PREVIOUSLY AGREED BUDGET SAVINGS	649	563	0.0

Savings Decision Type	21/22 (£'000)	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)	Staff Impact FTE
New budget savings for consultation	895	230	0	0	24.1
New budget savings implemented under delegated authority	1,867	19	0	0	6.9
Budget savings previously approved	649	563	0	0	0.0
Total budget savings	3,411	812	0	0	31.0

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

APPENDIX 7 – Medium Term Financial Plan (MTFP)

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Funding					
Change in WG Revenue Support Grant (+5.6% in 21/22, +1.85%, +1.18% and 1% thereafter)	(12,719)	(4,297)	(2,755)	(2,350)	(22,121)
Increase in tax base - C.Tax @ 21/22 rate	(110)	-	-	-	(110)
C. Tax @ 5% 21/22 and 4% thereafter	(3,623)	(3,043)	(3,165)	(3,291)	(13,122)
Less consequential increase in benefits	519	609	633	658	2,419
Change in Income/Funding	(15,933)	(6,731)	(5,287)	(4,983)	(32,934)
Revenue Investments / Increased Costs					
Pricing - Pay Inflation & Increments (non schools)	1,414	2,481	1,509	1,539	6,943
Pricing - Contract/ Income Inflation (non schools)	3,454	2,815	2,918	3,024	12,211
Pricing - Pay Inflation & Increments (schools)	2,917	2,649	2,205	2,091	9,862
Pricing - Contract/ Income Inflation (schools)	172	179	186	194	731
Demand - Schools	1,848	1,547	1,309	1,075	5,779
Standstill/ 'committed' position	9,805	9,671	8,127	7,923	35,526
Demand - Social Care	1,476	(63)	-	-	1,413
Demand - Other	65	270	157	192	684
Other	1,541	-	-	-	1,541
Investments - Corporate Plan Promise	305	175	-	-	480
Capital Financing - other	2,164	-	-	208	2,372
Total Pressures	15,356	10,053	8,284	8,323	42,016
Gap Before Cost Reduction Plans	(577)	3,322	2,997	3,340	9,082
Cost Reduction - Transformation / Change Programme					
Cost reduction - new savings	2,762	249	-	-	3,011
Cost reduction - previously agreed savings	649	563	-	-	1,212
Total Savings	3,411	812	-	-	4,223
Balance - @ WG +5.6% 21/22, +1.85%, +1.18% and 1% thereafter	(3,988)	2,510	2,997	3,340	4,859
				Balance excluding 2021/22	8,847

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APPENDIX 8 – Reconciliation of Movements Since Budget Consultation

	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000
January 2021 MTFP balances	(140)	2,665	3,232	3,415
Proposed new savings - January Cabinet	(2,711)	(258)	0	0
Balance in hand as at January Cabinet	(2,851)	2,407	3,232	3,415
<u>Movement since consultation/ January 2021 Update</u>				
<u>Funding:</u>				
Council tax reduction scheme - reduction in 'top slice' of council tax increase due to lower percentage of tax paid this way	(258)	0	0	0
Total change in funding	(258)	0	0	0
<u>New Pressures/ Investments:</u>				
Reduction in capital financing pressure after reduction of 0.5% in interest rates confirmed	(500)	94	(235)	(75)
Lower than anticipated National Living Wage inflationary increase in social care	(328)	0	0	0
Total change in pressures/ investments	(828)	94	(235)	(75)
<u>Savings:</u>				
Removal of saving CS2122/07	29	9	0	0
<u>New Savings:</u>				
Non service - reduction in historical pension liability for 'added years' as numbers reduce	(80)	0	0	0
Total change in savings	(51)	9	0	0
February 2021 MTFP balances	(3,988)	2,510	2,997	3,340

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Budget Proposals and Fairness and Equality Impact Assessments (FEIA).

In line with the council's legal duties as set out in the Equality Act 2010 and the Welsh Language (Wales) Measure 2015, all budget proposals have undergone a full equality impact assessment, which have been updated to reflect public consultation responses. Equality impact assessments can be found [here](#).

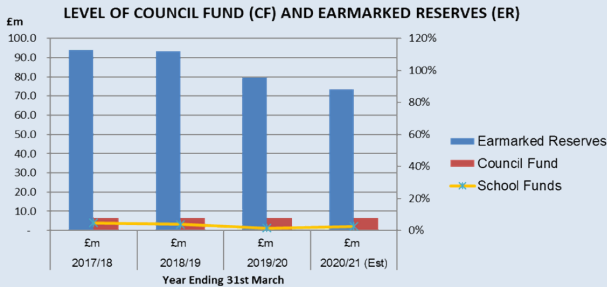
As part of the council's Equality Duties the authority is required to evidence its consideration of the impacts of decisions on people that share Protected Characteristics. The Welsh Government also intend to enact the Socio-economic Duty on the 31st March 2021 which requires the council to pay due regard, in its strategic decision making, to the need to minimise inequalities of outcome arising as a result of socio-economic disadvantage. Although budget decisions will be made prior to this date, the council wish to act in the spirit of the Duty and have considered key 'domains' of inequalities of outcome in line with those included in the Welsh Index of Multiple Deprivation (WIMD) and the Equality and Human Rights Commission's Measurement Framework for Equality and Human Rights.

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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)



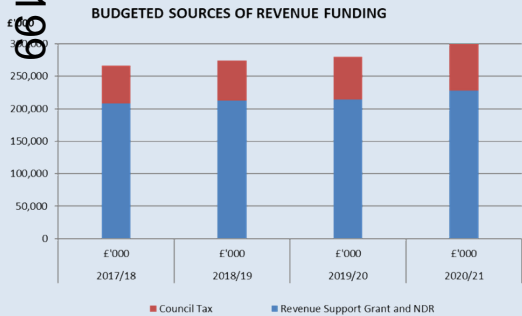
Level of Reserves

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 (Est) £m
Earmarked Reserves	93.9	93.4	79.5	73.4
Council Fund	6.5	6.5	6.5	6.5
School Funds	3.9	3.1	1.1	2.1

Budgeted Sources of Funding

Total Revenue Funding	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Revenue Support Grant and NDR	208,250	212,790	214,343	228,077
Council Tax	58,122	61,806	66,268	72,193

Budgeted Revenue Funding Split



Financial Performance and Ratios

Ratio	Calculation	2016/2017 £'000	2017/2018 £'000	2018/2019 £'000	2019/2020 £'000
Net Worth (Assets - Liabilities)	(Asset- Liabilities)	20,785	20,213	48,973	7,812
Net Worth (exc Pension Liab.)	(Asset- Liabilities)	345,530	344,230	351,614	339,338
Working Capital Ratio	(Curr. Assets /Curr. Liabilities)	1.17	1.10	1.08	1.03
Gearing Ratio	(Borrowing / Total Reserves)	49.9%	66.9%	52.8%	51.9%

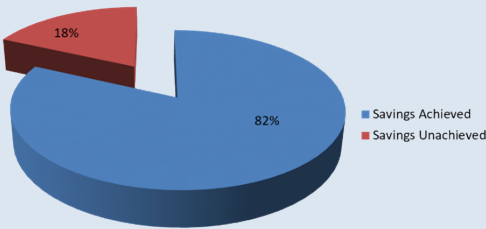
The figures below shows the 20/21 forecast position for both revenue and capital

2020/21 Revenue Forecast Position - December

Directorate	Current Budget £'000	Budget Forecast £'000	Variance £'000	Variance %
Children & Young People	25,855	26,595	740	2.9
Adult & Community Services	49,216	47,477	- 1,739	(3.5)
Education	15,364	14,745	- 619	(4.0)
Schools	106,527	105,575	- 952	(0.9)
Regeneration, Investment & Housing	10,043	10,151	108	1.1
City Services	24,624	24,699	75	0.3
Corporate Services	18,954	18,419	(535)	(2.8)
Total Directorates	250,583	247,661	(2,922)	(1.2)
Capital Financing	23,316	23,316	-	-
Contingency/ Provisions	2,932	2,170	(762)	(26.0)
Levies / other	23,738	22,331	(1,407)	(5.9)
Reserves /Transfer	(299)	654	953	(318.7)
Total Budget	300,270	296,132	(4,138)	(1.4)
Additional funding - CT surplus	-	800	800	-
Projected Over/ (Under) spend	300,270	296,932	(3,338)	(1.1)

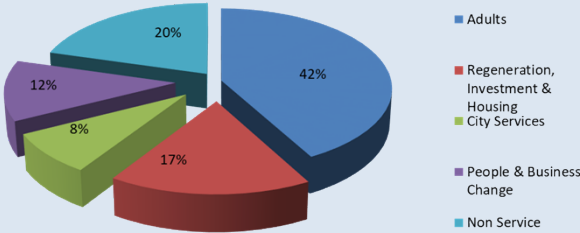
Revenue Savings Achieved and Unachieved (December 2020/21)

2020/21 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



Analysis of Unachieved Savings

ANALYSIS OF UNACHIEVED SAVINGS - 2020/21



2020/21 Capital Forecast Position - December

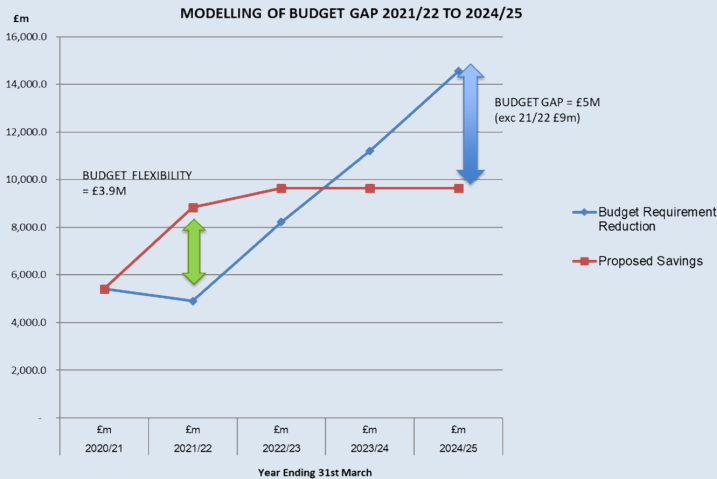
Directorate	Final Budget £'000	Budget Forecast £'000	Variance Slippage £'000	Variance (Under) Overspend £'000
Education	8,271	8,223	(15)	(33)
Regeneration, Investment & Housing	10,318	10,129	(189)	-
People & Business Change	636	636	-	-
Adult & Community Services	250	249	-	(1)
Children & Young People Services	1,056	1,056	-	-
City Services	11,641	11,210	(144)	(287)
Total Budget	32,172	31,503	(348)	(321)

The tables below show the Medium Term Financial Plan (MTFP) and the risks facing the Council.

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

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Financial Pressures	15,356	10,053	8,284	8,323	42,016
Funding Uplift	(12,719)	(4,297)	(2,755)	(2,350)	(22,121)
Budget Requirement Reduction	2,637	5,756	5,529	5,973	19,895
Increase in Ctax/ tax base	(3,214)	(2,434)	(2,532)	(2,633)	(10,813)
Savings	(3,411)	(812)	0	0	(4,223)
Budget Gap	(3,988)	2,510	2,997	3,340	4,859

Modelling of Budget Gap 2021/22 to 2024/25



Capital Expenditure & Need to borrow

Capital Expenditure	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Total capital expenditure	32.7	60.7	50.9	17.9
Capital Financing Requirement				
Investments or (new borrowing) CFR	- 0.4 281.9	- 27.3 295.4	- 43.7 295.4	- 55.0 319.8

APPENDIX 10a - Projected earmarked reserves

Reserve	Balance at 31-Mar-20	Balance at 31-Mar-21	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24
	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(1,113)	(2,066)	(2,066)	(2,066)	(2,066)
Earmarked Reserves:					
Music Service	(127)	(127)	(127)	(127)	(127)
Pay Reserve	(1,418)	(1,418)	(1,418)	(1,418)	(1,418)
Insurance Reserve	(664)	(664)	(234)	196	626
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	(725)	(516)	(110)	296	701
General Investment Risk Reserve	(658)	(658)	(658)	(658)	(658)
European Funding I2A & CFW	(394)	(394)	(394)	(394)	(394)
Metro Bus	(9)	-	-	-	-
GEMS Redundancies	(78)	(78)	(78)	(78)	(78)
SUB TOTAL - RISK RESERVES	(4,783)	(4,565)	(3,729)	(2,893)	(2,058)
Capital Expenditure	(5,344)	(5,269)	(5,269)	(5,269)	(5,269)
Invest to Save	(9,938)	(8,180)	(4,672)	(4,672)	(4,672)
Super Connected Cities	(426)	(298)	(170)	(42)	86
Landfill (fines reserve)	(332)	(332)	(307)	(307)	(307)
School Reserve Other	(182)	-	-	-	-
School Works	(452)	(452)	(452)	(452)	(452)
Investment Reserve	(342)	(324)	-	-	-
Usable Capital Receipts	(8,259)	(6,139)	(5,691)	(5,103)	(5,103)
Streetscene Manager Support	(117)	-	-	-	-
SUB TOTAL - ENABLING RESERVES	(25,391)	(20,993)	(16,560)	(15,844)	(15,716)
Municipal Elections	(130)	(166)	(168)	(206)	-
Local Development Plan	(625)	(640)	(498)	(356)	(142)
Strategic Development Plan	-	(55)	(55)	(55)	(55)
Business Support Reserve	-	(53)	(53)	(53)	(53)
Glan Usk PFI	(1,607)	(1,603)	(1,639)	(1,649)	(1,633)
Southern Distributor Road PFI	(40,691)	(40,364)	(39,959)	(39,417)	(38,741)
Loan modification technical reserve (IFRS 9)	(1,085)	(910)	(835)	(755)	(665)
Building Control	(104)	(124)	(124)	(124)	(124)
SUB TOTAL - SMOOTHING RESERVES	(44,242)	(43,916)	(43,332)	(42,616)	(41,414)
Works of art	(21)	(21)	(21)	(21)	(21)
Theatre & Arts Centre	(232)	(232)	(232)	(232)	(232)
Cymorth Income	(25)	(25)	(17)	(8)	(0)

Reserve	Balance at 31-Mar-20	Balance at 31-Mar-21	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24
	£'000	£'000	£'000	£'000	£'000
Blaen Y Pant	(18)	(10)	(10)	(10)	(10)
Homelessness Prevention	(38)	(147)	(121)	(121)	(121)
Environmental Health - Improve Air Quality	(49)	(49)	-	-	-
Refurbishment of a Children / Older People Homes	(41)	(21)	(21)	(21)	(21)
Apprenticeship Scheme	(29)	(29)	(21)	(21)	(21)
City Economic Development Reserve	(90)	(90)	(90)	(90)	(90)
Welsh Language Standards	(169)	(169)	(89)	(89)	(89)
Port Health	(16)	(16)	(16)	(16)	(16)
CRM	(244)	-	-	-	-
Financial System Upgrade	(400)	-	-	-	-
Events	(216)	(216)	(216)	(216)	(216)
MTFP Reserve	(2,037)	(2,037)	(2,037)	(2,037)	(2,037)
Voluntary Sector Grants	(49)	(37)	0	0	0
Bus Wifi	(17)	-	-	-	-
Bus Subsidy	(15)	(11)	-	-	-
Feasibility Reserve	(117)	(117)	(117)	(117)	(117)
IT Development	(53)	-	-	-	-
Leisure Delivery Plan	(103)	(103)	(103)	(103)	(103)
Chartist Tower	(256)	-	-	-	-
Joint Committee City Deal Reserve	(626)	(626)	(626)	(626)	(626)
NEW - Civil Parking Enforcement	(175)	-	-	-	-
SUB TOTAL - OTHER RESERVES	(5,036)	(3,955)	(3,736)	(3,728)	(3,720)
RESERVES TOTAL	(87,065)	(81,995)	(75,923)	(73,646)	(71,473)

APPENDIX 10b - Summary of invest to save spend and forecast

Invest to Save - Summary Forecast			
			£'000
Balance B/F 31st Mar 2020			(9,938)
Total Forecast Spend 2020/21			1,757
Invest to Save Forecast balance 31st Mar 2021			(8,180)
Further Funding Required:-			
Bids & Change / Efficiency proposals			
	2021/22		3,509
	2022/23		-
	2023/24		-
Remaining Invest to Save reserve available for future			
Change / Efficiency Programme			(4,672)

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)	% Increase
Other Local Authority Charges				
NCC Residential Homes (£ per week)				
Blaen-y-pant - Residential/Dementia Care	690	710	per week	3%
Parklands - Residential Care	595	613	per week	3%
Spring Gardens - Dementia Care	690	710	per week	3%
External Respite Facilities (£ per week)				
Centrica	1,035	1,066	per week	3%
Day Services (£ per week)				
Day Services/Opportunities – Learning Disability	105	108	per day	3%
Day Services/Opportunities – Mental Health/Older People	90	93	per day	3%
Spring Gardens Day Opportunities	90	93	per day	3%
Newport Residents Charges				
NCC Residential Homes (£ per week – short term stays over 8 weeks and permanent admissions).				
Blaen-y-pant - Residential/Dementia Care	690	710	per week	3%
Parklands - Residential Care	595	613	per week	3%
Spring Gardens - Dementia Care	690	710	per week	3%
<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 up to 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 (visitors and staff)	3.60	3.60	per meal	0%
Legal and Administration Charges				
Deferred Payment Administration Charge (DPA)	100	100	each	0%
Legal charge	50	100	each	100%
Interest Charges	Variable - Could be applied to property sales			
Residential care - provided by external providers	Residents charge will be dependent on weekly charge from external provider			
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>				
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>				
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%
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%
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%
Two Storey Extensions						
Two storey extension not exceeding 40m ²						
Building notice charge	466.67	466.67	700.00	700.00	each	0%
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%
Loft Conversions						
Loft conversion that does not include the construction of a dormer	420.83	420.83	631.25	631.25	each	0%
Loft conversion that does include the construction of a dormer	466.67	466.67	700.00	700.00	each	0%
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%
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%
Other						
Conversion of a garage to a habitable room(s)	245.83	245.83	368.75	368.75	each	0%
Alterations to extend or create a basement up to 100m ²	466.67	466.67	700.00	700.00	each	0%
Underpinning	229.17	229.17	343.76	343.76	each	0%
Renovation of a thermal element to a single dwelling	87.50	87.50	131.25	131.25	each	0%
Creation of New Dwelling						
i) Plan charge	203.13	203.13			each	0%
ii) Inspection charge	406.87	406.87			each	0%
iii) Building notice charge	610.00	610.00	915.00	915.00	each	0%

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%
ii) cost of works £2,001 to £5,000	204.17	204.17	306.26	306.26	each	0%
iii) cost of works £5,001 to £15,000	245.83	245.83	368.00	368.00	each	0%
iv) cost of works £15,001 to £25,000	345.83	345.83	368.75	368.75	each	0%
v) cost of works £25,001 to £40,000	441.67	441.67	662.50	662.50	each	0%
vi) cost of works £40,001 to £60,000	537.50	537.50	806.35	806.35	each	0%
Window Replacement						
Window replacement (non competent persons scheme) - 1 to 3 windows	83.33	83.33	125.00	125.00	each	0%
Window replacement (non competent persons scheme) - 4 to 20 windows	125.00	125.00	187.50	187.50	each	0%
Window replacement (non competent persons scheme) - 20+ windows	208.33	208.33	312.50	312.50	each	0%
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%
Electrical work carried out by others	279.17	279.17	418.76	418.76	each	0%
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%
Non Domestic Work						
Commercial Building - Floor Area not exceeding 40m²	533.00	533.00	799.50	799.50	each	0%
Commercial Building - Floor Area exceeding 40m² but not exceeding 100m²	612.50	612.50	918.75	918.75	each	0%
Commercial Building - Floor Area exceeding 100m² but not exceeding 200m²	891.67	891.67	1,337.51	1,337.51	each	0%
Underpinning - Est. cost up to £50,000	341.67	341.67	512.51	512.51	each	0%
Underpinning - Est. cost exceeding £50,000 and up to £100,000	441.67	441.67	662.51	662.51	each	0%
Underpinning - Est. cost up to £100,000 and up to £250,000	550.00	550.00	825.00	825.00	each	0%
Window Replacement						
Window Replacement - 1 to 20 windows	204.17	204.17	306.63	306.63	each	0%
Window Replacement - 21 to 50 windows	325.00	325.00	487.50	487.50	each	0%

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%
Window Replacement - 21 to 50 windows	370.83	370.83	556.25	556.25	each	0%
Renovation of a thermal element - Est. cost up to £50,000	204.17	204.17	306.63	306.63	each	0%
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%
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%
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%
Estimated cost exceeding £5,000 and up to £15,000	262.50	262.50	393.75	393.75	each	0%
Estimated cost exceeding £15,000 and up to £25,000	345.83	345.83	518.75	518.75	each	0%
Estimated cost exceeding £25,000 and up to £50,000	508.33	508.33	762.50	762.50	each	0%
Estimated cost exceeding £50,000 and up to £75,000	675.00	675.00	1,012.50	1,012.50	each	0%
Estimated cost exceeding £75,000 and up to £100,000	795.83	795.83	1,193.75	1,193.75	each	0%
Installation of Mezzanine floor up to 500m ²	587.50	587.50	881.25	881.25	each	0%
Office Fit Out - floor up to 500m ²	570.83	570.83	858.25	858.25	each	0%
Office Fit Out - floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0%
Shop fit out - Floor up to 500m ²	570.83	570.83	856.25	856.25	each	0%
Shop fit out - Floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0%
Letter of acceptance to Als	20.00	20.00	20.00	20.00	each	0%
Preliminary enquiries	50% of plan fee	50% of plan fee	50% of plan fee		each	
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	78.00	80.00			per session	3%
	244.00	250.00			per day	2%
Committee Room 1	42.00	43.00			per session	2%
	124.00	127.00			per day	2%
Committee Room 2	29.00	30.00			per session	3%
	89.00	92.50			per day	4%
Committee Room 3	29.00	30.00			per session	3%
	89.00	92.50			per day	4%
Committee Room 4	29.00	30.00			per session	3%
	89.00	92.50			per day	4%
Committee Room 5	24.00	25.00			per session	4%
	70.00	72.50			per day	4%
Committee Room 7	70.00	72.50			per session	4%
	212.00	220.50			per day	4%
Equipment Hire						
Full facilities in Committee Room 7 including staff assistance	62.00	64.50			per meeting	4%
Council Chamber Microphones	31.00	32.00			per meeting	3%
Council Chamber 1 Microphone	14.00	14.50			per meeting	4%
Beechwood House						
Meeting room - G1	£65.00	£67.50			half day	4%
Meeting room - G1	£125.00	£130.00			full day	4%
Meeting room - G5	£65.00	£67.50			half day	4%
Meeting room - G5	£125.00	£130.00			full day	4%
Meeting room - G6	£50.00	£52.00			full day	4%
Reception Room	£50.00	£52.00			full day	4%
Community Centres Room Hire						
Caerleon Town Hall						
Non Profit Making/ Voluntary Organisations						
Town Hall (Monday to Friday)	9.80	10.50			per hour	7%
Town Hall (Weekend)	14.55	15.00			per hour	3%
Memorial Hall (Monday to Friday)	7.70	8.00			per hour	4%
Memorial Hall (Weekend)	12.50	13.00			per hour	4%
Hire of Kitchen	5.90	6.00			per hour	2%

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
Small Group Organisations						
Town Hall (Monday to Friday)	12.45	13.00			per hour	4%
Town Hall (Weekend)	17.20	18.00			per hour	5%
Memorial Hall (Monday to Friday)	9.75	10.00			per hour	3%
Memorial Hall (Weekend)	14.55	15.00			per hour	3%
Hire of Kitchen	6.80	7.00			per hour	3%
Commercial/ Business (per hour)						
Town Hall (Monday to Friday)	15.35	16.00			per hour	4%
Town Hall (Weekend)	20.15	21.00			per hour	4%
Memorial Hall (Monday to Friday)	12.45	13.00			per hour	4%
Memorial Hall (Weekend)	17.20	18.00			per hour	5%
Hire of Kitchen	7.95	8.50			per hour	7%
England Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall	15.00	16.00			per hour	7%
Meeting Rooms	15.00	16.00			per hour	7%
Small Group Organisations - Member Rates						
Meeting Rooms	20.00	21.00			per hour	5%
Main Hall - Half Day	60.00	62.50			per hour	4%
Main Hall - Full Day	120.00	125.00			per hour	4%
Small Group Organisations - Non Member Rates						
Meeting Rooms	26.82	28.00			per hour	4%
Main Hall - Half Day	90.00	94.00			per hour	4%
Main Hall - Full Day	175.00	182.00			per hour	4%
Alway Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall (Monday to Friday)	7.45	8.00			per hour	7%
Main Hall (Weekend)	17.80	18.50			per hour	4%
Meeting Rooms (Monday to Friday)	6.65	7.00			per hour	5%
Meeting Rooms (Weekend)	11.40	12.00			per hour	5%
Hire of Kitchen	5.30	5.50			per hour	4%

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
Small Group Organisations (per hour)						
Main Hall (Monday to Friday)	10.63	11.00			per hour	3%
Main Hall (Weekend)	21.55	22.50			per hour	4%
Meeting Rooms (Monday to Friday)	8.50	9.00			per hour	6%
Meeting Rooms (Weekend)	13.30	14.00			per hour	5%
Hire of Kitchen	5.30	5.50			per hour	4%
Commercial/ Business (per hour)						
Main Hall (Monday to Friday)	12.75	13.50			per hour	6%
Main Hall (Weekend)	27.10	28.00			per hour	3%
Meeting Rooms (Monday to Friday)	13.30	14.00			per hour	5%
Meeting Rooms (Weekend)	15.40	16.00			per hour	4%
Hire of Kitchen	5.30	5.50			per hour	4%
Myermead Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Both Halls (Monday to Friday)	19.60	20.50			per hour	5%
Both Halls (Weekend)	28.10	29.00			per hour	3%
Main Hall (Monday to Friday)	9.80	10.00			per hour	2%
Main Hall (Weekend)	18.30	19.00			per hour	4%
Meeting Rooms (Monday to Friday)	9.50	10.00			per hour	5%
Meeting Rooms (Weekend)	18.00	18.50			per hour	3%
Small Group Organisations (per hour)						
Both Halls (Monday to Friday)	22.55	23.50			per hour	4%
Both Halls (Weekend)	31.05	32.50			per hour	5%
Main Hall (Monday to Friday)	11.30	12.00			per hour	6%
Main Hall (Weekend)	19.80	20.50			per hour	4%
Meeting Rooms (Monday to Friday)	10.90	11.50			per hour	6%
Meeting Rooms (Weekend)	19.40	20.00			per hour	3%
Commercial/ Business (per hour)						
Both Halls (Monday to Friday)	28.00	29.00			per hour	4%
Both Halls (Weekend)	36.50	38.00			per hour	4%
Main Hall (Monday to Friday)	14.00	14.50			per hour	4%
Main Hall (Weekend)	22.50	23.50			per hour	4%
Meeting Rooms (Monday to Friday)	13.50	14.00			per hour	4%
Meeting Rooms (Weekend)	22.00	23.00			per hour	5%

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
Bettws Day Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall (Monday to Friday)	9.80	10.50			per hour	7%
Main Hall (Weekend)	14.55	15.00			per hour	3%
Day Club (Monday to Friday)	7.70	8.00			per hour	4%
Day Club (Weekend)	12.50	13.00			per hour	4%
Hire of Kitchen	5.90	6.00			per hour	2%
Small Group Organisations (per hour)						
Main Hall (Monday to Friday)	11.70	12.00			per hour	3%
Main Hall (Weekend)	17.20	18.00			per hour	5%
Day Club (Monday to Friday)	9.75	10.00			per hour	3%
Day Club (Weekend)	14.55	15.00			per hour	3%
Hire of Kitchen	6.80	7.00			per hour	3%
Commercial/ Business (per hour)						
Main Hall (Monday to Friday)	15.35	16.00			per hour	4%
Main Hall (Weekend)	20.15	21.00			per hour	4%
Day Club (Monday to Friday)	12.45	13.00			per hour	4%
Day Club (Weekend)	17.20	18.00			per hour	5%
Hire of Kitchen	7.95	8.50			per hour	7%
Cefn Wood Centre						
Small Group Organisations (per hour)		As per SLA				
Leased to Education - SLA						
Maesglas Community Centre						
Main Hall (Monday to Friday before 6pm)	10.00	10.50			per hour	5%
Main Hall (Monday to Friday after 6pm)	20.00	21.00			per hour	5%
Main Hall (Weekend)	20.00	21.00			per hour	5%
Committee Room (Monday to Friday before 6pm)	10.00	10.50			per hour	5%
Committee Room (Monday to Friday after 6pm)	20.00	21.00			per hour	5%
Committee Room (Weekend)	20.00	21			per hour	5%

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
Museum and Art Gallery						
Educational Publications UK Rights	18.75	19.50				4%
Educational Publications World Rights	36.50	38.00				4%
Commercial Publications & Websites UK rights	37.50	39.00				4%
Commercial Publications & Websites world rights	78.50	81.50				4%
Publication Jacket, Covers & Homepages UK Rights	89.00	92.50				4%
Publication Jacket, Covers & Homepages World Rights	182.00	189.00				4%
Television Flash Fees UK rights	89.50	93.00				4%
Television Flash Fees world rights	177.00	184.00				4%
Digital Image 300 dpi	6.80	7.00				3%
Ship Project						
Staff Consultancy and Training services						
Hourly Rate	45.00	50.00			per hour	11%
Staff Consultancy and Training services						
Day Rate	300.00	320.00			per day	7%
Faro Arm Rental	85.00	90.00			per day	6%
Libraries						
Fines (per day)	0.20	0.20			per day	0%
Overdue Administration Adult	0.30	0.30			per letter	0%
Replacement Library Card	4.00	4.00			each	0%
Lost Books and other items	charging scale linked to Book Price				each	
Photocopying B&W A4	0.20	0.20			per copy	0%
Photocopying B&W A3	0.30	0.30			per copy	0%
Photocopying Colour A4	1.10	1.10			per copy	0%
Photocopying Colour A3	1.60	1.60			per copy	0%
Computer Printout A4	0.20	0.20			per copy	0%
Computer Printout A3	0.30	0.30			per copy	0%
Hire of Talking Books	1.40	1.40			each	0%
Charge for late return of Talking Books	0.20	0.20			per day	0%
Family History Research	28.00	28.00			per hour	0%
Hire of Rooms	20.00	20.00			per hour	0%

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
Transporter Bridge						
Day Ticket - Adult	4.00	4.00			per ticket	0%
Day Ticket - Child	3.00	3.00			per ticket	0%
Gondola - Adult (one way)	1.50	1.50			per ticket	0%
Gondola - Adult (return)	2.00	2.00			per ticket	0%
Gondola - Child (one way)	1.00	1.00			per ticket	0%
Gondola - Child (return)	1.50	1.50			per ticket	0%
Abseil Fee	250.00	260.00			per event	4%
Development Management Fees	Various based on scale of development	Statutory fees - no change			per application	0%
Pre-application advice	Various depending on the scale of development	Various depending on the scale of development			per application	0%
Dangerous Structures - Building Control	0.00	0.00			per application	0%
Demolition Notice	0.00	0.00			per application	0%

SERVICE AREA: 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	1,113.84	1,158.39	per plot	4%
Standard grave space not exceeding 2.15m x 0.76m (30") including headstone permit	1,113.84	1,158.39	per plot	4%
Purchase of two grave spaces to accommodate Fibreglass burial cube, including headstone - REMOVED	1,733.00	0.00	per plot	REMOVED
Large or special external coffin size over 30" including the extended size of coffin handles £60.00 per inch.	0.00	60.00	per inch	NEW
Green burial in green burial area - excluding headstone permit	0.00	774.68	per plot	NEW
Cremated remains in Garden of Rest – grave space not exceeding 0.23m x 0.92m	532.48	553.78	per plot	4%
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	1,210.56	1,258.98	per plot	4%
Interment of second person in grave space on same day	192.40	200.10	per plot	4%
Cremated remains in full grave space	268.32	279.05	per plot	4%
Cremated remains in garden of rest	268.32	279.05	per plot	4%
Interment of second person cremated remains in same space on same day	62.92	279.05	per plot	343%
Scattering of ashes	146.12	151.96	each	4%
Scattering of ashes of second person at same time	62.92	119.55	each	90%
Headstones and Tablets – including all inscriptions				
Columbaria Sanctum 2000 Units – above ground	2,066.68	2,149.35	each	4%
second and subsequent Interment Sanctum 2000 units	62.92	65.44	each	4%
Memorial plaque - NCC owned and maintained bench	0.00	400.00	each	NEW
Other Services and Items				
minute period)	16.22	33.84	per 30 minutes	109%
Provision of fibreglass burial cube	853.84	887.99	each	4%
Provision of BROXAP bench and concrete plinth	1,173.12	1,220.04	each	4%
Exhumation of Ashes	268.32	279.05	each	4%
Exhumation Full - Facilitation undertaken in house	2,200.00	2,288.00	each	4%
Exhumation of a child under the age of 3 years	2,200.00	525.00	each	-76%
Exhumation of a child aged 3 - 8 years	2,200.00	725.00	each	-67%
Exhumation of a child aged 8 - 14 years	2,200.00	925.00	each	-58%
Exhumation of a child aged 14 -18 years	2,200.00	1,144.00	each	-48%
Statutory Declaration	52.00	54.08	each	4%
Incorrect or missing details off forms. Interment forms not complete and where required, return to funeral directors to complete forms.	15.00	15.00	each	0%
Change in Circumstances (Grant name, marriage etc)	32.00	33.28	each	4%
Cancellation of Funeral (48hrs)	312.00	324.48	each	4%
Change in Funeral Times	32.00	33.28	each	4%
Copy of Exclusive Right of Burial (LOST/MISPLACED)	156.00	162.24	each	4%
Grant of Exclusive Right - 50 YEARS	873.60	908.54	each	4%
Grant of Exclusive Right - 25 YEARS	436.80	454.27	each	4%
Fee for plot for Non Newport resident	2,142.40	2,228.10	each	4%
Additional Tablet on Existing plot with Headstone	191.23	198.88	each	4%
Fee for new ashes plot Non Newport resident	1,333.28	1,386.61	each	4%
Headstone fee - Before April 2011	368.95	383.71	each	4%
Tablet Fee - Before April 2011	191.23	198.88	each	4%
Additional inscription	60.00	62.40	each	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Weekend Burial Services (Standard Burial Charges also apply)	500.00	520.00	each	4%
Memorial tree (no plinth)	475.00	494.00	each	4%
Traditional Graves (allowing the installation of full kerb sets). Additional cost on top of the purchasing of a grant of exclusive right.	0.00	400.00	each	NEW
Double Depth Grave	0.00	200.00	each	NEW
Triple Depth Grave	0.00	300.00	each	NEW
Test Dig of a Grave	0.00	140.00	each	NEW
Bricking up a Single Grave	0.00	650.00	each	NEW
Bricking up a Double Grave	0.00	1,300.00	each	NEW
Transport and Highways				
Streetworks				
Skip License (28 days)	45.00	46.80	each	4%
Unauthorised skips	165.00	171.60	each	4%
Private works: new apparatus Sec 50	405.00	585.00	each	44%
Sec 50 – Single dwelling new apparatus	405.00	585.00	each	44%
Sec 50 – Licence for repair or replace	405.00	585.00	each	44%
Sec 50 inspection – repair or replace	262.00	272.48	each	4%
Sec 50 inspection of excavations >200m long	405.00	585.00	each	44%
S171 Highway Excavation	215.00	223.60	each	4%
Tower Crane Over sailing the Highway Licence: 10 working days notice required.	500.00	600.00	each	20%
Road space booking	145.00	200.00	each	38%
Filming on the highway (new charge)	145.00	200.00	each	38%
Temporary Traffic Orders	550.00	1,700.00	each	209%
Emergency Temporary Traffic Orders	800.00	1,700.00	each	113%
Public rights of way temporary order	Various	1,600.00	each	
Public rights of way permanent order	Various	1,600.00	each	
Bus service departure Fees (Market Square)	0.75	0.75	each	0%
SAB Pre Applications - area is <0.4 ha	250.00	260.00	each	4%
SAB Pre Applications - area is 0.5-0.99 ha	600.00	624.00	each	4%
SAB Pre Applications - area is >0.99 ha	1,000.00	1,040.00	each	4%
Pre Application Meeting - area is <0.49 hectares	125.00	125.00	each	0%
Pre Application Meeting - area 0.5-0.99 hectares	300.00	300.00	each	0%
Pre Application Meeting - area is > 0.99 hectares	500.00	500.00	each	0%
Additional SAB services	50.00	50.00	each	0%
SAB Full Applications - fees set by WG	£420 to maximum £7,500(depending on size of site)	Variable	each	
Section 38 application fees	1,500.00	1,500.00	application	0%
Section 278/111	1,500.00	1,500.00	application	0%
Vehicle crossing service - installation and inspection	0.00	1,500.00	each	NEW
APM Access protection markings	200.00	250.00	each	25%
Temporary Sign Application	80.00	83.20	each	4%
Permanent/Tourism Sign applications	156.00	162.24	each	4%
E/O per sign	10.00	10.40	each	4%
Switch off existing signal installation and reinstate within office hours	405.00	421.20	each	4%
Switch off existing signal installation and reinstate outside office hours	480.00	499.20	each	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Parking				
Residents parking permits	32.00	34.00	each	6%
Visitor parking permits (Book of 10)	12.50	13.00	per book of 10	4%
Business Parking	1,040.00	1,040.00	per annum	0%
Car Park Charges (exc Maindee)				
Up to 3 hours	2.50	2.50		0%
Up to 5 hours	4.50	4.50		0%
Over 5 hours	6.00	6.00		0%
City Centre Kingsway - up to 1 hour	1.00	1.00		0%
Maindee Car Park				
Up to 2 hours	1.00	1.00		0%
Up to 5 hours	2.50	2.50		0%
Over 5 hours	3.00	3.00		0%
Car Parking in City Parks				
Up to 2 hours	1.00	1.00		0%
Up to 5 hours	3.00	3.00		0%
Over 5 hours	5.00	5.00		0%
Car parking Fourteen Locks Canal Centre				
Up to 4 hours	1.00	1.00		0%
Up to 5 hours	2.50	2.50		0%
Over 5 hours	3.00	3.00		0%
Allotment Rents - admin charge per plot	28.50	30.00	per plot	5%
Allotment Perch Fee (Plots can be made up of multiple perches - each perch represents approx 25m2)	3.50	3.70	per perch	6%
Waste Collection				
Trade waste collection:-				
Trade blue sacks	29.99	30.29	per roll of 13	1%
Trade blue labels	59.99	60.59	per pack of 26	1%
Recycling sacks	14.32	14.46	per roll of 13	1%
Cardboard labels	11.25	11.36	per pack of 10	1%
240 Litre bin	6.10	6.16	each	1%
360 Litre bin	7.99	8.07	each	1%
660 Litre bin	14.60	14.75	each	1%
1100 Litre bin	24.35	24.59	each	1%
Residual bin replacement	20.00	20.80	each	4%
New Developments - set of new bins	50.00	52.00	each	4%
Bulky/Special Collection	21.00	21.00	up to 3 items	0%
	6.00	6.00	additional items above £21	0%
Cesspit emptying:				
1,000 gallons	174.72	174.72	per 1,000 gallons	0%
2,000 gallons	220.48	220.48	per 2,000 gallons	0%
Waste Disposal Charges				
Active Waste Disposal Charge (set gate fee but variables for asbestos and commercial waste contracts)	54.35	56.52	per tonne	4%
Inactive Waste Disposal Charge	16.00	16.64		4%
Hazardous Waste Disposal Charge	82.50	85.80		4%
Hazardous Waste Note	23.00	50.00		117%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Parks And Open Spaces				
Belle Vue Park				
Wedding Photography - Annual Permit	82.16	85.45	annually	4%
Caerleon Pavilion				
Commercial hire per hour	16.45	17.11	per hour	4%
Education hire per hour	13.52	14.06	per hour	4%
Children's Parties per hour	13.52	14.06	per hour	4%
Community Groups hire per hour	10.82	11.25	per hour	4%
Sport and Leisure Pitch Hire				
Football				
Pitch only (adult) (per match/pitch) summer and winter	41.18	42.83	each	4%
Pitch and 1 x changing (adult) (per all sports summer and winter)	52.62	54.72	each	4%
Changing room (per U16 age group)	23.10	23.10	each	0%
Seasonal football charge exclusive use – football pitch only	1,234.38	1,283.76	each	4%
Seasonal football charge exclusive use - football pitch and changing room	1,291.58	1,343.24	each	4%
Seasonal football charge priority - pitch only	647.50	673.40	each	4%
Seasonal football charge priority - pitch & changing room	792.79	824.50	each	4%
Seasonal football charge standard - pitch only	469.04	487.80	each	4%
Seasonal football charge standard - pitch and changing room	671.80	698.67	each	4%
Seasonal football charge general use - Sunday sides - pitch only	360.80	375.23	each	4%
Seasonal football charge general use - Sunday sides - pitch and changing room	454.30	472.47	each	4%
Football pitch hire aged 11-12 years	10.30	10.30	each	0%
Football pitch hire and changing rooms aged 11-12 years	15.50	15.50	each	0%
Football pitch hire aged 13-16 years	20.89	20.89	each	0%
Football pitch hire and changing rooms aged 13-16 years	26.31	26.31	each	0%
Rugby				
Pitch only (adult) (per match/pitch) summer and winter	41.18	42.83	each	4%
Pitch and 1 x changing (adult) (per all sports summer and winter)	52.62	54.72	each	4%
Changing room (per U16 age group)	23.10	23.10	each	0%
Rugby - exclusive use pitch and changing	1,291.40	1,343.06	each	4%
Rugby - exclusive pitch only	1,234.20	1,283.57	each	4%
Rugby - standard pitch	469.15	487.92	each	4%
Rugby - standard pitch and changing	633.60	658.94	each	4%
Rugby pitch hire aged 12-14 years	10.30	10.30	each	0%
Rugby pitch hire aged 13-14 years	15.50	15.50	each	0%
Rugby pitch hire aged 15-16 years	20.89	20.89	each	0%
Rugby pitch hire and changing rooms aged 15-16 years	26.31	26.31	each	0%
Glan Usk				
Glan Usk Astro Juniors	27.74	27.74	each	0%
Glan Usk Astro Seniors	55.00	57.20	each	4%
Events				
Major Charitable Events - Price upon application Charity Events land hire (per day discretionary)	216.32	224.97	each	4%
Setup and Derig	309.00	321.36	each	4%
Fun fair 1-3 rides	309.00	321.36	each	4%
Fun fair 3 plus ride	515.00	535.60	each	4%
Outdoor cinema	412.00	428.48	each	4%
Catering/Commercial stall per trader	123.60	128.54	each	4%
Alcohol bar	1,030.00	1,071.20	each	4%
NCC Street Cleaning Service per day	312.00	324.48	each	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Major Commercial Events - Price upon application	540.80	562.43	each	4%
Commercial Events land hire (per day discretionary)				
Setup and Derig	520.00	540.80	each	4%
Fun fair 1-3 rides	416.00	432.64	each	4%
Fun fair 3 plus ride	520.00	540.80	each	4%
Outdoor cinema	520.00	540.80	each	4%
Catering/Commercial stall per trader	156.00	162.24	each	4%
Alcohol bar	2,080.00	2,163.20	each	4%
NCC Street Cleaning Service per day	312.00	324.48	each	4%
Low Key Community Events (no Income Generation (per day))	54.08	56.24	each	4%
Community Events Income Generation (per day)	104.00	108.16	each	4%
Land rental for car boot sales - location tredegar park when available	0.00	280.00	each	NEW
Lodges - Rental Costs				
Grove Park Lodge	553.11	575.23	per month	4%
Shaftesbury Park Lodge	543.84	565.59	per month	4%
Christchurch Cemetery Lodge	499.55	519.53	per month	4%
St.Woolos Cemetery Lodge	618.00	642.72	per month	4%
Belle Vue Park - top lodge	618.00	642.72	per month	4%
Belle Vue Park - Residential Lodge Rent	568.56	591.30	per month	4%

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	208.00	per survey	4%
Property inspection and report with 2 schedules & fire plans	250.00	260.00	per survey	4%
Each additional proposal over 2 proposals above	50.00	52.00	per additional proposal	4%
Property Surveys (Non-Statutory)	193.48	201.00	per survey	4%
Health and Safety - swimming pool/spa pool resamples following unsatisfactory result (plus VAT)	70.87	74.00	per sample	4%
Port Health Ship Sanitation Certificates				
Gross Tonnage				
Up to 1,000	95.00	100.00	per certificate	5%
1,001 to 3,000	130.00	135.00	per certificate	4%
3001 to 10,000	200.00	205.00	per certificate	3%
10,001 to 20,000	255.00	265.00	per certificate	4%
20,001 to 30,000	330.00	340.00	per certificate	3%
Over 30,000	390.00	400.00	per certificate	3%
With exception of vessels with capacity to carry between 50 and 100 persons	390.00	400.00	per certificate	3%
With exception of vessels with capacity to carry more than 1,000 persons	665.00	680.00	per certificate	2%
Extensions to Certificates	65.00	70.00	per certificate	8%
Tables and Chairs (Licence)				
Annual Fee	168.73	175.50	per licence	4%
4 chairs	61.87	64.50	per licence	4%
12 Chairs	95.61	99.50	per licence	4%
24 chairs	168.73	175.50	per licence	4%
24+ chairs	208.10	216.50	per licence	4%
smoking area	56.24	58.50	per licence	4%
change name on licence	28.12	29.00	per licence	3%
Animal Establishment Licensing				
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.	50.00	50.00	per hour	0%
Re Audit - In the event a licence is not issued following an audit the fee for an additional visit will be required.	50.00	50.00	per hour	0%
[a] Riding Establishments (Application Audit applies - see above)				
Up to 10 horses	128.23	133.50	per licence	4%
11 to 20 horses	156.36	162.50	per licence	4%
21 to 30 horses	167.60	174.50	per licence	4%

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	146.23	152.00	per licence	4%
Up to 25 animals	146.23	152.00	per licence	4%
25 to 50 animals	166.48	173.00	per licence	4%
Over 51 animals	194.60	202.50	per licence	4%
[c] Pet Shops (Application Audit applies - see above)	121.49	126.50	per licence	4%
[d] Dangerous Wild Animals (Application Audit applies - see above)	559.06	581.50	per licence	4%
[e] Dog Breeding Establishments (Application Audit applies - see above)	121.49	126.50	per licence	4%
[f] Zoo Licence (Application Audit applies - see above)	1,066.37	1,109.00	per licence	4%
<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)	115.00	120.00	per search	4%
Optional questions	13 (for 20 out of 22 questions) 16 (2 out of the 22 questions)	14 (for 20 out of 22 questions) 17 (2 out of the 22 questions)	per search	
Solicitors own questions	26.00	27.00	per search	4%
Additional parcel fee (Con29 R)	25.00	26.00	per search	4%
Additional parcel fee (total)	26.00	27.00	per search	4%
Query re: personal search (dealing with errors etc)	26.00	27.00	per search	4%
Stray Dogs Reclaiming Fees:				
Dogs reclaimed after one day	97.00	100.00	per dog	3%
Dogs reclaimed after two day	112.00	116.00	per dog	4%
Dogs reclaimed after three day	127.00	132.00	per dog	4%
Dogs reclaimed after four day	141.00	146.00	per dog	4%
Dogs reclaimed after five day	156.00	162.00	per dog	4%
Dogs reclaimed after six overnight stays	170.00	176.00	per dog	4%
Dogs reclaimed after seven overnight stays	185.00	192.00	per dog	4%
Dogs reclaimed and staying with the kennels for an extended period (charge per night)	11.50	12.00	per dog	4%
<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)	43.50	45.00	per property	3%
Single Plot Development	119.00	124.00	per plot	4%
Development 2+ Plots	119.00 + 43.50 per additional plot	124.00 + 45.00 per additional plot	per site/plot	4%
Changes to Development Layout after Notification	43.50 per plot affected	45.00 per plot affected	per plot	4%
Street Renaming at Residents Request	119.00 + 43.50 per property	124.00 + 45.00 per property	per street/property	4%
Confirmation of Address to Conveyancers etc	43.50	45.00	per property	3%

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	103.49	107.50	per registration	4%
Practitioners	103.49	107.50	per registration	4%
Replacement Certificates	25.87	27.00	per certificate	4%
Addition of new Procedure to existing Certificate	51.75	54.00	per certificate	4%
Temporary Premises for Public Event	71.39	74.50	per registration	4%
Temporary Practitioners for Public Event	35.69	37.00	per registration	4%
Voluntary Surrender of Food Certificate	61.87 for first half hour and 61.87 for every additional half hour or part thereof plus VAT	64.50 for first half hour and 64.50 for every additional half hour or part thereof plus VAT	per certificate	4%
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%
[c] Export Health Certificates				
Export Health Certificate - Food Safety (per certificate)	121.49	126.50	per certificate	4%
Local land searches/Environmental Information Regulations requests in respect of contaminated land etc. [other than those under the Local Land Charges Act 1975]	60.74 for first hour and 60.74 for each additional hour or part thereof	63.50 for first hour and 63.50 for each additional hour or part thereof	per hour	5%
UK Entrance Clearance - Premises Assessment				
Property inspection	193.48	201.00	per inspection	4%
Re-assessment for additional person (within 6 months)	98.99	103.00	per assessment	4%
Houses In Multiple Occupation Licensing Fees				
(i) Initial Licence	1,013.50	1054.00	per licence	4%
(For larger HMO (6+ units of accommodation/households)	£58.49 extra per additional unit up to a max of 1,704	£61.00 extra per additional unit up to a max of 1,704	per additional accommodation unit	4%
(ii) Renewal of Licence made before expiry of existing licence	800.90	833.00	per renewal	4%
(For larger HMO (6+ units of accommodation/households)	£58.49 extra per additional unit up to a max of 1,499	£61.00 extra per additional unit up to a max of 1,499	per additional accommodation unit	4%
(iii) Renewal of Licence made after expiry of existing licence	1,013.50	1054.00	per renewal	4%
(For larger HMO (6+ units of accommodation/households)	£58.49 extra per additional unit up to a max of 1,704	£61.00 extra per additional unit up to a max of 1,704	per additional accommodation unit	4%
(iv) Licensing following revocation of previous licence (where ownership unchanged)	800.90	833.00	per application	4%
(For larger HMO (6+ units of accommodation/households)	£58.49 extra per additional unit up to a max of 1,499	£61.00 extra per additional unit up to a max of 1,499	per additional accommodation unit	4%
(v) Licence Variations				
Property inspection required	91.11	95.00	per Variation	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Camp Site Licences	701.92	730.00	per site licence	4%
Mobile Homes				
Site Licence fees - small site (3-10 caravans)	701.92	730.00	per site licence	4%
Site Licence fees - medium site (11-49 caravans)	784.03	815.50	per site licence	4%
Site Licence fees - large site (50+ caravans)	935.89	973.50	per site licence	4%
Site Licence fees - sites of 2 or fewer pitches	0.00	0.00	per site licence	N/A
Amendment to site licence conditions - variation	64.12	66.50	per amendment	4%
Amendment to site licence conditions - variation requiring an inspection	164.23	171.00	per amendment	4%
Fee to deposit site rules	52.87	55.00	per fee	4%
Fee for replacement licence	15.75	16.50	per replacement licence	5%
Fixed Penalty Notice charge	87.74	91.50	per FPN charge	4%
Housing Act 2004 Notice Fees	400.00	400.00	per notice	0%
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%
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)	102.81	107.00	per sample	4%
(ii) Drinking water – Microbiological (each subsequent sample) (plus VAT)	72.64	75.50	per sample	4%
(iii) Legionella water sample (first sample) (plus VAT)	122.70	127.50	per sample	4%
(iv) Legionella water sample (each subsequent sample) (plus VAT)	91.77	95.50	per sample	4%
Port Health – Organic Animal Feed and Food Import Certificate	45.00	45.00	National flat rate charge of £45	0%
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%
Special Safety Certificates for Sports Grounds	162.24	169.00	per certificate	4%

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)	58.49	61.00	per licence	4%
City centre pitch - application fee (quarterly/full year)	175.48	182.50	per licence	4%
License fee (daily) - static trader	52.87	55.00	per licence	4%
License fee (weekly) - static trader	105.74	110.00	per licence	4%
License fee (monthly) - static trader	292.46	304.00	per licence	4%
License fee (quarterly) - static trader	409.45	426.00	per licence	4%
License fee (full year) - static trader	935.89	973.50	per licence	4%
City centre pitch - license fee (full year) - static trader	2,924.65	3,041.50	per licence	4%
License fee (daily) - mobile trader	52.87	55.00	per licence	4%
License fee (weekly) - mobile trader	105.74	110.00	per licence	4%
License fee (monthly) - mobile trader	140.61	146.00	per licence	4%
License fee (quarterly) - mobile trader	175.48	182.50	per licence	4%
License fee (full year) - mobile trader	350.96	365.00	per licence	4%
Taxi Licensing Fees				
Vehicles - less than 5 years	83.00	83.00	per licence	0%
Vehicles – more than 5 years, less than 10	114.00	114.00	per licence	0%
Vehicles – over 10 Years	166.00	166.00	per licence	0%
Drivers 3 year	249.00	249.00	per licence	0%
Driver instalments	83.00	83.00	per licence	0%
Operators 1-9 vehicles	1,000.00	1,000.00	per licence	0%
Operators 10-19 vehicles	1,500.00	1,500.00	per licence	0%
Operators 19-35 vehicles	2,000.00	2,000.00	per licence	0%
Operators 35+ vehicles	2,500.00	2,500.00	per licence	0%
Replacement rear plate	19.00	19.00	per item	0%
Replacement internal plate	12.00	12.00	per item	0%
Replacement licence	6.00	6.00	per licence	0%
Replacement bracket	13.00	13.00	per item	0%
Replacement Badge	19.00	19.00	per item	0%
Transfer Plate	65.00	65.00	per item	0%
Change of vehicle	115.00	115.00	per licence	0%
Knowledge test	65.00	65.00	per test	0%
Scrap Metal				
Site Licence	466.82	485.50	per licence	4%
Variation of licence	52.87	55.00	per licence	4%
Collectors licence	303.71	316.00	per licence	4%
Ceremony Charges for Naming and Vow Renewal Ceremonies				
Booking fee	70.00	70.00		0%
Mansion House - Monday to Thursday	285.00	300.00	per event	5%
Mansion House - Friday	340.00	355.00	per event	4%
Mansion House - Saturday (includes Premier Package)	375.00	390.00	per event	4%
Approved Venue - Monday to Thursday	395.00	415.00	per event	5%
Approved Venue - Friday	450.00	470.00	per event	4%
Approved Venue - Saturday	485.00	505.00	per event	4%
Approved Venue - Sunday, Bank holidays	555.00	575.00	per event	4%
Commemorative certificate packs	10.00	11.00	per pack	10%
Save the Date Fee	25.00	30.00	per request	20%
Approved Premise Licensing	1,700.00	1,800.00	per licence	6%
Citizenship Ceremony (individual)	95.00	100.00	per event	5%
Citizenship ceremony (additional relative)	35.00	40.00	per person	14%
Certificate Fees				
Certificate Search Fees				
Search 1 year either side of date				
Search a further 5 years	10.00	10.00	per request	0%
Search a further 10 years	18.00	18.00	per request	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Same Day Service				
Standard Certificate - premium for issuing certificate on same day	10.00	10.00	per certificate	0%
Short Certificate - premium for issuing certificate on	10.00	10.00	per certificate	0%
Certificate Postage Costs - "signed for" delivery				
Administration Charge - Registrar Certificate	2.00	2.00	per envelope	0%
Administration Charge - Superintendent Certificate	2.00	2.00	per envelope	0%
Same day service certificates *	37.00	37.00		0%
Regular service applications *	13.00	13.00		0%
<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	£181.71 for up to 3 hours plus £60.75 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%
Investigation (each investigation)	£100* plus the analysis cost	£100* plus the analysis cost	per investigation	0%
Grant of an authorisation (each authorisation)	£100*	£100*	per authorisation	0%
Analysis (taken under regulation 10)	£25*	£25*	per analysis	0%
Analysis (taken during check monitoring)	Analysis cost up to £100*	Analysis cost up to £100*	per analysis	0%
Analysis (taken during audit monitoring))	Analysis cost up to £500*	Analysis cost up to £500*	per analysis	0%
<i>* Maximum permitted by regulation</i>				
Fireworks - all year sales licence (set at statutory maximum)	500.00	500.00	per licence	0%
Ceremony Charges for Marriage and Civil Partnership				
Mansion House - Monday to Thursday	285.00	300.00	per event	5%
Mansion House - Friday	340.00	355.00	per event	4%
Mansion House - Saturday (includes Premier Package)	375.00	390.00	per event	4%
Approved Venue - Monday to Thursday	395.00	415.00	per event	5%
Approved Venue - Friday	450.00	470.00	per event	4%
Approved Venue - Saturday	485.00	505.00	per event	4%
Approved Venue - Sunday, Bank holidays	555.00	575.00	per event	4%
Register Office (simple ceremony)	46.00	46.00	per event	0%
Church/Chapel ceremony attendance	86.00	86.00	per event	0%
Legal notice of marriage or civil partnership	35.00	35.00	per notice	0%
Certificate (issued at time of registration)	11.00	11.00	per certificate	0%
Certificate (issued within 28 days)	11.00	11.00	per certificate	0%
Citizenship Ceremonies	95.00	95.00	per event	0%
Single Adult	35.00	35.00	per event	0%
Same Day Service				
Certificate (from archive)	35.00	35.00	per certificate	0%
Regular Service				
Standard Certificate (from archive)	11.00	11.00	per certificate	0%
Short Certificate (from archive)	11.00	11.00	per certificate	0%
Legal Services				
Local Land Charges (LLC1 only)	6.00	6.00	per search	0%
Local Land Charges (NIis LLC1))	4.00	4.00	per search	0%
Additional parcel fee (LLC1)	1.00	1.00	per search	0%

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Report

Cabinet

Part 1

Date: 22nd February 2021

Subject: City Centre Leisure and Learning Consultation Response

Purpose To provide the cabinet with an update on the recent consultation on City Centre Leisure and Learning proposals and request permission to proceed.

Author Head of City Services & Acting Head of Regeneration, Housing & Investment

Ward All

Summary

On 16 December 2020, the cabinet agreed to consult with the public on proposals to build a new environmentally sustainable and energy efficient leisure and wellbeing facility on a brownfield site overlooking the River Usk and allocate the existing Newport Centre land to Coleg Gwent for the purpose of relocation of their further education campus into the city centre.

This report provides information on the consultation responses and requests permission to proceed with the plans.

Proposal

Cabinet is requested to:

- Agree to proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- Approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- Agree to the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- Authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

Action by Head of City Services, Acting Head of Regeneration, Investment and Housing and Head of Law and Regulations.

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Head of Law and Regulation
- Head of Finance
- Head of People & Business Change
- Head of Education
- Newport Live
- Coleg Gwent
- Cabinet Member for Economic Growth and Investment
- Cabinet Member for Culture and Leisure
- Cabinet Member for Assets
- Cabinet Member for Education and Skills
- Cabinet Member for Sustainable Development

Signed:

Background

The Newport Centre is the oldest facility within the Newport City Council leisure estate. Built in 1985, the facility originally comprised of a range of leisure facilities, a swimming pool and a multifunctional sports hall. Over time, the condition of many of the facilities has deteriorated due to their age and some are at the end of their usable lifespan. Changes in legislation now also prevent the viable use of the sports hall as an events venue without major investment, compounded by an events world where the business model for events has been transformed with the development of significantly bigger facilities. As a result of these factors and coupled with the increasing cost of maintenance, staffing and energy overheads, the facility is no longer commercially viable.

Within the city core 'area of focus', the city centre Master Plan identifies the opportunity to create a Newport Knowledge Quarter in the area around Friar's Walk and the USW campus. The redevelopment of a new leisure facility on land opposite the Newport Centre presents us with an opportunity to release the existing site to relocate Coleg Gwent's Nash Campus into the city centre. The current Nash campus needs significant investment and the provision of Further Education and Higher Education in the city centre provides Coleg Gwent with an opportunity to provide a new, modern and fit for purpose facility in a more accessible location as well as enabling the Council to deliver upon the Council's vision of delivering a Newport Knowledge Quarter in the heart of the city centre.

On 16 December 2020 the cabinet agreed to consult on the proposal to build a state of the art modern, energy efficient and flexible leisure, health, and wellbeing facility on a vacant brownfield site on the riverfront, comprising of

- A modern leisure pool
- Conventional pool
- Family friendly wet changing facilities
- Fitness Suite and studios and dry changing facilities
- Roof garden / active roof
- On site café and relaxation areas
- On site bike storage/active travel connectivity
- Enhanced accessibility for all users

By progressing the development of new leisure facilities on the new site we would enable the existing Newport Centre land to be released to Coleg Gwent, facilitating the delivery of a modern further education offer in the city centre – the Newport Knowledge Quarter.

The brand-new facility would be in the region of 20,000sqm, comprising teaching space, science and technology labs, hair, beauty and catering facilities, staff, and welfare areas, together with workshop space for a wide range of courses. The site is clearly in an accessible location, with excellent access to existing transport modes, particularly the bus station. Approximately 2,000 students would be based at the new campus and, whilst Covid-19 has affected the way courses are currently being delivered, Coleg Gwent have confirmed that there is still a need for face-to-face tuition, particularly in relation to vocational courses.

The provision of both a new leisure and education facility will deliver new landmark buildings in the city centre, resulting in increased footfall and generating confidence in Newport as a result of public sector-led major investment. It will positively:

- Boost the economy of Newport and the wider region
- Create a fit for purpose, modern leisure and wellbeing facility for the people of Newport
- Enable the regeneration of long-standing brownfield site in the city centre
- Provide a new attraction and reason for people to visit Newport

- Improve educational outcomes creating seamless 'learning pathways' to Higher Education
- Improve the physical infrastructure of Newport city centre
- Promote health and wellbeing, encouraging people to engage and become more active
- Support the sustainability of the Council's operating model for leisure

Consultation Feedback

The consultation period ran from 17 December 2020 to 29 January 2021, using a range of communication and engagement methods with a total of 1,022 responses received. This high response rate gives statistical reliability and means that the overall results should be indicative of the wider Newport population.

In summary:

- 1,022 survey responses were received, 13 of these were submitted in Welsh
- 94% of people who responded indicated that they would like to see new leisure and wellbeing facilities in Newport
- 85% of respondents indicated that they supported the reuse of the Newport Centre for the provision of a college campus
- 74% said that they would use new facilities more often
- 45% of respondents indicated that they would prefer Option 1 (larger swimming offer and no multifunctional hall)
- 42% of respondents indicated that they would prefer Option 2 (smaller swimming offer with a multifunctional hall)
- 12% of respondents indicated no preference
- 14% of respondents believed that new leisure facilities would disadvantage people – the majority of these responses expressed a concern about the lack of cricket provision. Other concerns included the cost of parking and potential cost for use for less affluent households and the increased distance from bus/train stations
- When asked what most important, most popular answers were modern facilities (40%), swimming for fitness and learning (30%), a larger swimming pool (29%), facilities that are accessible to all (28%), having fun pools (25%) and a sport and physical activity hall (24%)

Demographic monitoring questions indicated that responses came from a relatively even split of people who identified as either male or female. The majority of respondents were between 25 - 54 years old, with the largest proportion being 35 - 44. There were fewer responses from both younger people (under 24) and older people (65 and older).

5% of respondents indicated that they were Welsh speakers and 6% identified as disabled. 90% of respondents identified as White British, with low numbers of respondents from a BAME background – around 5% compared to a population of 10% at the last census. 4% of respondents indicated that they identify as lesbian, gay or bisexual, and less than 2% of respondents indicated that they were non-binary or transgender.

Respondents indicated a range of religious beliefs, in line with census population data. Around 40% of respondents had caring responsibilities for children of school age, 14% for children of pre-school age and 10% cared for a dependent adult.

Details of the consultation can be found in Appendix 1

The results of the consultation show overwhelming support for building a new leisure centre, as well as a real desire to have an inclusive facility for the health and wellbeing for the community.

The consultation proposed two alternative approaches to the use of the site. Option 1: a larger swimming pool and Option 2: a slightly smaller swimming pool but with added benefits of having a multi-functional hall. The responses were split, with a slight favouring for Option 1 (45%) over Option 2 (42%). As such it is proposed to look to integrate the two concepts in the final design.

Financial Summary

The total cost of the project has been estimated at £19.7m. The final, detailed financial model is in development and the Council is currently exploring a range of funding options. This includes the Council's capital reserves, Welsh Government funding and its operating subsidy arrangements with Newport Live. The following table provides a summary of the current headline cost estimates and potential funding sources.

CAPITAL (£'000s)	
Capital Investment required	£19,721
Funded by	
Capital borrowing (financed by reduction in Newport Live subsidy) *	£8,194
External funding(not yet approved)**	£7,027
Earmarked Capital Reserves***	£3,500
Capital Receipts***	£1,000
Total	£19,721

*Newport Live have identified an annual saving of £450K, generated by moving the provision of city centre leisure services to a new more efficient facility. This saving reduction would impact on the Council's subsidy to Newport Live, which when capitalised, generates the £8.1m identified above.

**As part of the funding requirements of this project, an application has been submitted requesting £7.027m investment into the project from the Welsh Government Transforming Towns programme. We are awaiting outcome and details for this.

***It is proposed that the remaining costs will be met from the Council's existing capital programme, (capital receipts and borrowing).

Risks

The current risks are set out in the risk register below, due to the complex nature of the project, the risk register is monitored by the project board.

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?
WG declines to award funding	H	L	The provision of a Newport Knowledge Quarter has been established through the adopted city centre Master Plan and has been included on forward funding programmes with Welsh Government. Whilst the funding is for the new leisure facility, the relocation to the Expansion Site will release the Newport Centre site for the Knowledge quarter initiative and a potential investment of £90m.	Head of Finance
Not enough demand in the future for the facilities provided in the build	H	L	The multi –purpose dry areas will be flexible enough to meet any changing future demand	Head of City Services
WG do not agree to the release of the joint venture land for leisure purposes	H	L	Welsh Government have been kept fully informed of the proposals for the Expansion Site and are aware of the benefits which are derived from not only an improved leisure offer but also the relocation of Coleg Gwent campus into the city centre.	Acting Head of Regeneration, Investment and Housing
Reputational risk	L	L	Detailed communication and consultation strategies involving citizens in the development of the offer	Head of City Services
Cost escalation Delays in starting the build and any other ongoing delays due to external factors which result in escalating costs -	H	M	Working within the pre-agreed financial envelope and a robust contract management approach.	Head of City Services

Links to Council Policies and Priorities

This development would be in keeping with the adopted Local Development Plan, Economic Growth Strategy, city centre Master Plan, Corporate Plan and Local Well-being Plan.

This proposal meets the following commitments and well-being objectives of the council as specified in the Corporate Plan 2017 – 2022

Thriving City

- Real progress on transforming Newport city centre through redevelopment

Aspirational People

- The City has modern, increased Tertiary education capacity that meets the needs of Newport's future economic and social changes

Well-being Objectives

1. To improve skills, educational outcomes and employment opportunities

The opportunity offered by the new build will enhance the development of the Newport Knowledge Quarter. This will provide residents with enhanced FE and HE opportunities in an accessible and modern facility.

2. To promote economic growth and regeneration whilst protecting the environment

The new build will attract people into the city centre to use the facilities, which will increase footfall in the city centre. Due to the central location many residents will be able to walk, cycle or use other sustainable forms of transport to access the building. Any new facility will be built to BREAM excellent standards, with sustainability and future proofing at its core. Together with the new Coleg Gwent building, enhancements to Usk Way and the active travel connectivity, this will create high quality place and green lung, right at the heart of the city centre.

3. To enable people to be healthy, independent and resilient

The building will provide a wide range of activities aimed at promoting improved physical and mental health and wellbeing as well as offering community facilities where people can meet. The offer will be affordable and delivered in an attractive, accessible location with good transport links.

4. To build cohesive and sustainable communities

Cohesive communities are those which are able to meet and support each other. The building can act as a focal point for local groups and individuals to come together.

Options Available and considered

Option 1

- Agree to proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- Approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- Agree to the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- Authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

Option 2

- Do not proceed with the new leisure and learning project

Preferred Option and Why

Option 1

- Agree to proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- Approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- Agree to the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- Authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

Comments of Chief Financial Officer

This report details the findings from the public consultation exercise. There have been no changes to the funding envelope detailed in previous reports. The reduction in the Newport Live subsidy will fund £8.1m of Council borrowing as the report shows and the use of capital reserves/receipts has a relatively small additional revenue cost associated with it. There remains a shortfall in funding currently and an application has been submitted to Welsh Government for a grant as part of the required financial envelope. Their support in funding the proposal is important and will be updated at the meeting.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's legal powers to provide sports, leisure and recreational facilities under section 19 of the Local Government (Miscellaneous Provisions) Act 1976 and to acquire and dispose of land and property for the purposes of these function and in connection with its regeneration powers, in accordance with sections 120 and 123 of the Local Government Act 1972. Cabinet agreed in December 2020 that the existing facilities at the Newport Centre are no longer fit for purpose and it was not economically viable to bring them up to the necessary standard. Therefore, the Cabinet agreed to consult with the public regarding alternative options for the re-provision of sports and leisure facilities on a city centre site adjacent to the university building and the regeneration benefits of releasing the existing Newport Centre site for the purposes of relocating Coleg Gwent.

Although there is no express statutory duty to consult in relation to the provision of sport and leisure facilities, the Council has always undertaken full public consultation and stakeholder engagement before taking any decision which may impact upon the delivery of any public service, in accordance with the principles of fairness and legitimate expectation. In addition, when taking decisions of this nature and in exercise of its functions, the Council is required to have due regard to its public sector equality duty under section 149 of the Equality Act 2010. It was intended that the consultation responses would help to inform the final Fairness and Equality Impact Assessment which is attached to this report.

The consultation responses set out in the Appendix to this report do not raise any concerns regarding any adverse impact caused by the re-provision of sports and leisure services at the new facility. In particular, no issues have been identified which could have any disproportionate impact on any user groups who have "protected characteristics" under the Equality Act, such as the elderly or the disabled, or any socio-economic disadvantage.

Therefore, Cabinet are able to take the decision to proceed with the new leisure facility and to release the Newport Centre site to Coleg Gwent and to allocate specific capital funding for this purpose, subject to the necessary planning consents being granted for both schemes. The disposal of the Newport centre site to Coleg Gwent will require the grant of a 250-year development lease, at a net market value,

allowing for costs of demolition and site clearance. The determination of the net market value under the lease will satisfy the statutory requirement under section 123 of the Local Government Act 1972 to secure the best price reasonably obtainable for the site. In addition, the use of the site by Coleg Gwent will secure significant regeneration, social and economic benefits. Cabinet will need to agree to re-appropriate the Newport Centre site from leisure use to regeneration purposes and then release the land to Coleg Gwent for the development of their new facility. The final terms of the legal documents for both schemes will be signed-off by officers under delegated powers.

Comments of Head of People and Business Change

The proposed development of a new city centre sports and leisure facility along with a new further education campus would represent a major contribution to the regeneration of Newport's central area whilst also improving the wellbeing of our residents and attracting visitors. The city centre location promotes active travel and use of public transport and the new buildings will meet stringent sustainability standards. The integration of modern leisure and learning within the existing city centre is intended to strengthen its competitiveness, diversity of offer and vitality.

In preparing this report a major consultation and engagement programme was undertaken, which demonstrated overwhelming support for a new sports and leisure facility and college development. There was however no clear preference for the specific leisure option. Should the Cabinet agree to move forward with the proposal further engagement will take place to ensure that the development and the provision is in line with public demands with the intention of increasing participation in sports and leisure.

A detailed Fairness and Equalities Impact Assessment is appended to this report and was informed by the many hundreds of comments received during the consultation.

Comments of Cabinet Members

Cabinet Member for Economic Growth and Investment:

The benefits associated with these proposals cannot be underestimated, from increased footfall to sustain our businesses, new environmentally sustainable, modern and accessible leisure and learning facilities, and the delivery of the Council's commitment to provide a Knowledge Quarter in the heart of our City. I am delighted with the level of positive response to the consultation and look forward to progressing with this project.

Cabinet Member for Culture and Leisure:

I fully support the proposals. Newport residents deserve a City Centre leisure facility which is fit for purpose, modern, energy efficient and accessible for all users. I'm pleased that so many people responded to the consultation and the overwhelming support the plans.

Cabinet Member for Assets:

The development of new leisure, wellbeing and learning facilities in the City Centre is a positive proposal and an effective use of Council assets. The existing Newport Centre has served the people of the City from all backgrounds. I welcome these exciting and bold plans for our City Centre.

Cabinet Member for Education and Skills:

This exciting proposal to relocate Coleg Gwent's Nash campus into the City Centre is very welcome and will provide young people with the opportunity to learn in a modern, state of the art facility. The development will align with the Council's commitment to deliver a Newport Knowledge Quarter where world class further education and higher education facilities are provided in a central location that is accessible via sustainable public transport and active travel routes.

Cabinet Member for Sustainable Development:

The development of a new, environmentally sustainable, accessible health and well-being facility is an exciting opportunity to ensure that new Council developments are energy efficient and contribute towards the Council's commitment to reduce our carbon footprint. I welcome the requirement that the new facility is built to BREAM excellent standard and would encourage the use of green walls and roofs in order to maximise environmental benefits right at the heart of the City Centre. It is encouraging to see such a high level of response to the consultation, which shows that the public are really engaged in this exciting project.

Scrutiny Committees

None

Equalities Impact Assessment and the Equalities Act 2010

A statement on potential equality impact and considerations being made in relation to this proposal is included with this report. A full Fairness and Equality Impact Assessment has also been completed

Wellbeing of Future Generations (Wales) Act 2015

The Well-being and Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decisions take into account the impact they could have on people living in Wales, in the future. The Council has always sought to engage with residents before taking any decision which may impact upon the delivery of any public service, in accordance with the principles of fairness and legitimate expectation.

The 5 main considerations in respect of the Wellbeing of Future Generations (Wales) Act 2015 are set out below with an explanation of how this project meets these objectives:

- Long term: An investment in modern leisure facilities and the Knowledge Quarter will contribute to the ongoing regeneration of the city centre, the promotion of the health and wellbeing agenda, and the provision of environmentally sustainable and accessible facilities which are well integrated with public transport provision.
- Prevention: The Newport Centre is no longer considered commercially viable and the facilities are at the end of their life. The new facility will be built to BREEAM excellent standards, with sustainability and future proofing at its core. Together with the new Coleg Gwent building, enhancements to Usk Way and the active travel connectivity, this will create high quality and sustainable place and green lung, right at the heart of the city centre which will contribute to the ongoing wellbeing of residents.
- Integration: The redevelopment plans are intended to secure integrated wellbeing gains, particularly through the selection of a city centre location and the potential to include a new college campus. This aligns with the ambitions set out in the Corporate Plan and city centre Master Plan.
- Collaboration: Working alongside partners including Coleg Gwent and Newport Live will help ensure that wellbeing gains are achieved through the redevelopment proposals.
- Involvement: An extensive programme of engagement and consultation with stakeholders has taken place to inform the redevelopment options and help ensure that the wellbeing gains are maximised.

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. It is considered that there would be no significant or unacceptable increase in crime and disorder as a result of the proposed consultation.

Consultation

Community and stakeholder consultation ran from 17th December 2020 until 29th January 2021.

Appendix 1:

Consultation results

Background

The consultation period ran from 17 December 2020 to 29 January 2020. Using a range of communication and engagement methods a total of 1,022 responses consultation were received. This high response rate gives statistical reliability and means that the overall results should be indicative of the wider Newport population.

The following methods were used:

- A social media campaign using the Council's communication channels and linking to an online survey
- Cascade of the consultation through the Council's extensive One Newport partnership network
- Promotion of the consultation to Newport Live's customers
- Direct promotion to group representing key equalities interests
- Involvement of Newport Youth Council and Newport Fairness Commission
- Promotion of the consultation to local businesses through the Council's economic regeneration e-newsletter
- Note that the distribution of surveys within leisure facilities was only possible for less than one week of the consultation period before premises had to close again due to Covid19 restrictions. Furthermore the unprecedented public health restrictions have meant that this consultation programme has been planned around online engagement methods and that further work on the design, facility and activity mix will seek to involve user groups including those who have lower levels of engagement in the consultation up to this point.

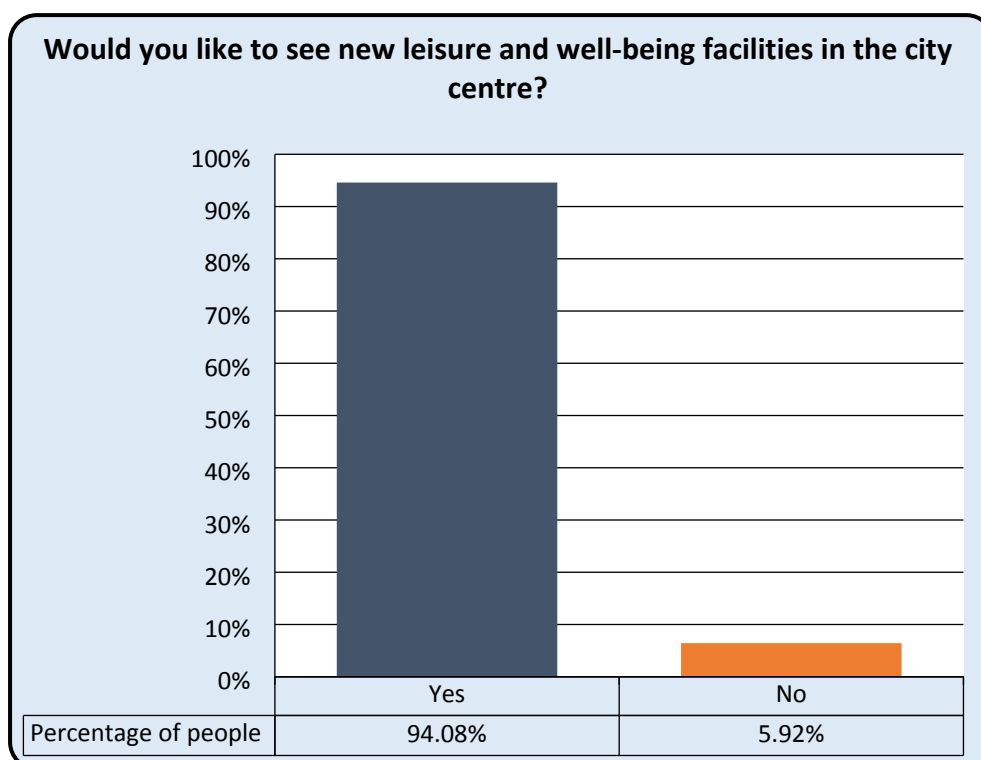
The findings of this consultation have informed the **Fairness and Equalities Impact Assessment** which accompanies this report.

Key results

Q1: Would you like to see new leisure and well-being facilities in the city centre?

Like to see new facilities	Number of people	Percentage of people
Yes	954	94.08%
No	60	5.92%

Total responses 1014



Selected Responses

There were 85 individual comments in response to this question the following are a selection of the points raised in the respondents own words.

Yes, this is very much needed and supports the wellbeing of residents. This is something I would use personally and it will bring more people to the city centre.

It would be great to see new facilities. The NC is tired and in need of maintenance. Facilities need to improve to bring them in line with other private facilities.

To give the city centre a more active/sporty feel. encouraging active living.

Why not save a lot of money under present financial pressures by improving the existing leisure centre? These plans merely replicate an existing building for no discernible reason.

Yes but NOT moved further away from the actual city centre. Keep the existing site as it is convenient to Newport residents.

Keep it out by the sports village making it a one stop place for sport to compete with the best in the UK not just Wales.

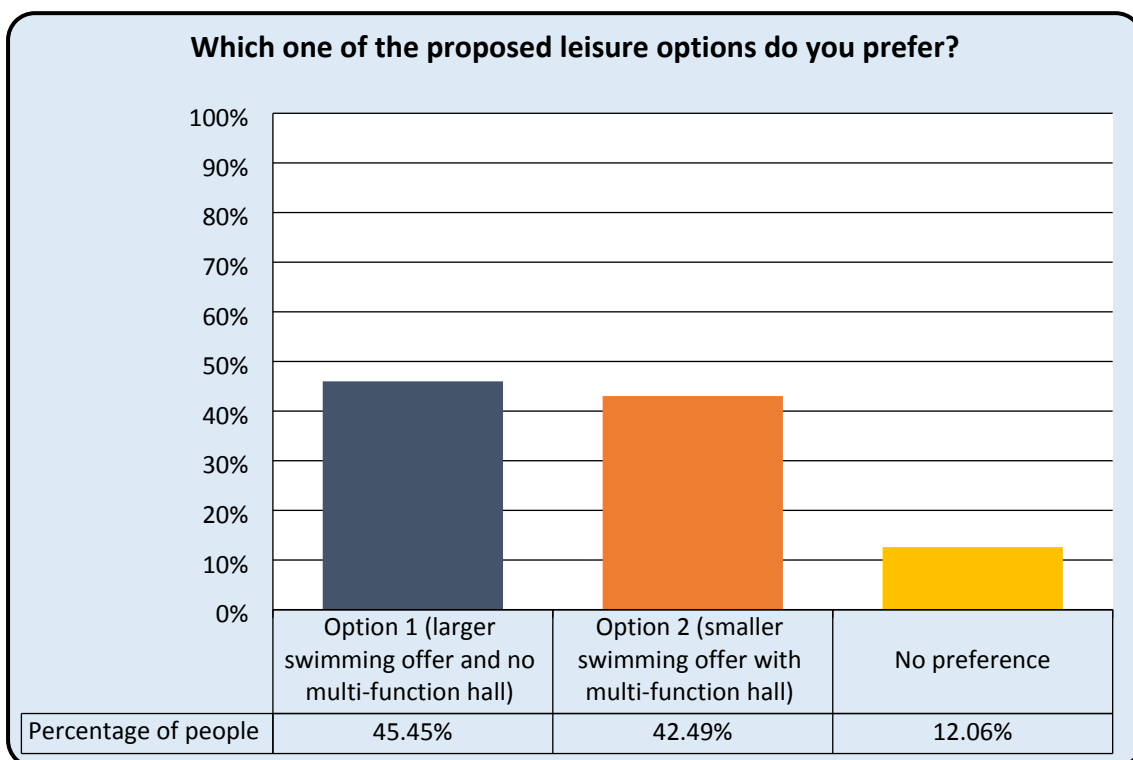
Yes but please make sure there is a slide or something fun for kids, as I remember wanting to go specifically to the leisure centre instead of Maindee for the slide and wave machine because it was fun. A pool like Swansea's leisure centre would be great as there is generally nothing for kids to do on weekends like there was when I was younger. Plus, this would give people from outside Newport a place to visit for fun.

Bad traffic in city centre and expensive parking.

Q2: Which one of the proposed leisure options do you prefer?

Preferred option	Number of people	Percentage of people
Option 1 (larger swimming offer and no multi-function hall)	460	45.45%
Option 2 (smaller swimming offer with multi-function hall)	430	42.49%
No preference	122	12.06%

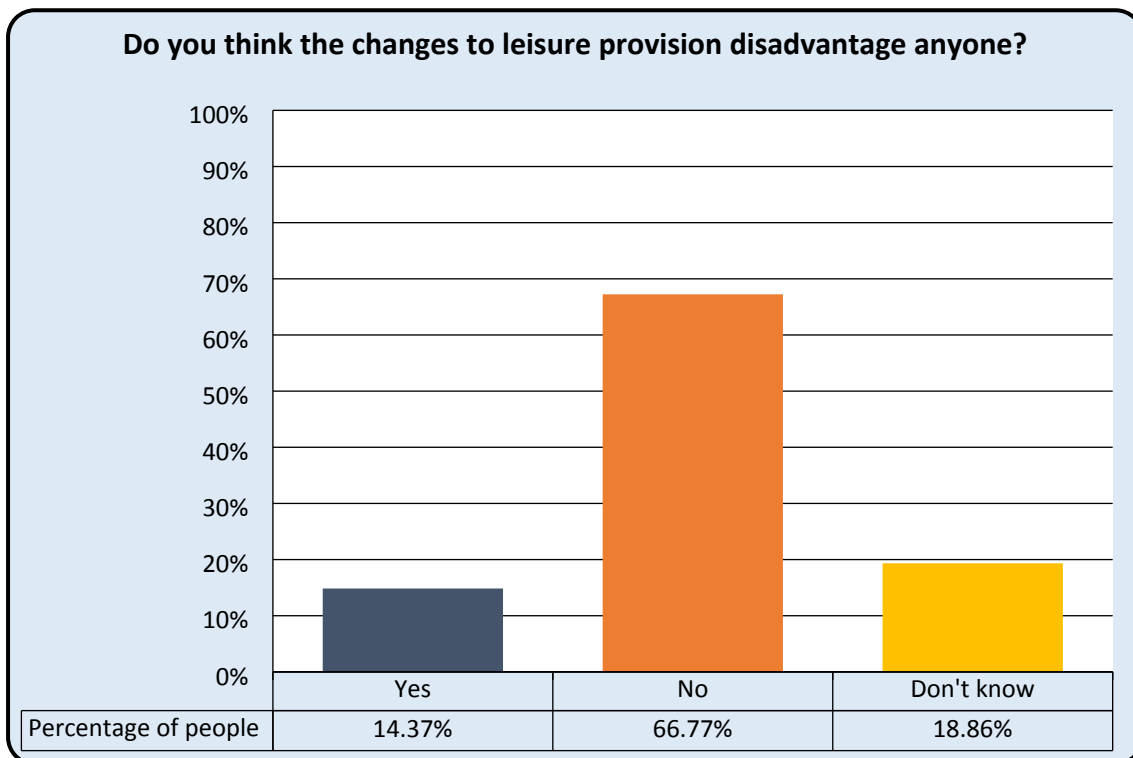
Total responses 1012



Q3: Do you think the changes to leisure provision disadvantages anyone?

Disadvantage anyone	Number of people	Percentage of people
Yes	144	14.37%
No	669	66.77%
Don't know	189	18.86%

Total responses 1002

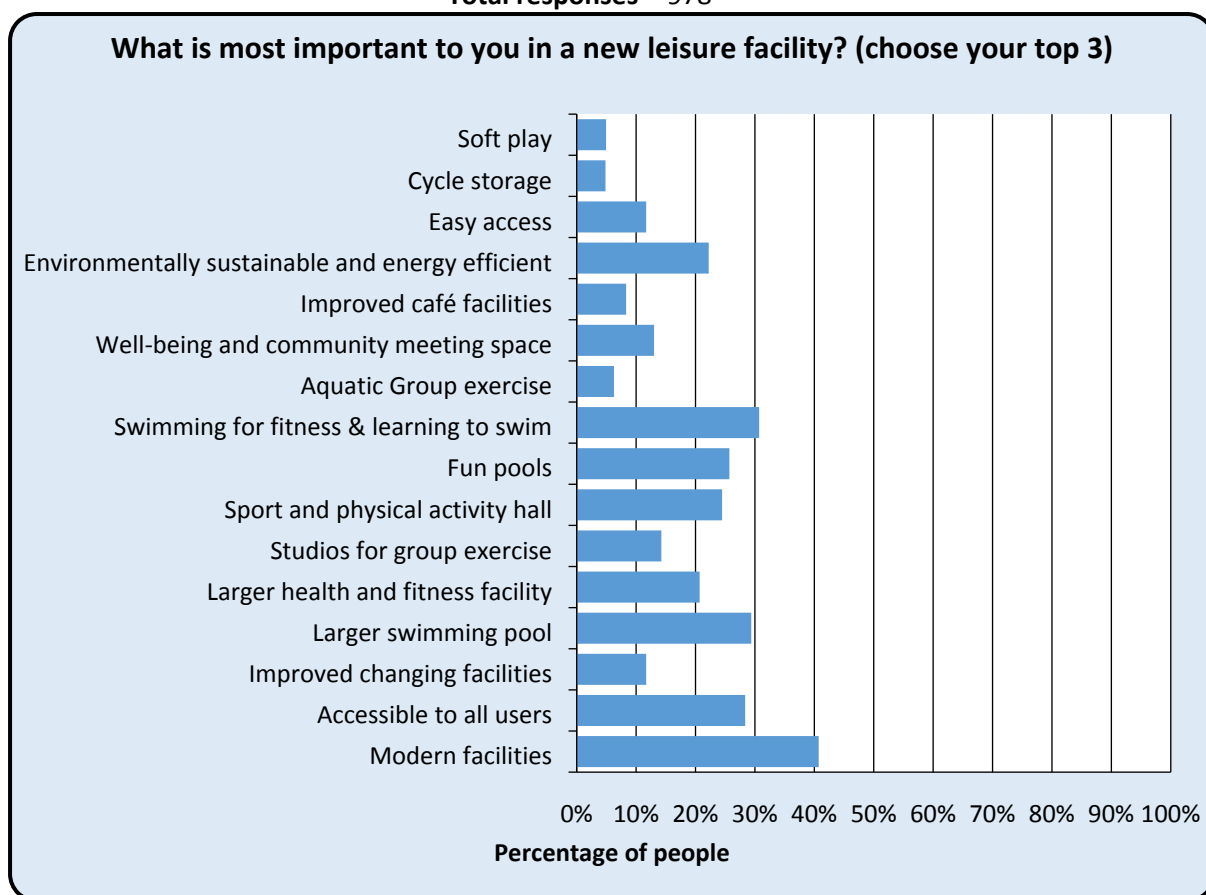


Note - the responses to this question have informed the Fairness and Equality Impact Assessment which is also appended to this report.

Q4: What is most important to you in a new leisure facility?

What is most important?	Number of people	Percentage of people
Modern facilities	394	40.29%
Accessible to all users	273	27.91%
Improved changing facilities	110	11.25%
Larger swimming pool	283	28.94%
Larger health and fitness facility	198	20.25%
Studios for group exercise	135	13.80%
Sport and physical activity hall	235	24.03%
Fun pools	247	25.26%
Swimming for fitness & learning to swim	296	30.27%
Aquatic Group exercise	57	5.83%
Well-being and community meeting space	123	12.58%
Improved café facilities	77	7.87%
Environmentally sustainable and energy efficient	213	21.78%
Easy access	110	11.25%
Cycle storage	43	4.40%
Soft play	44	4.50%

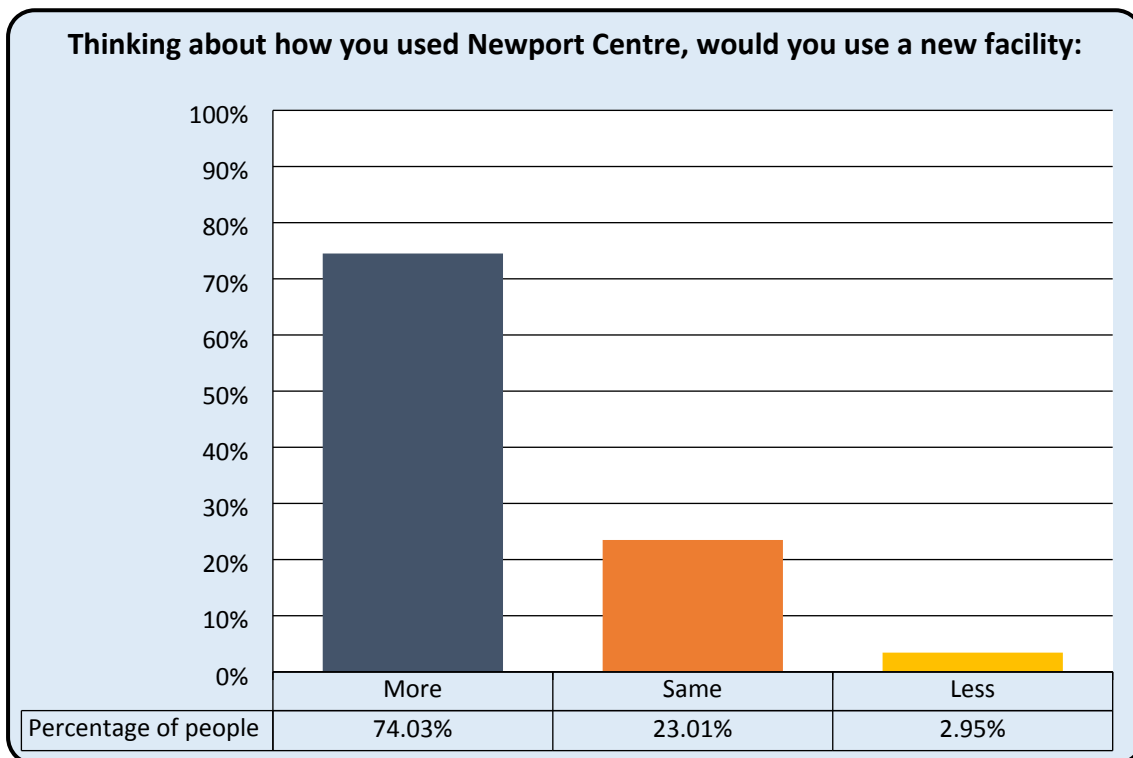
Total responses 978



Q6: Thinking about how you used Newport Centre, would you use a new facility:

Use a new facility...	Number of people	Percentage of people
More	727	74.03%
Same	226	23.01%
Less	29	2.95%

Total responses 982



Q7: Are there any additional facilities you think should be provided in the new centre?

Additional facilities	Number of people	Percentage of people
Yes	404	44.79%
No	498	55.21%

Total responses 902

Selected Responses

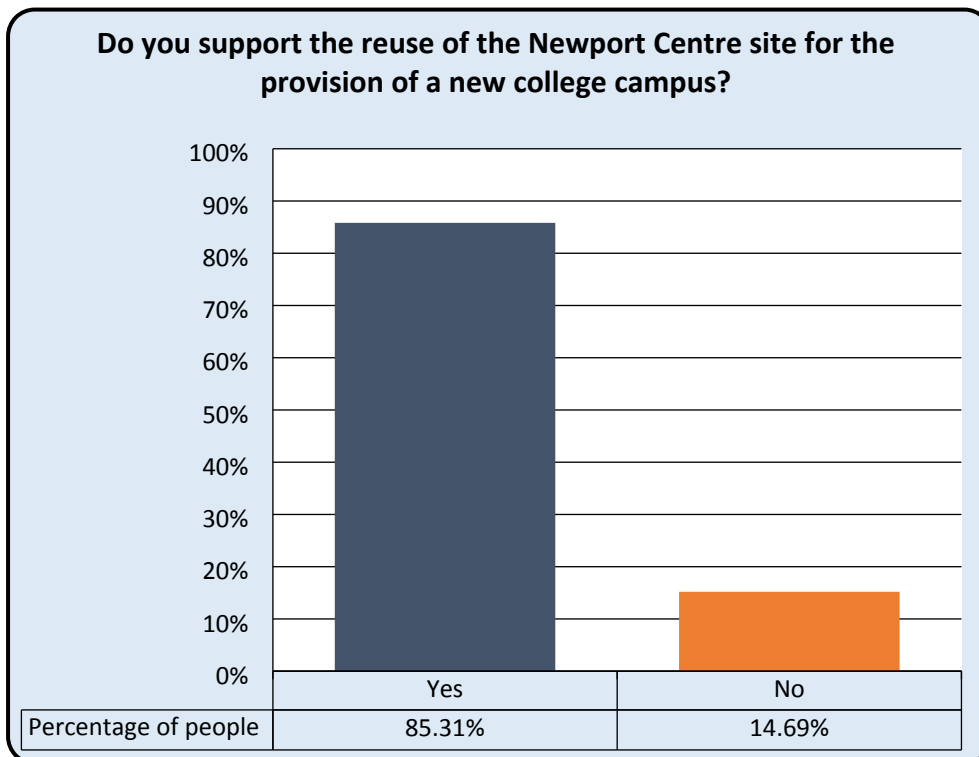
There were 470 individual suggestions in response to this question the following are a selection of the most common themes in the respondents own words.

Perhaps a community learning hub with access to computer facilities.
The large sports hall should be able to host large music events. In the 90s Newport Centre hosted amazing bands and it was hugely beneficial to the city's economy. I don't want to see that facility lost.
No, pool and gym is enough. Just those two activities but do it well, rather than packing loads and have little spaces for things.
I think it would be beneficial and a good idea, if there were some additional indoor and outdoor tennis courts, in the city centre apart from those at the Tennis Centre in Spytt.
Quiet space in roof top gardens for meditation or sensory garden.
A working roof maybe running track on top or 3g pitch or tennis court.
I think there should be cricket facilities in place given the large increase in participation since the 2019 World Cup.
I would like the facility to be accessible to as many people as possible. To do this you need to reach out to different communities and ask them if the plans are accessible or not.
Youth provision for engaging young people in the city centre.
Massage and teaching rooms.
Child requests multiple flumes!
Please make it fun for children, we often travel to the Cardiff bay pool for their kids play pool- would be great to have even better facilities close to home.
Squash courts. None of your centres have them!
Secure cycle storage is very important for me. I could easily cycle the 3/4 miles from home to Newport Centre if there was a secure storage for my bike. Many other cyclists I know feel the same way. This does not mean a cycle rack at the end of the car park. It needs to be a room near reception with a managed system to store and retrieve bikes.
Safe walkways from Town Centre and along the river (not everyone drives). Public transport for easy access for all.

Q8: Do you support the reuse of the Newport Centre site for the provision of a new college campus?

New college campus	Number of people	Percentage of people
Yes	842	85.31%
No	145	14.69%

Total responses 987



Breakdown of responses by Electoral Ward.

Ward	Number of people	Percentage of people
Allt-Yr-Yn	129	12.68%
Alway	12	1.18%
Beechwood	45	4.42%
Bettws	31	3.05%
Caerleon	53	5.21%
Gaer	53	5.21%
Graig	25	2.46%
Langstone	27	2.65%
Llanwern	16	1.57%
Lliswerry	78	7.67%
Malpas	47	4.62%
Marshfield	12	1.18%
Pillgwenlly	39	3.83%
Ringland	30	2.95%
Rogerstone	81	7.96%
Shaftesbury (Crindau)	20	1.97%
St Julians	99	9.73%
Stow Hill	44	4.33%
Tredegar Park (Duffryn)	26	2.56%
Victoria (Maindee)	56	5.51%
I don't live in Newport	94	9.24%

Equalities Monitoring

Detailed equalities and demographic monitoring information has been collected about respondents to this consultation and this is summarised in the Fairness and Equalities Impact Assessment (appendix 1)

Appendix 1

Fairness and Equalities Impact Assessment (FEIA)

Version 3.6 May 2017

The purpose of this assessment is to provide balanced information to support decision making and to promote better ways of working in line with equalities (Equalities Act 2010), Welsh language promotion (The Welsh Language (Wales) Measure 2011), sustainable development (Wellbeing of Future Generations (Wales) Act 2015), and the four parameters of debate about fairness identified by the Newport Fairness Commission (NFC Full Report to Council 2013).

Completed by: Heather Powell **Role:** Connected Communities Manager

Head of Service: Paul Jones **Date:** 15/02/2021

I confirm that the above Head of Service has agreed the content of this assessment

Yes

When you complete this FEIA, it is your responsibility to submit it to
impact.assessments@newport.gov.uk

1. Name and description of the policy / proposal being assessed. Outline the policy's purpose.

The city centre Masterplan adopted in January 2019 identifies key areas of the city as priority locations for regeneration, linked by commonalities of use and economic drivers. The ongoing regeneration of Usk Way is critical to the City Core. At the heart of the regeneration proposals is the development of the Newport Knowledge Quarter, which will re-locate the provision of further education into the city centre, close to the city's existing higher education provision.

Early development work has been on-going with Coleg Gwent to relocate their campus from Nash Road to the city centre, creating an enhanced learning offer as well as bringing footfall into the city centre. The existing Newport Centre building, constructed over 35 years ago, is now suffering from a range of structural issues and requires significant investment to bring it up to modern day standards.

Following closure of the centre as a result of the Covid lockdown, inspections of the pool roof have found it requires investment up to £2.5 Million to enable the pool area to be reopened to the public. Following wider survey work, it is estimated that an additional investment of approximately £9.1 Million will be needed in the medium term to maintain the site within operational standards. The existing Newport Centre building configuration is neither efficient nor sustainable and changes in demand over the decades mean that it is no longer able to compete with modern facilities.

It is therefore proposed to build a new environmentally sustainable and energy efficient leisure and wellbeing facility on a brownfield site overlooking the River Usk, near the existing centre. The land on which Newport Centre is currently located will then be released to facilitate the relocation of Coleg Gwent's further education campus into the city centre. As part of the proposals for a new leisure and wellbeing facility, the opinions of residents and stakeholders are welcomed, and a choice of two plans have been put forward for public consultation.

2. Outline how you have/will consult with stakeholders who will be affected by the policy/proposal.

A survey was made available to the public, staff, local businesses and stakeholders in Newport in line with the two recommended plans. The proposal and survey has been made widely available in both Welsh and English, as well as being available on request in other formats. The information has been posted on our website and shared on the One Newport newsletter and shared on council social media platforms regularly. Proposals have also shared directly across BAME, disability and Welsh language networks and well as organisations who form part of the Public Services Board in Newport. An internal board has been established to develop and oversee plans, including representatives from relevant service areas and Newport Live.

Ordinarily the council would look to facilitate focus groups and engagement sessions face to face at community level to ensure understanding, relay information and receive feedback, however this has not been feasible due to current COVID-19 restrictions. The council has been able to print and send documents and provide alternative versions of the proposal and survey if requested, for those unable to access the details online. Participation has been encouraged regularly from residents across Newport to ensure all members of the community, including those from marginalised or under-represented groups or those sharing protected characteristics as set out in the Equality Act are able to contribute.

3. What information/evidence do you have on stakeholders? e.g. views, needs, service usage etc. Please include all the evidence you consider relevant.

A. Current user information

Considering Newport Centre user data gathered in 2019, the following summarises equality information that we know about people using current facilities:

Age

42% of Newport Centre Public Swimming Customers over a 6 month period have been under 16s. 21% of customers over the same period of time were over the age of 65.

Gender

Customer Swim data suggests that 56% of customers have been female, and 44% Male. Newport Centre also host a number of swim classes that are predominantly aimed at women (e.g. aqua Zumba).

Disability

Data provided by Newport Live on this protected characteristic is limited to concession data only, and is therefore not Newport Centre specific

Race

The close proximity of Newport Centre to wards with the highest proportion of BAME people is important to consider (specifically Pillgwenlly, Stow Hill, Victoria, and St Julians). Concession data for all of Newport Live (not just Newport Centre), suggests that the number of concessions offered to customers who identify as BAME are over represented in the data, making up 12.5% of concessions, but only 10.6% of the population. Further customer data, however, suggests that the leisure centre is underutilised by BAME communities, despite Newport Centre's close proximity to areas with the highest proportion of BAME people.

B. Impact of COVID-19

The impact of COVID-19 has further exposed existing structural and social inequalities, some of which are relevant to this proposal, including poorer health and wellbeing levels amongst specific communities (disabled people, older people, LGBTQ+ people and BAME people). Similarly, people living in areas of socio-economic disadvantage – which are often close to the city centre, are likely to have poorer health outcomes, and may be less likely to access leisure provision.

C. Consultation Feedback

In summary:

- 1022 survey responses were received, 13 of these were submitted in Welsh
- 49% of respondents currently use the Newport Centre at least monthly, and 74% said that they would use new facilities more often
- 94% of people who responded indicated that they would like to see new leisure and wellbeing facilities in Newport
- 45% of respondents indicated that they would prefer Option 1 (larger swimming offer and no multifunctional hall)
- 42% of respondents indicated that they would prefer Option 2 (smaller swimming offer with a multifunctional hall)
- 12% of respondents indicated no preference
- 14% of respondents believed that new leisure facilities would disadvantage people – the majority of these responses expressed a concern about the lack of cricket provision. Other concerns included the cost of parking and potential cost for use for less affluent households and the increased distance from bus/train stations
- When asked what was most important, most popular answers were modern facilities (40%), swimming for fitness and learning (30%), a larger swimming pool (29%), facilities that are accessible to all (28%), having fun pools (25%) and a sport and physical activity hall (24%)
- 85% of respondents indicated that they supported the reuse of the Newport Centre for the provision of a college campus

Demographic monitoring questions indicated that responses came from a relatively even split of people who identified as either male or female. The majority of respondents were between 25 and 54 years old, with the largest proportion being 35-44. There were low numbers of responses from both younger people (under 24) and older people (65 and older).

5% of respondents indicated that they were Welsh speakers and 6% identified as disabled. 90% of respondents identified as White British, with low numbers of respondents from a BAME background – around 5% compared to a population of 10% at the last census. 4% of respondents indicated that they identify as lesbian, gay or bisexual, and less than 2% of respondents indicated that they were non-binary or transgender.

Respondents indicated a range of religious beliefs, in line with census population data. Around 40% of respondents had caring responsibilities for children of school age, 14% for children of pre-school age and 10% cared for a dependent adult.

4. Equalities and Welsh language impact

Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: 1. Promote equal opportunity 2. Promote community cohesion 3. Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Older people and younger people are well-represented in current user data, however, consultation responses are mainly from people between 25 and 54. Despite this, a range of comments referenced the needs of younger and older people. These included:</p> <ul style="list-style-type: none"> • Importance of a range of activities that would appeal to teenagers • Desire for better family provision, including slides for children, appropriate temperature/facilities for babies and toddlers and better family changing facilities than currently offered • Fully accessible facilities to support access for older people with mobility difficulties/impairments • Dedicated area for older people that may not be able to exercise in other ways to swim lengths

Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: <ol style="list-style-type: none"> Promote equal opportunity Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
				<ul style="list-style-type: none"> Shallow water entry to enable children and older people who may not be able to use steps to enter and exit the pool <p>Both options enable the vacated Newport Centre site to be used by Coleg Gwent for a £90m further education campus creating the Newport Knowledge Quarter and bringing hundreds of students and staff to the city centre. The creation of a new campus offers clear benefits for young people both from Newport and outside the city.</p> <p>The Project Team has considered comments made in relation to this protected characteristic and is confident that there is potential for both Options 1 and 2 to be developed in a way that is attractive to, and inclusive of, a range of age groups.</p>
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Responses were received from a range of disabled respondents, and the development was discussed with the council's Accessibility Group. Key themes included:</p> <ul style="list-style-type: none"> Car parking facilities – the new provision should offer accessible parking for those who need it. Several comments highlighted the increased travel distance from bus/train stations, and the difficulties this may present for those with mobility issues. Concern was also expressed about the location of the new provision, between 2 busy roads which may be difficult to cross. Accessibility of facilities – the new provision should be fully accessible to all, with lifts, ramps and handrails provided throughout, and thought given to wheelchair access to the pool. Hoists to enter and exit the pool should also be provided Changing facilities - the need for larger provision than those at the current Newport Centre in order to facilitate a carer and adult/child as well as a wheelchair if necessary, and adult changing beds/hoists


Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: <ol style="list-style-type: none"> Promote equal opportunity Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
				<ul style="list-style-type: none"> Spaces for adults and children with autism – some comments suggested that a sensory room or similar would be welcomed Pool space for hydrotherapy or rehabilitation use for disabled or older people, kept at a warmer temperature <p>The Project Team has considered comments made in relation to this protected characteristic and is confident that there is potential for both Options 1 and 2 to be developed in a way that is fully inclusive of disabled people. The new development will offer a significant improvement to current facilities in terms of access.</p> <p>Further consideration will be given to accessibility of the location and interaction with the surrounding environment to minimise barriers for people with physical disabilities as the project is progressed, with the potential for further funding to support to be explored.</p>
Gender reassignment/ transgender	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>A small number of respondents indicated that they identified as transgender, non-binary or 'other' gender. Toilets and changing facilities were highlighted as an opportunity to improve inclusivity and offer gender neutral options to people who may wish to use them. Signage should also be carefully considered in order to avoid exclusion of people based on their gender identity.</p> <p>The Project Team has considered comments made in relation to this protected characteristic and is confident that there is potential for both Options 1 and 2 to be developed in a way that is inclusive for people of all genders. Further consultation with people that share this protected characteristic will be undertaken to inform the development of facilities including toilets and changing rooms in a way which responds to community need.</p>

Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: <ol style="list-style-type: none"> Promote equal opportunity Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
Marriage or civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that either proposal will have an impact on people that share this protected characteristic.
Pregnancy or maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Consultation feedback indicated a desire for pool provision that allowed ease of access for families/carers with babies and young children. This included the need for warmer temperatures, adequate baby changing facilities, shallow water entry and consideration of a dedicated baby/toddler area.</p> <p>The Project Team has considered comments made in relation to this protected characteristic and is confident that there is potential for both Options 1 and 2 to be developed in a way that is attractive to, and inclusive of, people who are pregnant, or with young babies/children.</p>
Race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Based in the city centre, the new leisure provision is in close proximity to those wards with the highest proportion of BAME people. Current user data suggests that Newport Centre is under-utilised by people from a BAME background, and the new offer provides valuable opportunity to increase the ethnic and cultural diversity of visitors.</p> <p>The recent COVID-19 pandemic has also highlighted poorer health outcomes for BAME people, and the need for improved access to health and wellbeing provisions for diverse communities. This is particularly true for people who are living further away from green spaces (i.e. city centre residents) those likely to be living in houses of multiple occupancy (for example, refugees, asylum seekers and migrants), or households without gardens.</p> <p>There were low levels of engagement from BAME people in the consultation exercise, therefore it is important that further work is undertaken as the project progresses to</p>


Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: <ol style="list-style-type: none"> Promote equal opportunity Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
				<p>ensure provision is accessible, and appeals to, the significant number of BAME people living in Newport.</p> <p>The Project Team has considered comments made in relation to this protected characteristic and is committed to working in partnership with the diverse communities across Newport in order to deliver a provision which is attractive to, and inclusive of, people from different ethnic backgrounds. This will be a priority area for future engagement as development of either option is progressed.</p>
Religion or Belief or non-belief	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Respondents to the survey shared a range of religious beliefs /non-beliefs. Limited comments were received in relation to how this impacted on the new provision. However, the recognition of cultural/religious sensitivities in service design and delivery was highlighted by comments relating to privacy, particularly regarding changing facilities and viewing areas for the pool and fitness areas. Consideration should also be given to a quiet area for reflection or prayer.</p> <p>The Project Team has considered comments made in relation to this protected characteristic and is confident that there is potential for both Options 1 and 2 to be developed in a way that is attractive to, and inclusive of, people with different religious beliefs/non-beliefs.</p>
Sex	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Several respondents indicated a desire for a safe space for people identifying as female. This included gender-specific classes, private changing and toilet facilities, and limiting public viewing of the pool and exercise areas. As the project develops, careful consideration should be given to balancing gender specific provisions against inclusivity of transgender and non-binary people.</p> <p>The Project Team has considered comments made in relation to this protected characteristic and is confident that there is potential for both Options 1 and 2 to be</p>

Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: <ol style="list-style-type: none"> Promote equal opportunity Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
				developed in a way that is attractive to, and inclusive of, people of different sexes.
Sexual Orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There is no evidence to suggest that either proposal will have an impact on people that share this protected characteristic, however, the creation of a 'safe space' which is LGBTQ+ friendly is recognised as being key to attracting and engaging LGBTQ+ people in sport and leisure activities. The development of a new provision provides opportunity for this to be exemplified in Newport.</p> <p>Ongoing community engagement will ensure that any concerns, or suggestions, in relation to sexual diversity and inclusion can be considered.</p>
Welsh Language	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The council is required to meet a number of Welsh language duties across its operational, strategic and administrative functions. As noted, the consultation process has been fully bilingual and Welsh language stakeholders invited to comment on whether they consider the proposals to have any negative impact on the Welsh language, and whether there is any opportunity for the Welsh language to better promoted.</p> <p>This consultation and proposal relates to physical development of assets rather than service provision, however full consideration will need to be given to the Welsh language as the project develops, including any further administrative processes, and the building itself (for example, signage).</p> <p>Ongoing community engagement in the development of either option will enable Welsh speakers and stakeholders to support the council in ensuring opportunities to promote the use of Welsh language are maximised.</p>

5 How has your proposal embedded and prioritised the sustainable development principle in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? Describe how.
 <p>Balancing short term need with long term needs</p>	<p>An investment in modern leisure facilities and the Knowledge Quarter will contribute to the ongoing regeneration of the city centre, the promotion of the health and wellbeing agenda, and the provision of environmentally sustainable and accessible facilities which are well integrated with public transport provision.</p> <p>The current Newport Centre is more than 35 years old and in need of significant investment. Its building and facilities are out-dated and do not meet modern standards, particularly in relation to accessibility for disabled people.</p> <p>A modern city centre leisure facility would contribute hugely to regeneration supporting economic growth and job creation, balancing the city centre offer.</p> <p>The use of the proposed brown-field site will help connect the city centre with the River-side area complementing existing developments like the University City Campus, the Riverfront Theatre and Friars Walk. The facility will also serve the growing visitor economy and increasing city centre residential units.</p> <p>The proposed location is central and accessible by public transport and active travel route contributing to improved air quality and health benefits. A central location is potentially more accessible to people on lower incomes as they are more likely to be dependent on public transport links.</p> <p>The investment in a high quality Council/Newport Live facility will sustain affordable access to leisure services for people on lower incomes, particularly in relation to swimming which in the private leisure market is often restricted to expensive membership packages. Newport Live facilities offer discounted membership packages for key equalities groups and people on low incomes.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? Describe how.
 <p>Collaboration</p> <p>Working together to deliver objectives</p>	<p>The Council delivers sports and leisure services in collaboration with Newport Live who as a leisure trust operate as a social enterprise with charitable status. A new city centre facility would play a key role in Newport's leisure market, and would provide services e.g. swimming, which are often not available through affordable private leisure providers. Working alongside partners including Coleg Gwent and Newport Live will help ensure that wellbeing gains are achieved through the redevelopment proposals.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>A communications and engagement plan has been developed to ensure local people are involved in developing the proposal. This has included engagement with current users of Newport Centre, residents from surrounding neighbourhoods and relevant equalities groups. This Fairness and Equality Impact Assessment will inform the engagement process and will be developed as the proposal progresses.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Newport Centre is no longer considered commercially viable and the facilities are at the end of their life. The new facility will be built to BREEAM excellent standards, with sustainability and future proofing at its core. Together with the new Coleg Gwent building, enhancements to Usk Way and the active travel connectivity, this will create high quality and sustainable place and green lung, right at the heart of the city centre which will contribute to the ongoing wellbeing of residents.</p> <p>Participation in sports and leisure has well documented to have preventative health benefits, and can improve physical and mental wellbeing.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? Describe how.
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The proposal to develop a new city centre facility reflects an integrated mind-set – in terms of the potential health, social, economic and environmental wellbeing benefits such a development could deliver. The redevelopment plans are intended to secure integrated wellbeing gains, particularly through the selection of a city centre location and the potential to include a new college campus. This aligns with the ambitions set out in the Corporate Plan and city centre Master Plan.</p>

6 Will the proposal/policy have a disproportionate impact on a specific geographical area of Newport?

The site for the new plans (both 1 and 2) are located in the same area as the previous/current leisure facility and next to the University Campus. Links via public transport, mainline carriageways and access to the site will remain the same as it currently is. Additional traffic/congestion and car parking may affect the city centre and an increase in usage would mean that there may be an adverse environmental impact in and around the city centre. However, congestion from the current Coleg Gwent site would subsequently be reduced.

8. Equality Impacts and Actions

Please complete the below action plan which sets out steps that will/will not be taken in order to mitigate any negative impacts that your assessment has identified.

Impact identified	Who does it affect?	What will you do to mitigate the impact? If you plan to take no action, please justify your rationale	Who is responsible?
Increased use of city centre leisure facilities will potentially increase the amount of traffic congestion; causing adverse environmental and health impacts	City centre residents and citizens using the roads and car parks who work in the city centre, as well as those who visit the facilities	The Project Board will consider how sustainable transport is integrated into the masterplanning stage, this may require a smaller group to look at the integration of the development within the city scape.	Project Board

Potential for negative impact on the project's potential, if opportunities are not fully exploited, in relation to engagement of marginalised or minority communities	Older people, BAME people, LGBTQ+ people, disabled people, younger people, socio-economically disadvantaged	The Project Board will ensure that communities are fully engaged with the project's development, particularly people who share protected characteristics, and that their views continue to shape the design of the provision.	Project Board
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9. Monitoring, evaluating and reviewing

As a long term project, the development of the new leisure provision will be progressed by appropriate stakeholders. Collection of user data will be an important part of evaluating the provision's success as an inclusive offer to the people of Newport. Engagement with the public, and in particular, those groups identified within this assessment as having specific needs, or facing particular barriers to accessing leisure and wellbeing services, will be ongoing in order to inform design and implementation.

10. Involvement

How will people be advised of the changes and of the FEIA?

This FEIA will be published on the council's website and alongside Cabinet papers pertaining to the proposal.

Report

Cabinet



Part 1

Date: 22 February 2021

Subject **Transporter Bridge Heritage Fund Application**

Purpose The purpose of this report is to update Cabinet regarding the Heritage Fund Application for funding to repair and restore the Transporter Bridge as well as provide a new visitor centre. Agreement is also sought to proceed with the project and to underwrite the unconfirmed funding element within the project budget.

Author Culture and Continuing Learning Manager

Ward Lliswerry and Pillgwenlly

Summary The National Lottery Heritage Fund approved the Council's application for funding to repair and restore the Transporter Bridge as well as provide a new visitor centre in December. The Council now needs to formally accept the award and fulfil a number of obligations before the Heritage Fund grants 'permission to start'

The application's project budget includes an element of unconfirmed funding. Fundraising will continue throughout the life of the project and beyond. The application therefore includes an indicative figure of the level of matched funding that is likely to be raised over the life of the project. It is necessary for the Council to underwrite this figure before permission to start is granted. Additionally, Welsh Government has formally yet to offer a Tourism Investment Support Scheme grant of £1.5 million towards the project, and this needs to be in place before the Council can accept the award.

Details of the project budget are included in the report. The maximum underwrite figure for the unconfirmed funding is 365k. However, this figure is the maximum potential cost and would only be realised if not a penny more was raised.

Proposal i) **To accept the award of £8.7 million, subject to Welsh Government confirming the Tourism Investment Support Grant as matched funding; and**
ii) **provide National Lottery Heritage Fund with an agreed underwrite for the unconfirmed matched funding.**

Action by Culture and Continuing Learning Manager

Timetable Immediate

This report was prepared after consultation with:

- Acting Head of Regeneration Investment and Housing
- Cabinet Member for Culture and Leisure
- National Lottery Heritage Fund Case Officer
- Visit Wales Case Officer – Welsh Government
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer

- Head of People and Business Change

Signed

Background

The Council submitted a round 1 application to National Lottery Heritage Fund (NLHF) in December 2017. The application received a stage 1 pass and the Council was provided with approximately £1m to carry out the feasibility and design work necessary to submit a round two bid. The Council submitted its stage 2 application at the end of August 2020 and we were informed in December that this application had been successful and a public announcement was made on January 22nd 2021.

The grant unlocks £8.7m to undertake a comprehensive repair and restoration project and build a new visitor centre.

The Council has allocated £1m from the Capital budget to provide a portion of the necessary matched funding. The project team submitted an application to Welsh Government for a further £1.5 million pound support package for the project through Visit Wales' Tourism Investment Support scheme. Welsh Government officials are currently going through a due diligence process but have indicated the money required is available in their capital fund. Welsh Government also provided National Lottery Heritage Fund with a statement that provided sufficient support to enable NLHF to make the award.

The Council is aiming to obtain permission to start as soon as practicable to enable work to start on site in May. The building project will take a little over twelve months and the project aims to hand over the Bridge and the new visitor centre to the Council in September 2022 in readiness for re-opening in spring 2023. The Bridge will then enjoy two seasons of supported activity part funded by NLHF.

The success of the Bridge as a visitor attraction is key to its longer-term sustainability. A comprehensive maintenance plan has been developed as part of the application process and this includes an annual contribution to a maintenance reserve. Fundraising will continue beyond the project life cycle and will become part of the Bridge's future activity.

The funding agreement with National Lottery Heritage Fund will require a form of security to ensure compliance with grant conditions. This is likely to take the form of a restriction against title. This will prevent the Council from selling or granting any other legal interest in the Transporter Bridge during the grant period without National Lottery Heritage Fund's express consent. This is a normal arrangement for regeneration projects.

Financial Summary

The project income summary is set out here

Source of Funding	Description	Secured ?	Value
NCC	Capital Budget	Yes	£1,000,000
Other public sector		No	£30,000
Central Government	Welsh Government - TISS	Requested	£1,500,000
Private Charitable Fund Donation		No	£200,000
Commercial/Business	Sponsorship	No	£50,000
Other Fundraising	Local Fundraising	No	£100,000
HLF grant request		Agreed	£8,756,000

The unconfirmed funding elements include applications to the PRISM fund (Preservation of Industrial and Scientific Material) and Wolfson foundation. Wolfson invited a round two application for submission at the end of August but was been delayed to February this year due to Covid. A target of 150k for local fund raising and sponsorship is also included, which is modest for a project that will generate significant publicity and profile. The Friends of Newport Transporter Bridge have approximately 15k in the appeal fund to date. The unconfirmed funding total is £380,000, however the 15k in hand reduces the total to £365,000; this represents the maximum liability if all applications are rejected and not a penny more is raised through popular fundraising and sponsorship.

There will be further opportunities to apply for further funding, particularly to support activities and events scheduled for the two years of heritage fund supported activity. The success of the fundraising effort will depend on everyone in the Council embracing the project and supporting the fundraising initiative.

Welsh Government are completing the due diligence processes for the Tourism Investment Support Scheme application. However, it should be noted that Welsh Government were able to provide National Lottery Heritage Fund case officers with a high degree of confidence regarding the outcome of the application. Should this application be rejected, then a report will be brought back to Cabinet to enable them to reconsider whether the project can be supported.

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?
Failure to raise further matched funding	M	L	The project team will continue to apply for additional funding and actively seek fundraising opportunities	Culture and Continuing Learning Manager
Delay to the project while matched funding is confirmed will mean tendered prices cannot be held leading to an overall price increase	H	M	A council underwrite of the unconfirmed funding will remove this risk by allowing the project to start on time	Culture and Continuing Learning Manager

Links to Council Policies and Priorities

The Transporter Bridge is the most iconic feature on Newport's skyline and investment in its repair and restoration will support the environment and economy, contribute to the City's regeneration and support businesses directly through and injection of 11 million into the post Brexit economy. The visitor offer will encourage outdoor activity through active travel. A significant visitor segment currently visit the bridge as a stop on the Wales Coastal Path and the National Cycle Route network. Once reopened we expect this segment to grow.

The plans for the Transporter Bridge headline the Thriving City chapter of the Corporate Plan 2017 -2022

Options Available and considered

The options are:

1. to underwrite the unconfirmed funding (subject to welsh Government funding being confirmed) or,
2. to extend the period before permission to start is granted.

Preferred Option and Why

Option 1

The preferred option is to accept the award and to underwrite the unconfirmed funding element to enable the project to start on time. By delaying the project in order to secure the balance of the project cost through on going fundraising, there is a risk that we will breach the grant offer expiry date and the tender prices changing. A delay will potentially affect the overall cost of the project and any additional cost will have to be met from Council resources and further fundraising. Accepting the grant will be dependent on Welsh Government agreeing the Tourism Investment Support Scheme package. Should this be rejected, the matter will be brought back to Cabinet.

Comments of Chief Financial Officer

Prudent operational limits on the level of capital expenditure funded by borrowing are set annually by the Treasury and Capital strategies. The capital programme needs to be managed within those limits. By accepting the funding from HLF for the delivery stage of the project, the council is agreeing to underwrite £365k of funding which has not yet been confirmed. Whilst this is the maximum that the council will be expected to contribute, this still a significant amount that the council will have to commit out of the limited capital resources that is available.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The Transporter Bridge is a listed structure and property asset, which is no longer part of the adopted highway, and the grant funding can be utilised for the purposes of its improvement and conservation. The acceptance of the National Lottery Heritage Fund grant will require a legal form of security to ensure compliance with the grant conditions. The Council does not have the statutory power to grant a legal charge over any of its property or assets but a restriction can be placed against the legal title to the land on both sides of the bridge, to prevent any disposal in breach of the grant conditions during the relevant grant period. The allocation of the grant funding is being used primarily for heritage and conservation purposes rather than any direct commercial purposes and, therefore, the acceptance of the funding should not be ant-competitive or constitute unlawful state aid. The acceptance of the funding and the commitment to deliver the project will also require the Cabinet to effectively underwrite the gap funding of up to £365k in the event that some or all of this additional funding does not materialise.

Comments of Head of People and Business Change

This report is an update of the Heritage Fund Application to repair and restore the Transporter Bridge as well as provide a new visitor centre. The report also seeks agreement to proceed with the project and to underwrite the unconfirmed funding element within the project budget.

At this stage, from an HR perspective, there are no staffing implications to this report.

This proposal has fully considered the five ways of working of the Well-being of Future Generations (Wales) Act 2015 and has also covered the implications from an equalities perspective in the appropriate section of the report.

Comments of Cabinet Member

I fully support the decision to accept the 8.7 million grant offered by National Lottery Heritage Fund. The grant will safeguard the bridge for a further generation to enjoy and make a positive impact on the local economy. I also agree that the Council should underwrite the unconfirmed matched funding in the project

budget. The project will be delivered over 4 years and this should provide ample time to raise sufficient funds to meet the shortfall.

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

The decision set out in this report is neutral in terms of equality. However, the project as whole, has been developed with accessibility for as wider cohort of the population as possible. The visitor centre design caters for the needs of everyone including the provision on a changing space toilet. The exhibition has been developed with physical and intellectual accessibility as key considerations. The design team recognised that not everyone can or wants to climb the 278 steps to reach the top walkway so a virtual recreation of the experience is being created in the exhibition space. The activity plan aims at involving a wide cross section of the community in events and activities.

Children and Families (Wales) Measure

The proposed development seeks to provide a fun and enjoyable experience for children and families. Elements of the display and interpretation will be child focused and provide learning through a fun experience. To date the project has worked with schools to find out what interests children and feedback has been fed into the development of the interpretation plan. Further consultation work will take place this year including children focus groups to further test interpretative ideas.

Wellbeing of Future Generations (Wales) Act 2015

Long term - The project provides a long-term secure future for the Bridge. The Bridge is recognised and the most iconic feature of the Newport's skyline and this project will ensure we pass it on to the next generation in a better condition than when pass to us. We have made great strides in developing the Bridge as a community asset and this project will provide the opportunity to further this work and ensure the Bridge brings maximum benefit to the immediate community of Pillgwenlly as well as making a substantial contribution to the local visitor economy. The protect also provides the opportunity to develop learning assets for local schools and groups and this too will be taken forward the legacy period

Integration – The activity plan has been designed to involve local people and encourage a range of well being outcomes including health, mental health and personal well-being. The educational offer will encourage learning, particularly for children who require a more experiential learning offer to flourish. The Bridge Project capital phase will make a direct impact on the local economy while, over the longer term, the visitor economy will also benefit from a new significant visitor attraction. The new visitor centre has designed with energy efficiency as a key design output.

Involvement - The project team have also consulted the local community and their views have informed key aspects of the interpretation and the proposed activity plan.

Collaboration - The project to date the project has been collaborative in nature working with key specialists including Cadw, Welsh Government and paid expert consultants. The project team have also consulted the local community and their views have informed key aspects of the interpretation and the proposed activity plan.

Prevention - The business plan under pins a long-term maintenance plan designed to reduce the cyclical cost impact of maintenance and periodic capital investment. This new approach to maintenance will ensure the ongoing sustainability of this key local heritage asset for the benefit of the people of Newport.

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

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

Background Papers

None

Dated: 22 February 2021

Date : 26 January 2021

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Report

Cabinet

Part 1

Date: 22 February 2021

Subject **Socio-economic Duty**

Purpose To outline the implications of the introduction of the Socio-economic Duty, commencing in Wales on the 31st March 2021 and seek approval from Cabinet on next steps to be taken for the Council to ensure compliance with the Duty.

Author Connected Communities Manager

Ward All

Summary The Socio-economic Duty (the Duty) is set out in Part 1, Sections 1 to 3 of the Equality Act 2010. It requires specified public bodies, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage.

The devolved Government has the powers to enact this part of the Act, and intend to do so on the 31st March 2021. Failure to demonstrate due regard to the Duty when a body makes a strategic decision is grounds for judicial review. There is no reporting duty attached to this piece of legislation, however, it is a statutory requirement, and relevant bodies should be able to demonstrate how they have fulfilled the Duty. This report outlines the steps the Council should take to ensure compliance with the Duty in the short and medium term, including changes to decision making supported by relevant training.

Proposal To approve the suggested recommendations included in this report.

Action by Head of People and Business Change

Timetable Pending approval by Cabinet of the approach outlined, the immediate recommendations contained in this report will be implemented as soon as practicable. Longer term recommendations will be implemented from April 2021.

This report was prepared after consultation with:

Cabinet Member for Community and Resources, Equalities Lead
 Cabinet Member for Sustainable Development, Socio Economic Duty Lead
 Heads of Service
 Strategic Equalities Group

Background

A. Introduction

The Socio-economic Duty (the Duty) is set out in Part 1, Sections 1 to 3 of the Equality Act 2010. It requires specified public bodies, when making strategic decisions, such as deciding priorities and setting objectives, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage.

Welsh Government has the powers to enact this part of the Act, and intend to do so on the 31st March 2021. The duty is intended to complement and not compete with, or override, other statutory duties, for example the Public Sector Equality Duty, or the Well-being of Future Generations (Wales) Act 2015.

The overall aim of the Duty is to deliver better outcomes for those who experience socio-economic disadvantage by ensuring that those taking strategic decisions:

- Take account of evidence and potential impact through consultation and engagement;
- Understand the views and needs of those impacted by the decision, particularly those who suffer socio-economic disadvantage;
- Welcome challenge and scrutiny; and
- Drive a change in the way that decisions are made and the way that decision makers operate

B. Socio-economic Disadvantage

Welsh Government defines socio-economic disadvantage as ‘living in less favourable social and economic circumstances than others in the same society’. Socio-economic disadvantage can be disproportionate in both communities of interest and communities of place, and characteristics such as race, gender and class can interact to create multiple disadvantage.

C. Inequalities of outcome

Inequality of outcome relates to any measurable differences in outcome between those who have experienced socio-economic disadvantage and the rest of the population. Welsh Government have suggested key areas of focus may be health, education, work, living standards, justice and personal security, and participation.

D. A Strategic Decision

The Welsh Government’s definition of strategic decisions is “those which affect how the relevant public body fulfils its intended statutory purpose over a significant period of time and will not include routine ‘day to day’ decisions”. These may include:

- Strategic directive and intent
- Strategies developed at Regional Partnership Boards and Public Service Boards which impact on a public body’s functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Changes to and development of public services
- Strategic financial planning
- Major procurement and commissioning decisions
- Strategic policy development

E. Paying due regard

Due regard is an established legal concept in equalities law and application of the Public Sector Equality Duty, meaning to give weight to a particular issue in proportion to its relevance. The Welsh Government recommend that relevant public bodies are able to evidence a clear audit trail for all decisions made under the Duty, such as impact assessment processes and systems for engagement.

Welsh Government emphasise that attempts to justify a decision as being consistent with the exercise of the duty, when it was not considered before the decision, are not enough to discharge the duty.

In order to evidence due regard, public bodies must engage effectively with those communities that may be affected by the decision in question, and consider the voices of those with lived experience of socio-economic disadvantage. Evidence relating to the decision's actual or likely impact on inequalities of outcome as a result of socio-economic disadvantage must be gathered and considered.

F. Role of partners

Specified bodies that the Duty applies to in Wales are:

- The Welsh Ministers
- Local Authorities
- Local Health Boards
- NHS trusts
- Special health authorities (operating on a Wales-only basis)
- Fire and rescue authorities
- National park authorities
- The Welsh revenue authority

When a specified body works in partnership with bodies not covered by the Duty, the Duty only applies to the specified body. For example, local well-being plans are developed and owned by a range of partners, however those public bodies subject to the Duty should ensure that they consider how the elements of the plan they have responsibility for will reduce inequalities of outcome caused by socio-economic disadvantage. All public bodies in Wales are encouraged to support the spirit of the Duty.

The Duty will not apply to schools. School Governing Bodies are created by section 19 of the Education Act 2002 and are statutory corporations. They therefore have a distinct legal identity from Local Authorities.

The requirement to meet the Duty does not pass to a third party through procurement, commissioning or outsourcing. However, in circumstances where the procurement activity itself is considered by a specified public body to engage the Duty, the relevant public body must consider how such arrangements reduce inequalities of outcome caused by socio-economic disadvantage.

G. Enforcement/Monitoring

To support relevant public bodies, in its role as the regulator of the 2010 Equality Act, the Equality and Human Rights Commission (EHRC) has powers to promote and provide advice and guidance, and publish research on implementing the Socio-economic Duty.

It does not have use of its full enforcement powers in relation to the Duty as the Equality Act does not establish socio-economic status as a protected characteristic, however, failure to demonstrate due regard to the Duty when a body makes a strategic decision is grounds for judicial review. The EHRC may support an individual or group with regard to any such challenge, or take such a challenge itself.

There is no reporting obligation attached to this piece of legislation, however, it is a statutory requirement, and relevant bodies should be able to demonstrate how they have fulfilled the Duty.

Both the EHRC and Audit Wales are considering how existing monitoring mechanisms can be used to measure progress, outcomes and compliance of public bodies. Organisations are also encouraged to consider how positive outcomes of using the legislation can be demonstrated through existing assessment tools (e.g. wellbeing assessments)

Embedding the Duty

The council has already taken steps to prepare for the introduction of the Duty, including liaison with Welsh Government and participation in their Socio-economic Duty Advisory Group which has helped to develop non-statutory guidance for specified bodies.

The council has also ensured that the Duty is referenced in the authority's Strategic Equality Plan 2020-24, including a specific action relating to embedding the Duty in council processes. The council's recent COVID-19 Community Impact Assessment focusses specifically on the socio-economic impact of the pandemic in order to contribute to local evidence which will be available to strategic decision makers in the context of the Duty.

Welsh Government has suggested a range of ways in which the Duty can be embedded within existing processes, including:

- Taking an integrated approach to impact assessment
- Taking a broader approach to engagement and involvement to include socio-economic disadvantage
- Developing scrutiny frameworks to include scrutiny of impact with respect to inequality of outcome that results from socio-economic disadvantage
- Taking an integrated approach to planning and reporting
- Developing Integrated performance measures
- Considering prevention of inequalities of outcome caused by socio-economic disadvantage through application of the Wellbeing of Future Generations Act's five ways of working

The Duty Guidance also sets out a 5 step approach to embedding the Duty in practice:

1. **Planning** - deciding whether a decision is strategic, and therefore subject to the Duty
2. **Evidence** – collecting evidence about socio-economic disadvantage and inequalities of outcome in relation to the decision and engaging with those affected by the decision, both communities of place and interest
3. **Assessment and Improvement** – assessing the main impacts of the proposal, and considering how it could be improved so that it reduces inequalities of outcome as a result of socio-economic disadvantage
4. **Strategic Decision Makers** – strategic decision makers to confirm that due regard has been given, and that they are satisfied that the body has understood the evidence and likely impact, and considered whether the proposal can be changed to reduce inequalities of outcome
5. **Evidencing Due Regard** – ensuring that the process of considering the Duty has been recorded, including any changes to the decision

Welsh Government recognise that many specified bodies will be using their existing equality impact assessment processes to embed these 5 steps. Before doing this, organisations are recommended to consider how effective these are, and undertake work to improve them if necessary.

Currently, the council uses its corporate Fairness and Equality Impact Assessment (FEIA) to assess and mitigate the impact of policies and decisions on inequalities. FEIAs also require decision makers to consider the Wellbeing of Future Generations Act's 5 ways of working. FEIAs should be completed as part of the strategic policy and decision-making process, although this requires review and improvement to ensure their consistent and meaningful use.

Recommendations

With the above in mind, the following short and medium term actions are recommended:

Short term (immediate)

1. Revise the council's current Fairness and Equality Impact Assessment template, aligning with the new Duty
2. Revise the accompanying FEIA guidance to reflect responsibilities under the new Duty and provide decision makers with both evidence relating to socio-economic disadvantage which may be considered, and indicators for measurement of successful outcomes (e.g. Wellbeing Indicators)
3. Amend the Cabinet report template to include explicit reference to the Duty, and the requirement for an FEIA to accompany all cabinet reports
4. Deliver training/awareness sessions to senior leaders and Elected Members
5. Consider ways in which existing performance monitoring structures/measures can evidence both due regard, and positive outcomes of the Duty (for example, Service Area Plans)

Medium Term (April onwards)

1. Develop an integrated toolkit for decision-making which builds on the existing FEIA process, embedding the Duty within a wider framework which considers all of the legal responsibilities which the council must comply with in its decision-making.
2. Include reporting against the impact of the Duty within strategic reporting structures, for example, the Strategic Equality, Corporate, and Wellbeing Plan annual reports
3. Align the council's wellbeing assessment (work to commence April 21), profiles and strategic Wellbeing Plan with a focus on socio-economic equality/wellbeing
4. Mandate equality training for all staff and Elected Members, inclusive of responsibilities relating to the Socio-economic Duty

Financial Summary

Work relating to the implementation of the Duty will be undertaken by existing council officers, with no additional resources. Welsh Government plan to publish a Regulatory Impact Assessment which will outline the estimated costs and benefits associated with the Duty, including revenue, capital and opportunity costs.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)					Not applicable
Net Costs (Savings)					
Net Impact on Budget					

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?
That the council is not compliant with requirements of the new Socio-economic Duty by 31/03/21	M	L	Steps that the council will take to avoid this risk are set out as recommendations within this report	Head of Service – P&BC

Links to Council Policies and Priorities

The Duty forms part of the Equality Act 2010, which already requires the council to develop a series of Equality Objectives focussed on reducing inequalities for people that share protected characteristics. There are evidenced links between socio-economic disadvantage and protected characteristics, and the Duty allows this to be explicitly considered. The Well-being of Future Generations Act aims to improve the social, economic, environmental and cultural well-being of Wales and the Duty closely supports the delivery of the council's responsibilities in this area, focussing on removing disadvantage and creating a more prosperous, equal society for all.

Options Available

- a) To approve the recommendations included in this report
- b) Not to approve the recommendations included in this report

Preferred Option and Why

Option a) is the preferred option, in order to ensure that the Council is compliant with its statutory obligations.

Comments of Chief Financial Officer

There are no adverse financial implications associated with the recommendations in this report. The cost of implementing the Duty is met from existing budgets in service areas.

The Duty, and the general obligations and requirements under the Act are key issues in the planning and delivery of services and therefore will need to be considered in the budget setting process.

Comments of Monitoring Officer

The Welsh Ministers have used their devolved powers to amend the Equality Act 2010 to require certain public bodies in Wales to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage, when taking strategic decisions. As from 1st April 2021, the Council will be required to demonstrate that it has had due regard to this social-economic duty when taking key policy and strategic decisions. Failure to do so could result in policy decisions being challenged on procedural grounds, by way of judicial review proceedings. As with the Public Sector Equality Duty and well-being objectives, the Council will need to ensure this this new statutory duty is clearly embedded within impact assessment and decision-making processes and can evidence that due regard has been had to the social-economic duty when taking these decisions.

Comments of Head of People and Business Change

There are no direct HR implications arising from this report. The Duty represents another important step towards creating a fairer, more equal Newport. It builds on positive work already achieved under the

council's Wellbeing and Strategic Equality Plans and contributes to the delivery of the national wellbeing goals.

Comments of Cabinet Member Sustainable Development

Newport, along with the rest of Wales, has experienced significant changes over the last few years – the continued impact of Brexit, and more recently, the COVID-19 pandemic, has meant that the city, and the people that live here, face continued economic uncertainty. An explicit focus on socio-economic impact will enhance the tools that we already have to ensure that the decisions we make are properly informed by principles of equality and fairness, and continue to ensure better outcomes for our communities. Socio-economic disadvantage can impact on people in many ways, from poorer education and health outcomes, to barriers to participation in public life.

Our aim is to ensure we have strong, resilient communities equipped with the resources and support they need have a successful future, and the Duty will allow us to do this more effectively. As the implementation of the Duty progresses it will be important to ensure that our performance is monitored through a range of existing processes as outlined in the Report.

Comments of Cabinet Member Community and Resources

We know that socio-economic disadvantage can impact on people in many ways, from poorer education and health outcomes, to barriers to participation in public life. As the lead member for equalities I support the introduction of the Duty and will ensure that it is integrated into our ongoing equalities work. This includes a report on the impact of the Duty within the Strategic Equality Plan Annual Report. We will also ensure that all staff and Elected Members receive equalities training, including responsibilities relating to the Socio-economic Duty

Local issues

N/A

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

As stated, the Socio-economic Duty forms part of the existing Equality Act 2010. Welsh Government have completed a draft integrated impact assessment on the Duty, which finds that whilst the Duty will benefit the well-being of the population of Wales as a whole, it will impact specifically on individuals and groups who are experiencing socio-economic disadvantage. There are varying degrees of evidence of a correlation between protected characteristics and poverty (in gender, race, disability, faith and belief and sexual orientation) which also suggest that people who share these characteristics will benefit from the enactment of the Duty.

Children and Families (Wales) Measure

The enactment of the Socio-economic Duty is likely to have a positive impact on children and families who experience socio-economic disadvantage.

Wellbeing of Future Generations (Wales) Act 2015

In line with the five ways of working identified within the Wellbeing of Future Generations Act, the Duty will support sustainable improvements by considering how strategic decisions may prevent/mitigate socio-economic disadvantage in both the short and long term. The Duty maximises the contribution of relevant public bodies to achieving the well-being objectives and the 7 well-being goals for Wales, most significantly, the goal of creating a more equal Wales, creating a society that enables people to fulfil their potential regardless of their background or circumstance.

Crime and Disorder Act 1998

Not applicable

Background Papers

Wales Govt advice – [Socio Economic Duty, an Overview](#)

Cabinet Member Report - Welsh Government Consultation: Commencing the Socio-economic Duty

Dated: 22 February 2021



Report

Cabinet

Part 1

Date: 22 February 2021

Subject Newport City Council Covid-19 Response and Recovery Update

Purpose To present to Cabinet an update on the Council's progress being made towards recovering services and supporting Newport's communities as part of its Strategic Recovery Aims.

Author Chief Executive
Head of People and Business Change

Ward All

Summary The Covid-19 health emergency has been ongoing since March 2020 and has impacted all communities and businesses across Newport as the City has continued to adapt and respond to the necessary restrictions to minimise the spread of the virus. Newport Council's response has been to ensure continuity of services with our strategic partners, support vulnerable residents across communities, support businesses and ensure the safety of staff. This report provides an overview of what action the Council has taken to date and the progress against the Strategic Recovery Aims.

Since the last Cabinet Report in January, the Council and its partners have continued to monitor the Covid-19 cases in the City through its role at the multi-agency Strategic Co-ordination Group (SCG), the Council's Emergency Response Team (Covid Gold) and liaison with Welsh Government (WG) and Public Health Wales partners. The Newport area is currently at the highest alert level.

Proposal Cabinet is asked to consider the contents of the report and note the progress being made to date, the risks that are still faced by the Council.

Action by Corporate Management Team

Timetable Immediate

Signed

Background

Since the last Cabinet Report on 8th January 2021, Newport Council and its partners have continued to monitor the Covid-19 cases in the City through its role at the multi-agency Strategic Co-ordination Group (SCG), the Council's Emergency Response Team (Covid Gold) and liaison with Welsh Government (WG) and Public Health Wales partners.

Covid-19 Response February 2021

The national Covid restrictions ([Alert Level Four](#)) have been in place across Wales since 20th December 2020 (eight weeks as at 21st February 2021). During this period of time, Wales and Newport has seen the rolling 7 day average of positive Covid cases reduce significantly. Latest figures can be accessed through the [Public Health Wales Covid-19 Dashboards](#). The Welsh Government has been cautious in its approach to the easing of restrictions due to the new Covid variants and after half term will see Primary school infant children (3-7) return. It is expected for further easing will take place over the next few months.

Throughout the winter period, the Health Service across Wales has been under significant pressure in managing the high number of Covid cases and sadly the Covid-19 related deaths has now increased to over 5,000. This has also resulted in vital services being diverted to manage the Covid cases in hospital settings.

The rollout of the Covid vaccine commenced in December and over the last three months over 600,000 vaccinations have been administered throughout Wales. All residents in Newport will receive their letters at some point this year notifying them to attend a mass vaccination centre or their local GPs. It is important for everyone to receive the vaccine but also to ensure that those who have received their vaccine continue to follow the necessary restrictions and guidance in place.

Newport Council's services have continued to operate adhering to the restrictions in place. Following the festive period, schools were open to key workers' children, with remaining children and young people learning from home. Many areas of the Council's buildings remained closed but front line services have remained operational. Residents and businesses can access the necessary information from the Council's [website](#) or contact the Council's contact centre.

Newport Council Activity and Progress in delivering Strategic Recovery Aims

Newport Council's Recovery Group (consisting of the Chief Executive and Heads of Service) are monitoring and reporting ongoing issues and incidents throughout the Christmas period and into the New Year. Service areas have continued as much as possible to deliver business as usual services albeit from home and if required front line to residents and service users (in line with social distancing restrictions). Summarised below and also in Appendix 1 of this report, is a summary of Council work to 12th February 2021. This update includes work from our partner Newport Live.

Strategic Recovery Aim	Summary of Council's activities to 12 th February 2021
Strategic Recovery Aim 1 – Supporting Education & Employment	<ul style="list-style-type: none">• Schools did not open fully following the Christmas and New Year break but are currently providing blended learning and offering face to face tuition to children of critical workers and vulnerable learners.• We await further information regarding the full re-opening of schools from Welsh Government.• As of 19th January, 37 primary schools have reported 163 positive cases.• All 9 secondary schools have now had positive cases with 120 cases reported.• 2 of the special schools have reported 8 positive cases between them and 1 nursery has also reported a positive case.• As at 15th January 2021, there are 6,333 pupils across Newport assessed as being eligible for free school meals.

Strategic Recovery Aim	Summary of Council's activities to 12 th February 2021
	<ul style="list-style-type: none"> • Weekly £19.50 vouchers were issued for the first two weeks of the new term, with a fortnightly £39.00 voucher subsequently being provided for the last two weeks of January 2021. • 231 Welsh Government EdTech funded digital devices for schools have been received. We are expecting receipt of around 2,000 further devices over the next month. • Newport Live's Alternative Education programme (vulnerable learners) based at the Connect Centre (Pillgwenlly) is in full operation, with blended learning approaches being provided to 31 young people via Education, Bridge Achievement Service, and various Secondary Schools. • Community Learning will continue to be delivered online in line with the latest WG guidance. All supported young people in the Aspire programme have access to a Chromebook.
Strategic Recovery Aim 2 – Supporting the Environment and the Economy	<ul style="list-style-type: none"> • Welsh Government Covid-19 discretionary Business Support continues, with 1,083 jobs protected to date. • Currently processing 760 ERF Christmas Restrictions grants at £2k each. • Thematic Winter Trading grants totalling £118,820 have now been offered to 17 city centre businesses to support them in developing new ways of trading. • Heritage Lottery Fund have announced that £8.75m of funding has been awarded for the repair, restoration and provision of a visitor centre at the Transporter Bridge. • Officers from Trading Standards and Licensing continue to carry out checks on businesses to ensure they are safe and COVID secure. Where non-compliance was identified, officers took appropriate action.
Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens	<ul style="list-style-type: none"> • The capacity in domiciliary care services has recovered following the backlog leading into the Christmas period. The roll out of the vaccine is also supporting this. • The day service have remained closed in line with Tier 4 restrictions but community outreach continues. • Home First are well established at the new Grange Hospital and supporting people to return home who do not need hospital admission. • Mobile vaccination units attending older persons care homes • Vaccine being rolled out to internal front line staff and provider services • Environmental Health retains ability to respond to highest risk issues through the pandemic however Covid-19 response is the priority of the service. • Food Safety, Housing, H&S, and Environmental Permitting functions have each been scaled back to minimum levels in order to facilitate the Covid-19 Response. • Working with our partners Newport Live to deliver a range of programmes throughout the pandemic.
Strategic Recovery Aim 4 – Supporting Citizens post Covid-19	<ul style="list-style-type: none"> • Psychological support in place, training provided to stakeholders and support provision commenced. • Completed SHG scheme utilised to provide move on accommodation for those in supported housing or temporary accommodation via development of a revised local lettings procedure. • Urgent DFG adaptations continue to be delivered where risk can be mitigated in line with WG clarification letter. • Participatory budgeting ongoing and Council is consulting on the 2021/22 budget and Leisure Centre proposals in the city centre. • We are currently seeking to implement a new Welsh Government scheme to improve access to the private rented sector for homeless households. This is a 'Pathfinder' trial for up to 10 properties.

Strategic Recovery Aim	Summary of Council's activities to 12 th February 2021
	<ul style="list-style-type: none"> Hubs continue to provide emergency support for some of our most vulnerable residents.

Financial Summary

The Council's financial (revenue and capital) update is reported separately as part of the Council's budget management. The Covid-19 impact is reported to Cabinet and as highlighted in previous finance reports, the Council's financial position continues to be closely monitored in light of significant reductions in income and increase in costs to deliver services during the crisis.

Risk(s)

Through the Council's Risk Management process, the Covid-19 risk is reported every quarter to the Council's Cabinet and Audit Committee. Below is the latest update taken from the Quarter 3 2020/21 risk report update which will be presented to Cabinet in March.

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?
Covid 19 Pandemic Risk (Corporate Risk)	5	5	Mitigation measures outlined in the report.	Corporate Management Team

Links to Council Policies and Priorities

Corporate Plan 2017-22
Strategic Recovery Aims

Options Available and considered

- To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
- To request further information or reject the contents of the report

Preferred Option and Why

- To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio briefings.

Comments of Chief Financial Officer

Welsh Government have been supporting local authorities through the pandemic with a Hardship Fund intended to reimburse for all Covid related spend over and above existing budgets and within a set criteria. The fund also includes loss of income compensation; again, within a set criteria. The fund excludes 'Council Tax loss of income' which is currently under significant strain and is monitored carefully. The fund will run to the end of the current financial year. It is continually developing and evolving to support specific initiatives as and when required.

In essence, Covid related, eligible expenditure is predominantly funded by the WG. A revenue budget monitor to end of November is being reported to January Cabinet and confirms a positive overall position for the Council and includes the impact of the financial assistance provided from the Hardship Fund as well as the normal and routine budget issues that affect the Council.

All costs which are not eligible for WG funding will need to be funded from services own budgets and will be reported as and when they develop over the year. Service areas have been asked to minimise these, wherever possible, where they create overspending.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report, which provides an update on the actions taken to deliver the Council's Strategic Recovery Aims and progress since the January report. Any legal issues will be picked up at the appropriate time as part of the operational delivery of the individual actions, within service areas. Since the last report, there has been a sustained reduction in the number of cases being referred to the TTP team for contact tracing and the positivity levels, in the light of the continuing lock-down restrictions. Therefore, with the recruitment of additional contact tracers and advisers, the TTP team are now coping well with the tracing work and are able to undertake more detailed backward tracing to try to identify specific issues in relation to identified clusters. They are also able to offer mutual aid and assistance to other area teams. There has also been increased activity in terms of the roll-out of testing and vaccination centres. The Covid enforcement work continues, with greater emphasis on the sale of non-essential goods and the service of premises improvement notices where social distancing rules and guidance have been breached. Licence reviews have also been commenced where there have been significant breaches of the restriction in licensed premises.

Comments of Head of People and Business Change

The recovery of the Council's services is important to ensure that we are able to build on the strong collaborative work that the Council has delivered throughout 2020 to manage this crisis. The role of Civil Contingencies, emergency planning and preparation is vital to ensure that the Council is able to continue to deliver services but also minimise the risks posed on Newport's communities as new restrictions are implemented.

The Council's supporting services and our partners are building on the advancements made to ensure we are able to operate safely and maintain the necessary social distance guidelines. The progress detailed in this report highlights the continuous work that is being made and build up resilience in the long term.

The HR implications are as outlined in the report as we continue to support the workforce through provision of equipment and a range of wellbeing measures.

Comments of Cabinet Member

The Leader of the Council is briefed on all aspects of the Council's strategic recovery.

Local issues

Members to be aware of the impacts that Covid is having on our Local Communities and business.

Scrutiny Committees

NA

Equalities Impact Assessment

The findings outlined in the Council's Covid-19 Community Impact Assessment have informed the development of the Strategic Recovery Aims as well as future strategic and operational decision making.

Children and Families (Wales) Measure

Not applicable.

Wellbeing of Future Generations (Wales) Act 2015

The areas covered in this report demonstrate the progress being made against the Strategic Recovery Aims which also support the Council's Corporate Plan 2017-22.

In consideration of the sustainable development principle and 5 ways of working:

Long Term – The progress reported against the Strategic Aims support the long term aims of the Council to improve people's lives.

Preventative – The preventative work outlined in the report support the Council's approach to minimising future covid 19 outbreaks and as necessary provide targeted support to those that need it. Re-establishing services in line with necessary legislation and regulation enables the Council to operate in the new normal.

Integration – The Strategic Recovery Aims have been integrated with the Council's Wellbeing Objectives set in the Corporate Plan as well as Service Plans. Recommendations from the Community Impact Assessment will also shape how the Council can improve the delivery of services across communities.

Involvement – Included in this report are actions to involve Newport's communities to provide assurance and shape the way in which services are being delivered by the Council. Their feedback and involvement in the process will enable the Council to consider how services are delivered in the long term.

Collaboration - The actions in the report are being undertaken in collaboration with partners from the Council's Public Services Board but also strategic partners within each service area. The collaborative work enables the Council to share resources and build expertise and knowledge.

Crime and Disorder Act 1998

Not applicable.

Consultation

Senior Leadership Team

Corporate Management Team

Officer leads across the Authority

Background Papers

Cabinet Report (Strategic Recovery Aims) – July 2020

Corporate Plan 2017-22

Strategic Recovery Aims

Dated: 22 February 2021

Appendix 1 – Progress of Delivery against Strategic Recovery Aims (to 12th February 2021)

Strategic Recovery Aim 1 – Supporting Education & Employment.

Understand, and respond to, the additional challenges, which Covid19 has presented, including loss of employment, impact on business and on the progress, achievement and wellbeing of both mainstream and vulnerable learners.

Supports Wellbeing Objective 1 – To improve skills, education and employment opportunities.

Strategic Aim Step	February'21 Update
Support schools and other educational establishments to safely reopen for staff and pupils.	<ul style="list-style-type: none"> • Schools did not open fully following the Christmas and New Year break but are currently providing blended learning and offering face to face tuition to children of critical workers and vulnerable learners. • As of 19th January, 37 primary schools have reported 163 positive cases. All 9 secondary schools have now had positive cases with 120 cases reported. 2 of the special schools have reported 8 positive cases between them and 1 nursery has also reported a positive case. • Arrangements have been made for the now established supermarket voucher scheme to continue to support free school meal pupils whilst wholesale face-to-face learning has been temporarily ceased. As at 15th January 2021, there are 6,333 pupils across Newport assessed as being eligible for free school meals. Weekly £19.50 vouchers were issued for the first two weeks of the new term, with a fortnightly £39.00 voucher subsequently being provided for the last two weeks of January 2021. We await further information regarding the full re-opening of schools from Welsh Government. • Due to the reduction in face-to-face learning, the provision of schools meals through Chartwells has been suspended. The only exception relates to some specifically identified vulnerable pupils or children of critical workers on roll at either Maes Ebbw School or Ysgol Bryn Derw who are attending school each day and who have specific dietary requirements. The Chartwells provision is continuing for these pupils (including Breakfast Club services). Supermarket vouchers are therefore not being provided to free school meal pupils falling within these identified groups of learners. • Given the suspension of the school meals service and the provision of supermarket vouchers, all vulnerable pupils and children of critical workers currently attending schools across the City for face-to-face learning are required to bring a packed lunch to school with them each day. • Home to school transport is being provided for any vulnerable pupils and children of critical workers attending school for face-to-face learning if they ordinarily benefit from this entitlement. • School cleaning services procured through Newport Norse are continuing to operate to support face-to-face learning requirements. • As at 15th January 2021, there have been no requests to the Education Service from schools for priority testing for symptomatic pupils.
Work to prevent and reduce inequality of progress and outcomes in education for	<ul style="list-style-type: none"> • Attendance continues to be monitored closely. National comparative data indicates that 58.0% of pupils were present in schools in Newport during the week ending 11/12/20 (ranked 19th in Wales.) An average of 23.2% of pupils were present in schools in Newport during the week ending 18/12/20 (ranked 8th in Wales).

Strategic Recovery Aim 1 – Supporting Education & Employment.

Understand, and respond to, the additional challenges, which Covid19 has presented, including loss of employment, impact on business and on the progress, achievement and wellbeing of both mainstream and vulnerable learners.

Supports Wellbeing Objective 1 – To improve skills, education and employment opportunities.

Strategic Aim Step	February'21 Update
mainstream and vulnerable learners.	
Support schools to enhance and develop digital skills; digital teaching and learning platforms; and enhanced support for digitally excluded learners	<ul style="list-style-type: none"> • Work to improve the IT infrastructure in schools is ongoing. 27 schools have migrated to the SRS Schools Edu network to date. • 231 Welsh Government EdTech funded digital devices for schools have been received. We are expecting receipt of around 2,000 further devices over the next month.
Support and enable people that are digitally excluded to access community IT programmes, Council services and other public services.	<ul style="list-style-type: none"> • Community Learning will continue to be delivered online in line with the latest WG guidance. All supported young people in the Aspire programme have access to a Chromebook.
Support people who have been affected by unemployment to access new opportunities through training and re-employment required for post Covid 19 businesses.	<ul style="list-style-type: none"> • DWP Kickstart Scheme –grant offer letter received. The service managers are working on the vacancy template to recruit via the scheme. • Restart Scheme - Work has progressed with Prime providers on the Framework to secure the Newport Delivery. We have been successful in being named in each provider's supply chain. DWP will announce the successful Prime at the end of April, we will then have a 9 week implementation period prior to the contract going live in July 2021.
Ensure our diverse communities are appropriately supported through tailored interventions specific to their needs, including consideration of language, culture and points of access.	<ul style="list-style-type: none"> • Vulnerable and key worker children continue to be accommodated at Flying Start settings. • Newport Live's Alternative Education programme (vulnerable learners) based at the Connect Centre (Pillgwenlly) is in full operation, with blended learning approaches being provided to 31 young people via Education, Bridge Achievement Service, and various Secondary Schools. • The Levelling the Playing Fields project in Newport, part of a national programme with Alliance of Sport and the London Marathon Trust, is delivering and using sport to engage and improve health / life outcomes of BAME children and young people who are at risk of entering the Criminal Justice System locally by Newport Live in partnership with Youth Justice Service, Preventions, the Sanctuary project, Mo's Boxing, Ace's Basketball, Community Youth Project, Yemeni Association, Barnardo's Vietnamese Young people's Group, and Newport Cricket Club.

Strategic Recovery Aim 2 – Supporting the Environment and the Economy

Understand and respond to the impact of Covid19 on the city's economic and environmental goals to enable Newport to thrive again.

Supports Wellbeing Objective 2 – To promote economic growth and regeneration whilst protecting the environment.

Strategic Aim Step	February'21 Update
Maintain our focus on regenerating Newport to deliver existing and new investment projects.	<ul style="list-style-type: none">• Dispersal of Welsh Government Covid-19 discretionary Business Support continues, with 1,083 jobs protected to date. Currently processing 760 ERF Christmas Restrictions grants at £2k each (employee numbers to follow).• Thematic Winter Trading grants totalling £118,820 have now been offered to 17 city centre businesses to support them in developing new ways of trading.• HLF have announced that £8.7m of funding has been awarded for the repair, restoration and provision of a visitor centre at the Transporter Bridge.
Enable and support the construction industry to re-establish the supply of new and affordable housing.	<ul style="list-style-type: none">• We have supported RSL partners to make 5 successful bids to the Welsh Government Land for Housing Scheme. Three bids have initially been offered funding and the remaining two are being kept in reserve for when additional funding becomes available.
Enable and support businesses to re-establish normal operations whilst maintaining the health and safety of their workers and customers.	<ul style="list-style-type: none">• Officers from Trading Standards and Licensing continue to carry out checks on businesses to ensure they are safe and COVID secure. Officers often work on a sector by sector basis.• Before Christmas supermarkets, barbers and stores were the focus. In January work on supermarkets has continued as well as surveillance at mini-markets (4 Premises Improvement Notices Issued); and licensed premises (1 Premises Improvement Notices Issued and an application for a licence review).• Other sectors subject to activity include; hand car washes, small office environments and take away premises. Officers continue to check that closed premises remain closed and alcohol curfews are respected.• Two off licences sold alcohol to officers have been handed on-the-spot fines.• A kitchen show room has been ordered to close. Most premises are compliant, however, officers report a drop in standards since before Christmas. This has resulted in increased formal action.
Enable and support businesses to prepare for future trade arrangements resulting from Brexit negotiations.	<ul style="list-style-type: none">• NCC continues to monitor implementation of the new Brexit arrangements through the Brexit Task & Finish group.• In Newport, the Council has not received contact from businesses importing or exporting in Europe.• The Council is continuing to engage with EU communities to ensure that EU Settled Status applications are being made and signposting residents to supporting organisations.• A separate Brexit report will be presented at Cabinet in February.
Protect and improve the environment, including air quality and decarbonisation of the city for its residents, businesses and visitors.	<ul style="list-style-type: none">• Commissioning process underway by Welsh Government to recruit a consultant to provide technical support for the LAEP pilot. Evaluation process to take place on the 20th January 2021. Project manager post under development to co-ordinate the pilot and liaise with the consultants.
Continuing support and safe delivery of the Council's City	<ul style="list-style-type: none">• Essential services including winter maintenance and emergency flooding response is being maintained as a priority.• Normal services are continuing as resources permit in front line maintenance operations• Waste and cleansing operations operating as normal

Strategic Recovery Aim 2 – Supporting the Environment and the Economy

Understand and respond to the impact of Covid19 on the city's economic and environmental goals to enable Newport to thrive again.

Supports Wellbeing Objective 2 – To promote economic growth and regeneration whilst protecting the environment.

Strategic Aim Step	February'21 Update
services including waste, cleansing and highways.	

Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens

Promote and protect the health and wellbeing of people, safeguarding the most vulnerable, and building strong, resilient communities

Supports Wellbeing Objective 3 – To enable people to be healthy, independent and resilient

Strategic Aim Step	February'21 Update
Support people to remain living independently in their homes and communities.	<ul style="list-style-type: none">• The capacity in domiciliary care services has recovered following the backlog leading into the Christmas period. The roll out of the vaccine is also supporting this.• The day service have remained closed in line with Tier 4 restrictions but community outreach continues.• We still have a limited number of care homes able to accept admissions but we are not significant delays in hospital discharge at present.• Home First are well established at the new Grange Hospital and supporting people to return home who do not need hospital admission.
Fully restore Children and Adult Services, supporting partners that have been impacted by Covid 19 and ensuring service users and staff are supported and protected.	<ul style="list-style-type: none">• Vaccination capacity being ramped up• Mobile vaccination units attending older persons care homes• Vaccine being rolled out to internal front line staff and provider services• Newport Centre operating as a vaccination centre from Monday 18th January• Regular WHT processes are in place• Capacity and resilience across the sector are subject to ongoing multi agency monitoring and support processes
Assess the impact and the long-term sustainability of the social care sector in Newport informing future service requirements.	<ul style="list-style-type: none">• The Commissioning team continue to administer payments to providers in accordance with WG funding covering additional provider costs and ensuring all staff who need to be away from work due to Covid receive the full entitlement to sick pay.• We are working with regional commissioning colleges to assess the impact of Covid on the long term sustainability of care homes across Gwent.• This has also been a feature of the financial planning and budget setting for 2021/22
Safeguard and support children and young people to remain safely with their families.	<ul style="list-style-type: none">• Children and Young People Services are operating business as usual utilising the remote working and also supporting families and children.
Improve opportunities for Active Travel and work towards improved air quality.	<ul style="list-style-type: none">• WG Transport Minister gave a statement on the 19th January and published a statement, confirming acceptance of all the Burns recommendations for Newport.• Active Travel schemes continue to be delivered across Newport.

Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens

Promote and protect the health and wellbeing of people, safeguarding the most vulnerable, and building strong, resilient communities

Supports Wellbeing Objective 3 – To enable people to be healthy, independent and resilient

Strategic Aim Step	February'21 Update
Regulate businesses and support consumers / residents to protect and improve their health.	<ul style="list-style-type: none">Environmental Health retains ability to respond to highest risk issues through the pandemic however Covid-19 response is the priority of the service.Food Safety, Housing, H&S, and Environmental Permitting functions have each been scaled back to minimum levels in order to facilitate the Covid-19 Response,National regulators now require action in some of these areas including Highest Risk Food Premises. Officer allocated to review the service and begin to develop a service response plan for 2021-2022.Officers from Trading Standards and Licensing continue to carry out checks on businesses to ensure they are safe and COVID secure. Officers often work on a sector by sector basis.Before Christmas supermarkets, barbers and stores were the focus. In January work on supermarkets has continued as well as surveillance at mini-markets (4 Premises Improvement Notices Issued); and licensed premises (1 Premises Improvement Notices Issued and an application for a licence review).Other sectors subject to activity include; hand car washes, small office environments and take away premises. Officers continue to check that closed premises remain closed and alcohol curfews are respected.Two off licences sold alcohol to officers have been handed on-the-spot fines.A kitchen show room has been ordered to close. Most premises are compliant, however, officers report a drop in standards since before Christmas. This has resulted in increased formal action.
Work with key partners to safely re-open cultural and leisure facilities including the promotion of the city's parks, open spaces and coastal paths.	<ul style="list-style-type: none">No change to restrictions relating to museums, libraries and outdoor attractions.Newport Live's <i>#happyandhealthyathome</i> campaign and social media support, connections, guidance, and advice continues to gain momentum and be well received – providing top tips, art classes, craft, workshops, exercise videos, healthy recipes, mindfulness, and many more messages to keep connected with families and our communities.
Sustain a safe, healthy and productive workforce.	<ul style="list-style-type: none">Additional support has been provided to those working from home by sourcing online training '<i>Maximising Success and Productivity whilst working remotely</i>' and this will run through February and March 2021.Those staff previously shielding in the first set of restrictions are now advised to shield again and not attend a workplace if they cannot work from home.

Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

Provide people with the resources and support that they need to move out of the crisis, considering in particular the impact that Covid 19 has had on our minority and marginalised communities.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February'21 Update
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Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

Provide people with the resources and support that they need to move out of the crisis, considering in particular the impact that Covid 19 has had on our minority and marginalised communities.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February'21 Update
Work together with our partners to reduce poverty, address homelessness and support our most vulnerable people as a priority.	<ul style="list-style-type: none">• Psychological support in place, training provided to stakeholders and support provision commenced.• Completed SHG scheme utilised to provide move on accommodation for those in supported housing or temporary accommodation via development of a revised local lettings procedure as per the Common Housing Register policy.• Urgent DFG adaptations continue to be delivered where risk can be mitigated in line with WG clarification letter. Non urgent cases are currently suspended and reprioritised when required following collaborative working with Occupational Therapy.
Assess and address the inequalities that Covid 19 has highlighted or contributed to within our communities.	<ul style="list-style-type: none">• The Participatory Budgeting steering group has been trained and is making key funding decisions ahead of the public voting event. This group includes representatives of the most vulnerable groups (in terms of Covid 19).• Newport Fairness Commission are actively participating in this project to ensure fairness, equity and openness. GAVO are involved with regards to supporting bids and the delivery of funded projects.• BAME specific Digital Champions training and Business Support webinars being delivered in partnership with EYST, Digital Communities Wales, and Business Wales• Monthly BAME e-bulletin produced, including signposting to culturally specific support and providing a range of information in community languages• Council has signed up to Race Council Cymru's Zero Tolerance to Racism Campaign
Identify, develop and seek to sustain any positive developments emerging during the crisis.	<ul style="list-style-type: none">• The Partnership, Policy and Involvement Team are working with Digital Communities Wales and ABUHB to upskill the existing 'Wellbeing Champions' to support digital inclusion work.
Developing opportunities for people to access suitable and affordable housing	<ul style="list-style-type: none">• We are currently seeking to implement a new Welsh Government scheme to improve access to the private rented sector for homeless households. This is a 'Pathfinder' trial for up to 10 properties.• We have worked with our RSL partners to continue to deliver the planned development programme. In our latest submission to the Welsh Government we have indicated that we will be drawing down all of our allocated funding despite the challenges to housing development posed by Covid 19.
Deliver a community cohesion programme that effectively responds to community tensions and creates a shared sense of identity across the city.	<ul style="list-style-type: none">• Welcome to Newport App under development in partnership with Cardiff University and Software Academy; design being led by refugees, asylum seekers and migrants and focussed on creating a share narrative of living in Newport• Hate Crime training delivered to Hungarian and Polish communities in community languages.• Hong Kong Citizens Support steering group established in preparation to welcome newcomers to the city and anticipate demand for services.
Prevent and address instances of antisocial behaviour (ASB)	The continued work to support the reduction in ASB includes:

Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

Provide people with the resources and support that they need to move out of the crisis, considering in particular the impact that Covid 19 has had on our minority and marginalised communities.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February'21 Update
impacting upon the residents and the business community of Newport	<ul style="list-style-type: none">Supporting Children and Young People in addressing their behaviour and their needs through 1:1 work. The individual work continues to provide remotely through our Youth Workers at the Hub and also our Diversion Officers at the Youth Justice Service.A meeting has been held with the Crime and Disorder Reduction Officers from the police and the Anti-social Behaviour Unit to confirm the process of the referrals. It was agreed that an early identification and referral will help reduce the ASB incidents. The challenges are young people are wearing masks in line with Covid guidelines. This is then hindering the identification and resultant early intervention.Due to current Covid guidelines all diversionary activities are on hold from an NCC perspective. However, online/virtual support is available.The next ASB group will be looking at the plans for 2021/2022 financial year, including diversionary support, early identification and supporting partners and the community to help address ASB. <p>Safer Pill</p> <ul style="list-style-type: none">Safer Pill (Sub group of Safer Newport) has met regularly on a quarterly basis to respond to significant events and tensions within the community. The group last met on 17 December 2020. Work is ongoing to review the group's action plan for 2021.Safer Pill Steering Group met on 10 December 2020 to discuss specific issues raised by the community. Current focus of the group include sexually exploited adults, engagement of young people and road traffic safety.Gypsy and Traveller group (sub group of Safer Pill) meet regularly to discuss site specific issues. Current focus include fly tipping risks and the group has expanded to include representation from Trading Standards. <p>Newport Live</p> <ul style="list-style-type: none">Newport's Positive Futures programme, funded predominantly by the Office of the Police and Crime Commissioner, supports ASB groups and Safer Newport, engaging and supporting young people 8-19 years, with one to one youth support, targeted group work, and diversionary activities (e.g. Friday night projects) has had to adapt, reduce direct delivery and 'using sport as a hook to engage and divert'. Some provision started and stopped again in Q3, and instead new connections and projects with Positive Futures Ambassadors have taken place linked to food parcels, Christmas presents, online workshops and engagements, and black lives matters.Two key projects of note for Newport Live's Positive Futures team have been the Early Intervention Youth Project in partnership with Youth Justice Service, engaging children identified at Pillgwenlly and Maindee Primary Schools, linked to community safety and youth justice partners (other schools include Alway and Tredegar Park). The other being the newly formed Vietnamese Youth Project in November, in partnership with Barnardo's Trafficking project,

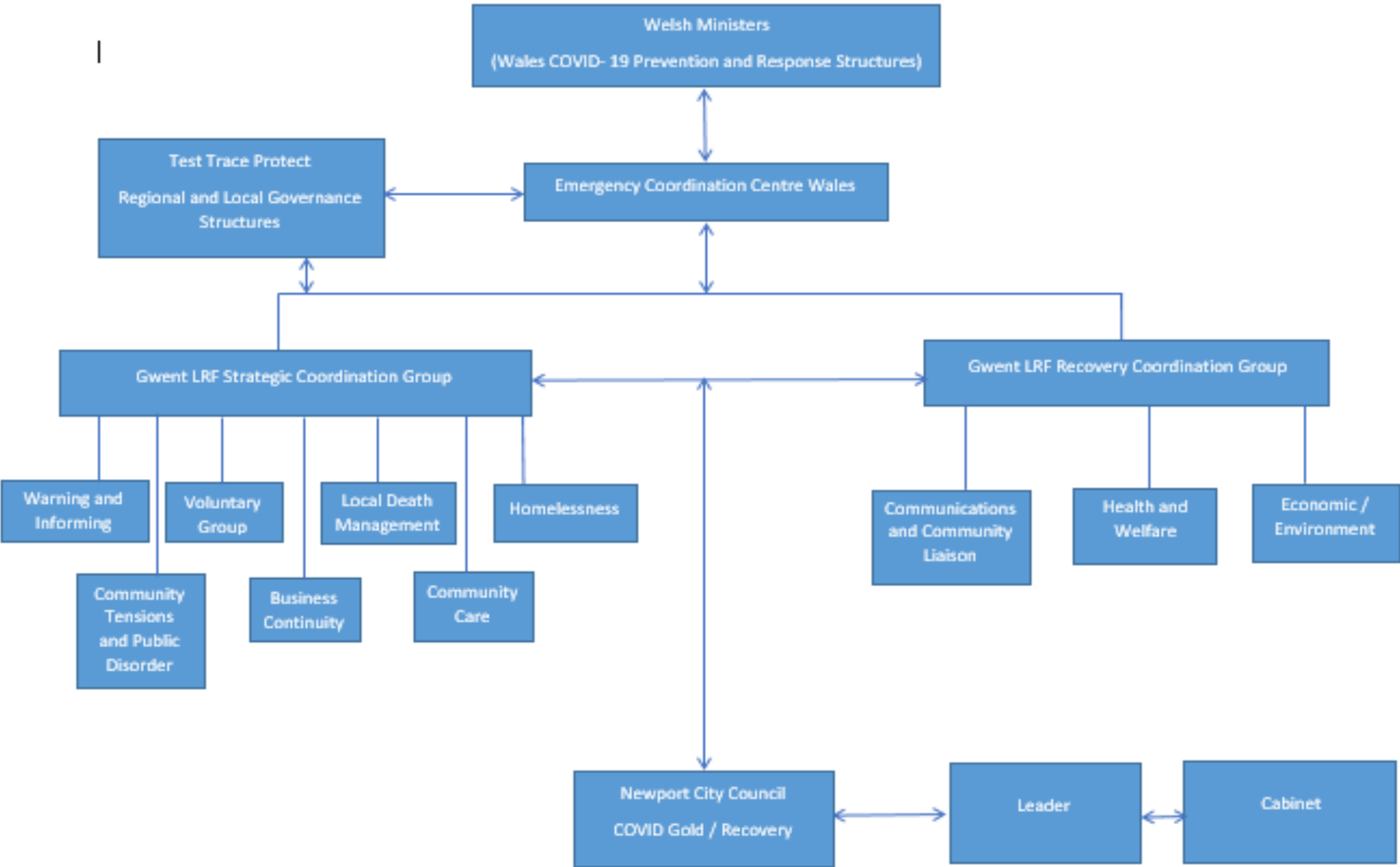
Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

Provide people with the resources and support that they need to move out of the crisis, considering in particular the impact that Covid 19 has had on our minority and marginalised communities.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February'21 Update
	which will again return in the coming weeks/months providing a safe space and activities to support young people socially through sport.
Re-establish Community Regeneration facilities and services where it is safe to do so for staff and its service users.	<ul style="list-style-type: none">• Hubs continue to provide emergency support for some of our most vulnerable residents. Demand for food parcels has decreased as residents have better support arrangements in place, supermarkets are operating more efficiently with no issues with availability of food, and personal shopping arrangements in place with Volunteering Matters.• Online provision continues with some of our usual face to face activities, including parenting, speech and language, youth engagement and Adult Community Learning.
Develop opportunities for community involvement participation and engagement.	<ul style="list-style-type: none">• The Participatory Budgeting steering group has been trained and is making key funding decisions ahead of the public voting event. This group includes representatives of the most vulnerable groups (in terms of Covid 19).• The Council is consulting with residents in relation to the Council's budget proposals and also the new Leisure Centre / College development in the city centre.• Newport Youth Council provided feedback on what the changing wellbeing, education and social needs of children in a post-covid19 Newport may look like.

Appendix 2 – Covid 19 Prevention and Response Structure



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Report

Cabinet

Part 1

Date: 22 February 2021

Subject Post Brexit / Trade Agreement – Newport City Council Update

Purpose To present an update to Cabinet following the outcomes of the UK Government and EU Trade negotiations; and an update on Newport City Council's response and monitoring of the post Brexit arrangements after 31st December 2020.

Author Chief Executive
Head of People and Business Change

Ward All

Summary Since the last report to Cabinet on 8th January 2021, the UK has now left the European Union (EU), the Single Market and is now trading with the EU under a new trade arrangement. This has also meant the end to freedom of movement of citizens between the EU and UK and also other governance and regulatory changes.

The full impact of these changes will not be fully known in the short term and it may be several years before the UK / Wales understands and sees actual outcomes from leaving the EU. As anticipated, there have been reports of disruptions at the UK borders with Hauliers and other businesses reporting increased bureaucracy and stocks failing to be exported / imported into the UK. At the time of the report there has not been any reports of these issues for businesses in Newport.

For EU citizens living in Newport there are now less than five months for people to apply for EU Settled Status before the 30th June 2021 deadline. The Council and its partners are continuing to promote and encourage people to apply before the deadline. In addition to this there are also changes to the Migration laws and a new points based system that is now in place. From the end of January, Hong Kong residents will be eligible to apply for a VISA to live in the UK.

Proposal Cabinet is asked to consider the contents of the report and note the Council's Brexit response.

Action by Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service and officer Brexit 'Task and Finish' group

Signed

Background

On the 31st December 2020 the UK officially left the European Union (EU) and the Single Market. The UK and EU have agreed a trade arrangement that will prevent tariffs being imposed on EU and UK goods. But the new regulations now require businesses that trade with the EU to complete a number of forms and documents in order to continue to meet the new arrangements. This has seen many businesses in the UK reporting delays and disruptions at depots (rather than the ports) in having to complete the documentation and has in some instances seen goods failing to be delivered either in the UK or EU.

The Ports have also reported in decrease in the number vehicles from the EU and Ireland travelling through the UK to reach their destination with new ferry routes being set up to enable direct travel from Ireland to mainland Europe. It is still unknown whether this will be a short term solution or will remain in place.

There remains many legislative areas that still require frameworks to be established as the UK has moved away from the EU arrangements. Key areas for example, include the UK Shared Prosperity Fund and the new Subsidy Regime that will replace EU social and structural funding that Newport and the South East region has benefited from in the past. The proposed Subsidy Regime offers to support place-based approach to support regional development and establishment of a 'levelling up' fund for local areas to seek support in delivery local infrastructure investment. It will be important to ensure that new / existing local and regional projects are able to maximise these opportunities and that Newport Council with its regional partners can ensure sustainable investment continues to be delivered for its communities.

This work will also support the Welsh Government (WG) position published its '[End of Transition Action Plan](#)' which sets out the WG priority areas. The priority areas are:

Supply of critical goods - WG has identified food supply and medical supplies as the key areas of concern;

Business readiness and support - business readiness to comply with regulations and data requirements and understanding potential skill shortages if there is a reduction in migration from EU nationals. The Welsh Government continue to update their websites 'Preparing Wales' and 'Business Wales' to get the necessary advice and guidance to businesses and residents living in Wales;

Public services and communities – This is focused on supporting EU and Welsh residents including supporting Settled Status, public data resilience, providing citizens with advice and supporting continued transport and travel;

Operational activities – This area is ensuring ports and traffic management arrangements are in place, energy and climate change, future EU programme participation and domestic replacements; and

Welsh Government resourcing and responsibilities – WG negotiations with HM Treasury on funding, the UK Shared Prosperity Fund, legislation and new functions.

New migration and travel rules have also come into place from the 1st January 2021 including:

- New points based immigration system for all non UK residents (excluding Irish Citizens) looking to move and work in the UK.
- Travellers into and out of the UK will have to follow new rules including travel insurance with health cover. From 2022 UK nationals will have to pay for an electronic authorisation to travel to the EU.
- UK citizens looking to move to the EU will no longer have an automatic right to live or work and will require necessary resident permits or requirements of that country.

For EU citizens already living and working in the UK prior to the 31st December 2020 it is now imperative for citizens to apply for settled status before 30th June 2021. It will be important for EU Citizens to ensure that they complete their applications. Throughout the last 24 months and during Covid, the Council has been working with multi-agency partners and community groups to support EU citizens that have been impacted by Brexit and Covid. Now that the UK has fully left the EU emerging issues have been brought to the Council's attention. Many of these issues are being raised to Welsh Government and UK Government attention. Some of the areas highlighted include:

- Businesses (Nationally) not being fully aware of the requirements when employing EU citizens that have *Settled* or *Pre-settled* status resulting in reports of people being refused jobs.
- Increase in the number of complex cases, families with multiple circumstances and statuses;
- The need to ensure EU Citizens, Public Services and businesses understand and know post Brexit rights and entitlements. This includes how people can access and use their 'digital certificates'.
- Increasing number of people facing hardship and/or destitution with no recourse to access public funds and also removal of Universal Credit based on reviews triggered by a change in status;
- Communities reporting that they are 'giving up' on the process due to the application process; and
- Reports of growth of hostility towards EU Citizens but also UK Government policies not being compatible with its promise to ensure people will be allowed to remain.

The Council has raised these concerns with the Welsh Government Local Government Association Brexit Co-ordinators Group and Welsh Government. The Council alongside its partners will also work towards local work to provide necessary advice, guidance and support to businesses and residents.

From January, the UK has allowed Hong Kong residents to apply for Visas to live, work and study in the UK as part of the UK Government response to the ongoing China / Hong Kong issues around democratic freedoms. 2.9 million people in Hong Kong, with 1.5 million dependents, are eligible to apply for a 5 year visa route, with more residents able to apply for a 30 month visa scheme, or enter the UK via the asylum route. It is likely that Newport, as a dispersal area, and with established migrant support services, will see arrivals beginning in the next few months. Hong Kong citizens settling in the UK under the new visa scheme will not have recourse to public funds, which is likely to result in longer term demands on statutory support. The Brexit Task and Finish group will continue to consider these risks, and the Council has established a separate Task and Finish group engaging relevant officers and community members to consider and put in place measures to support Hong Kong residents settling in Newport.

A summary of the Council's ongoing work is outlined below:

Communication – Newport Council's Communications team have been using social media (Twitter / Facebook) to promote the EU Settled Status and also for businesses links to the UK and Welsh Government guidance on the new rules. The Council's dedicated webpage is also regularly updated with local information and signposts to appropriate national guidance.

Finance – The Council's Finance team are monitoring the impact that the new arrangement will have on the delivery of Council services and major capital projects. There are no specific reserves or contingencies currently that deal exclusively with Brexit but the Council's budget includes a 'general budget contingency' of £1.5m to deal with short term / in-year budget pressures and consideration will need to be given to any specific reserves/contingencies required as part of 2021/22 budget setting. For the one European funded programme (Inspire to Achieve) which is delivered across South East Wales this will continue until the project closes in December 2023. In the meantime the Council will support the outcome(s) of the Shared Prosperity Fund between Welsh Government and UK Government.

Procurement – Since the new trade arrangements came into place, no significant issues have been reported by service areas in relation to the supply chain as a result of the new trade arrangements. Some areas of the Council have noted price increases in the purchasing of goods and services but it is difficult to determine whether it is as a result of Covid or the new Brexit arrangements. Social Services residential homes and care providers and Education services have not reported any issues relating to food, medicine and other supplies. The Council's IT Provider (Shared Resource Service) have identified supply issues relating to IT equipment such as laptops. However, major IT manufacturers have been struggling to keep up with demand due to the pandemic and there is a delay in the supply of key microchips.

Regulatory Services and Environmental Health – The Council's Regulatory Service have appointed an officer who is contacting businesses in Newport establishing if they require any support with Covid and Brexit compliance. Environmental Health Food Safety team are now fully trained to undertake EU Health Certificate checks. Civil Contingencies and Regulatory Services have not identified any issues with Newport Port.

Community Cohesion / EUSS – Community Cohesion officers continue to engage with EU Citizens and community leaders encouraging the uptake of the EU Settled Status application before 30th June 2021. Food Poverty work continues and are offering small grants to Newport Food organisations to support households impacted by Covid and Brexit. The work of Community Cohesion officers is also focusing on post-Brexit rights and access to key services in the City.

The council are aware of a growing number of EU and non-EU nationals who are finding themselves with no recourse to public funds as a result of EUSS outcomes, and the hidden demand for support which is at present masked by extended COVID duties which require LAs to house people with no recourse to public funds (NRPF), as well as the current restrictions on private evictions. As we move into a period where people are more at risk of having an insecure migration status, or living unlawfully in the UK, these risks will be compounded.

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

As part of the Council's financial monitoring, the Council's Finance team are monitoring any impacts on budgets due to Covid-19 and Brexit.

Risks

The Council's Brexit risk is recorded on the Council's Corporate Risk Register which is presented to Cabinet and Audit Committee every quarter. At the end of quarter 3 of 2020/21 the Brexit risk score decreased to 12 reflecting the new trade agreement but also the uncertainty of short to medium term impacts on the economy, EU Citizens and new regulatory requirements. The Quarter 3 risk update will be presented to Cabinet in March 2021.

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.	Corporate Management Team and Brexit Task & Finish Group

Links to Council Policies and Priorities

Corporate Plan
Strategic Recovery Aims
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

The financial impact of Brexit is uncertain, however, there are indications that there could be an impact on prices and supply of goods that may further impact on both capital and revenue budgets. Budget / Service managers, with finance team colleagues, will continue to monitor these on a regular basis and any issues arising will be highlighted through the regular monitoring and budget setting processes.

Any negative financial impact arising from Brexit, whether it be through price increases or funding reductions could present a significant challenge to the Council. There are no specific reserves or contingencies currently that deal exclusively with Brexit but the Council's budget includes a 'general budget contingency' of £1.5m to deal with short term / in-year budget pressures and consideration will need to be given to any specific reserves/contingencies required as part of 2021/22 budget setting.

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 specific risks associated with the withdrawal have now been mitigated by the belated trade deal, subject to ratification by the member states. However, despite the agreement regarding no tariffs and quotas on imported and exported goods, there is still remaining uncertainty regarding the impact on other areas, such as services and data security. 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 details of the trade agreement are clarified and implemented in national legislation. It is likely that, despite the non-imposition of tariffs and quotas, additional port health checks will be required in terms of certifying compliance with new regulations and this will have resource implications for Public Protection, when staff are full committed to TTP and Covid-19 response work.

Comments of Head of People and Business Change

The new trade arrangements with the EU will provide much certainty for businesses and the Council and has significantly reduced the risk for the Council and businesses in Newport. It is encouraging to see a large uptake in the number of residents applying for EUSS and the Council is making every effort alongside its partners to encourage those that have yet to apply, to do so by the deadline. The Council's Brexit Task and Finish officer group will continue to monitor and report on the progress being made by the Council and to raise any further risks and issues as they arise.

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

A paper is being prepared for consideration by the Brexit task and finish group which will assess the potential impact on communities post-December, as well as identifying risks associated with the changes to immigration rules.

Children and Families (Wales) Measure

Not applicable.

Wellbeing of Future Generations (Wales) Act 2015

There are potential long term impacts of Brexit Trade Negotiations 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

Corporate Management Team
Brexit Task & Finish Group

Background Papers

Welsh Government website '[Preparing Wales to leave the EU](#)'
Welsh Local Government Association '[Brexit Website](#)'
Newport City Council's '[Brexit Webpage](#)'

Dated: 22 February 2021

Appendix 1 – Summary actions taken through the Task & Finish Group

Theme	Progress of Activity completed by Newport Council to 31 st January 2021
Your Organisation (Communications)	Newport Council's Communications team have been using social media (Twitter / Facebook) to promote the EU Settled Status and also for businesses links to the UK and Welsh Government guidance on the new rules. The Council's Brexit webpage is monitored and updated with all necessary information and signposting to Welsh and UK Government sites.
Your Organisation (Finance and Funding)	<ul style="list-style-type: none"> • The Council's Finance team are monitoring the impact that the new arrangement will have on the delivery of Council services and major capital projects. • There are no specific reserves or contingencies currently that deal exclusively with Brexit but the Council's budget includes a 'general budget contingency' of £1.5m to deal with short term / in-year budget pressures and consideration will need to be given to any specific reserves/contingencies required as part of 2021/22 budget setting. • For the one European funded programme (Inspire to Achieve) which is delivered across South East Wales this will continue until the project closes in December 2023. In the meantime the Council will await the outcome(s) of the Shared Prosperity Fund between Welsh Government and UK Government.
Supplies and Services (including social services and ICT)	<ul style="list-style-type: none"> • Since the new trade arrangements came into place, no significant issues have been reported by service areas in relation to the supply chain as a result of the new trade arrangements. • Some areas of the Council have noted price increases in the purchasing of goods and services but it is difficult to determine whether it is as a result of Covid or the new Brexit arrangements. • Social Services residential homes and care providers and Education services have not reported any issues relating to food, medicine and other supplies. • The Council's IT Provider (Shared Resource Service) have identified supply issues relating to IT equipment such as laptops. However, major IT manufacturers have been struggling to keep up with demand due to the pandemic and there is a delay in the supply of key microchips.
Security / Data Protection arrangements	<ul style="list-style-type: none"> • The Council's IT provider SRS have necessary virus protection and firewalls in place and continuously monitoring threats to its systems. • Information Commissioner's Office have confirmed EU Data Flow arrangements have been extended for 6 months. NCC audit of key IT suppliers and arrangements have not identified any such arrangements in place.
Supplies and Services (Regulatory Services)	<ul style="list-style-type: none"> • The Council's Regulatory Service have appointed an officer who is contacting businesses in Newport establishing if they require any support with Covid and Brexit compliance. • Enquiries are being received by the team. • Animal feed imports have been received at the port and their surveillance has increased since EU Exit. • Environmental Health Food Safety team are now fully trained to undertake EU Health Certificate checks.
Local Community (Civil Contingencies)	<ul style="list-style-type: none"> • Civil Contingencies and Regulatory Services have not identified any issues with Newport Port. • No issues have been identified since the transition impacting on Civil contingencies in Newport but the team will continue to monitor these.

Theme	Progress of Activity completed by Newport Council to 31 st January 2021
Local Community (Community Cohesion) <ul style="list-style-type: none"> • EU Settled Status / EU communities • Food Poverty • Homelessness (EU Citizens) • Community cohesion 	<ul style="list-style-type: none"> • Community Cohesion officers continue to engage with EU Citizens and community leaders encouraging the uptake of the EU Settled Status application before 30th June 2021. • Food Poverty work continues and are offering small grants to Newport Food organisations to support households impacted by Covid and Brexit. • The work of Community Cohesion officers is also focusing on post-Brexit rights and access to key services in the City. • The council are aware of a growing number of EU and non-EU nationals who are finding themselves with no recourse to public funds as a result of EUSS outcomes, and the hidden demand for support which is at present masked by extended COVID duties which require LAs to house people with no recourse to public funds (NRPF), as well as the current restrictions on private evictions. • As we move into a period where people are more at risk of having an insecure migration status, or living unlawfully in the UK, these risks will be compounded.



Report

Cabinet

Part 1

Date: 22 February 2021

Subject Cabinet Work Programme

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

Author Governance Team Leader/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 May 2021, 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 /Governance Team Leader

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 May 2021, 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)

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NEWPORT CITY COUNCIL: CABINET/COUNCIL WORK PROGRAMME JUNE 2020 – MAY 2021

MEETING	AGENDA ITEMS	LEAD OFFICER
CABINET 03-JUN-20	Treasury Management Year End Report (moved to July)	HoF
	Corporate Risk Register Update (Q4)	HP&BC
	Risk Management Strategy	HP&BC
	Forecast Numbers of LAC	SD People
	Work Programme	COM
COUNCIL 21-JUL-20	NNDR Relief Scheme Treasury Management Year End Report	
CABINET 29-JUL-20	2019/20 Revenue Budget Outturn	HoF
Moved to 22 JUL 20	Capital Outturn and Additions	HoF
	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
CABINET 16-SEP-20	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
	Work Programme	COM
COUNCIL 29-SEP-20	Scrutiny Annual Report	HL&R
CABINET 14-OCT-20	Corporate Plan Annual Report	HP&BC
	WAO Report – Corporate Safeguarding	HP&BC
	WAO Certificate of Compliance 1	HP&BC
	Annual Report on Compliments, Comments and Complaints Management 2020	Customer Services Mgr
	Work Programme	COM
CABINET 11-NOV-20	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 24-NOV-20	Democratic Services Annual Report Standards Committee Annual Report Strategic Equality Plan Annual Report	

CABINET 16-DEC-20	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
	Director of Social Services Annual Report	SD - People
	WESP – 2021/2025	SD - People
	Work Programme	COM
CABINET 8-JAN-21	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Mid-Year Performance Analysis 2020/21	HP&BC
	Verified Key Stage 4 and 5 Pupil Outcomes (Or February Cabinet??)	
	PSB Summary Document (for information/awareness)	HP&BC
	Wales LG Bill	HP&BC
	Brexit Update	HP&BC
	Covid Recovery	
	Work Programme	COM
COUNCIL 26-JAN-21	Mayoral Nomination 2021/22 Council Schedule of Meetings Treasury Management 6 monthly report Council Tax Reduction Scheme Director of Social Services Annual Report Revised Statement of the Licensing Policy	
CABINET 22-FEB-21	Capital Strategy and Treasury Management Strategy	HoF
	Revenue Budget and MTFP: Final Proposals	HoF
	Verified Key Stage 4 and 5 Pupil Outcomes	CEdO
	Proposed Leisure and Wellbeing Facility	HRIH/HCS
	Transporter Bridge Funding	HRIH
	Covid Recovery Update	HP&BC
	Brexit Update	HP&BC
	Guidance on Socio-Economic Duty	HP&BC
	Work Programme	COM
COUNCIL 3-MAR-21	Budget and Medium Term Financial Plan Capital Strategy and Treasury Management Strategy National Non-Domestic Rates: Discretionary Relief: High Street Relief Scheme 2021-22 Covid Recovery	
CABINET 10-MAR-21	Pay and Reward Statement 2021/22	HP&BC
	Welsh Government Consultation – Improving Social Care Arrangements and Partnership working	Director (People)/HP&BC
	KS4 Outcomes	

	EAS Business Plan 2020/21	CEdO
	Band B: Capital Investment of Schools	CEdO
	Anti Fraud, Bribery and Corruption Policy Statement	HoF/Chief IA
	Revised Code of Corporate Governance	HoF/Chief IA
	Corporate Risk Register Update (Quarter 3)	HP&BC
	Covid-19 Update report	
	Brexit Update report	
	Work Programme	COM
CABINET 07-APR-21	Risk Management Strategy (or May Cabinet??)	HP&BC
	Annual Corporate Safeguarding Report	HC&YPS
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 27-APR-21	IRP Annual Report NNDR Rate Relief Pay and Reward Statement 21/22	
CABINET 05-MAY-21	Work Programme	COM
	Other Cabinet reports t.b.c.	
COUNCIL 11-MAY-21	AGM	

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