

Agenda



Performance Scrutiny Committee - Place and Corporate

Date: Monday, 18 January 2021

Time: 4.00 pm

Venue: Virtual Meeting

To: Councillors C Evans (Chair), G Berry, M Whitcutt, I Hayat, J Richards, K Critchley, M Al-Nuaimi, C Ferris and M Kellaway

| Item | Wards Affected |
|------|---|
| 1 | <u>Apologies</u> |
| 2 | <u>Declaration of Interest</u> |
| 3 | <u>Minutes of the previous meetings held on 5 November 2020 and 19 November 2020 (Pages 3 - 20)</u> |
| 4 | <u>2021-22 Budget and Medium Term Financial Projections (Pages 21 - 88)</u> |
| 5 | <u>Live meeting</u> To view the live meeting please click here |

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Date of Issue: Monday, 11 January 2021

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Minutes



Performance Scrutiny Committee - Place and Corporate

Date: 5 November 2020

Time: 4.00 pm

Present: Councillors C Evans (Chair), G Berry, M Whitcutt, I Hayat, J Richards, M Al-Nuaimi, C Ferris and M Kellaway

In Attendance: Councillors D Mayer, D Davies and R Truman, Rhys Cornwall (Head of People and Business Change), Tracy McKim (Partnership Policy & Involvement Manager), Matthew Cridland (Regulatory Services Manager – Commercial Standards), Rhys Thomas (Regulatory Services Manager – Environment and Community) and Rachael Davies (HR and OD Manager)

Apologies: Councillors K Critchley

1 Apologies

Councillor K Critchley and Gareth Price

2 Declaration of Interest

None.

3 Minutes of the previous meeting held on 7 September 2020

Minutes of the meeting held on 7 September 2020 were accepted as a true and accurate record.

4 2020/21 Service Plan Mid-Year Reviews

Law and Regulation

Invitees

- Councillor Ray Truman - Cabinet Member for Law and Regulation
- Matthew Cridland - Regulatory Services Manager – Commercial Standards
- Rhys Thomas - Regulatory Services Manager – Environment and Community

The Cabinet Member gave apologies for the Head of Law and Regulation who was unable to attend the meeting due to illness. The Chair and the committee gave their best wishes for a speedy recovery. An overview of the report to be given to the committee, in which it was advised that work for the first six months have been occupied by Covid-19, as the Cabinet Member's portfolio covers most of the Covid-19 work being undertaken. Around 19 staff have been taken away from their normal work and diverted to cover work for the Test, Trace and Protect regional service. But given the challenges that the service area have faced, there has been great achievements.

The Regulatory Services Manager advised the committee that a vast majority of the work in Trading Standards and Environmental Health has been related to Covid-19 enforcement, particularly around businesses and making sure that all the reasonable measures and social distancing requirements have been met. Surveillance work has been placed on hold however the more higher risk rogue trader work has continued and been managed to be maintained.

The committee were given some facts and figures from the work that had taken place. In the first half of the year, teams from Licensing and Trading Standards have provided advice on Covid-19 compliance on 1451 occasions, completed 1008 Covid-19 compliance inspections and carried out 1993 assessments of compliance. Assessments were also able to be completed remotely, which brought a 93% compliance rate. This was an excellent response rate, however the 7% does relate to non-compliance so enforcement had to take place in some areas. 26 premise improvement notices had been issued for previous failed Track and Tracing requirements. 3 premises have been closed as a result of covert enforcement work and 1 nightclub had their premises licence suspended for three months as they were operating as a nightclub during the lockdown.

There has been a lot partnership and multi-agency work completed with Gwent Police and other Council partners, including other departments in the Council. Colleagues in Environmental Health passed on problems that they had found in business premises, which allowed the Trading Standards team to visit those premises and carry out enforcement work and issue notices. Trading Standards had also worked on intervention investigates and media warnings on rogue traders. This has been quite a strain on the normal working of the local authority, so Welsh Government have given funding for five officers to support with enforcement and consumer protection work.

The Regulatory Services Manager for Environment and Economy gave an overview of his section. The committee were advised and given updates on some of the Amber and Red measures. -

Point 6 on page 25 – Local Air Quality Management - a manager has now been in post for six days so will now start working towards the corporate objectives. A meeting will take place later this month with the Chief Executive to discuss the action plan, so we will start to see improvements on this

Point 8 on page 25 – Regulate business and support consumers/residents to protect and improve health – The vast majority of regulation had work undertaken elsewhere as previously discussed in the meeting, including a lot of premises had been closed for a considerable amount of time which meant there was not a business to regulate. But the service area still maintain an ability to respond to the highest risk complaints that would originate from them.

Point 11 on page 26 – Public Space Protection Orders (PSPOs) – Work is currently ongoing with this measure, with initial information being received back from key partners. We are looking to progress through the remainder of the Autumn into the early Winter.

The committee were then advised of the Test, Track and Protect (TTP) work and the Environmental Health response to Covid-19. The TTP services did not exist until June and has come online in this time. There has been a substantial investment in time and effort to get that process up and running. Keith Leslie was appointed from Environmental Health to lead the team of around 40 advisers and are making very good progress. All of the information given allows us to refer clusters to the Environmental Health team.

Members asked the following –

- Members thanked the service area for the excellent work being done during this difficult time. Comment was made about action 11 – Public Spaces Protection Order, which is showing as Amber. Does the delay affect anything at all, and will it still be valid in the city centre and Pill?

Members were advised that when the PSPOs cease they need to be reissued and all the key stakeholders need to be consulted with the need for the order to be evidenced. We are currently at that stage. The Regulatory Services Manager (Rhys) will get the information from the Head of Service and advise the committee.

- The Food Standards Agency have now relaxed the requirements for local authorities to undertake proactive inspections and recognise the resources that are required for the Covid-19 response. Should we be taking our eyes off food standards in this situation?

Members were advised that this was the initial steer that was issued towards the start of the Summer but since then there have been a variety of updates from the Food Standards Agency. However, the concerns were acknowledged that there may be some risks associated with not inspecting some food businesses

- Comment was that it was understandable that some performance measures are in Amber given the position the service area are placed in. Members queried the Air Quality performance measure and understood that air quality had improved across this period because of the reduction of the amount of traffic. It was then asked if air quality was measured all across Newport and not just Caerleon.

Members were advised that it is measured all across Newport. They are measured in two ways – passives tubes and a dedicated airport monitoring station. Both of those functions have been maintain, although there has not been a dedicated Air Quality and Contaminated Land Officer imposed since back in the Spring. Members advised that it would be useful to see the collected data when things get back to normal. Members were then told that the specifics would be referred to the Scientific Officer. It was then advised that air quality is an integrated problem, not just local and it has a much more regional impact. The next couple of years will be drawn on and affected by a number of other decisions, not just by traffic.

- Members queried point 21 on page 28 – **Produce a Local Toilets Strategy in accordance with the Public Health Wales Act 2017** – With so many pubs and restaurants being forced to close down, are there any ideas how to compensate with the lack of these facilities?

The Cabinet Member advised that the Local Toilets Strategy was drafted by the former Regulatory Services Manager – Environment and Community after consultation through 2019 as a result of the Public Health Wales Act. This report will be going to the Cabinet meeting on 11th November 2020. It commits the local authority councillors to assess the need of toilet provision and to be innovative about how to provide it. Members were then advised that the toilet legislation and the guidance associated doesn't require local authorities directly to provide facilities but to be mindful of how they can be provided in the future through developments working with partners.

- Members queried point 10 on page 19 – **to improve the Coroners service and deliver efficiencies** – is this the view of the dire circumstances we might be in if the epidemic gets worse?

The Cabinet Member advised that that Coroners Service is now based in the Civic Centre. The service area are looking to rearrange offices to accommodate them. The team have been extremely busy so they had to employ additional staff to help with the registrations of deaths, so changes are being made to give the service more capacity.

- Quite a few actions, Action Nos 7, 8, 14, 17 and 18 have all been interrupted by the Covid-19 enforcement work. Any idea when the grant funded COVID enforcements will be brought in, to allow NCC officers to be released to continue their duties?

Members were advised that the grant is for a six month period, which would be from October 2020. Staff should be back in their normal roles soon. Two Compliance Officers whose jobs are to inspect businesses, just started two weeks ago. They are ex Police Officers and have already done many inspections. As they have skills and qualities from the Police but no knowledge of our regulations, they problem spot for the Council and then send the information back to the experienced officers. This will free up more officers to do more rogue trader work.

As we are approaching the end of the fire break lockdown to the regulations, which are quite complicated, work with the Police and our officers will take place to do a lot of inspections over the next two or three weeks and going on into December, including consumer protection and licensing work. If it had not been for the change of rules, this work would have been going on now.

- Members queried Public Space Protection Orders. With everything currently on hold, are these likely to get back up and running in the new financial year?

Members were advised that it is the intention for these to be worked on.

The Chair thanked the Officers for attending.

People and Business Change

Invitees:

- Councillor David Mayer – Cabinet Member for Community and Resources
- Councillor Deb Davies – Cabinet Member for Sustainable Development – Matters Relating to Well-being of Future Generations
- Rhys Cornwall – Head of People and Business Change
- Tracy McKim – Policy Partnership and Involvement Manager's
- Rachael Davies – HR and OD Manager

The Cabinet Member for Community and Resources introduced himself to the committee, and praised the officers for the quality of their work. It was advised that it is a pleasure to present the report coming to committee as is at a high quality as previous reports for this service area, and again praised his service area for being amongst the best in Wales, if not the United Kingdom.

The Cabinet Member for Sustainable Development introduced herself to the committee, and advised that Objective 1 in the report – the Future Generations and Well-being Act, falls under her portfolio, as well as the new Objective 5, which is to look at the aim and implementation of the social economic duty. It is intended to complement the Public Sector Equality Duty and the intentions of the Well-being and Future Generations Act. This work is

currently in development and needs to be enforced by March 2021. It was then advised that there has been really good progress made throughout the last five years since its implementation and we can see that work being developed through our Corporate Plans and also with our Public Service Board. We can see evidence of progress that's been made with the annual reports have been published and two reports that are available for public domain from the Public service board

The Head of People and Business Change then gave an overview of the report. It was advised that the Covid-19 pandemic has had an effect on the service plan. It is a rolling service plan now, which has now been put into a five year service plan process, which is updated and adapted over that period of time in order to deliver the Corporate Plan which takes up to 2022. The report has also taken into account the Strategic Recovery Aims that the Council has put in place in order to get out of the impact that we are facing.

The Head of Service explained that the underspend in the budget is primarily related to the impact of Covid-19, which includes the Organisational Development budget, as the service area pay for the a lot of training for staff. Due to Covid-19, the service area had to find new ways of delivering the training therefore the cost has significantly reduced. A lot of developments haven't been able to take place over the last six months as there were a lot of issues around IT to ensure the Council were able to work remotely. The service area also lead on risk and performance, and are currently dealing with large risks, which are shown in the Risk Register. Covid-19 is the highest scored risk, which is being dealt with on a multi-, agency basis.

The Head of Service then gave advice on the three areas that are the highest risk – **Cyber-security** – At the beginning of the lockdown when a number of officers had started to work from home, the Council had a national notification of the increased risk around cyber attacks, so the service area had placed a number of mitigations in place to protect us from that. The service area had also enabled the rest of the organisation to operate due to effective preparation. Within three days of the national lockdown, 1,200 staff work working from home. Because of investments that were made previously in some of the strategic decisions made, 85 staff were given laptops and were able to take home with them. Systems were already set up to work remotely and securely, and Office 360 which had facilities such as Teams were also included so the Council were already in a good position. The Head of Service then advised that the Health and Safety Team had played a critical role in supporting the organisation and our schools and ensuring Covid-19 compliance to ensure that we keep both our staff, people and service users safe. The Civil Contingencies Team, which is led by the Policy Partnership and Involvement Manager, held a lot of this work together and worked extremely hard and also worked with the Resilience Forum across Gwent.

The committee were then advised that there are 13 Amber and 2 Red measures. There are a series of Amber measures around pushing forward the Wellbeing of Future Generations Act within the organisation around some of the work that Civil Contingencies are doing for the organisation and around risk management. A lot of resources for things such as communication and integration work had been redirected for delivery of activities against Covid-19. Other Amber measures are due to the service area currently going through a restructure, which has taken longer because of the Covid-19 pandemic. It started before the lockdown and is still ongoing.

The Head of Service then briefly advised of the Red measures, one being around Governance. Members were reassured that there are governance arrangements in place all around the change processes, Heads of Service are responsible for change within the services areas which are reported through the service plans, but this measure has been slightly delayed. The other Red measure is around representative workforce issues. Members were told that we still do not have a workforce that is representative of the

communities it serves, so there is a work program in place to allow us to move forward with this.

Members asked the following -

- Members made comment regarding ongoing changes in national policies such as furlough. Does it raise challenges in planning in terms of the HR function and have many of our staff been impacted?

Members were advised that incredibly small numbers of our staff have been impacted by the furlough scheme because we have continued employment of all our staff. Some staff were able to be redeployed to other areas. Around 1200 of staff were working from home within a few days of the pandemic starting and a lot of other staff were able to carry out their duties in places other than their offices. Members were then advised that the ongoing changing of policies and schemes around business support had required the service area to think at their feet more and put more resources into doing things differently.

- Members understood why there were Amber and Red measures in the report considering the situation we are currently facing.
- Comment was made of the figure of around 1200 staff working from home, which is about a third of the workforce. Are those that aren't working from home on the furlough scheme?

Members were advised that there are around 2000 non-school staff. Not all of the approximate 1200 staff are now working from home. The directive at the time was for those staff who could work from home, should. So everybody was sent home at that point and the Council was still operational. The other staff are those working in social services and City Services. Those staff who were unable to carry out their duties from home have been made sure that they are working in a safe environment.

- Members enquired about the commentary on point 14, page 64 of the report which advised "Additionally, the creation of a resolution based approach to handling conflict will replace the process driven disciplinary and grievance policies". This is showing as Green although only 20% had been achieved. Is there any further progress on this?

The HR and Policy Manager advised that some policies such as disciplinary grievance need to be kept as a formal process, however the service area believe there are alternative ways to come up with a conflict resolution policy which is around treating people mutually with respect , figure out what the problems are, how they can be resolved informally or at the lowest possible denominator and to be able to move forward in a pragmatic and adult way. At the moment, the only option available is to take people through a long and costly formal process which is stressful for individuals and teams involved. They are currently looking at an approach similar to what is being used in schools for restorative justice.

This measure is showing as Green because it is currently on track in terms of where the service area wish to be in relationship to the design and the development.

- Committee were pleased to note that there had been engagement with places of worship. Comment was made if every place of worship were going to be engaged?

It was not known whether it would involve every place of worship, but this would be checked and advised. Engagement has been carried out with mosques and churches about safety and expectations. Members were reminded that this work was done in the first half of the year, and work is still ongoing by liaising with church leaders, community leaders and places of worship. Members were then given context on discussions on social media which claim churches and mosques were opening when they in fact had not. The Policy Partnership and Involvement Manager's team – Community Cohesion officers carry out the engagement.

- Corporate Risk for COVID-19 Pandemic Outbreak, Brexit and Cyber Security are all showing as Red – High probability and High impact. What mitigation is in place to reduce the impact of capacity and capability for the service area to deliver their objectives?

Members were advised that these show red when they hit a certain threshold. The Head of Service gave updates on the three Red measures:

Cyber security – A lot of work has been undertaken as an organisation over the last four or five years which has been led by Mb. An additional level of security for the organisation has been procured which is currently being implemented so this will reduce the risk.

Brexit – The impact on the service area are primarily around the availability of IT equipment. The trade war between the USA and China has impacted components going out of the USA and China to manufacturers. Another impact is around communication, so the service area have been doing a lot of work encouraging people to apply for a settlement status. A Brexit report will be going to Cabinet next week.

COVID-19 – Lots of work has taken place with Community Cohesion. The service area are the Covid lead on that Resilience was also noted as a problem, as the Council has a low staff base when compared to similar sized local authorities. Lots of staff had to operate in different ways. The Head of Service then praised all of the service area for the hard work they have done during the pandemic, whether it be ensuring staff have the correct IT and equipment to contact tracing.

The Head of Service also advised that last week the service area held a 40 minute Mindfulness session via Microsoft Teams, will help to look after staff. The performance of enforcement and contact tracing work was also praised.

- Action No 2, page 65 – **“Support the Council in developing robust governance arrangements that monitors the delivery of strategic programmes and projects that aligns with the Council’s finance, HR, planning, performance and risk management processes.”** Is there any idea when next year this will start, or is it dependent on the pandemic?

Members were advised that there are aspirations what this will feel like. Paul Flint has done a really good job of developing the performance management system. The service area had started a restructure of that team, once this has been completed it will allow the service area to take the next steps. It is hopeful that in late Spring this will be in a better position.

- Query was made about Democracy – 20 Things to do by 2020. How far did the Council get with this?

The committee were advised that some were completed, but will report back to the committee with full information.

The Chair thanked the Cabinet Member and officers for attending.

Conclusion of Reports

Law and Regulations

- The committee appreciated the hard work that officers at all levels have undertaken during the pandemic and managing to keep things going. The committee commented that the Amber measures were a good result given the position placed upon them.
- Members commented that it would be useful in to collect data for the improvements in air quality in the city and would like to see this in future reports.
- Members were pleased that the local toilet strategy report will be going to Cabinet shortly, as there are concerns about the lack of provisions available with many pubs and restaurants closing.

People and Business Change

- Members welcomed the detailed nature of the commentary
- Members the hard work that officers at all levels have undertaken during the pandemic and managing to keep things going and were extremely thankful that the service area were able to sort out remote working for the workforce in such a small time frame.
- Committee were please that there had been engagement with places of worship. Comment was made if every place of worship were going to be engaged.
- Query was made about Democracy – 20 Things to do by 2020. How far did the Council get with this?

The meeting terminated at 18:00 pm

Minutes



Performance Scrutiny Committee - Place and Corporate

Date: 19 November 2020

Time: 5.00 pm

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

In Attendance: Councillors Jane Mudd and Roger Jeavons, Ben Hanks (Housing & Assets Manager), Paul Jones (Head of City Services), Meirion Rushworth (Head of Finance), Tracey Brooks (Head of Regeneration, Investment and Housing), Owen James (Assistant Head of Finance - Technical and Development), Emma Johnson (Income Collection Manager), Richard Leake (Strategic Procurement Officer) and Andrew Wathan (Chief Internal Auditor)

1 Apologies

Councillors K Critchley and M Kellaway

2 Declaration of Interest

None.

3 2020/21 Service Plan Mid-Year Reviews

Regeneration Investment and Housing

Invitees

- Councillor Jane Mudd – **Leader of the Council and Cabinet Member for Economic Growth and Investment**
- Tracey Brooks – **Head of Regeneration Investment and Housing**
- Ben Hanks – **Housing and Assets Manager**
- Mike Lewis – **Culture and Continuing Learning Manager**

The Leader of the Council presented an overview of the report. It was advised that Covid had issues on the service delivery and targets however, wanted like to make clear the outstanding performance of the service area redeployment in the emergency response. There are a number of pressures experienced, most notably the pressure on Housing Services given the impact of the Coronavirus regulations introduced by Welsh Government for homelessness and rough sleeping.

Whilst the service area have been able to accommodate rough sleepers, the impact of lockdown been significant on existing accommodation situations, such as an increase in presentations for support. This is understandable, as the lockdown did place pressures on families, individuals and the community.

The Leader advised of the impact of performance within the Planning department, in terms of timeframes of decision making as officers were unable to undertake site visits.

The Leader then thanked thank all officers in organisation for going above and beyond the requirements of their normal working day to deliver services to the city.

The Head of Regeneration Investment and Housing then expanded on what the Leader had advised the committee. A number of services had to stop such closing libraries, the Disabled Facilities Grant stopped and construction sites close so progress on on projects such as the Market Arcade had to stop. However, staff stepped up to deliver some of those critical services. The Hub Teams provided out of hours childcare for key workers and also weekend and summer holiday cover to allow key workers to carry on working.

The service area also administered the food parcel scheme on behalf of Welsh Government and those residents who were shielding. The team telephoned over 5,000 residents to see whether they needed any assistance and if they needed a food parcel. Over 600 weekly food parcel were delivered as a result of those phone calls. The Head of Service wished to point out the massive achievement of the service area being able to provide 15 units of fully supported, emergency accommodation in just 7 days.

The Business Support team had provided advice and support for over 5000 businesses over the lockdown period, as well as administering the grant funding alongside Business Rates colleagues. Millions of pounds worth of funding were given to businesses, which made a difference to keep on surviving. The Head of Service advised some of this work is not always reflected in service plan however, it is important to emphasise the work doing outside of the actions. There are also a number of red indicators in the performance indicators in which the report gives explanations why.

Members asked the following -

- Members discussed Action Point 1 on page 14 of the report - **Encourage inward investment and support growth of new and existing businesses within the City and as part of a Regional Business Support partnership**, and asked for further elaboration of the action commentary, which states a high level of interest from Inward Investors remain at the current time.

The Leader provided an overview to the committee to explain that it was important to updated the Economic Growth Strategy in relation to the impact of the pandemic. The Leader and the Head of Regeneration Investment and Housing held a roundtable with business leaders to listen to concerns and the issues to get a sense of the impact that they were facing on the future of investment within the city. The feedback was largely positive. It was important to note that whilst some areas of delivered had been impacted, there is continued collaborative work with the Cardiff Capital Region, the City Deal and ongoing discussions around inward investment with Western Gateway. There is still confidence and interest in investing in Newport.

Members wish to follow up on this query to find out which areas are of high interest? The Leader advised that there has been development of clusters in terms of compound Semi-conductors, as well as cyber and technology. There are plans to move the Information Station to the Central Library and Museum, which will allow the expansion of cyber within the station buildings. This is an area of growth within the city and the Council is confident in the interest being shown from external businesses which include international interest.

The Leader lastly wished to advise that in relation to this, the Council are looking at the skills agenda, and earlier this afternoon the Leader attended a meeting of the Regional Skills Partnership Board. It was explained that this is important whilst we have investment opportunities and we can see the growth and expansion of new businesses

- Members were reassured that there is a lot of activity. There are a number of significant projects in the pipeline, possibly 7 coming through region as a whole. The application process is incredibly rigorous, and is scrutinised by an investment panel and professional advice. There is a positive working relationship with the region and Cabinet is looking at economic development, still ongoing discussions for this. Members were also advised that the region is going for a Gateway review, the UK Government evaluate the effectiveness of the City Deal and the work that has been completed to date. The Leader was pleased to advise that so far the feedback from the UK Government has been really positive.
- Members enquired about the Red measures on pages 30 and 31 – **Percentage of all planning applications determined in time** and **Number of new business start ups**, which show a strong correlation with the Covid crisis. Comment was made that it was bound to hit the authority in managing to complete planning applications, and praised the officers for keeping business going with the surrounding circumstances.

Members were advised that there are improvements being seen going forward. Appointments are starting to be re-booked. There is work ongoing with business start ups. It is unknown what will happen when the furlough scheme ends, however there are plans lined up to deal with big increases and support.

- Members queried on Page 11 for the Service Area Risks – **Pressure on Homelessness Services**. This is showing as the highest risk with a score of R1. What mitigations are in place to deliver the services to meet the long-term needs of service users?

The Leader advised that we have put a number of bids jointly with partners to help access further units of accommodation via the Government Phase 2 Homelessness fund, in which a number of those bids have been successful. As a result, 50 additional units have been secured, using modern methods of construction which will aid the emergency and environmental issues and also links into the foundational economy. A Strategic Housing Forum meeting was held yesterday with our Registered Social Landlord (RSL) partners. The Council have got a continued and ongoing commitment with them to try and access additional properties. One way that RSL's are doing this is by looking at any void properties take out of their housing register that do not meet Welsh Housing quality standard and adjust them to provide temporary units.

The Leader gave additional information that Welsh Government had agreed to fund a scheme with Newport Mind, in which the flats that are located above the Mind offices in the city centre will be converted into supported living accommodation for people that experience serious mental health issues. The Leader also advised the committee about the work undertaken by the Rough Sleepers Floating Support Team and a Rough Sleepers Group that is being chaired by the Police. This will now become a sub group of our Strategic Housing Forum.

The Leader lastly advised the committee of the ongoing scheme which has been a massive success working with people who have drug dependency issues. It was explained that this treatment could have the potential to change people's lives who are in the most difficult of circumstances, and also reduce the pressures on public services. The Housing and Assets Manager then advised the committee of the treatment which is called Buprenorphine, which replaces Methadone and is administered by trained nurses in a controlled environment once a month. This allows individuals to go about a stable lifestyle and seek support with our partners. In the first instance this would be via the Floating Support service and in the longer term, seek support services to help them gain independence such as shopping, cooking and managing

their own budget. There has been a lot of positive responses from Mission Court so far and has had a profound impact on users in Newport.

- Comment was made about Action no 5 on Page 28 – **Investigate opportunities to improve domestic energy efficiency and relieve fuel poverty in Newport** – Do we know when work with partner organisations are due to restart?

The Housing and Assets Manager advised the committee that this remains a key focus. There has been discussions in the Strategic Housing Forum with the RSL's and it is something that they are very keen to support. The Leader has also made a commitment to have discussions with the Public Services Board, in which Council officers will also support. Those discussions are planned to take place but had been stalled due to the Covid pandemic.

The Head of Regeneration Investment and Housing then gave the committee an overview of the Retrofit scheme with our RSL's. A large bid has been accepted by Welsh Government, which will help give properties insulation, external cladding and LED light replacements. RSL's are a part of that bid, and will help a number of properties in Newport. The Head of Service advised that a figure has not yet been released about the number of properties that will be affected in Newport as a result of this scheme, but this had been raised in the meeting yesterday with partners, as well as finding out what the impact on the carbon footprint in Newport will be as well as what the reduction of the running costs for users will be.

The Chair thanked the Leader and the officers for attending.

City Services

Invitees

- Councillor Roger Jeavons – **Deputy Leader and Cabinet Member for City Services**
- Paul Jones – **Head of City Services**

The Head of City Services gave apologies on behalf of the Deputy Leader. He then gave an overview, which advised of the challenges the service area had faced in the first half of the year, which included the impact of Covid and Storm Dennis, which was a massive challenge for front line operational services. A lot of things that were set out originally in the report for the performance indicators had to change to deal with new issues such working out how to man vehicles in their own bubbles, working out how to run the City Contact Centre from Customer Service Officers' households and operating the Household Waste Recycling Site whilst remaining compliant with social distancing and introducing a booking system. The Head of Service praised his service area for their hard work, specifically the frontline supervisors and managers for juggling tremendously difficult operational challenges.

The service area has remained in budget. It was explained that the figure of being 1% down is a false figure as the service area had been severely impacted from income loss and by operational costs for shielding staff, however this has been reclaimed from Welsh Government. Service delivery hasn't been impacted too much, key projects had been caught back up on. Some capital projects are a little behind, but the Head of Service is pleased with the progress made on Active Travel, as well the work that has taken place at Fourteen Locks and road improvements in Coed M... More of these improvements are being rolled out, such as Monkey Island and the preliminaries for Devon Place work has just started.

The Head of Service then gave information on the performance indicators, which included ones that had been affected by cover, the reduced visitors to the Leisure Centres as a result of Covid 19 and the increased number of Active Travel journeys. Members were then advised of a correction in the report relating to "Customer transaction requests mediated",

they should be 70% against a target of 30%. They are slightly down but broadly where they should be.

Lastly, it was advised that our recycling rate has increased, with the booking system for the Household Waste Recycling Centre helping with that performance. Another highlight given was that roll out on LED street lights have been completed, and now work on buildings have started, which will be a huge carbon saving and cost saving for the Council.

Members asked the following –

- Members praised the good performance of the service area and congratulated officers on maintaining the collection of waste and recycling.
- Members were advised that transport pressures will not go away. The Commission printed in July and will produce the final report soon, the Council will work with them on outcomes. During the lockdown somethings went unnoticed. The committee were advised that there had been good improvements with replacing the Newport Transport fleet, however as we cannot really push people to use public transport it is difficult to make long-term projections.
- Members queried Point 1 on page 69 – **Identify funding source to deliver the required Hostile Vehicle Mitigation**. Can the Head of Service provide an update on this?

Members were advised that at the start of the year, UK Government had stopped funding. At the end of the first lockdown, additional money was made available in terms of helping the City Centre using open space safely, so was able to use funding for that purpose. Example was given of putting yellow gates and system in place and barriers outside pubs. The long term ambition remains. Welsh Government will reassess the budget. Members were then told that there is an interim agreement in place for this.

- Members commented that there are appointment only visits being allowed to the Household Waste Recycling Centre. Has this increased flytipping in the city?

Members were advised that most flytipping issues are not due to individual households, but relates to organisations where people do not want to pay for the costs for waste removal. There has been a small increase of fly-tipping but not much different from previous years. It was explained that the booking system has advantages and disadvantages. There is less traffic on the Southern Distributer Road, and 46,000 cars and customers have attended the site, which shows a big success.

The committee were then advised that cameras have been placed around the city over the last six months, and the service area expects to see some significant results from those.

- Members hoped that we are able to clearly advertise through various channels that the Information Station has moved to the Central Library, especially as elderly people are regular users of the services held there.
- Members asked when will the temporary gates be removed? Comment was also made about the level of consultation with businesses in the city centre. How many businesses were asked and what were the responses?

Members were told that the gating are in locations to enforce the existing traffic order. Businesses reduce or extend the opening times. Regeneration Investment and Housing did that with businesses and compromised with the Newport Business Investment District (BID). It was decided that there was to be no drinking inside venues, so we had to help support that.

The gates that have been put in temporarily are not a durable long term solution. When Covid restrictions are fully released, that may change however the gating themselves are at points which have existing traffic orders. The timings could change to reduce to make sure that the pubs are able to open at the right times.

- Comment was made about Action no 3 on page 103 – **Improvement to community green and open spaces for amenity and leisure**. Members said this was a great help to people once we were able to reopen parks and keep them open longer than 4pm.
- Members queried Action no 3 on page 71 – **Build a new household waste recycling centre**. Have any potential dates been discussed to start this project, and what mitigations are in place to avoid further delays?

It was advised that this project is linked with increasing recycling, so the service area have been focussing on making jobs work, and prioritising first line services.

Members were advised that the purpose of building a new household waste recycling centre was to help meet targets, the impact of on smaller bins means that the Council exceeded in the overall plan, the target was 64% and we reached 67%. However, this is one of many medium term projects that needed to take a back seat.

- On Page 67 in Service Risks – **Ash Die Back Disease** and **Highway Network** both show as high impact and probability. Are the service area confident that they are able to deal with these risks, and if so, what mitigations are in place?

Ash Die Back Disease was flagged as high impact and probability as Newport was impacted dramatically during lockdown. It arrived from Northern Europe and hit the United Kingdom quicker than expected. Caerleon Road had to be closed to deal with the problem. It is a huge issue as Newport has a large amount of ash trees on highways. It is also flagged as high risk because the budget for trees is £150,000. The Council had to spend three times this amount for the work on Caerleon Road. It was explained that this is a national problem. The Tree Team are dealing with this will, with identifying the problem areas and putting PANs in place. A number of trees would need to be removed, which play an important role in health and blocking out noise. Lastly, there are a large number of mature Ash trees and their roots go into the drainage system. These trees would need to be replace, this would be a large project that would take around four years to complete.

Members thanked the Head of Service for attending.

Finance

Invitees –

- Meirion Rushworth – **Head of Finance**
- Owen James – **Assistant Head of Finance**
- Emma Johnson – **Income Collection Manager**
- Richard Leake – **Procurement Manager**
- Andrew Wathan – **Chief Internal Auditor**

MR – Not normal over 6 months.

The Head of Finance gave an overview of the report which included the work that the service area had completed. The Revenues Team have continued to collect Council Tax as well as dealing with the challenges around Business Rates, which were cancelled for hospitality and retail businesses in line with the Welsh Government scheme. In the first quarter, 2,500 grants which were worth £31 million was paid to businesses during the first lockdown period. In the second circuit breaker lockdown, 1,500 grants have been paid to date which equates to around £2.7 million, which had put a huge strain on the Income Collection Manager and her team. The Head of Service was extremely proud of the hard work that his service area had undertaken and advised that businesses had sent in letters of thanks for the help and fast action of support. Some Councils waited for Welsh Government to transfer money, however Newport borrowed money short term at the end of March to ensure businesses could get support.

The Procurement Team have been busy working with suppliers during this period, and explained that there are Government rules on supporting suppliers in this period and paying them even if couldn't deliver services. But it was important that the Council supported the suppliers. Examples were then given of the hard work that was undertaken with Chartwells and the bus companies to try and keep them afloat in terms of their contracts with the Council to ensure that they are still around for when the pandemic ends.

The Audit Plan was difficult to make any movement on over the first quarter, but a lot of their work was around the flexibility and helped out with the business grants and fraud related work for grants. A lot of staff were seconded into the Trace and Trace scheme. Performance has struggling in Council Tax and Business Rates. This is a difficult area, as work is being completed doing the grants and collecting money when residents are going through hard times.

Lastly, the Head of Service advised that the original Audit plan cannot be met, so a new one has been done. It is a little over half of what the original plan was and started in October. Trying to get through that, but it is difficult to achieve as the auditors cannot go into schools and other venues, but do the best they can. Some projects that have been delayed are highlighted in report, however the service area has made reasonable progress on most of them. The service area are focussed on collecting revenues and also doing the financial management of the grants. The service area are making sure that working with service areas is being completed to make sure big key suppliers are still going to be around when the pandemic ends.

Members asked the following:

- The Committee were pleased with the content of the report and were happy there are no financial issues as such to worry about.
- Members were advised that the business rates that were cancelled for retail and hospitality businesses that were under a half a million pounds rateable value for the full financial year. The Council were compensated by Welsh Government. Members then asked how long would we defer the payments? The Income Collection Manager explained that the team entered into arrangement with certain rate payers and these are done on an individual and negotiated basis. This is not to say that payments will be wiped, the Council will still collect the business rates, but we have recognised their position and agreed that they would pay them by March 2021 instead of the normal monthly payment instalment. Members were then reassured that there are regular meetings with rate payers to check in and see if they are on course. Some have begun to pay.

- Members asked for clarification that Business Rates have no financial benefit to the Council, only Domestic Rates are collected and used.

The Head of Finance clarified that the Council collect Business Rates for Welsh Government, which are put in a pool and then distributed to all local authorities.

- Members queried Page 126 – **Work with partner agencies and 3rd sector to provide advice and assistance to those with debts and financial problems**. Are the service area confident that this action will be completed by the end date of 1st March 2021?

The Finance Manager advised that the service area set up a pre-Covid intention to set up a network of meetings, but have not really had a chance to do everything with that target. We work closely with benefit agency partners such as the Citizens Advice Beureau. They help residents who need to spread their payments. This is a key priority for the service area.

The Chair thanked the Head of Service and officers for attending.

Conclusion of Committee Reports

The Committee noted the performance within Regeneration Investment and Housing, City Services and Finance Service Plan Mid-Year Reviews and made the following comments to the Cabinet

Regeneration Investment and Housing

- Members congratulated officers for keeping business running during the pandemic and up to current date. Comment was made that some red measures, such as Planning determinations and business growth were inevitable due to the surrounding circumstances.
- Members were pleased to hear the updates on fuel poverty and are happy that it remains a key focus moving forward to reduce the carbon footprint.
- The Committee were extremely happy with how the service area were able to accommodate for those who have been rough sleeping and/or homeless and wish to see this good work continue.

City Services

- Members were pleased with the performance shown in the report, and congratulated the service area on maintaining the collection of waste and recycling during the pandemic. They were also extremely happy that recycling figures exceeded in the overall plan.
- Members hoped that we are able to clearly advertise through various channels that the Information Station has moved to the Central Library, especially as elderly people are regular users of the services held there.
- Committee were pleased to hear about the improvement to the community greens, which will be a great help to people once we are able to reopen parks.

Finance

- Members were pleased to get clarification on how Business Rates and Council Tax are being handled this financial year through the pandemic and that the Business Rates have no financial benefit to the Council, only Council Tax is collected and used by the Council.
- The Committee were pleased with the content of the report and were happy there are no financial issues as such to worry about.
- The Committee were appreciative that the service area are working closely with rate payers that may have trouble making their agreed payments, as this is already a stressful time for everyone involved.
- The Committee wished to thank the Head of Service and his entire staff for the hard week they have undertaken during the pandemic.

4 **Forward Work Programme Update**

Invitees

- Neil Barnett – **Governance Officer**

The officer presented the Forward Work Programme, and informed the Committee of the topics due to be discussed at the next committee meeting:

18th January 2021/22

- Draft Budget Proposals

The meeting terminated at 6.45 pm

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Scrutiny Report

Performance Scrutiny Committee – Place and Corporate

Part 1

Date: 18 January 2021

Subject 2021-22 Budget and Medium Term Financial Projections

Author Scrutiny Adviser

The following people have been invited to attend for this item:

| Role / Areas of responsibility | Lead Officer |
|--------------------------------------|--|
| Budget Overview and Process | Meirion Rushworth, Head of Finance |
| Overall Budget for Place Directorate | Beverly Owen – Chief Executive |
| Service Specific Proposals: | |
| City Services | Paul Jones, Head of Streetscene and City Services |
| Regeneration Investment and Housing | Tracey Brooks, Head of Regeneration Investment and Housing |

Section A – Committee Guidance and Recommendations

1 Recommendations to the Committee

The Committee is asked to:

- (i) Consider the budget proposals relevant to the Place and Corporate Service Areas;
- (ii) Determine if it wishes to make recommendations or comments to the Cabinet on the Proposals within the Place and Corporate Service Areas;
- (iii) Determine if it wishes to make any comments on the budget process or the public engagement (to be forwarded to the Overview and Scrutiny Management Committee for consideration).

2 Context

- 2.1 In accordance with the constitution, the Cabinet is required to consult on the proposals before recommending an overall budget and required council tax to the Council for approval in February.

Scrutiny Committees must be consulted as part of this process. The timetable for the consultation on the budget is as follows:

| | |
|---|------------------------------------|
| Cabinet agrees budget proposals as a basis for consultation | 8 January 2021 |
| Consultation period | 8 January 2021 to 12 February 2021 |
| Cabinet considers feedback from consultation and agrees final budget proposals and recommends resulting overall budget and council tax required to full Council | 22 February 2021 |
| Council approves the 2021/22 overall budget and resulting council tax level required | 3 March 2021 |

Structure of Scrutiny of the Budget Proposals

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

| Committee | Date | Role |
|--|-----------------|--|
| Performance Scrutiny Committee - Place and Corporate | 18 January 2021 | Savings proposals within the Place and Corporate Service Areas |
| Performance Scrutiny Committee - People | 19 January 2021 | Savings proposal within the People Service Areas |
| Overview and Scrutiny Management Committee | 29 January 2021 | <ul style="list-style-type: none"> • Coordination of comments from all Scrutiny Committees • Comments on the budget process • Comments on public engagement |

2.3 Recommendations from the Committee meetings on 18 and 19 January will be reported to the Overview and Scrutiny Management Committee (OSMC) at its meeting on 29 January 2021 to confirm the list of comments that will be submitted from Scrutiny to the Cabinet. The Chair of this Committee will be invited to attend the meeting of the OSMC where the Committee's recommendations are discussed.

2.4 The role of the Overview and Scrutiny Committee is to coordinate the comments from Scrutiny to ensure that there are no overlaps in what is being recommended and ensure that scrutiny as a whole provides a cohesive and consistent response to Cabinet. It also has overall responsibility for comments on the budget process, and public engagement, which it will be focusing on at its meeting.

2.5 At its meeting on 8 January, the Cabinet agreed draft proposals for consultation. The full Cabinet Report and Appendices are available on the website ([Link](#)).

- Appendix 1 - Budget investments
- Appendix 2 - New budget savings for consultation
- Appendix 3 - New budget savings implemented under delegated authority (Cabinet Member and Head of Service)
- Appendix 4 - Budget savings previously approved
- Appendix 5 - Budget savings for consultation – proposals
- Appendix 6 - Demand models for social care
- Appendix 7 - Fees & charges for consultation
- Appendix 8 - Financial resilience ‘snapshot’
- Appendix 9 - Medium term financial projections
- Appendix 10 - Projected earmarked reserves
- Appendix 11 - Corporate Risk Register Update – Quarter 2

Cabinet Proposals – Business Cases

- 2.6 The proposals for consultation are contained within **Appendix 2** (Summary) and **Appendix 5** (Detailed Business Cases). Proposals relevant to the Place and Corporate Service Areas have been extracted and included as Appendices to this report for the Committee’s consideration. *(The numbering of these appendices has remained the same as the Cabinet report for ease of reference.)*

Cabinet Member Decisions

- 2.7 **Appendix 3** of the Cabinet report contains the proposals delegated to Cabinet Member and Head of Service Decisions. The Cabinet Member Decisions will be subject to the usual democratic decision making process and all Member consultation. These proposals do not form part of the public consultation and as such are not attached to the Agenda for this meeting, but can be viewed via the link to the cabinet report included in **Section 2.5 above** for information.

The Head of Service decisions are operational and are taken under delegated authority by the relevant Head of Service.

Fees and Charges

- 2.8 **Appendix 7** of the Cabinet Report contains the proposed fees and charges for consultation and can be viewed via the link to the Cabinet Report included in **Section 2.5 above**.

3 Information Submitted to the Committee

- 3.1 The following attachments are included for the Committee’s consideration:

Appendix A – Cabinet Report 2021/22 Budget and Medium Term Financial Projections (MTEFP)

Appendix 2 – Budget savings proposals (summary table).

Appendix 5 – Detailed business cases for Consultation.

Completed Fairness and Equalities Impact Assessments for the 2021-2022 Budget Proposals can be viewed via this [Link](#) to the Council’s webpage.

(Note – the numbering of attached Appendices has remained the same as the Cabinet Report for ease of reference)

4. Suggested Areas of Focus

4.1 Role of the Committee

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

- **Assess and make comment** on the proposals relevant to the Place and Corporate Service Areas in terms of:
 - How **reliable** the savings forecasts are;
 - How **achievable** the proposals are;
 - Have **risks** / impact on service users been appropriately mitigated;
 - Is there sufficient and consistent information within the Business cases to enable Cabinet to make an informed decision;
 - How does it fit into the **longer term strategic planning** and vision of the Council;
 - Has the **FEIA** been completed and used to develop the proposal;
 - The extent to which the **Wellbeing of Future Generations Act** has been considered.

- **Conclusions:**
 - Feedback the Committee's assessments of the proposals and highlight what the Cabinet need to be mindful of when taking the decision on the proposals.
 - Feedback to Overview and Scrutiny Management Committee on the budget process and public engagement.

Suggested lines of Enquiry

- 4.2 Councillors have a fundamental democratic right to commission financial information and provide challenge to executives and officers about finances. Scrutiny councillors are not expected to be financial experts, but they have a key role in ensuring **accountability** and **value for money** are demonstrated to the public.

4.3 The following has been adapted from Section 3.1-3.4: Source: Grant Thornton – Local Government Financial Resilience Review 2012 (“Towards a tipping point?”) to provide examples of the questioning and lines of enquiry that the Committee may wish to consider:

| | |
|---|---|
| Individual Proposals | <ul style="list-style-type: none"> • How reliable are the proposed savings? • Is there sufficient evidence within the business cases to have confidence that the proposals are achievable? • Is it clear how this proposal will be delivered and how the savings will be achieved? • Timing of the implementation – will this achieve a full year’s savings? Will anything delay implementation (such as the consultation process for any redundancies) |
| Links to Strategic Planning | How does the proposal contribute to the achieving corporate priorities? |
| | How do these proposals fit into an overall budget strategy / what is the long-term approach to budget at the Council? |
| Assessing Impact | <p>What is the anticipated impact of the budget proposal on:</p> <ul style="list-style-type: none"> ○ Services ○ Performance (including performance indicators and standards) ○ Clients / services users |
| | If there is a risk identified, has this been appropriately mitigated? Is this clear within the business case, and is it achievable? |
| | How will we measure the success / impact of this proposal? |
| Fairness and Equalities Impact Assessments | Have these been completed? |
| | Have any impact identified within the FEIA been considered within the business case? |

Wellbeing of Future Generation (Wales) Act

- 4.4 The Committee's consideration of the Draft budget proposals should consider how services are maximising their contribution to the five ways of working. Below are examples of the types of questions to consider:

| 5 Ways of Working | Types of Questions to consider: |
|---|---|
| <p>Long-term</p> <p>The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.</p> | What consideration have you given to the long term trends that could affect your proposal or; how could your proposal impact these trends? |
| | How will the needs of your service users potentially change in the future? |
| <p>Prevention</p> <p>Prevent problems occurring or getting worse.</p> | What is the objective (or the desired outcome) of this proposal? |
| | How are you addressing these issues to prevent a future problem? |
| | How have the decisions, so far, come about? What alternatives were considered? |
| <p>Integration</p> <p>Considering how public bodies' wellbeing objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.</p> | Are there any other organisations providing similar / complementary services? |
| | Have you consulted with the health board, third sector, emergency services, businesses and anyone else you think might be impacted? |
| | What practical steps will you take to integrate your project with existing plans and strategies of other public organisations to help us all contribute fully to the seven national well-being goals? |
| <p>Collaboration</p> <p>Acting in collaboration with any other person (or different parts of the organisation itself).</p> | Who have you been working with? Why? Who have you collaborated with in finding out more about this problem and potential solutions? |
| | How are you co-working with other sectors? |
| | How are you using the knowledge / information / good practice of others to inform / influence the Council's work? |
| <p>Involvement</p> <p>The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.</p> | How have you involved the people who are being impacted by this decision? |
| | How have you taken into account the diverse communities in your decision making? |
| | How have you used different / alternative methods to reach people and involve them? |
| | How will you communicate the outcome of your decision? |

Section B – Supporting Information

5 Links to Council Policies and Priorities

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

6. Background Papers

- [The Essentials – Well-being of Future Generation \(Wales\) Act](#)
- [Corporate Plan 2017-22](#)

Report Completed: 18 January 2021

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APPENDIX A

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Report

Cabinet

Part 1

Date: 08 January 2021

Subject 2021/22 Budget and Medium Term Financial Plan (MTFP)

Purpose To highlight key issues affecting the development of the Council's 2021/22 budget and Medium Term Financial Plan (MTFP) and present the draft proposals for the 2021/22 budget. Cabinet are asked to agree the proposals in order to commence the budget consultation process for this year. Consultation results will be reported back to Cabinet in February 2021, when Cabinet will agree a final budget and recommend the required / corresponding council tax level to full Council.

Author Head of Finance

Ward All

Summary This report presents the draft budget proposals for 2021/22. It has been the subject of significant work over the last few months; much of it 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 and given the significant uncertainties mentioned above, finalised proposals after that. The result of that is a slightly later start to budget consultation but the remaining budget-setting timetable has been adjusted to maximise the time available for consultation and residents, service users and stakeholders, such as the independent Fairness Commission, will have four full weeks to take part in the consultation.

Details of the budget are shown within this report and its appendices and as always, both savings and an increase in local council tax are key elements of the proposed budget to ensure it is sustainable and able to maintain key services as best as possible for both Newport as a whole and the most vulnerable in our communities.

Section:

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

Appendix:

- | | |
|------------|--|
| Appendix 1 | Budget investments |
| Appendix 2 | New budget savings for consultation |
| Appendix 3 | New budget savings implemented under delegated authority |
| Appendix 4 | Budget savings previously approved |
| Appendix 5 | Budget savings for consultation – proposals |
| Appendix 6 | Demand models for social care |
| Appendix 7 | Fees & charges for consultation |

| | |
|-------------|---|
| Appendix 8 | Financial resilience 'snapshot' |
| Appendix 9 | Medium term financial projections |
| Appendix 10 | Projected earmarked reserves |
| Appendix 11 | Corporate risk register summary - Quarter 2 |

Proposal

1. **Cabinet is asked to agree the following draft proposals for public consultation:**
 - i) Budget savings proposals in appendix 2 (summary table) and appendix 5 (detailed proposals), including the decision making point (either full Cabinet or Head of Service) for each one
 - ii) Approve 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
 - v) The budget investments shown in appendix 1
 - vi) The budget investment provision in schools of up to £4,937k, which is based on an assumed teachers/ NJC pay increase and provides for a fully funded increase funding requirement, based on that, plus the cost of new/ expanding school provision as noted in paragraph 3.14 – 3.20. Specifically here, Cabinet agrees to confirm and finalise this when there is certainty on Teacher's pay from September 2021 with the intention of retaining the objective described above, within the funding provision available.

2. **Cabinet is asked to note:**
 - i) The position on developing a balanced budget for 2021/22, acknowledging that the position will be 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 projections contain investments required to implement the Corporate Plan promises
 - iii) That initial Fairness and Equality Impact Assessments have been 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.

Action by Chief Executive / Heads of Service

Timetable Immediate:

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

This report was prepared after consultation with:

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

Signed

1 Our Financial Challenge

- 1.1 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. This report provides an update to the planning assumptions made over the medium term, includes a further two years to 2024/25 and outlines the 2021/22 budget strategy and associated timetable. It highlights considerations directly associated with the coronavirus pandemic that will need to be kept under close review from a financial planning perspective over the coming months as well as an assessment of the Council's financial resilience given the continued challenges the Council faces in these unprecedented times.
- 1.2 The Council provides over 800 services, for over 156,000 people, living in over 69,000 households. Newport's population is growing and increasing demand and pressure for services means that the council continues to face financial challenges, namely:
- increasing inflationary costs e.g. contracts and pay;
 - costs of funding the Council's increasing levels of planned debt, linked to its substantial capital programme in its commitment to improving the city and its infrastructure plus the reduction in its 'internal borrowing' capacity;
 - increasing demand for services and therefore costs. These stem from demographic and societal changes and are most acute in the larger budget areas of social services and education;
 - local government funding in Newport sees the 'Revenue Support Grant (RSG)' funding over 75% of its net budget. Funding is therefore controlled largely outside of the Council's influence, resulting in a disconnect from its own spending pressures, requirement and priorities. In addition, the lack of any medium term indication of the grant level and increasingly late notification of the following years value is not helpful for medium term financial planning and increases uncertainty;
 - a historically low relative council tax level, which based on 2020/21 rates would provide a further £8.3m and if calculated at 100% council tax base would provide equivalent to £9.2m as set out in paragraph 3.21. If it was set at that level assumed by Welsh Government (WG) when setting the Councils 'standard spending assessment' compared to current levels or £8m if it was at the average rate in Wales.
- 1.3 In addition, the Council has demonstrated its ability and willingness to invest in services over the longer term, linked to priorities as set out in the Corporate Plan in order to fulfil its ambition of 'Improving People's Lives'. The Council's Corporate Plan sets out 20 clear promises and, in some cases, these require financial investments, which are included in the 2021/22 budget and the MTFP as appropriate.
- 1.4 The council has made savings of £35m over the last 5 years and in order to achieve this has helped people to live independently, rationalised the Council's estate, invested in prevention and early intervention and seen a significant reduction in the number of staff supported by digitalisation and automation of processes.
- 1.5 The public sector has faced a prolonged period of real term reductions in funding levels for a number of years and core spending is still below 2008/9 levels, in real terms. Unprecedented challenges lie ahead for services across local government, not least because of the coronavirus pandemic. Despite Newport being one of the better off councils last year and this year in terms of funding allocation, this uncertainty coupled with increasing demand and therefore costs, in particular within social care / schools, means that, prior to the acceptance of the proposed savings, further savings must still be found – at least £9m by 2024/25 based on current planning assumptions and projections.

2 Setting the budget

- 2.1 This section outlines the key contextual areas and events, which influence the Councils medium term financial planning and within that; next year's budget. This year has brought some new and very significant challenges over and above previous years, the future year impact of which is

currently unknown but could well be significant. The key context areas which have shaped the thinking and the preparation of the draft proposals include:

- the significant economic challenge, resulting from UK Government response to the Covid -19 pandemic;
- the UK national context coming out of the annual spending review and what that meant for WG funding for 2021/22;
- the local Newport City Council context given the draft RSG funding which was confirmed on the 22 December and issues coming out of how the Council is funded and lack of medium term certainty on funding availability;
- the Council Corporate Plan, which drives priorities. These factors are explained in more detail below.

2.2 There are two main elements to the council's financial planning:

- strategic planning; the MTFP
- within that, the annual council budget.

2.3 The Council reviews its budgetary position regularly and produces a rolling four-year plan known as the medium term financial plan (MTFP). This plan considers the financial climate at both the local and national level together with forecast available resources and budgetary pressures in arriving at a financial strategy. Importantly, it is linked to the Councils Corporate Plan to ensure that key priorities are funded, where additional funding is required. The Council is required by law to set a balanced budget every year. For over a decade councils across Wales have faced continued financial pressures, therefore meaning that savings are to be found to meet the funding gap between the funding available (RSG grant and local council tax), and expenditure on the wide variety of services provided.

2.4 To meet this gap, in putting together the budget proposals each year we review:

- budget commitments (both investments and savings) agreed in the MTFP previously;
- new areas in need of investment and growth;
- new proposals for savings and efficiencies;
- new proposals on our fees and charges.

2.5 As in previous years, Cabinet will be asked to keep the medium term position in mind, and in February will approve the new medium term savings and investments over the life of the MTFP, to be added to those already approved / in progress.

Economic Context

2.6 As a result of the pandemic, Wales and the UK experienced an unprecedented collapse in economic output (gross domestic product (GDP)) in the second quarter of this calendar year, followed by a large recovery in the third quarter. On this basis, economic recovery is extremely uncertain and the longer-term impact of national and local lockdowns and ongoing public health measures remains to be seen.

2.7 Further adding to the uncertainty is Brexit. Although the UK left the European Union (EU) on the 31 January 2020, it was only at the end of 2020 that the UK completed its formal separation from the EU. The medium to longer-term economic impact of the new arrangements is still uncertain at this time.

2.8 Government support for jobs and businesses during the pandemic has had a significant impact on public sector borrowing. In September, UK debt reached almost £2.1 trillion for the first time and further heavy borrowing is anticipated. At the end of September, debt was 103.5% of GDP, the first time it has exceeded 100% in almost 60 years. The significance of this and the need to restore debt to more sustainable levels clearly has the potential to affect spending on public services in the future. Having said this, the Chancellor states within the spending review announced at the end of November that the coronavirus health emergency is not over and that the "economic emergency has only just begun".

National Context

- 2.9 The Chancellor has conducted the 2020 Comprehensive Spending Review (CSR) in unprecedented conditions as the nation continues to deal with the impact of the Covid-19 pandemic on people, the economy and public finances. The Treasury had initially planned to carry out a three year review, however, the 2020 pandemic has thrown public finances into such uncertainty that it opted for another single year review. The key headlines, for local government, as set out within the spending review include:
- forecasts from the Office for Budget Responsibility (OBR) show that the economy will contract by 11.3% this year, the biggest decline in three centuries;
 - it will take until the end of 2022 for the economy to return to its pre-pandemic size;
 - Welsh Governments core resource Departmental Expenditure Limit has risen £694m, an increase of 4.6% in cash terms. In addition, the Chancellor also confirmed additional funding in relation to Covid-19, which will provide an extra £766m. The extra cash means new funding for Wales will rise to £1.3 billion next year to deal with 'exceptional circumstances';
 - the Chancellor announced that public sector pay outside of the NHS and the lowest paid would be frozen. However, uncertainty exists as he also acknowledged that Local Government had its own pay review arrangements and decisions on teachers, doctors and nurses pay in Wales will rest with ministers in Cardiff. Pay pressures remains a key budget risk, in particular as local council workers/ teachers work through some of the most challenging conditions to support their communities and vulnerable residents.

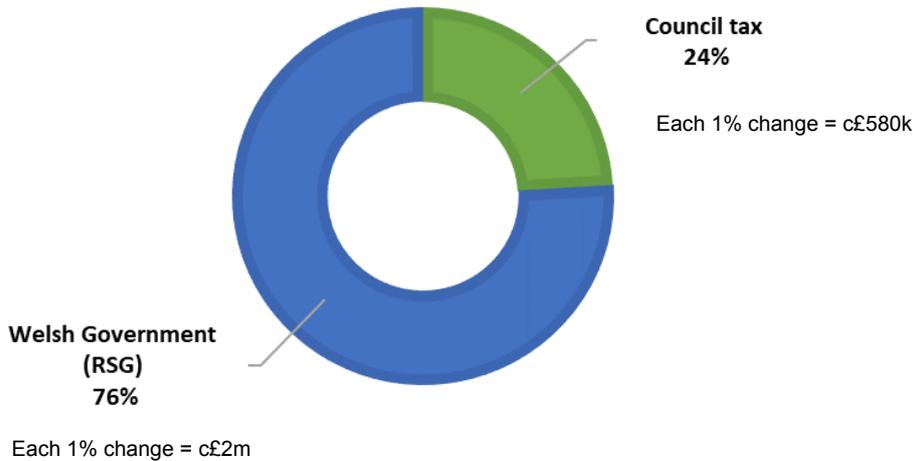
The Welsh Government budget was published on the 21 December 2020 with the Minister for Finance stating that the budget has been based on 'the needs of the people of Wales to deliver the fairest possible settlement for Welsh public services'.

Local Context

- 2.10 Local Government in Wales do not receive medium term funding allocations even though the sector has asked for this over many years. For the second year running, due to delays in concluding the UK spending review, the WG draft budget has been significantly delayed and this has unavoidably delayed the notification of Councils draft RSG, which makes up 76% of Council core funding.
- 2.11 In light of the above issues, this Council, like others, are planning in a void with no certainty on the level of funding they will receive over the medium term, and for the following year didn't receive the allocation until recently. The settlement dates were/ are as follows:
- | | |
|------------------|---|
| 22 December 2020 | Provisional local government settlement for 2021/22 published |
| 2 March 2021 | Final local government settlement for 2021/22 published |
- 2.12 The outcome of this announcement has been pivotal to agreement of the Council's 2021/22 draft budget as this accounts for the largest part of council's funding, and the 5.48% uplift is welcome and has enabled the Council to deal with a number of pressures, including a number that will assist in reducing the budget gap over the medium term. This funding is provided through a non-hypothecated grant – the Aggregated External Finance (more commonly referred to as the "Revenue Support Grant"- RSG). In addition to this, other grants provide funding for specific purposes. The scale of the budget challenge is very sensitive to changes, both current and future, to RSG funding as shown in table 5. Less than a quarter of a councils funding is raised through local council tax, representing a small proportion of funding that is under the councils own decision-making. Given the above scenario in Wales, there is a relatively weak connection between individual Council's own decision-making on spending priorities / pressures and its ability to raise the funds required to meet that. Consequently, the lack of medium term funding from this source adds to uncertainty and challenges in financial planning.
- 2.13 In Newport, the RSG funding makes up 76% of its net budget, with council tax at 24%. As the RSG makes up such a large proportion of the councils budget, what happens to this grant is

crucial, as any reductions cannot be easily offset by an increase to council tax. For example, it would take a 3.5% increase in council tax to offset a 1% reduction in the RSG.

Chart 1: Newport Council funding sources – 2020/21



- 2.14 The headlines of the draft settlement received on the 22 December confirms:
- Whilst WG core resource Departmental Expenditure Limit has risen by £694m in 2021/22, an increase of 4.6% in cash terms, core budget for day to day spending per person in 2021/22 will remain more than 3% lower in real terms than in 2010/11;
 - £766m additional funding in Wales for Covid-19 next year which is far below the £5bn allocated to Wales this year;
 - An increase of £10m to the social care workforce grant in 2021/22 to £50m to support the delivery of sustainable services and sustainability of the workforce;
 - £176m to support pressures on schools and social services;
 - A further £40m to support the Housing Support Grant, over £20m to meet sixth form and further education demographic pressures;
 - £58.6m (£30.6m revenue) in flood and coastal defence;
 - Additional £3m revenue to support our high streets, and town and city centres recognising the important contribution they make to the economy;
 - An additional £13.4m to support children and young people, including £8.3m for curriculum reform;
 - Extra £40m investment in education infrastructure, including £5m for the net-zero carbon schools pilot and boosting active travel funding by £20m, and providing a total investment of £274.7m in rail and metro.
- 2.15 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%. There remain a number of uncertainties around specific grants; however, these should be confirmed between this report and the final settlement from WG early March 2021.
- 2.16 A key contributing factor to the significant growth in Newport's RSG is due to the correction and rebasing of population data for authorities, which drives a significant amount of the share of the overall core funding for Local Government in Wales. Newport's population growth estimates have been under-estimated and whilst over the last few years, while being one of the better off Councils in terms of annual RSG uplift, was still lower than it should have been. Like the current 2020/21 financial year, Newport's RSG change for next year is the highest across Wales, due to it having the fastest growing population. This comes with pressures on budgets as noted above, in particular on our schools. The distributional impact of this correction is estimated to have contributed around £4m to our overall increase as noted above.

- 2.17 The Councils final RSG settlement will be announced on 2 March 2021. Apart from late transfers of specific grants into/ out of the final settlement, which are 'neutral' in their impact, the main changes would usually come from Council's confirmation of their individual 'tax bases' – i.e. the number of Band D equivalent properties. The late draft settlement has meant that any adjustments required to allow for the 'equalisation' process for council tax base has already been included, which usefully takes away that particular uncertainty in the final settlement. At this point therefore, we will be assuming that the final grant settlement will not change from the draft other than for 'cost neutral' issues.
- 2.18 The Head of Finance (HoF) has set the tax-base for 2021/22 and it will increase by 0.4%, which is similar to the all Wales average over the last two years. This council tax base is net of a decrease of 0.4% in collection rates reflecting the historical and current increasingly challenging task of collecting council tax income, which will increase further due to the ongoing economic uncertainty. This is consistent with all Councils across Wales and given that Newport's budgeted collection rates continue to be one of the highest in Wales the impact of the pandemic on collection has been particularly challenging and will continue to be reviewed. Council tax 'equalisation' is a key feature of the Local Government grant settlement process and provides some challenges to those Councils, like Newport, who have significant cost pressures resulting from housing and population growth. The impact on the RSG funding for Newport council this year is a reduction of £286k from this.

Implementing the Corporate Plan

- 2.19 The Council's business and financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples Lives'. This provides a focus for decisions around spending and will direct activity across the council.
- 2.20 The current medium term financial projections included in appendix 9 and the detailed budget investments in appendix 1 includes funding for the key priorities and promises set out in the plan, as needed. The Council has yet to develop a 'strategic change programme', which outlines the key areas and initiatives, which will guide services and the Council in the future to deliver sustainable services. Such a programmes financial impact would be reflected in the Council's MTFP, contribute towards delivering a balanced / sustainable medium term financial position, and is recognised as a priority throughout the organisation.

3 Financial planning assumptions

- 3.1 Whilst the above section highlights challenges for this and other Councils in carrying out effective medium term financial planning, it nonetheless needs to be completed. Clearly, a number of important assumptions are required in order to do this. This section deals with the key areas affecting the MTFP and the budget for next year. These are:

- the impact of increasing costs and demand on the Councils budget;
- the impact of the Councils significant capital programme on its need to increase borrowing to fund that and resulting increased revenue costs to pay for that;
- the impact of increased costs in the Councils schools budgets, and in particular from new/ growing schools;
- Council tax funding which makes up 24% of the Councils core funding and is the only element of funding controlled by the Council.

Increasing costs and demand

- 3.2 Financial pressures and demands on our services have increased over a number of years and this increase is projected to continue. The main issues include:
- inflationary cost increases – of the councils £300m net revenue budget, over three quarters of expenditure relates to pay and contracts subject to inflationary increases year on year and whilst a one year pay freeze was announced by the Chancellor in the UK spending review,

he has confirmed that Local Government has its own pay review arrangements. In addition, WG decides on teacher's pay in Wales, advised by a pay review body and a stated commitment to at least match any pay increase in England. This is a high risk area of the budget and therefore provision in pay budgets for an inflationary increase has been made for 2021/22 (and future years) but the extent to which what, if any, of it will be required in 2021/22 will not be known until well into the Spring 2021.

- significant increases in demand led services – specifically social care;
- cost of new and growing schools, linked to the continued growth of the city.

3.3 Unavoidable pay and inflationary cost increases, excluding schools, equate to £5,196k in 2021/22 and £19,482k over the four-year period to 2024/25, based on current planning assumptions.

3.4 In addition to these cost increases, the council has also seen a significant increase in demand led service pressures since 2015/16. Whilst independent fostering continues to forecast overspends against budget there are also two other areas facing significant demand and will continue to be monitored closely:

- Independent fostering £373k overspend
- Emergency placements £493k overspend
- Leaving care £354k overspend

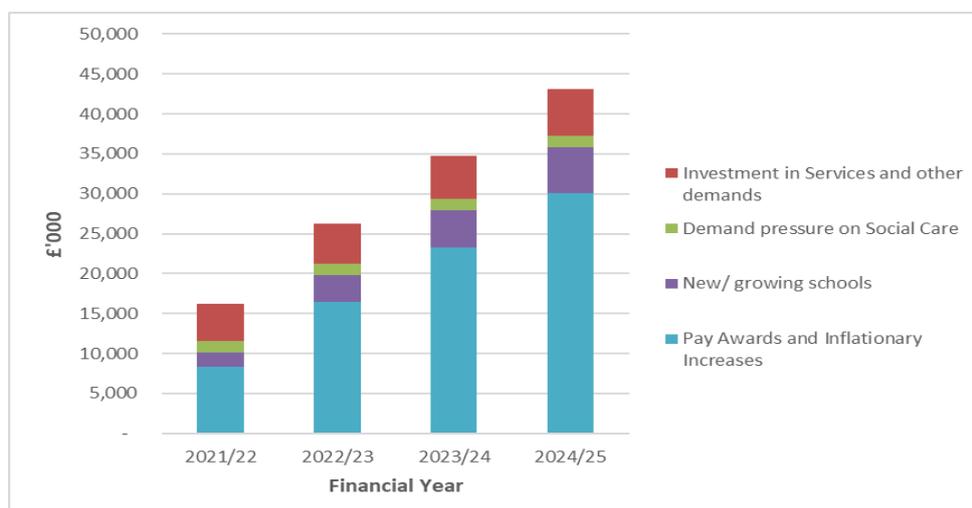
3.5 During 2020/21 these three areas alone are contributing over £1.2m to service area forecast overspend. Despite investment in independent fostering agency placements in 2020/21, demand continues to accelerate beyond the budget available. As a result of the demands in key areas, specifically emergency placements, investments in areas across children's social care are proposed within 2021/22 to support the level of demand that is being experienced and to ensure a robust and deliverable budget.

3.6 Detailed demand models for social care have been included within appendix 6 and form the basis of the investments proposed for inclusion within the medium term projections.

3.7 For 2021/22 specifically, the council is 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 are included in appendix 1 and some of the key items include:

- £1,848k investment in school budgets
- £1,476k 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

Chart 2: Cumulative pressures up to 2024/25 by source



- 3.8 The financial pressures facing the Council continue to increase significantly over the four-year period. Despite Newport receiving a favourable settlement in recent years even with different and more optimistic funding assumptions in the future, the budget pressures remain higher and savings therefore are likely to be needed. The following table illustrates the cumulative funding assumed over the 4 year period compared to the investment required for the council to achieve a 'stand still' position i.e. investments for unavoidable pay and pricing inflationary increases and committed investments for new and growing schools – things that the council have no choice over. This confirms that savings of over £3m are required over the life of the MTFP before taking account of additional investment to support demand in social care and to deliver corporate plan promises.

Table 1: Savings requirement over the medium term to achieve 'stand still' position

| 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) | (17,016) | (19,771) | (22,121) |
| Council tax increase | (2,956) | (5,390) | (7,922) | (10,555) |
| Change in Income | (15,675) | (22,406) | (27,693) | (32,676) |
| Standstill/ committed pressures | 10,133 | 19,804 | 27,931 | 35,854 |
| Cumulative savings requirement (before non-pay and pricing investments) | (5,542) | (2,602) | 238 | 3,178 |

- 3.9 As can be seen, the increase/ change in RSG funding has a significant impact and provides significant increased funding to potentially reduce savings required. Notwithstanding this, in the context of what might actually happen given no medium term funding certainty and what might happen to public service funding over the medium term as explained above, it is important that the council continues to carefully review all budget pressures/ investments and that services operate in such a way as to managing/ minimise demands to the extent possible.

Capital programme and financing / Cardiff Capital Region City Deal

- 3.10 The capital expenditure undertaken by the Council gives a long-term and fixed commitment to fund the associated revenue costs for the provision of the repayment of that borrowing (Minimum Revenue Provision (MRP)) and interest costs – together called 'capital financing costs'. The current Council's capital financing costs make up for almost 7.8% of the net revenue budget, which is high when compared to other Welsh local authorities. The MTFP period includes £3,088k of pressures for the increasing cost of capital financing due to the borrowing required to complete the Council's current capital programme, ending in 2022/23. The Council's very significant capital programme in its commitment to improving the city and its infrastructure requires a significant increase in borrowing with the associated increase in costs outlined above.
- 3.11 The Capital Strategy, which details the capital programme and the long-term impact of capital expenditure, is approved by full Council, alongside the budget report setting the Council Tax level.
- 3.12 Within the capital programme is the Council's contribution to the Cardiff Capital Region City Deal (CCR). The CCR is funded by both UK Treasury and its ten constituent Councils and for the latter; a total 'funding envelope' was agreed over its life.
- 3.13 The Council's contribution to the City Deal was agreed by full Council in 2017/18. Newport City Council contributes just under 10% of the Local Authorities contribution to its overall funding. Whilst this Council, like others, has medium term capital programmes, this is the one individual project within it, which spans over multiple programme periods and the funding commitment for this goes into 2035/36. Funding is made up of two aspects:

- making capital funds available to the CCR. This will incur capital financing costs of MRP and Interest for this Council as it will need to 'borrow' funds itself to pass it on to the CCR
- making capital funds available in advance of UK Treasury funding. In this respect, this Councils capital financing costs is just the interest element, as borrowing will be reimbursed when funds are made available by Treasury in line with current agreements.

The CCR latest business plan requires accelerating proposed funding in order for them to increase spending at an earlier date than previous estimates given. This Councils contribution therefore have been pulled forward and capital expenditure of £8.2m is required to 2022/23 and a further £17.4m is required across the life of the MTFP to cover capital funds in advance of UK Treasury funding. This is estimated to have brought forward revenue costs into the current MTFP of c£500k.

Schools funding

- 3.14 The current position provides for a cash increase for the overall school budget. This has been developed within the context of significant uncertainty around teacher's/ non-teaching staff pay from September/ April 2021 respectively. As pay is the most significant cost heading within school budgets, any funding decision needs to be informed by any change to this. Whilst the UK Chancellor indicated there would be no pay increases for this part of the public sector, the Council is taking a prudent view and making provision within these budget plans for a pay increase from September 2021. The Welsh Government were explicit in informing Councils that the draft funding settlement would need to fund any pay increases. The actual change in pay is a matter for the relevant Welsh Minister, informed by an independent pay advisory body and Councils will have no choice but to implement.
- 3.15 The draft budget makes provision for schools to receive investment of up to £4,937k in 2021/22, which represents a 4.6% growth in schools budget. This is based on an assumed level of inflationary pay award increase as noted above plus the additional costs of new/ expanding schools as the table below shows. In this respect, it represents a 'standstill increase in budget' and fully funds the pay increase (to that assumed) and new/ expanding schools. It is proposed that all of the budget increase provision will be added to the 'Individual School Budgets' with the exception of the allowance for the pay award increase, which will be considered by Cabinet when a final figure is known/ agreed, up to the value of the budget provision made. The intention of fully funding cost increases in the school budget sector remains.
- 3.16 The context for this proposed funding is the challenging financial management position within schools. Throughout the 2020/21 and previous two year financial years in particular, the level of in year overspending at schools has been highlighted as a risk. However in the latest monitoring position, schools are forecasting to be underspent 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 continue to be a significant 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 £542k underspending would see reserve balances increase to £1,655k, which based on previous financial positions is not a sustainable position. Officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend.
- 3.17 Whilst the proposed budget increase seeks to fully fund the cost increases in the school sector, it represents a 'standstill' budget increase. Therefore, it is not sufficient to deal with the extent of accumulated deficits in schools at this time and therefore schools will need to find robust solutions to ensure they manage within available budget and repay these accumulated deficits. This resolution is critical as current spending levels in schools is not sustainable and has the potential to cause a significant and adverse impact on the councils overall finances if it continues as previous years.
- 3.18 Assessed budget pressures in school budgets over the life of the MTFP amount to £16.4m based on current assumptions on teacher's pay and new/ expanding schools costs. These will, like

other MTFP assumptions, need to be reviewed regularly and any actual proposed funding increases confirmed through the budget process.

Table 2: School budget pressures 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 |

- 3.19 Final allocations of specific grant are yet to be determined across the Education Achievement Service (EAS) region. Officers will assess these allocations once confirmation has been received.
- 3.20 Whilst it is recognised that schools have experienced significant financial challenge, school funding in overall terms is better than other parts of the council, and has increased by 19% over the last 5 years. This includes specific grants and is shown in the table below.

Table 3: School budgets by sector – 2015/16 to 2020/21

| Year | Nursery £'000 | Primary £'000 | Secondary £'000 | Special £'000 | Total £'000 |
|---------|------------------|------------------|--------------------|------------------|----------------|
| 2015/16 | 519 | 52,924 | 47,480 | 3,724 | 104,647 |
| 2016/17 | 494 | 54,627 | 48,619 | 4,040 | 107,780 |
| 2017/18 | 512 | 54,959 | 47,505 | 4,247 | 107,223 |
| 2018/19 | 562 | 57,396 | 47,497 | 4,773 | 110,228 |
| 2019/20 | 496 | 58,492 | 49,619 | 5,091 | 113,698 |
| 2020/21 | 484 | 64,118 | 54,851 | 5,144 | 124,597 |

| | |
|--|-----|
| Increase in funding over 5 year period (incl. specific grants) | 19% |
|--|-----|

| | |
|---|-----|
| Increase in funding (excl. specific grants & delegations) | 24% |
|---|-----|

Council tax

- 3.21 It is well documented that Newport's council tax is low compared to others in Wales, generating 24% of our income. This council's current year budget is well below its 'standard spending assessment', a relative spending needs assessment between all Welsh councils, by £9.2m, which is almost entirely due to our low level of council tax funding. If Newport's council tax were set at the average rate in Wales this would generate additional income of £8m.
- 3.22 A base 4% increase in council tax is already included in our MTFP each year. This year, the draft budget proposals include an additional 1% increase to council tax in 2021/22 (appendix 2 & 5) bringing the proposed increase to 5%. This is subject to consultation and a final recommendation to Council on the council tax level and will be confirmed in the Cabinet's February 2021 meeting.
- 3.23 For contextual purposes, the table below shows the weekly increases in council tax based on a 5% increase. Given the low starting point on Newport council's tax, it will still be lower than most (if not all) of the neighbouring authorities, even at a 5% increase and the actual monetary increases in tax are low in themselves. Newport City Council proposed tax increase would maintain its position as one of the lowest in Wales.

Table 4: Scenarios illustrating weekly council tax increases

| Band | A | B | C | D | E | F | G | H | I |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Annual increase based on 5% increase | £39.93 | £46.58 | £53.24 | £59.89 | £73.20 | £86.51 | £99.82 | £119.79 | £119.79 |
| Weekly increase based on 5% increase | £0.77 | £0.90 | £1.02 | £1.15 | £1.41 | £1.66 | £1.92 | £2.30 | £2.30 |

3.24 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.

Summary of key budget assumptions

At this point, the following assumptions are included.

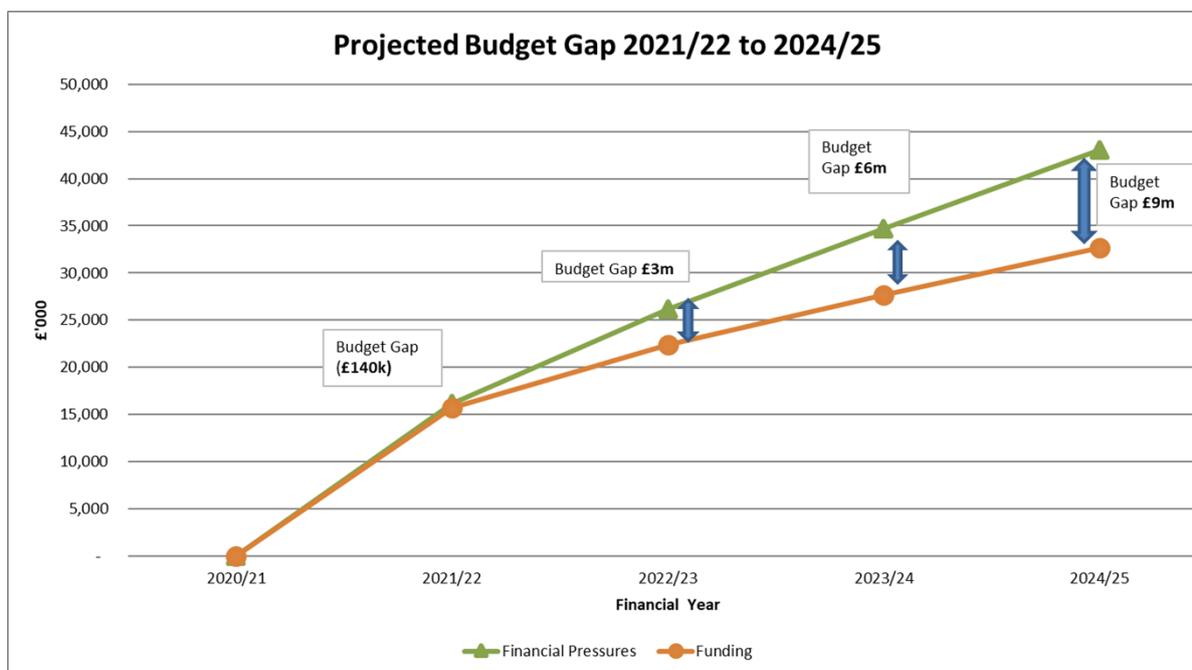
Table 5: Summary of key assumptions

| 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 | (2,956) | (2,434) | (2,532) | (2,633) |
| Budget pressures/ investments (appendix 1) | 16,184 | 9,959 | 8,519 | 8,398 |
| Previously agreed budget savings (appendix 4) | (649) | (563) | 0 | 0 |

Resulting budget gap and sensitivity of assumptions

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

Chart 3: Projected budget gap 2021/22 to 2024/25



3.26 Clearly, the gap is based on assumptions, listed above, over the life of the MTFP. In light of the final settlement received on the 2 March 2021, Cabinet will need to consider and review key funding assumptions over the medium term.

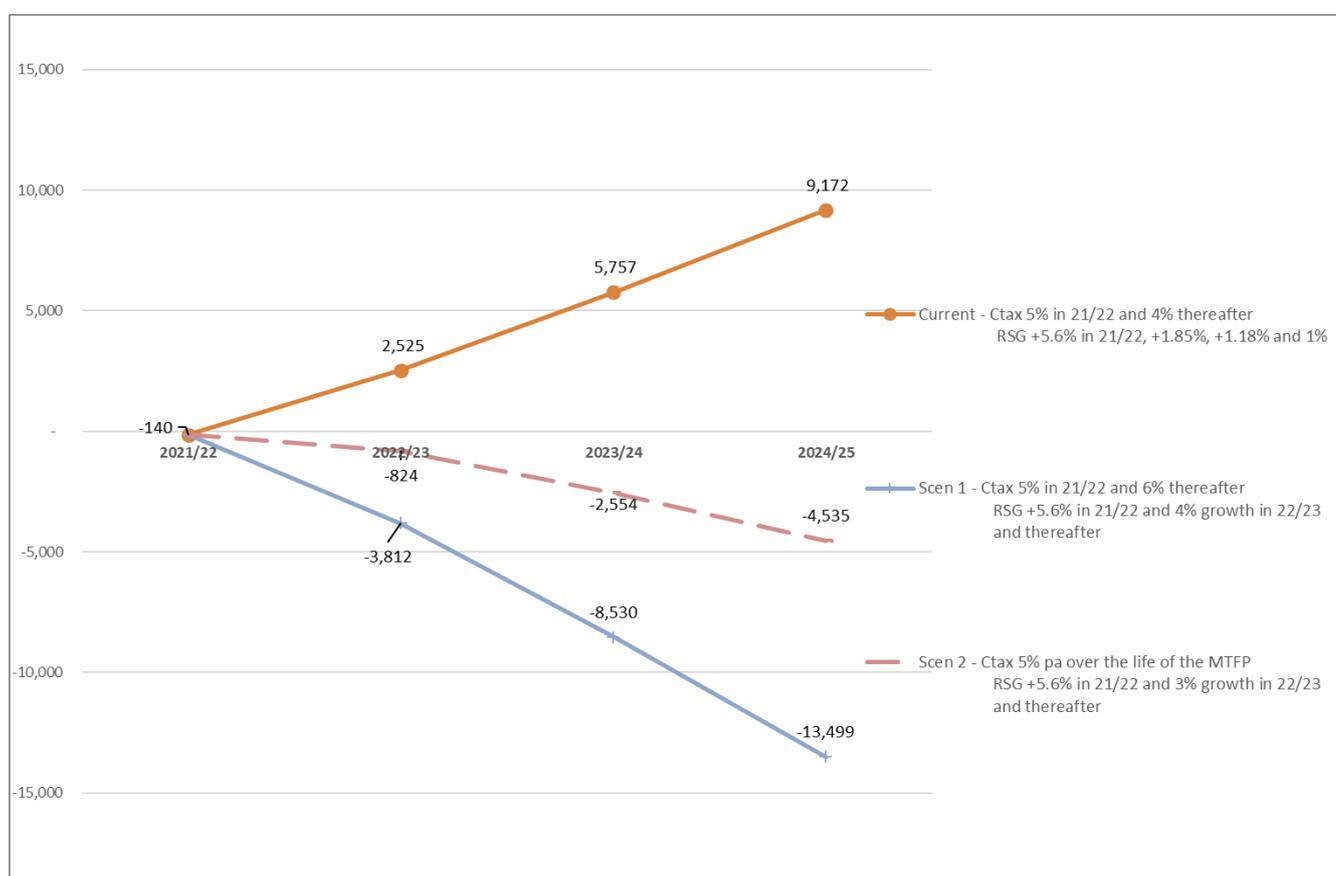
3.27 The HoF will continue to work with the corporate management team and Cabinet to develop the budget strategy over the medium term, however, some of the key issues, currently, are:

- on-going financial issues on school budgets;
- increasing demand within service areas over and above provision already made within the MTFP;
- increasing costs of funding the Council's increasing levels of planned debt, linked to its substantial capital programme and the reduction in its 'internal borrowing' capacity
- uncertainty around future funding from WG;
- on-going impact of covid-19 and subsequent economic recovery;
- Brexit.

Sensitivity analysis

3.28 As table 5 above confirms, the budget gap is significantly affected by funding assumptions - the WG grant and council tax increases projections. The graph and table below show the sensitivity that the council faces in respect of these.

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



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

Table 6: Sensitivity analysis – key projections

| RSG Sensitivity | £'000 |
|--|--------------|
| RSG growth +/- 1% | 2,281 |
| Council Tax Sensitivity | |
| Council tax change +/- 1% | 578 |
| Pay Sensitivity | |
| Pay inflation - NJC staff +/- 1% | 1,024 |
| Pay inflation - Teachers and soulbury +/- 1% | 519 |
| Contract Inflation Sensitivity | |
| Contract inflation - +/- 1% | 1,245 |

4 Budget savings

- 4.1 The draft proposed savings identified for 2021/22 to date total £3,360k. The table below provides a summary of the savings by decision over the 4-year planning horizon.

Table 7: 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 |

- 4.2 Under the constitution and our scheme of delegation, the Cabinet takes some budget decisions collectively. These proposals total £924k for 2021/22 and £1,163k over the life of the MTFP. Some lower level, operational and efficiency type budget proposals are delegated to Heads of Service for decision and implementation. These proposals, totalling £1,787k for 2021/22 and £1,806k over the life of the MTFP are listed in appendix 3.
- 4.3 In previous years, only those proposals requiring Cabinet decisions were subject to public consultation. This process was changed last year and an impact-based approach adopted whereby each proposal is considered on a case-by-case basis, regardless of where the decision approving the saving is taken. The list of new savings in appendix 2 and 3 identifies if the proposal is subject to public consultation or not. Regardless of their categorisation, the normal protocols for staff, unions and any other required consultation are being adhered to in respect of all savings.
- 4.4 The savings already agreed in the February 2020 MTFP are either in progress of implementation or due to be implemented in 2021/22. The pandemic has had an impact upon delivery in some areas therefore delaying the implementation to 2021/22. No further details are shown for these savings, as they have already been approved.

Fairness and Equality Impact Assessments (FEIAs)

- 4.5 All budget proposals have been reviewed against our Equality and Welsh language duties, and, where appropriate, have had an initial Fairness and Equality Impact Assessment completed. The initial FEIA identifies potential negative or positive impacts in relation to protected characteristics,

as defined by the Equality Act 2010, and on Welsh language. These FEIAs will be further informed as a result of public consultation, and developed in line with the new Socioeconomic Duty, coming into force on the 31 March 2021. FEIAs for all proposals requiring one can be found [here](#).

Medium term strategic change

- 4.6 Whilst good progress has been made on the 2021/22 budget, challenges remain over the medium term, even with more optimistic assumptions around funding as the sensitivity analysis above shows. In particular, significant spending pressures remain to be tackled, particularly in Adults and Children's social care because of growing demand. Containing and then reducing such pressures will require a whole council response, and the active collaboration of our partners such as health services, as part of our new longer-term strategy in going forward.
- 4.7 The success of this longer-term approach will depend on the councils starting with a stable financial platform, and the budget proposals and draft budget set out in this report are designed to do this. A key element of this is taking a longer-term strategic view on how funds are deployed to contribute towards sustainable services, as well as meet priorities. Proposals for major change in service delivery will be considered early in the New Year and will include the need for investment in service redesign, new technological tools and the re-skilling of our staff at all levels to improve productivity and job security.

5 Budget process and consultation

- 5.1 This report presents the draft proposals for the 2021/22 budget. The report asks Cabinet to note:
- the position on developing a balanced budget for 2021/22, acknowledging that the position will be subject to ongoing review and updates;
 - agree that delegated decisions in appendix 3 will be implemented with immediate effect;
 - in addition, where appropriate that all proposals have had an initial Fairness and Equality Impact Assessments completed.
- 5.2 The report also asks Cabinet to agree a series of proposals for public consultation. This includes:
- budget savings proposals in appendix 2 (summary table) and appendix 5 (detailed saving proposals);
 - proposed fees and charges in appendix 7;
 - the position regarding the proposed school funding for 2021/22 in section 3.

Budget engagement

- 5.3 As part of the budget engagement strategy there has been a targeted engagement approach with members of the public to inform budget priorities for the next three years. This will help with budget and service planning. However, the outbreak of Covid-19 and subsequent restrictions in 2020 has meant that the usual pre-budget engagement activities have not been possible. For example, outreach engagement work and events like the over 50's information day were cancelled and bus Wi-Fi surveys were suspended whilst passenger numbers dropped considerably. Instead, engagement resources have focused on ascertaining which services have been most important in supporting households and the wider communities. Community engagement sessions were held with eight of the groups worst affected by Covid-19 as identified in the community impact assessment. This focused engagement will inform the budget setting process as Covid-19 looks set to shape Council strategic and financial planning at least for the medium term.
- 5.4 As the usual budget engagement mechanisms were not available, the Council has pursued innovative ways to strengthen the resilience of communities whilst involving them in financial decision-making. A participatory budgeting project in partnership with Aneurin Bevan University Health Board is currently underway. This will allow the communities who have been worst affected by Covid-19 to decide on the allocation of £100k funding (provided by ABUHB) to put in place additional services, support and projects.
- 5.5 In recent years (before 2020), there have been a series of outreach engagement sessions with communities across public venues including Newport Central Library and Newport City Council Information station. Officers have attended these venues and using an engagement tool have captured the views of residents to gain an understanding of how the public perceives the Council and how the authority uses its budget. Primarily feedback has focused on livability issues including community safety, recycling and lighting. The findings of this engagement remains relevant and an important evidence base to inform budget planning for 2021/22.
- 5.6 Seeking to capture and understand the opinions, needs and suggestions of the public, specific service users and other stakeholders has been an important part of the Council's budget setting process in recent years. Each year the budget is informed by extensive consultation, which allows our knowledge and understanding to grow over time. Over the last four budget cycles, we received almost 20,000 responses from the public with over 3,800 in the last financial year alone. It, however, needs to be recognised that for 2021/22, this level of response will not be possible because of social distancing and further restrictions on public gatherings and travel continue to take effect.
- 5.7 In addition to external public consultation, proposals will be reported to Scrutiny Committees, the Fairness Commission, Youth Council, older people's forums, Unions, Schools Forum and Third sector/ Business community throughout January. As already noted, further work is required on the Council's Corporate Plan, Change programme and proposals to balance the overall MTFP both in total and over individual years.
- 5.8 A second budget report will be presented to Cabinet on 22 February 2021. This will ask Cabinet to agree its final proposals for the 2021/22 budget and the resulting recommended level of council tax to fund that. The February report to Cabinet will include:
- the results of the public consultation process;
 - any updates from Welsh Government about future grant settlements
 - any emerging details on specific grants, which have financial implications.
- 5.9 Setting the council tax level and resulting total net revenue budget is the responsibility of full Council, so Cabinet's recommendations will be presented to the Council meeting on 3 March for approval and adoption.
- 5.10 Below is this year's timetable for consulting on and approving the 2021/22 budget:

Table 8: Budget consultation timetable 2021/22

| | |
|---|------------------------------------|
| Cabinet agrees budget proposals as a basis for consultation | 8 January 2021 |
| Consultation period | 8 January 2021 to 12 February 2021 |
| Cabinet considers feedback from consultation and agrees final budget proposals and recommends resulting overall budget and council tax required to full Council | 22 February 2021 |
| Council approves the 2021/22 overall budget and resulting council tax level required | 3 March 2021 |

6 Risk, financial resilience and performance

- 6.1 A key driver in our budget strategy and MTFP framework is the need to manage the Councils general and financial risks, its financial resilience and performance. This next section looks at these issues and identifies how they are dealt with, whilst considering how they influence the councils 2021/22 budget and medium term projections.

Risk

- 6.2 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.
- 6.3 The quarter 2 corporate risk register reported to December Cabinet identifies 11 severe risks some of which are linked to the issues set out within the economic context of this report. In some cases, it is increasingly difficult for the Council to effectively prepare and quantify the financial impact of some of these risks until outcomes are known. There are a number of risks identified in the risk register that to fully mitigate would be unaffordable i.e. highways asset backlog maintenance. In these cases, the risk is identified and the Council will provide adequate budgets based on risk based assessments and will lobby WG to provide more funding in these areas, as these risks are not unique to Newport. These areas do, however, continue to be monitored closely to ensure that where information is available these risks are considered and where appropriate factored into the councils financial planning.
- 6.4 Two current risks with significant uncertainty are Brexit and the Covid-19 pandemic:

Covid-19

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. It is hoped that key elements of the hardship fund will continue into 2021/22 to support the ongoing pressures and subsequent recovery of income. There are currently no pressures factored into the MTFP for Covid as the ongoing projections remain so uncertain.

Brexit

Whilst there is an acknowledgement that any trade negotiations are likely to result in increasing tariffs the impact on costs to the council are unknown at the time of writing.

In both of these cases, whilst the financial impact remains unknown the council's financial resilience set out in appendix 8 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.

- 6.5 Appendix 11 sets out the current risks included within the register. Key mitigation includes the Council's (i) revenue contingency budget (ii) 'Invest to Save' reserve to support and fund implementation costs of the current and future change programme, and (iii) capacity to develop the strategic and change programmes to meet the corporate plan within financial context. At this point, the Council's finances and reserves provide the financial capacity to deal with the current risks identified.

Financial Resilience

- 6.6 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 8 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council at this time. Key headlines include:

- The council maintains a good level of reserves with the vast majority earmarked for specific purposes and already committed. The contingency base budget and other risk reserves held by the council are 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 £542k under budget this is a result of lower than estimated costs due to Covid. The forecast underspend will see reserve balances increase to £1,655k 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. This will need to be considered between this meeting and the February 2021 meeting when the budget is finalised.
- The council has identified and continues to monitor budget reductions of £4.5m 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 and schools, 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, £13m need to be found by 2024/25 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.

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

7 Report review and statutory comments

7.1 Risks

| Risk | Impact of Risk if it occurs* (H/M/L) | Probability of risk occurring (H/M/L) | What is the Council doing or what has it done to avoid the risk or reduce its effect | Who is responsible for dealing with the risk? |
|--|--------------------------------------|---------------------------------------|--|---|
| Planning parameters around inflation are incorrect | M | M | <ol style="list-style-type: none"> 1 Use of contingency, where required 2 Use of reserves, where appropriate | Head of Finance SLT |
| Planning parameters around Welsh Government revenue grant are incorrect over medium term | H | M | <ol style="list-style-type: none"> 1. Use of contingency, where required 2. Keep the assumptions under constant review 3. Use of conservative assumptions | Head of Finance |
| Increasing budget pressures over medium term | M | M | <ol style="list-style-type: none"> 1. Manage demand, where possible 2. Keep MTFP under constant review 3. SLT review of all budget pressures within MTFP | SLT |

* Taking account of proposed mitigation measures

7.2 Links to Council Policies and Priorities

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

7.3 Options Available and considered

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

7.4 Preferred Option and Why

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

7.5 Comments of Chief Financial Officer

The key financial impacts are contained within the body of the report and Appendixes.

The main purpose of this report is to agree the budget investments and savings for consultation. Whilst specific budget savings have been identified for specific public and other consultation processes, the details of all individual investments and savings are either shown in detail or referenced in this report. Final decisions will be taken in the February Cabinet meeting, taking account of consultation responses and as always, the budget process will continue and develop over the consultation period, before finalisation in February. A Council Tax rate will be recommended by Cabinet at that point and reviewed/agreed by full Council in their early March meeting.

7.6 Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to approve the draft savings and investment proposals and council tax rate set out in the Report in order to recommend to Council a balanced budget for 21/22. Cabinet are also asked to agree to the draft budget proposals being submitted for public consultation, where the relevant business

cases will have an impact on service delivery and are not operational matters delegated to Heads of Service. Cabinet will then take the final decisions on those business cases in the light of the responses to the public consultation, prior to making a recommendation to Council regarding the budget for 21/22. The implementation of all the savings business cases are executive matters, with the exception of any consequential staffing proposals, which are non-executive matters delegated to Heads of Service. However, whichever decision-making process applies, all of the savings business cases have been the subject of fairness and equality impact assessments to ensure that the Council has regard to its public sector equality duties under the Equality Act and is also acting fairly in terms of the impact of the proposed changes on service delivery. In addition, where specific savings proposals require more focussed consultation with staff and key stakeholders, this will be carried out prior to the implementation of any proposed changes. Public consultation is also required to evidence that the Council has had due regard to the socio-economic duty which will form part of the equalities obligations as from 1st April 2021 and has considered what impact, if any, the savings and investment proposals may have on the socially disadvantaged. Because the additional schools funding is specifically for any additional increase in teachers' pay, the recommendation is that the necessary funding should be ear-marked for this purpose but only paid over as part of the delegated ISB's if and when any additional pay increase is confirmed. 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.

7.7 Comments of Head of People and Business Change

The report outlines the proposals for Cabinet consideration in order to set a balanced budget for 2021/22 and also looking forward, with consideration of the medium term financial plan.

Proposals that have an impact on staff will be subject to the required consultation, and consultation with trade unions. As is the case each year when setting the budget, there is a conscious effort to minimise impacts on staff, whilst focusing on priority services and setting a robust and balanced budget. With the continued constriction of governmental funding and the increase in cost pressures, this becomes more and more difficult each year. Due to this the decisions presented for consideration and public consultation are often inevitably a difficult series of 'trade-offs' between service priorities.

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

Public consultation on the proposals seeking Cabinet agreement will commence on 8th January 2021 and will run until 12th February 2021. Alongside the traditional paper based consultation process and on-line questionnaires, a bus Wi-Fi survey will be used, although the health crisis will preclude face-to-face consultation activity. As previous, the Fairness Commission will be asked to provide a consultation response.

7.8 Comments of Cabinet Member

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

7.9 Scrutiny Committees

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

7.10 Equalities Impact Assessment and the Equalities Act 2010

This is referenced in paragraph 4.5 of the report.

7.11 Children and Families (Wales) Measure

All proposals will be consulted on widely, as required.

7.12 Wellbeing of Future Generations (Wales) Act 2015

The Act is referenced in the report.

7.13 Crime and Disorder Act 1998

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

Dated: 8 January 2021

APPENDIX 2

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APPENDIX 2 – 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 | STR1 | Env Serv | STR2122/07 | Introduce parking charges to three park and countryside car parks | 29 | 9 | 0 | 0 |
| City Services | STR2 | Cemeteries | STR2122/08 | New fees and charges within cemetery services | 25 | 0 | 0 | 0 |

APPENDIX 2 – 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) |
|--|---------------------|----------------------|------------|---|---------------|---------------|---------------|---------------|
| 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 | | | | | 924 | 239 | 0 | 0 |
| Funding | n/a | n/a | n/a | Increase council tax increase from 4% base assumption by 1% to 5% | 580 | 0 | 0 | 0 |

APPENDIX 5

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Appendix 5 – Budget Savings for Consultation - Proposals

| Proposal Number | Unique ID | Service Area | Proposal Title |
|------------------------|------------------|-------------------------------------|--|
| 3 | STR2122/02 | City Services | Charges for non-household waste taken to household waste recycling centre (HWRC) |
| 4 | STR2122/05 | City Services | Streetworks – Increased Fees and Charges |
| 5 | STR2122/06 | City Services | Creation of pay and display car park Mill Parade |
| 6 | STR2122/07 | City Services | Introduce parking charges to three park and countryside car parks |
| 7 | STR2122/08 | City Services | New fees and charges within cemetery services |
| 8 | RIH2122/04 | Regeneration Investment and Housing | Information Station move to central museum and library |
| 9 | N/A | Non Service | Increase council tax increase from 4% base assumption by 1% to 5% |

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MTRP Budget Proposal – 2021/22 to 2023/24

| | | | |
|--|---|--|---|
| Service Area | City Services | | |
| Proposal Title | Charges for non-household waste taken to household waste recycling centre (HWRC) | | |
| Summary Description, Delivery Arrangements and Timescales | <p>Historically the council has accepted non-household waste from residents such as DIY and construction materials.</p> <p>This has incurred additional costs to the council and this proposal is to introduce a small charge to offset these costs.</p> <p>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.</p> <p>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.</p> | | |
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet <input checked="" type="checkbox"/> |

| | | | | |
|---|------------|-------------------------------------|-----------|--------------------------|
| Public Consultation Required (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|---|------------|-------------------------------------|-----------|--------------------------|

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|--|------------------------|------------------------|------------------------|
| | 20 | | |
| One-Off Implementation Costs (£000's) | | | |
| Revenue – Redundancy/Pension | | | |
| Revenue – Other | | | |
| Capital – Building related | | | |
| Capital – Other | | | |
| Implementation Cost - Total | | | |

| | |
|----------------------------|-----|
| Impact on FTE Count | n/a |
|----------------------------|-----|

MTRP Budget Proposal – 2021/22 to 2023/24

| | | | | |
|--|------------|-------------------------------------|-----------|--|
| Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | |
|--|------------|-------------------------------------|-----------|--|

PART TWO

| Options Considered |
|---|
| <p>Docks Way HWRC currently accept a number of items that fall outside the definition of household waste as per Section 51 of the Environmental Protection Act (1990), such as doors and windows, fitted kitchens, fitted wardrobes, inert material such as rubble, concrete, bricks and roof tiles, plasterboard, soil from landscaping activities, other building materials and tyres.</p> <p>There is an acknowledgment that residents sometimes generate these types of waste, however their handling generates an extra cost that is currently covered by the Council as an extra, creating a pressure. Legislation allows for the Council to impose a charge to help cover the cost of handling and disposing of those items.</p> <p>Option 1 – Maintain status quo</p> <p>Option 2 – Introduce charges for rubble, tyres and plasterboard</p> <p>Main costs are generated by collection of rubble, tyres and plasterboard.</p> <p>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.</p> <p>Option 3 – Introduce charges for tyres and plasterboard</p> <p>Rubble is a material commonly produced as part of house renovations and the amount of rubble collection at Docks Way Recycling Centre 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 too both in frequency and cost, and would also have a significant negative impact to the recycling rate.</p> <p>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.</p> |

MTRP Budget Proposal – 2021/22 to 2023/24

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.

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 £2.5 and £6 per bag of plasterboard, and £4 to £5 per tyre.

In Wales, Conwy charges 42 per bag of plasterboard or £30 per trailer, and £4 per tyre. And Pembrokeshire, while not accepting tyres, will charge £1.9/bag over the 3 bag FOC limit, or £69 for a boot load.

Recommended Option

Recommended option is Option 3 - Introduce charges for tyres and plasterboard

The proposal is based on introducing set charges per item. Use of the HWRC is done by appointment only, so charges could easily be introduced at the moment of booking based on the information provided by the resident as to the number of chargeable items. On site monitoring would then be carried out to ensure items disposed of matched items booked and paid for. The existing booking system already has the functionality to introduce charges so it would only imply a relatively simple modification to set up payments.

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 £2.5 and £6 per bag of plasterboard, and £4 to £5 per tyre.

In Wales Conwy charge £4 per bag of plasterboard or £30 per trailer load and £4 per tyre. Pembrokeshire, does not permit tyres and charge a min of £33.5 for plasterboard. We are aware that other Welsh councils are currently considering introducing charges.

In England, charges are usual, with variable prices. Some examples:

| | |
|---------------|---|
| Dorset | Plasterboard £2.5/bag or £12/sheet, £5/tyre |
| Hampshire | Plasterboard £6/bag |
| Kent | Plasterboard £6/bag, £2.5/tyre |
| Oxfordshire | Plasterboard £2.5/bag, £5/tyre |
| Somerset | Plasterboard £4.5/bag, tyres range between £3.69, £5.2 or £52.2 depending on size |
| Staffordshire | Plasterboard £4/bag, £4/tyre |
| Surrey | Plasterboard £4/bag or £12/sheet, £5/tyre |

MTRP Budget Proposal – 2021/22 to 2023/24

Proposed charges are:

- Plasterboard: £5 per bag (up to approx. 25kg)
- Tyres: £2.5 per item

Based on those charges, and estimated tonnage of each waste stream to be collected in 21/22, proposed savings would be:

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration – This proposal helps to maintain collections of waste streams that get recycled in line with the waste hierarchy and the Council’s Waste Strategy. It is also aligned to the Corporate Plan’s well-being objective – ‘To promote economic growth and regeneration whilst protecting the environment’.

Long Term – By covering the cost of the service for some non-household waste, we ensure its long term viability so that residents can keep bringing all their waste to the Council recycling centres.

Prevention – A chargeable scheme will ensure recycling of these items continues being viable for the Council and would prevent issues with potential increase of flytipping or issues with breach of duty of care requirements if the Council was not available to accept these materials in future.

Collaboration - As part of the circular economy principles, the Council aims to work with local reprocessors whenever possible and uses local companies for recycling DIY material. A charging structure would guarantee this collaboration and long term contribution to a more prosperous Wales

Involvement – This proposal will require a FEIA, which will analyse potential impact on the community at large, and will be included as part of the consultation with residents included in the budget approval process. All residents will have the opportunity to provide feedback on the proposal and comments will be taken into account before a decision is made

Fairness and Equality Impact Assessment

For internal use:

| | |
|--------------------------------|------------|
| <i>Unique reference number</i> | STR2122/02 |
| <i>Activity Code</i> | STR13 |

MTRP Budget Proposal – 2021/22 to 2023/24

| | | | | | | | | | | | | | |
|--|--|--|-------------------|------------------|-------------------|--------------|-------------------|---|-------------------|----------------------------------|-------------------|------------------------------|--------------------------|
| Service Area | City Services | | | | | | | | | | | | |
| Proposal Title | Streetworks – Increased Fees and Charges | | | | | | | | | | | | |
| Summary Description, Delivery Arrangements and Timescales | <p>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.</p> <p>This a statutory requirement that all contractors must obtain prior to commencing any works that will affect the availability for roadusers and pedestrians whereby roads will require closure and diversion to a suitable alternative route to enable the works to be carried out safely.</p> <p>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.</p> <p>This legal process incurs both administrative and legal costs and includes advertising where required. Currently the council charge £800.00 per application exclusive of advertising, which is charged separately to the applicants on long term road closures only.</p> <p>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.</p> <p>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.</p> <p>An allowance for advertising costs is to be included based on long term closures experienced previously for £15k</p> <p>Finance:</p> <table> <tr> <td>Current fees arrangement 58 applications @ £800.00</td> <td>£46,400 per annum</td> </tr> <tr> <td>Advertising fees</td> <td>£15,000 per annum</td> </tr> <tr> <td>Total income</td> <td>£61,400 per annum</td> </tr> <tr> <td>New proposed fees 58 applications @ £1,450.00</td> <td>£84,100 per annum</td> </tr> <tr> <td>Less 4% Default Council Increase</td> <td>-£1,856 per annum</td> </tr> <tr> <td>Net additional income</td> <td>£20,844 per annum</td> </tr> </table> | Current fees arrangement 58 applications @ £800.00 | £46,400 per annum | Advertising fees | £15,000 per annum | Total income | £61,400 per annum | New proposed fees 58 applications @ £1,450.00 | £84,100 per annum | Less 4% Default Council Increase | -£1,856 per annum | Net additional income | £20,844 per annum |
| Current fees arrangement 58 applications @ £800.00 | £46,400 per annum | | | | | | | | | | | | |
| Advertising fees | £15,000 per annum | | | | | | | | | | | | |
| Total income | £61,400 per annum | | | | | | | | | | | | |
| New proposed fees 58 applications @ £1,450.00 | £84,100 per annum | | | | | | | | | | | | |
| Less 4% Default Council Increase | -£1,856 per annum | | | | | | | | | | | | |
| Net additional income | £20,844 per annum | | | | | | | | | | | | |

MTRP Budget Proposal – 2021/22 to 2023/24

| | | | | |
|---|-----------------|--|---------|---|
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet | ✓ |
|---|-----------------|--|---------|---|

| | | | | |
|---|------------|---|-----------|--|
| Public Consultation Required (Please tick appropriate box) | YES | ✓ | NO | |
|---|------------|---|-----------|--|

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|---------------------------------------|-----------------|-----------------|-----------------|
| | 21 | | |
| One-Off Implementation Costs (£000's) | | | |
| 2021/22 (£'000) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
| Revenue – Redundancy/Pension | | | |
| Revenue – Other | | | |
| Capital – Building related | | | |
| Capital – Other | | | |
| Implementation Cost - Total | | | |

| | |
|----------------------------|------------------------|
| Impact on FTE Count | No impact on FTE count |
|----------------------------|------------------------|

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

For internal use:

| | |
|--------------------------------|------------|
| <i>Unique reference number</i> | STR2122/05 |
|--------------------------------|------------|

MTRP Budget Proposal – 2021/22 to 2023/24

| | |
|----------------------|------|
| <i>Activity Code</i> | STR4 |
|----------------------|------|

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MTRP Budget Proposal – 2021/22 to 2023/24

| | | | |
|--|---|--|---|
| Service Area | City Services | | |
| Proposal Title | Creation of pay and display car park at Mill Parade | | |
| Summary Description, Delivery Arrangements and Timescales | <p>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.</p> <p>It has been recently upgraded with electric vehicle charging facilities for 4 vehicles at this site.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>It is estimated these works and the formal process will be delivered by March 2021.</p> | | |
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet <input checked="" type="checkbox"/> |

| | | | | |
|---|------------|-------------------------------------|-----------|--------------------------|
| Public Consultation Required (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|---|------------|-------------------------------------|-----------|--------------------------|

MTRP Budget Proposal – 2021/22 to 2023/24

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|--|------------------------|------------------------|------------------------|
| | 21 | | |
| One-Off Implementation Costs (£000's) | | | |
| | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
| Revenue – Redundancy/Pension | | | |
| Revenue – Other | | | |
| Capital – Building related | 15 | | |
| Capital – Other | | | |
| Implementation Cost - Total | 15 | | |

| | |
|----------------------------|------------------------|
| Impact on FTE Count | No impact on FTE count |
|----------------------------|------------------------|

| | | | | |
|--|------------|-------------------------------------|-----------|--------------------------|
| Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|--|------------|-------------------------------------|-----------|--------------------------|

For internal use:

| | |
|--------------------------------|------------|
| <i>Unique reference number</i> | STR2122/06 |
| <i>Activity Code</i> | STR20 |

MTRP Budget Proposal – 2021/22 to 2023/24

| | | | |
|--|---|--|---|
| Service Area | City Services | | |
| Proposal Title | Introduce parking charges to three park and countryside car parks | | |
| Summary Description, Delivery Arrangements and Timescales | <p>To install pay and display meters in:</p> <ul style="list-style-type: none"> • Glebelands, • Christchurch (Local Nature Reserve) viewing point, • Morgans Pond (off Bettws Lane). <p>Income generation will allow a reduction in the budget. This proposal will be undertaken as a third phase following the successful installation in Belle Vue park in 2018/19, Tredegar Park and Fourteen Locks in 2019/20.</p> <p>Following approval of budget savings, traffic orders will be placed on the car parks and following their confirmation improvement works and installation of ticket machines will be undertaken by July 2021.</p> | | |
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet <input checked="" type="checkbox"/> |

| | | | | |
|---|------------|-------------------------------------|-----------|--------------------------|
| Public Consultation Required (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|---|------------|-------------------------------------|-----------|--------------------------|

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|--|------------------------|------------------------|------------------------|
| | 29 | 9 | |
| One-Off Implementation Costs (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
| Revenue – Redundancy/Pension | | | |
| Revenue – Other | | | |
| Capital – Building related | 51 | | |
| Capital – Other | | | |
| Implementation Cost - Total | 51 | | |

MTRP Budget Proposal – 2021/22 to 2023/24

| | |
|----------------------------|--------------------------------------|
| Impact on FTE Count | Support the creation of 0.5 FTE post |
|----------------------------|--------------------------------------|

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

PART TWO

| Options Considered | | | | | | | | | | | | | |
|--|--|------------|--|---------------------------|-----------|--------------|-----------|------|-------------------|------|---------------------|------|------------------------|
| <p>Introducing charging may displace parking to neighbouring residential areas and this will be monitored following implementation. To counteract any displacement, we would work with user groups and implement measures such as designating bays for school drop off at the Glebelands, which will be free between 08:00 - 09:00 and 15:00-16:00 daily. Although with recent schemes potential displacement was a concern of residents, this did not materialise as a major issue following their implementation.</p> <p>The usage for each site has been estimated using a formula acknowledging seasonal and daily variations for each site and data available for parking income derived from other sites. The annual income per space is estimated as £200/year. This has been measured against the number of spaces. available at each location which are:</p> <table style="margin-left: 40px;"> <tr> <td>Glebelands</td> <td>149 spaces (including school drop off)</td> </tr> <tr> <td>Christchurch Viewing Area</td> <td>50 spaces</td> </tr> <tr> <td>Morgans Pond</td> <td>67 spaces</td> </tr> </table> <p>The parking tariff at these sites and on all sites will be the same as for the city park sites 2020/21:</p> <table border="1" style="margin-left: 40px;"> <tr> <td>101A</td> <td>£1.00 for 2 hours</td> </tr> <tr> <td>101B</td> <td>£3.00 up to 5 hours</td> </tr> <tr> <td>101C</td> <td>£5.00 for over 5 hours</td> </tr> </table> <p>Therefore, the annual income for these sites is expected to be a total of £53,200 broken down as follows:</p> | | Glebelands | 149 spaces (including school drop off) | Christchurch Viewing Area | 50 spaces | Morgans Pond | 67 spaces | 101A | £1.00 for 2 hours | 101B | £3.00 up to 5 hours | 101C | £5.00 for over 5 hours |
| Glebelands | 149 spaces (including school drop off) | | | | | | | | | | | | |
| Christchurch Viewing Area | 50 spaces | | | | | | | | | | | | |
| Morgans Pond | 67 spaces | | | | | | | | | | | | |
| 101A | £1.00 for 2 hours | | | | | | | | | | | | |
| 101B | £3.00 up to 5 hours | | | | | | | | | | | | |
| 101C | £5.00 for over 5 hours | | | | | | | | | | | | |

MTRP Budget Proposal – 2021/22 to 2023/24

| | anticipated income per site | Income minus 2% handling fee for card payments |
|---|------------------------------------|---|
| Car Parking income Glebelands | £29,800 | £29,204 |
| Car Parking income Morgans Pond | £13,400 | £13,132 |
| Car Parking income Christchurch Viewing Point | £10,000 | £9,800 |
| | | |
| Total income anticipated | £53,200 | £52,136 |

This proposal includes **capital costs** for legal orders, installation of parking meters, access control measures where required, signage, surface repairs and re-lining of bays. Estimate of 1-2 machines per site plus associated costs would require initial one off cost of **£51k**, funded as a capital from the Invest to Save reserve.

Running costs per site including operational costs of machines would include the 2% handling fee for processing card payments etc. and when this is applied to the income the overall total reduces to **£52k**. The additional car parking pay and display sites would be added to the remit of the Parking Services team for management, including collection and servicing. At present, the Parking Services team is already over capacity and therefore funding from collections under this proposal would be used to support an additional 0.5 FTE undertaking back office and onsite duties as an ongoing cost funded from revenue.

The 0.5 FTE Car Park Support Officer would be graded as a scale 4 and therefore revenue funding of **£14k** would be taken from gross income generation to support the post. The remaining expected income of **£38k** would be taken as a saving to be added to the Parks and Countryside budget income line at a set level of £38k. Any additional income above this annual income would be used to improve and update facilities at the sites and parks.

Prior to installation, the council will put in place legal orders to ensure that the parking tariff is enforceable. The legal costs and advertisements required will be in the region of £2k per site included in the capital figure. As legal orders will take time to implement, following budget approval it is estimated that three quarters (75%) of the saving/income will be achieved in the 2021/22 financial year with the remaining quarter (25%) achieved in 2022-23. This would be the timeline for the recruitment of the FTE officer in 2021/22.

Payment machines would be card/contactless and App operated only due to experience of vandalism that has occurred at sites where machines are not overlooked

Option 1: I Introduce the charges as detailed above.

Option 2: Do not introduce the charges.

MTRP Budget Proposal – 2021/22 to 2023/24

Recommended Option

Option 1: improved income generation. Improve and increase security of car park areas, as additional officer support would be available.

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration –

This proposal will increase income opportunities and savings for the service area and potentially enable funds to be reinvested within the parks assets. The income generation will allow us to continually improve, conserve and protect parks and open spaces within the city, providing access to sites and activity area that are available for everyone in the city. Usage of all of the sites will fall initially as we have seen at other sites following introduction of parking charges, however within the first year the usage rises back to former levels.

If successful, ongoing improvement will increase revenue over the years and is linked to ensuring resilience and protecting green space areas.

Long Term

Contribution to costs associated with servicing park infrastructure. Parks and open spaces are an important cultural asset especially where these offer the opportunity to undertake formal and informal recreation serving a wide range of residents.

Income generation that can be used to offset on going future maintenance costs of parks and open spaces.

Once charges are applied, sites within reach of the M4 would be assessed for suitability to install EV charging points which would benefit local people and commuter traffic, encouraging people to consider electric as an alternative sustainable form of transport.

Prevention

Renovating and updating facilities prevents vandalism and theft, protecting assets located in very public areas. Improving sites, through the capital expenditure, benefits other site users.

Collaboration

Parks user groups, anglers, bowlers, football and rugby clubs, societies, canal trust and other user groups will be included in the consultation of the proposal as will the people using the schools and local residents. Groups and individuals will also have the opportunity to comment of the legal order process.

Involvement

User groups will be supportive of a proposal to protect the assets linking the public with Newport Parks, open spaces, canal and ponds.

MTRP Budget Proposal – 2021/22 to 2023/24

Fairness and Equality Impact Assessment

Yes, it is required. The impact on community post covid is that we wish to encourage more people to use local parks and open spaces for recreation. If parking charges are implemented people are more likely to walk to the sites to take exercise which is beneficial for their health and also for the air quality

Post Covid we will see increase in vehicular traffic once schools and leisure sites are fully open

For internal use:

| | |
|--------------------------------|------------|
| <i>Unique reference number</i> | STR2122/07 |
| <i>Activity Code</i> | STR1 |

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MTRP Budget Proposal – 2021/22 to 2023/24

| | | | |
|--|--|--|---|
| Service Area | City Services | | |
| Proposal Title | New fees and charges within cemetery services | | |
| Summary Description, Delivery Arrangements and Timescales | <p>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.</p> <p>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.</p> | | |
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet <input checked="" type="checkbox"/> |

| | | | | |
|---|------------|-------------------------------------|-----------|--------------------------|
| Public Consultation Required (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|---|------------|-------------------------------------|-----------|--------------------------|

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|--|------------------------|------------------------|------------------------|
| | 25 | | |
| One-Off Implementation Costs (£000's) | | | |
| Revenue – Redundancy/Pension | | | |
| Revenue – Other | | | |
| Capital – Building related | | | |
| Capital – Other | | | |
| Implementation Cost - Total | | | |

| | |
|----------------------------|------------------------|
| Impact on FTE Count | No impact on FTE count |
|----------------------------|------------------------|

| | | | | |
|--|------------|-------------------------------------|-----------|--------------------------|
| Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|--|------------|-------------------------------------|-----------|--------------------------|

MTRP Budget Proposal – 2021/22 to 2023/24

PART TWO

Options Considered

The publication of the policy document, Newport Cemetery Management Guidelines, in 2019 clarified service provision. The service has benchmarked the Newport Cemetery offer against the neighbouring authorities

Proposed new or additional services:

- Costs and expenses incurred and due to the authority for undertaking funeral services under the Public Health Act 1984 in addition to closed cremation or burial cost. Costs to be identified in fees and charges and recovered from the estate of the deceased where possible. Service has been traditionally offered to local undertakers, however the costs of providing the service through an external funeral company has more than doubled in recent years (up to £2,734/ per funeral in 2020). Numbers of public health funerals will fluctuate from as low as three, up to fifteen in some years which presents a large cost for the service to absorb and as a statutory requirement is causing increased budget pressure. By bringing this service in-house to be covered by the existing team, we will generate a saving to the service, which can be reflected in a reduction of the budget for this element of the cemetery service.
- Allowing installation of full kerb sets within 'Traditional Grave' sections of the cemetery. Costs will be on top of the purchase for grant of exclusive right.
- Purchase of plot with requirement for double depth grave;
- Purchase of plot with requirement for triple depth grave;
- Test Dig of a Grave – usually for verification of available depth in previously purchased plots
- Brick lining of walls of a Single Grave – for support where ground conditions require or on request by a family
- Brick lining of walls of a Double Grave – for support where ground conditions require or on request by a family
- Incorrect or missing details off forms. Interment forms not complete, sent back to funeral directors, epilogue changed, funeral cancelations. Where required return of incomplete, incorrect or missing details off forms. £15.00

The proposed new costs are as follows:

Description

| | Unit Price | Estimated Number per year | Estimated Annual Income |
|--|------------|---------------------------|-------------------------|
| Traditional Graves Installation of full kerb sett | £ 400.00 | 10 | £ 4,000.00 |

MTRP Budget Proposal – 2021/22 to 2023/24

| | | | | | |
|-----------------------------------|---|----------|----|---|----------|
| Double Depth Grave | £ | 200.00 | 30 | £ | 6,000.00 |
| Triple Depth Grave | £ | 300.00 | 15 | £ | 4,500.00 |
| Test Dig of a Grave | £ | 140.00 | 10 | £ | 1,400.00 |
| Bricking up a Single Grave | £ | 650.00 | 4 | £ | 2,600.00 |
| Bricking up a Double Grave | £ | 1,300.00 | | £ | - |

Total additional income from new charges

£18,500.00

Public Health Funerals undertaken through external undertaker

| Estimated Av Annual Funerals | Undertaker Contractors Costs | Interment | Cremation Costs | Total | no. funerals x cost | Potential Saving |
|-------------------------------------|-------------------------------------|------------------|-------------------------------|----------------------|----------------------------|-------------------------|
| 8 | £ 1,581.00 | £ 1,158.00 | to be added where required | £ 2,739.00 | £ 21,912.00 | |

The in-house team can undertake these funerals for a cost of

| | | | | | | |
|---|---|---------------|-------------------------------|----------------------|-----------------------|---------------|
| 8 | £ 800.00 fixed costs and staff time | £ 1,158.00 | to be added where required | £ 1,958.00 | £ 15,664.00 | £ 6,248.00 |
|---|---|---------------|-------------------------------|----------------------|-----------------------|---------------|

Total additional saving from undertaking as in-house operation

£ 6,248.00

Additional annual income for cemetery service from new service

£ 24,748.00

A small amount of capital funding will be required to undertake re-working of price lists and provide updated publicity information. This has been estimated as £7K.

Option 1: is the option stated above to introduce charges at the levels indicated.

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

MTRP Budget Proposal – 2021/22 to 2023/24

Recommended Option

Option 1: is the option stated above to introduce charges at the levels indicated. This gives clarity to families arranging funeral and allows all costs to be identified and considered at the earliest stage therefore eliminating 'hidden' costs.

The undertaking of public health funerals as an in-house service will save the service area a minimum of £6K per year.

This service would be commensurate with existing job descriptions and requirements of cemetery workers and supervisors

Specific Links with Wellbeing of Future Generations (WFG) Act

Integration –

This proposal will increase income opportunities and savings for the service area and potentially enable funds to be reinvested within the cemetery assets. The income generation will allow us to continually improve, conserve and protect city cemeteries and provide resilience for this service in line with the Newport 2020, Corporate Plan, Well-being Plan and Improvement Plan.

Addition of kerb sets within the traditional areas will not impact on maintenance as these areas are already maintained by strimming due to access constraints in the Victorian sections.

Long Term

Contribution to and reducing costs associated with cemetery services will protect this important cultural asset and income generation that can be used to offset on going future maintenance costs.

Prevention

Updating the costs prevents confusion or misunderstanding with the services that are available. Provision of public health funerals as an internal service ensures that costs are kept manageable.

Collaboration

Improvements to the service will benefit the public and staff to avoid 'hidden' costs. This information has been in the public domain for over twelve months and there have been no issues raised within these works. Requests for installation of the kerb sets are made on a regular basis.

Involvement

Clients and the public are supportive of a proposal to protect the assets and continue to provide improvements to the service.

Fairness and Equality Impact Assessment

Yes

MTRP Budget Proposal – 2021/22 to 2023/24

For internal use:

| | |
|--------------------------------|------------|
| <i>Unique reference number</i> | STR2122/08 |
| <i>Activity Code</i> | STR2 |

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MTRP Budget Proposal – 2021/22 to 2023/24

| | | | |
|--|---|--|---|
| Service Area | Regeneration, Investment and Housing | | |
| Proposal Title | Information Station move to Central Museum and Library | | |
| Summary Description, Delivery Arrangements and Timescales | <p>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.</p> <p>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.</p> <p>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.</p> <p>This saving should be fully realised by April 2021, with the CML site becoming fully operational in September 2021.</p> | | |
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet <input checked="" type="checkbox"/> |

| | | | | |
|---|------------|-------------------------------------|-----------|--------------------------|
| Public Consultation Required (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|---|------------|-------------------------------------|-----------|--------------------------|

MTRP Budget Proposal – 2021/22 to 2023/24

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|--|------------------------|------------------------|------------------------|
| | 117 | | |
| One-Off Implementation Costs (£000's) | | | |
| Revenue – Redundancy/Pension | | | |
| Revenue – Other | 250 | | |
| Capital – Building related | | | |
| Capital – Other | 265 | | |
| Implementation Cost - Total | 515 | | |

| | |
|----------------------------|--|
| Impact on FTE Count | |
|----------------------------|--|

| | | | | |
|--|------------|-------------------------------------|-----------|--|
| Does this proposal require an FEIA and/or WFG Act assessment? (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | |
|--|------------|-------------------------------------|-----------|--|

MTRP Budget Proposal – 2021/22 to 2023/24

PART TWO

| Options Considered |
|--|
| <ol style="list-style-type: none">1. 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.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. |
| Recommended Option |
| Option 1 |
| Specific Links with Wellbeing of Future Generations (WFG) Act |
| <p>The project accords well with the five ways of working as set forth in the Wellbeing of Future Generations Act:</p> <p>Long Term – This offer provides a sustainable future for a key city centre building and provides a different and important offer within Newport. Diversification of the economy, and support for knowledge intensive business trading is identified as a key factor driving the economic sustainability of town and city centres across the UK.</p> <p>Prevention – The project will secure an enhanced provision of the current Information Station offer in the city centre and ensure the services accessed remain able to carry out key preventative services, such as housing options and migrant support.</p> <p>Integrated – The City Centre Masterplan denotes the ‘Northern Gateway’ areas adjacent to the train station as a key economic anchor for the urban core. This potential use of the Information Station building will integrate positively with sustainable public transport and wider regeneration proposals.</p> <p>Involvement – The project has engaged with staff and the private business community to date to ensure the project is a long-term, viable option. Targeted consultation will be carried out with service users of the Museum and Library along with the current Information Station.</p> <p>Collaboration – Newport City Council has worked in partnership with a number of organisations to develop this potential offer, particularly private sector operators as well as both the Homes and Places and Economy and Transport divisions of the Welsh Government.</p> <p>The project is compliant with the well-being goals through improvements to economic, social and environmental aspects of both the immediate property and surrounding area as follows:</p> |

MTRP Budget Proposal – 2021/22 to 2023/24

Goal 1 – A Prosperous Wales

By providing much needed, collaborative working space for start-up businesses, particularly those in the economically resilient knowledge-based tech and digital sector.

Goal 2 - A Resilient Wales

By providing a base for hosting existing and new businesses in the City Centre, these businesses will contribute to a sustainable and diverse economic base.

Goal 3 - A Healthier Wales

By enabling and encouraging access to each facility by sustainable transport – either rail, bus or active travel.

Goal 5 - A Wales of Cohesive Communities

By embedding a culture of collaboration within the local the business community.

Goal 6 - A Wales of Vibrant Culture and Thriving Welsh Language

By encouraging access to the current Museum and Library offer by co-locating this provision alongside other key services.

Goal 7 - A Globally Responsible Wales

By securing investment for south east Wales and the local supply chain and businesses. Applying sustainable regeneration principles based around this engagement of local businesses will ensure that the objectives contribute fully to a globally responsible Wales.

Fairness and Equality Impact Assessment

In partnership with the Corporate Policy Team, a Fairness and Equality Impact Assessment has been undertaken and the key points from this are:

1. The impacts on users of the Information Station service are likely to be positive (refurbishment and upgrade) and with no significant detriment to protected groups.

The information station service will remain in the city centre with improved accessibility and co-location of public services.

For internal use:

| | |
|--------------------------------|------------|
| <i>Unique reference number</i> | RIH2122/04 |
| <i>Activity Code</i> | RIH8 |

MTRP Budget Proposal – 2021/22 to 2023/24

| Service Area | Non Service | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|---------------------|----|----------------------------|-----------|--------------------|--------|-------------------|-------|---|--|------------|--------|---------|--------|---------|--------|---------|--------|---------|--------|---------------|--------|---------|--------|
| Proposal Title | Increase in Council Tax | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Summary Description, Delivery Arrangements and Timescales | <p>A base 4% increase is already included in our medium term financial projections each year. This year, it is proposed that an additional 1% increase is applied to council tax in 2021/22 bringing the proposed increase to 5%.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Percentage Increase</th> <th>5%</th> </tr> </thead> <tbody> <tr> <td>Newport Band D Tax 2021/22</td> <td>£1,257.77</td> </tr> <tr> <td>Increase per annum</td> <td>£59.89</td> </tr> <tr> <td>Increase per week</td> <td>£1.15</td> </tr> </tbody> </table> <p>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.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Comparison with existing Band D Council Tax (rounded) Current year (2020/21) before any increase</th> </tr> </thead> <tbody> <tr> <td>Caerphilly</td> <td>£1,184</td> </tr> <tr> <td>NEWPORT</td> <td>£1,198</td> </tr> <tr> <td>Wrexham</td> <td>£1,233</td> </tr> <tr> <td>Cardiff</td> <td>£1,266</td> </tr> <tr> <td>Torfaen</td> <td>£1,367</td> </tr> <tr> <td>Monmouthshire</td> <td>£1,381</td> </tr> <tr> <td>Swansea</td> <td>£1,406</td> </tr> </tbody> </table> <p>The Welsh Government uses the Standard Spending Assessment (SSA) to calculate the level of spending required to deliver a 'standard level' of service in each council area. However, our actual spend is well below our SSA (around £9.2m in 2020/21), which is mainly due to our low level of council tax funding.</p> | | | Percentage Increase | 5% | Newport Band D Tax 2021/22 | £1,257.77 | Increase per annum | £59.89 | Increase per week | £1.15 | Comparison with existing Band D Council Tax (rounded) Current year (2020/21) before any increase | | Caerphilly | £1,184 | NEWPORT | £1,198 | Wrexham | £1,233 | Cardiff | £1,266 | Torfaen | £1,367 | Monmouthshire | £1,381 | Swansea | £1,406 |
| Percentage Increase | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Newport Band D Tax 2021/22 | £1,257.77 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Increase per annum | £59.89 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Increase per week | £1.15 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Comparison with existing Band D Council Tax (rounded) Current year (2020/21) before any increase | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Caerphilly | £1,184 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NEWPORT | £1,198 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wrexham | £1,233 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cardiff | £1,266 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Torfaen | £1,367 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Monmouthshire | £1,381 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Swansea | £1,406 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Decision Point (Please tick appropriate box) | Head of Service | | Cabinet <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | |
|---|-----|-------------------------------------|----|--------------------------|
| Public Consultation Required (Please tick appropriate box) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|---|-----|-------------------------------------|----|--------------------------|

MTRP Budget Proposal – 2021/22 to 2023/24

PART ONE

| Net Savings (£000's) | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
|--|------------------------|------------------------|------------------------|
| | 580 | | |
| One-Off Implementation Costs (£000's) | | | |
| Revenue – Redundancy/Pension | 2021/22 (£'000) | 2022/23 (£'000) | 2023/24 (£'000) |
| Revenue – Other | | | |
| Capital – Building related | | | |
| Capital – Other | | | |
| Implementation Cost - Total | | | |

| | |
|----------------------------|-----|
| Impact on FTE Count | n/a |
|----------------------------|-----|

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

For internal use:

| | |
|--------------------------------|-----|
| <i>Unique reference number</i> | |
| <i>Activity Code</i> | n/a |