

Decision Schedule

Cabinet



TO ALL MEMBERS OF NEWPORT CITY COUNCIL

Decision Schedule published on 15 December 2022

The Chair of Cabinet Member took the following decision on 14 December 2022. The decision will become effective at Noon on 22 December 2022, with the exception of any particular decision, which is the subject of a valid "call-in".

The deadline for submission of a 'Call-in' request form is 4.00 pm on 21 December 2022.

Reports relating to staffing issues/Confidential reports are not circulated to all members of the Council as part of the consultation/call-in processes.

Leader 66/22

October Revenue Budget Monitor

Options Considered/Reasons for Decision

The October 2022 revenue position forecasted an overspend of £1,369k; which excluded schools. This overspend was after use of all the revenue budget contingencies of £4,853k included in the 2022/23 revenue budget, as agreed by Cabinet in February 2022. Cabinet would remember that in addition to the base budget contingency, other revenue budgets were temporarily available to augment that for 2022/23 to the level shown above.

As well as the revenue budget contingency of £4,853k, further 'covid contingency' was earmarked from re-purposed reserves at £1,820k and this was one-off funding only. This was not included/used in this forecast and the Head of Finance recommended that the Council manages the position down to the available revenue budget which allowed the reserve to be utilised for other potential future use, as much as possible.

A small number of significant issues gave rise to an overspend against service area budgets (excluding schools) of £7,337k:

- Overspend on pay budgets. Impact of agreed pay award which represented a total increase to salary budgets of around 6%, against a budgeted increase provision of only 4%, excluding schools. £2,398k
- Overspend on Housing budgets. Homelessness provision £3,057k
- Overspend in Children's social care. Placement costs £3,354k

A further net £514k of overspending was also included in this forecast, which included non-delivery of savings both this current year and previous year's savings. More detail was included in the report.

In addition to the use of the general and covid contingency budgets to mitigate service area overspends, underspends were forecasted against the following non-service budgets:

• Capital Financing underspend - interest payable and receivable	(£2,299k)
• Council Tax Reduction scheme underspend	(£1,014k)
• NDR and empty homes underspend	(£214k)
• Pensions forecast lower than budget	(£275k)

Schools were separately projected to overspend by £5,596k, a proportion of which would have been planned, and this would reduce school reserves by that amount. As well as the impact of a higher pay award compared to the budget increase allowed for, schools were drawing down on reserves built up over the previous two years as they moved to catch up / strengthen provision after the impacts of Covid and catch up on maintenance / related improvements. Robust monitoring needed to be maintained in this area, as whilst no schools set a deficit budget, there were a couple of schools that entered an in year deficit position following the impact of the pay award being reflected in individual school forecasts.

Whilst the service area overspending was mitigated by forecast underspends against non-service budgets, the level of overspending in service areas was a significant concern. There was reasonable certainty on a number of key issues raised which gave rise to the overspending – 2022/23 pay award, homelessness costs and placement numbers for example. The position required robust action requiring services to find ways to reduce pressures, identify in-year mitigating savings and, wherever possible, utilise any additional grant funding to offset overspend positions. Any overspend required immediate funding from reserves at the year-end.

The appendices to the report are as follows:

Appendix 1	Overall budget dashboard –October 2022
Appendix 2	Revenue summary monitor – October 2022
Appendix 3	Projected school balances
Appendix 4	2022/23 projected reserve movements

Decision

That Cabinet:

- Noted the overall budget forecast position resulting from the issues included in this report and the potential for an overspend position to exist at the end of the financial year.
- Agreed that the Chief Executive and the Executive Board continued to review and challenge service area forecasts in an attempt to manage the overall forecasts within the core revenue budget, including revenue budget contingencies.
- Noted the risks identified throughout the report and in the Head of Finance comments, particularly in relation homelessness and the lasting impacts of the pandemic.
- Noted the forecasted movements in reserves.
- Noted the overall position in relation to schools, when compared to previous years, but also noted the risk that deficit positions could emerge in the future if good financial planning and management was not undertaken.

Action by

Cabinet Members / Head of Finance / Executive Board:

- Chief Executive and Executive Board continued to review the issues resulting in the current position and, with Heads of Services, continued to take robust action to manage overall forecasts in line with available core revenues budgets, including revenue contingencies.
- Cabinet Members discussed financial forecasts and issues in their portfolio areas and agreed recommended action to bring those back in line with available budgets, as much as is possible.
- Heads of Services deliver agreed 2022/23 and previous year budget savings as soon as practically possible, but by the end of the financial year at the latest.

- Cabinet Members and Heads of Services promoted and ensured robust forecasting throughout all service areas.

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Head of Finance

Implementation Timetable: Immediate

Leader 67/22

2023/24 Budget and Medium-Term Financial Plan (MTFP)

Options Considered/Reasons for Decision

This report presented the draft budget proposals for 2023/24.

Budget preparations this year presented a distinct set of challenges, building on the unprecedented circumstances of the last few years and the drastic recent economic changes over a relatively short period of time. Councils were dealing with pressures on a scale never seen before. Inflation, soaring energy bills and increasing demand were resulting in significant budget shortfalls over the immediate and medium term.

As a result, the 2023/24 budget shortfall presented to Council in March 2022 increased from £1.9m (£3.6m over the medium term) back then to £27.6m prior to cost reduction plans (£55.8m over the medium term) now, requiring the consideration of all potential solutions to balance the budget shortfall. Whilst the Office for Budget Responsibility predicted that inflation will start to fall sharply from the middle of next year, the unprecedented increases in inflation were expected to have a lasting impact as prices were not expected to return to previous levels.

Whilst the recent UK Government budget confirmed increased funding for public services over the next two years, the medium-term outlook remained uncertain as it was unclear what, if any, of that increase would be passed onto Local Councils in Wales for 2023/24. The scale of the budget challenges would very likely still significantly outweigh funding increases, therefore, consideration must be given to how the Council was able to continue operating effectively for the residents of Newport whilst maintaining financial sustainability. With savings totalling circa £80m having already been identified over the last decade, it would not be possible to balance the 2023/24 budget through efficiencies alone. This meant that required savings would impact upon front line service delivery.

Details on the draft 'Revenue Support Grant' (RSG) would not be confirmed until 14 December. Therefore, any updates to current funding assumptions would be provided to Cabinet in their February 2023 meeting.

The budget timetable was adjusted to maximise the time available for consultation. Residents, service users and stakeholders, such as the independent Fairness Commission, would have seven full weeks to take part in the consultation.

Details of the budget were shown within this report. The report, along with the appendices, set out the draft budget pressures and investments, budget savings and increase in local council tax, which were key elements of the proposed budget.

Section:

- 1 Background
- 2 Economic challenge

- 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 Demand models for social care
- Appendix 5 Fees & charges for consultation
- Appendix 6 Financial resilience 'snapshot'
- Appendix 7 Medium term financial projections
- Appendix 8 Projected earmarked reserves
- Appendix 9 Corporate risk register summary - Quarter 2
- Appendix 10 New budget savings for consultation – proposals
- Appendix 11 New budget savings implemented under delegated authority - proposals

Decision

1. Cabinet agreed the following draft proposals for public consultation:

- i) Budget savings proposals in Appendix 2 (summary table) and Appendix 10 (detailed proposals).
- ii) As a starting point a council tax increase of 9.5% would be consulted upon, a weekly increase of £1.55 - £2.07 for properties in Band A to C, the most common bands in Newport, set out in paragraphs 3.12 to 3.15.
- iii) Proposed fees and charges in Appendix 5.
- iv) The budget investments shown in Appendix 1
- v) The specific schools proposal as verbally outlined in the meeting (ie that the Council provided funding to cover pupil number-related pressures and 50% of pay-related pressures).

2. Cabinet approved:

- vi) Implementation of the delegated decisions in Appendix 3 (summary table) and Appendix 11 (detailed proposals) by Heads of Service with immediate effect, following the usual Council decision making processes.

3. Cabinet noted:

- vii) The position on developing a balanced budget for 2023/24, noting that the position would be subject to ongoing review and updates between now and the February Cabinet when the final budget was agreed.
- viii) The current position in the development of a 'Transformation Plan' for the Council and the Head of Finance comments on the importance of that in relation to the medium/long term budget challenge and contributing to sustainable financial footing for services.
- ix) Further work was required to specifically review and manage the financial impacts of some key risks in 2023/24.

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Head of Finance
Implementation Timetable: Immediate

Leader 68/22

Capital Programme Monitoring and Additions Report – October 2022/23

Options Considered/Reasons for Decision

The Council had an extensive capital programme, investing across the authority in areas such as schools, heritage assets, energy efficiency schemes, invest to save programmes and in the regeneration of the city centre. This report updated the Cabinet on its capital programme and the predicted outturn for the 2022/23 financial year, and specifically.

- The starting capital programme budget for 2022/23 was £117.4m. This was revised to a budget of £81.4m at the October Cabinet meeting. This report requested approval to increase the 2022-23 budget by a net £7m to now be £88.4m.
- Against that revised budget, costs were predicted to be £71.1m introducing a £17.3m net variance.
- Of this variance, service managers and budget holders confirmed that £17.1m related to delayed progress with schemes.
- Slippage approval was not being sought to revise the budget yet, as a trial to influence accountability and performance.

Decision

That Cabinet:

1. Approved the additions to the Capital Programme requested in the report (Appendix A).
2. Noted the predicted capital expenditure outturn position for 2022/23.
3. Noted the available remaining capital resources ('headroom') and the earmarked usage of that resourcing.

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Head of Finance
Implementation Timetable: Immediate

Leader 69/22

Half Yearly Report on Treasury Management for the period 2022/23

Options Considered/Reasons for Decision

In line with the agreed Treasury Management Strategy, the Council continued to be both a short-term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicated that, in the future, temporary borrowing may be required to fund normal day-to-day cash flow activities and longer-term borrowing would increase to fund commitments in the current capital programme, as well as the impact of reduced capacity for 'internal borrowing'. However, symptomatic of the extraordinary funding received in the previous year, the Council was anticipated to remain a net investor of funds in the short term (£50m at end of September), and this continued to cause an unusual variance and non-compliance against the performance indicator that monitored exposure to interest rate changes.

Up to end of September 2022, the Council's net borrowing was £140.6m, a decrease of £1.5m on 31 March 2022 levels.

Decision

Cabinet noted the report on treasury management activities during the first half year period of 2022-23 and provide any comments on the report for inclusion in the subsequent report to Council.

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Head of Finance
Implementation Timetable: Immediate

Leader 70/22

Quarter 2 2022/23 Corporate Risk Register Update

Options Considered/Reasons for Decision

The Council's Corporate Risk Register monitored those risks that may prevent the Council from achieving its strategic priorities or delivering services to its communities and service users in Newport.

At the end of quarter two, there were 14 risks recorded in the Corporate Risk Register that were considered to have a significant impact on the achievement of the Council's objectives and legal obligations.

Overall, there were eight Severe risks (risk scores 15 to 25); six Major risks (risk scores seven to 14); that were outlined in the report. In comparison to the quarter one Corporate risk register, there were no new and/or escalated risks, and two risks were closed. Three risks increased in risk score; one risk had decreased in risk score; with the remaining 10 risks remaining the same score. No risks were escalated or de-escalated in quarter one.

As set out in the Council's Risk Management Policy, Cabinet reviewed the Corporate Risk Register on a quarterly basis ensuring procedures were in place to monitor the management of significant risks. The Register was likely to change following the approval of the new Corporate Plan and priorities for service delivery.

Decision

Cabinet considered the contents of the quarter two update of the Corporate Risk Register.

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Head of People, Policy and Transformation
Implementation Timetable: Immediate

Leader 71/22

Consultation draft of Gwent Well-being Plan 2023-28

Options Considered/Reasons for Decision

In accordance with the Well-Being of Future Generations Act, the regional Gwent Public Services Board (PSB) carried out a Regional Assessment of the Social, Economic, Environment and Cultural Well-being of Gwent. This was supported by the creation of Local Well-being Assessments for each of the five areas.

Following this, development of the Gwent Well-being Plan was on track and the Plan was currently out for public consultation. The Plan would be presented for approval and adoption by Council in February 2023 before final sign off by the Gwent PSB in mid-April.

Alongside this, One Newport was developing a Local Action Plan which would both support the achievement of the Regional Objectives and allowed Newport partners to continue its focus on key areas of importance for Newport.

This report outlined the progress of the Gwent Well-Being Plan, described the draft objectives, and provided a timeline for the consultation and approval.

Decision

That Cabinet:

- a) Reviewed and accepted the consultation draft of the Gwent Well-Being Plan
- b) Recommended the final version to Council on 28 February 2023 for approval and adoption

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Head of People, Policy and Transformation

Implementation Timetable: Immediate

Leader 72/22

Norse Joint Venture Partnership

Options Considered/Reasons for Decision

In July 2014 Newport City Council and Norse Commercial Services created a Joint Venture agreement to form Newport Norse and entered into a Service Agreement for the provision of property services by the Joint Venture Company to the Council. This partnership provided an integrated Property and Facilities Management service and included 'white collar' professional services such as estates management and design; building maintenance, premises management and cleaning supported by a direct labour work force. The Services Agreement between the Council and the Joint Venture Company was for an initial 10-year period and terminated on 30 June 2024, unless both parties agreed to extend the contract not less than 18 months before the termination date (ie before the end of December 2022). This provided an opportunity to review the arrangement and consider future requirements.

Taking into account the significant work being delivered by Newport Norse, the risks and potential benefits of the end of the partnership, the Report proposed a short-term extension of the current contract with improved financial benefits, to allow time to review the delivery model with our

partners. This would also provide support for a programme of asset rationalisation as set out in our Corporate Plan and consider how we maximised community benefit from any future arrangement.

Decision

Cabinet agreed to extend the Service Agreement with the Norse Joint Venture Company until 31 Dec 2025 subject to agreeing improved financial benefits pending a review of the delivery the model and future requirements.

Consultation

Monitoring Officer, Head of Finance, Head of People, Policy and Transformation

Implemented by: Strategic Director – Corporate and Transformation

Implementation Timetable: Immediate

Leader 73/22

Gwent Regional Integration Fund

Options Considered/Reasons for Decision

The Gwent Regional Integration Fund was established to support transformation in public services across social care and health. The revised model of funding had within it a series of financial implications for all partners. This report summarised the specific implications for Newport City Council of the proposed financial taper. While the attached papers lay out the detailed background, use of the fund and highlighted the pending financial challenge.

Decision

That Cabinet:

- a) Considered the financial liabilities and implications of the Regional Integration Fund and its tapered funding model.
- b) In light of the significant financial challenges the proposed tapering arrangements would place on the LA Cabinet supported the RPB leadership in seeking to revise the grant conditions.

Consultation

Senior Officers, Monitoring Officer, Head of Finance, Head of People and Business Change.

Implemented by: Strategic Director – Social Services

Implementation Timetable: Immediate

Leader 74/22

Annual Report of the Director of Social Services

Options Considered/Reasons for Decision

The Social Services and Wellbeing (Wales) Act 2014 laid out the statutory framework for the presentation of an annual report on the work of Social Services. The format and nature of the report was determined by Welsh Government with a requirement for the report to be submitted to

both Welsh Government and Care Inspectorate Wales. The documents in this section made up the Annual Report of the Director of Social Services for 2021/22.

Decision

That Cabinet:

- a) Noted the annual report of the Director of Social Services.
- b) Commented on the content of the annual report of the Director of Social Services, which were noted in the Minutes.

Consultation

Senior Officers, Monitoring Officer, Head of Finance, Head of People and Business Change.

Implemented by: Strategic Director – Social Services

Implementation Timetable: Immediate

Leader 75/22

Newport City Council response to external pressures impacting Council services

Options Considered/Reasons for Decision

The cost-of-living crisis was continuing to adversely affect our residents and businesses across the city as with the rest of the country. Inflation continued to rise further impacting on the council as well as other businesses and residents. The report set out the range of challenges facing Newport City Council and our residents at this time.

Events and support were being facilitated across the city with partners as there was a clear requirement for a collaborative approach to supporting our residents in these times.

Decision

Cabinet considered the contents of the report on the Council's activity to respond to the external factors on Newport's communities, businesses, and council services.

Consultation

Senior Officers, Monitoring Officer, Head of Finance, Head of People and Business Change.

Implemented by: Strategic Director – Social Services

Implementation Timetable: Immediate

Leader 76/22

Cabinet Work Programme

Options Considered/Reasons for Decision

The Leader presented the Cabinet Work Programme.

Decision

Cabinet agreed the Cabinet Work Programme.

Consultation

Senior Officers, Monitoring Officer, Head of Finance, Head of People and Business Change.

Implemented by: Governance Team Leader
Implementation Timetable: Immediate

LEADER OF THE COUNCIL, COUNCILLOR J MUDD

14 December 2022

This document is available in welsh / Mae's ffurflen hon ar gael yn Gymraeg
