

Decision Schedule



Cabinet

TO ALL MEMBERS OF NEWPORT CITY COUNCIL

Decision Schedule published on 16 February 2023

The Chair of Cabinet Member took the following decision on 15 February 2023. The decision will become effective at Noon on 23 February 2023, 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 22 February 2023.

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 05/23

Capital Strategy and Treasury Management Strategy 2023/24

Options Considered/Reasons for Decision

As set out within the Corporate Plan, the Council had ambitious plans for the city, with the Capital Programme a key enabler in delivering this ambition. The current programme was due to end in March 2023, with a new five-year programme commencing in 2023/24. The new programme would predominantly comprise of annual recurring allocations and a number of ongoing schemes from the existing programme.

The report included both the Capital and Treasury Management Strategies which, at their core, (i) confirmed the Capital Programme, as part of the Capital Strategy and (ii) the various borrowing limits and other indicators which governed the management of the Council's borrowing and investing activities, as part of the Treasury Management Strategy.

The Capital Strategy also set out the long-term context (10 years) in which capital decisions were made. It demonstrated that the Council's approach to taking capital and investment decisions was in line with service objectives, whilst giving consideration to risk, reward and impact. It also demonstrated that these decisions were taken whilst having proper regard to stewardship of public funds, value for money, prudence, sustainability and affordability.

The capital plans of the authority were inherently linked with the treasury management activities it undertook and, therefore, the Treasury Management Strategy was included alongside the Capital Strategy.

The main recommendations arising from the two strategies were outlined in this covering report.

Decision

That Cabinet recommend to Council for approval:

- The Capital Strategy (Appendix 2) and the borrowing requirements/limits needed to deliver the Cabinet's proposed capital programme (shown separately in Appendix 1).

- The Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) policy for 2023/24. (Appendix 3)

As part of the above, Cabinet

- Noted the increasing debt, and corresponding revenue cost of this, in delivering the new Capital Programme, and the implications of this over both the short and medium-long term with regard to affordability, prudence and sustainability.
- Noted the Head of Finance comments that borrowing needed to be limited to that required to fund ongoing and previously approved schemes brought forward from the current Capital Programme only, and the recommended prudential indicators on borrowing limits to achieve this.
- Noted and commented on the proposal to prioritise annual sums funding over any new schemes, unless unavoidable.
- Noted the feedback provided by the Governance and Audit Committee on 26 January 2023 (paragraph 5).

Consultation

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

Implemented by: Head of Finance

Implementation Timetable: Immediate

Leader 06/23

December Revenue Budget Monitor

Options Considered/Reasons for Decision

The December 2022 revenue position forecasted an underspend of £1,086k; which excluded schools. This position was inclusive of the use of all revenue budget contingencies of £4,853k included in the 2022/23 revenue budget, as agreed by Cabinet in February 2022. 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 as clearly not required, and therefore would be available if the outturn confirmed the forecasted underspend.

The forecast position improved by £2,455k since October, which was the last update provided to December Cabinet:

October monitor	£1,369k overspend
December monitor	£1,086k underspend

The improved forecast came about primarily from a one off grant funding received from Welsh Government. Since October, the Council received confirmation of the following additional grant income totalling £1,888k:

Children's social care – Elimination of profit funding	£1,282k
Homelessness – No One Left Out Approach funding	£606k

The grant funding was welcome but did not change the overall pattern of the Council's financial performance in 2022/23 where:

(i) Service areas were overspending - £5,047k

A small number of significant issues gave rise to an overspend against service area budgets (excluding schools) of £5,047k:

- 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 £1,897k
- Overspend in Children's social care. Placement costs £4,022k

A further net £541k 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.

(ii) Mitigated by net underspending in non-service budgets - (£1,463k):

Significant variances were forecasted against the following non-service budgets:

- Capital Financing underspend - interest payable and receivable (£2,281k)
- Council Tax Reduction scheme underspend (£973k)
- NDR and empty homes underspend (£130k)
- Net overspend against other headings, including HB £1,671k
- Council Tax deficit £250k

(iii) Further Mitigation from the revenue core/ temporary contingencies in place – (£4,671k)

Schools were separately projected to overspend by £5,284k, a proportion of which was planned, and this reduced 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 a number of discreet areas within services was significant and the 2023/24 draft budget proposals included provision to deal with these on-going. It was important to note that the monitoring position earlier in the year was far worse and robust action was required to reduce overspending. This action, coupled with the recent Welsh Government grant awards, was the reason for the improved position now being reported.

The appendices to the report were as follows:

- Appendix 1 Overall budget dashboard –December 2022
- Appendix 2 Revenue summary monitor – December 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 outstanding uncertainties and risks still present.
- 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 key risks identified throughout the report, particularly in relation to homelessness and social care placements.
- Noted the overall position in relation to schools, when compared to previous years, but also note the risk that deficit positions could emerge in the future if good financial planning and management was not undertaken.
- Noted the forecast movements in reserves.
- Approved allocation of the 2021/22 underspend that remained unallocated at outturn as set out in section 4 of the report, noting the resulting level of the Council's general and earmarked reserves.

Action by Cabinet Members / Head of Finance / Executive Board:

- Chief Executive and Executive Board continued to review the issues resulting in the current service area position and, with Heads of Service, continued to take robust action to manage overall forecasts in line with available core revenues budgets.
- Cabinet Members discussed financial forecasts and issues in their portfolio areas and agree recommended action to bring those back in line with available budgets, as much as was possible.
- Head of Service 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 Head of Service 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 07/23

Capital Programme Monitoring and Additions Report – December 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. The 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, and then £88.4m at the October and December Cabinet meetings, respectively. This report requested approval to increase the 2022-23 budget by a net £1.4m to now be £89.8m.
- Against that revised budget, costs were predicted to be £61.3m introducing a £28.5m net variance.

- Of this variance, service managers and budget holders confirmed that £27.1m related to delayed progress with schemes (slippage).
- Approval of slippage, and associated revisions to budgets was not being sought at this point of the financial year, as a trial to influence accountability and performance. This change of approach was outlined in reports received by Cabinet earlier in the year.

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 08/23

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

Options Considered/Reasons for Decision

The draft budget proposals for 2023/24 agreed in the December Cabinet meeting were subject to detailed consultation, and the results were set out within the report and its appendices.

Since the December Cabinet, the results of the draft settlement was confirmed. Newport would receive an 8.88% uplift which was the fourth greatest increase received by an individual council, against an overall 7.9% net funding increase for Local Government across Wales. This was much higher than that included within planning assumptions.

Whilst the final settlement would not be known until early March 2023, no changes were expected other than potentially cost neutral movements in specific grants into/ out of the final settlement. Therefore, Cabinet were finalising their 2023/24 budget based on the funding position made up of the draft Revenue Support Grant, the confirmed increase in the Council's tax-base and Council Tax income at the rate that would be recommended at this meeting.

This report summarised the key aspects of the draft budget, feedback on the consultation and other key contextual matters before setting out the current position on the 2023/24 budget which Cabinet considered. The final proposals was announced at the meeting, following consideration of the above.

Section:

- 1 Background
- 2 Finalising the budget
- 3 Financial planning assumptions
- 4 Public consultation
- 5 Medium term financial plan (MTFP)
- 6 Risk, reserves, financial resilience, and performance
- 7 2023/24 proposed Council Tax

Appendix:

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

Decision

Cabinet in relation to Budget proposals and medium term plan (section 3-5)

1. Noted the formal consultation on the budget as outlined in section 4 and the feedback received, shown in Appendices 1 to 4.
2. Noted the equality issues and the Fairness and Equalities Impact Assessment (FEIA) on the budget proposals, shown in Appendix 9.
3. Reviewed and confirmed budget proposals (appendix 5 - 6), as summarised in the Council's Medium Term Financial Plan, with the exception of the following changes:
 - The proposal in relation to Oaklands will be withdrawn at a cost of £485k
 - In terms of Spring Gardens, the proposal will be reduced by £300k on a permanent basis so that some provision will continue and as well as this, we are committing a one-off sum of £200k from re-prioritised reserves for 2023/24 only, to provide capacity for further continued provision and give some time for a review of the service to be undertaken and move it to a more sustainable footing.
 - To withdraw the proposal to introduce car parking charges at four countryside car parks
 - To withdraw charges for a replacement bin
 - To reduce the requirement for schools to contribute to the budget gap by £937k
 - To make available, from re-purposed reserves a sum of £1.87m one-off to support schools that need it the most during 2023/24
 - Provide temporary support to Growing Space for the next two years at £100k and provide temporary support for 2023/24 only to the EAS at £79k to enable a partial deferral on the proposed saving on our annual contribution
 - Cwtch and the Barnardo's partnership, officers have worked to remodel the service using radical reform grant funding. This means, in effect, that the savings proposal will be delayed by 2 years
 - Re-purposed reserves will also provide one-off further investment in the city centre, to ensure that we support and sustain the recovery of the city
4. Agreed the 2023/24 fees and charges of the council shown in appendix 11.

Cabinet in relation to Overall revenue budget and resulting council tax 2023/24 (section 6 and 7)

5. Noted the significant risks and uncertainties within budget planning and specific issues highlighted in section 6 of this report and the mitigation in place to manage.
6. Reviewed and agreed the re-purposing of specific earmarked reserves as set out in Appendix 10a
7. Proposed to reduce the proposed increase in Council Tax to 8.5% to ensure that it is less than the current rate of inflation and which will fund their budget requirement.
8. Recommended an overall net budget and resulting council tax to full Council, noting that a formal resolution including the Police and Crime Commissioner for Gwent and Community Councils' precepts would be presented to Council on 28 February.
9. Approved expenditure and use of reserves in line with the summary shown in appendix 10b, noting they were based on detailed proposals reviewed by Cabinet in their December 2022 meeting.

Consultation

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

Implemented by: Head of Finance
Implementation Timetable: Immediate

Leader 09/23

Newport City Council Response to External Pressures Impacting Council Services

Options Considered/Reasons for Decision

The report provided an update on the external pressures faced by the council and its communities. As with previous reports, the cost-of-living crisis continued to significantly impact on residents and businesses. The council was itself facing increased financial costs and increased demand on services leading to budgetary pressures.

Across Newport, work continued with partners and communities to identify, share, and provide advice and guidance on the help and support available and how this could be accessed.

Examples were provided within the report of the nature of help being provided including the opening of warm spaces, advice and guidance, and support through schools.

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

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

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

Leader 10/22

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, Policy and Transformation

Implemented by: Governance Team Leader
Implementation Timetable: Immediate

LEADER OF THE COUNCIL, COUNCILLOR J MUDD

16 February 2023
