

Minutes



Cabinet

Date: 14 February 2018

Time: 4.00 pm

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

In Attendance: W Godfrey (Chief Executive), M Rushworth (Head of Finance), G Price (Head of Law & Regulation), O James (Assistant Head of Finance), A Garwood-Pask (Senior Finance Business Partner)

Apologies: Councillors

1 Apologies for Absence

None received.

2 Declarations of Interest

None declared.

3 Minutes of the Last Meeting

The minutes of the meeting held on 17 January 2018 were confirmed as a true record.

4 Revenue Budget 2018-19 and Medium Term Financial Plan: Final Proposals

Cabinet received and considered a comprehensive report prepared by the Head of Finance, dealing with the revenue budget, capital budget and Treasury Management.

The Leader thanked the Cabinet and officers for their hard work on the budget. Cabinet had been working on the proposals since last autumn.

The Leader also thanked the public for their responses on the consultation. Over the last few years, the Council had gathered some 5,000 responses to engagement activities. This consultation itself produced a good response rate with 2,680 individual proposal responses, 47 people attended the market event and 75 people attended specific sessions on individual proposals. Responses also came from the Scrutiny Committees, School's Forum and the Fairness Commission. All were included and summarised in the Appendices to this report.

Cabinet had to make difficult decisions within the context of austerity, however the budget was built on recent successes, such as -

Capital Investment in:

- Friar's Walk
- Investment in key buildings in the city centre through the VVP scheme - £13m

- Significant investment in existing and new schools, including a new Welsh Medium School - £52m

Revenue investment in:

- services which look after the most vulnerable in our society - nearly £9m in our social care budgets over the last 5 years
- our school budgets – increase of around £7m

There was continued improvement in the Council's day to day services and the indicators, audited independently, which measured these. This was whilst still spending some £8m under our Standard Spending Assessment and having the second lowest Council Tax in Wales and one of the lowest in the UK.

The draft proposals included:

- Further capital investment of £70m in our schools.
- Further regeneration projects in the city centre.
- Very significant revenue budget investment in our social care and special education services at £5m.
- Significant investment in schools and funding new schools.

The Leader was pleased to say that the draft revenue budget would be improved even further.

The Leader reminded those present that although the Treasury Strategy would be a Council decision, it had already gone through the Council's Audit Committee review. The strategy would remain as it was now, which was, on borrowing, to remain internally borrowed wherever possible. Additionally, on investments, to invest any surplus funds within the parameters of security, liquidity and return, in that order.

The Council recently considered and approved a change to the Minimum Revenue Provision (MRP) method and this was recommended to carry on into 2018/19.

The report highlighted how the Council could maximise capital expenditure and support the ambitions for the city. This would need to be kept under review, as and when the financial situation changed.

There was £70m in the capital programme to continue the investments in school buildings and officers were working on the detailed developments.

A number of key schemes in the city centre, such as the market arcade and the developments of grade 'A' offices in Mill Street were included. Other projects included the successor to the first Vibrant and Viable Places (VVP) programme which was called Targeted Regeneration Investment (TRI).

The final settlement was confirmed on the revenue budget, following the draft budget, this saw an increased amount of funding allocated to Local Government with an increase of £809k. The increased tax base was finalised and the tax base grew by 1.5% this meant that the funding position improved by nearly £1.4m, compared to the draft budget.

The following comments were highlighted:

- The Cabinet were unanimous in their praise of the Leader's hard efforts in ensuring that the lobbying for local authorities to receive extra funding, the result of which had enabled a more positive outcome during these extremely challenging times. With this in mind, the Cabinet felt that this was worthy of commendation.

- Attention was drawn to the extent of cuts, as referred to in page 99 of the report, where the needs of vulnerable groups demonstrated how impossible it was to balance the priorities.
- It was generally felt that this was one of the most difficult budgets and that all councils within Britain were under the same pressure.
- The Cabinet were positive in their reaction to the savings that could be made to help vulnerable people within the adult and children's social care.
- Additional money for education was welcome and the comments received during the consultation were appreciated. Education was the heart of the Council's services and the people of Newport were valued. The Head Teachers and teaching staff embraced the difficulties and were able to move forward.
- The Cabinet were pleased to note the Fairness Commission's acknowledgement of the hard work put in to the budget on how Newport City Council have moved forward on the consultation process for the budget. This was a reflection of the hard work from officers and Cabinet on the continual improvements to public engagement.
- The Cabinet thanked the members of the public for their responses which were given full consideration.
- Whilst the budget proved to be difficult for officers year on year, the processes in place had taken a lot of effort and staff were thanked for their hard work. There would not be much respite over future years and difficult times were ahead, however there was confidence in the fact there was a competent group of officers within the Council to prepare for the challenges.

Decision:

Cabinet recommended the following for full Council's consideration and decision at their next meeting on 27 February 2018:.

- A Council Tax increase of 4.8% for Newport City Council, to fund a proposed net budget of £274.59m in 2018/19
- The Treasury Management and Annual Investment Strategies, Minimum
- Revenue Provision Policies and Prudential Indicators included in Appendix 9 to the Cabinet paper. (2) Cabinet approved the following recommendations;

To agree the implementation of the full four year change and efficiency programme, including all budget investments and saving options shown in Appendix 6 and 7 to the Cabinet report, with the following changes

	£k
Reduce council tax from 5% increase to 4.8%	94
Remove Gwent missing children's service saving	20
Fund integrated property unit contract pressure	85
Reduce the Oakland's respite saving from 2 days to 1 day	94
Additional funding to schools	<u>420</u>
	713

- To agree the 2018/19 fees and charges of the council shown in appendix 14 to the Cabinet report.

- To approve expenditure and use of the Invest to Save reserve in line with summary shown in appendix 13c of the Cabinet report
- To agree the capital expenditure budget for 2018/19 to 2022/23 as shown in appendix 8 to the Cabinet report, acknowledging this will be subject to ongoing change through the life of the programme to reflect new schemes within the affordable MTFP.
- To agree to keep future capital expenditure within the budgets set out in the MTFP in relation to minimum revenue provision, while making use of other resources and tools to maximise the capital programme
- To agree additions to the 2017/18 capital programme which includes amounts that span into the new programme, shown in paragraph 11.7 to the Cabinet report.

5 **Work Programme**

The Leader presented the Cabinet Work Programme.

Decision:

To agree the proposed programme.

The meeting terminated at Time Not Specified