

APPENDIX 1 – Budget Investments

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
PEOPLE								
Adult & Community Services	SOC10.1-10.3	Community Care Packages		Demand on Adult Community Care budgets - Whilst it is impossible to predict how this might change throughout the year it is known with certainty new learning disability (LD) children turning 18 and LD clients who were previously looked after by relatives who can no longer look after them, this is expected to cost £500k full year. In addition to this there is a liability of £120k for a legislative ruling on night payments which was introduced in the first quarter of 2018. The pressure requested rebases the budget to what is expected at a point in time and should be reviewed annually due to the volatility of this budget. Pressures for 20/21 onwards is the on-going increase in demand from children turning 18 and new service users. It is anticipated that there will be a programme of reviews undertaken to keep reduce the pressure on demand which is assumed in these figures.	451	465	1,265	315
Adult & Community Services	SOC2	Older people residential units		Internal residential units income - shortfall due to change of long term residential clients e.g. full payers deceased replaced with non payers, clients paid for from other local authorities moving back to area. This change started towards the end of 2016 and is anticipated to cause an income shortfall for a few years. A significant change in the current cohort could affect this again, therefore this income target needs to be reviewed periodically.	45	0	0	0
Children & Young People Services	SOC27	SE Wales adoption		Inter-Agency Adoption - based on current trends of adoptions. Once this budget has been rebased at the level needed, the service area will aim to maintain volumes.	180	0	0	0
Children & Young People Services	SOC31	Out of Area Resi Plac		Children's Out of Authority Residential Placements - This is the new budget requirement needed to accommodate current placements and to maintain numbers at approximately 20. The service will look to manage this budget going forward although difficult to predict changes in placements and costs.	1,686	0	0	0
Education	EDU6	SEN Recoup OOC		Special Education Needs (SEN) Recoupment Income - Due to the increase in demand for in-house SEN provision, the number of places available for other local authorities to utilise and pay to us has reduced. Therefore there is an under-recovery of income of £250k.	250	0	0	0
Education	EDU6	SEN Recoup OOC		SEN - Demands placed upon a number of special educational needs budgets. There are a number of provision types for SEN. These include Out of County placements but also a number of in-house provisions. There is an increasing demand for placements of which the costs can be high.	920	tbc	tbc	tbc

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Education	EDU14	Breakfast clubs		Breakfast Clubs - the number of breakfast clubs is increasing, it is anticipated that in September 2021 all primary schools will offer breakfast club provision.	0	20	35	15
Education (Schools)	EDU1	Schools		Teachers pension increase - Association for Directors of Education in Wales (ADEW) suggesting increase from 16.48% to 23.6% from Sept 2019-March 2021, while this increase will be significant, we are awaiting confirmation on how this will be funded.	tbc	tbc	0	0
Education (Schools)	EDU1	Schools		Reduced class sizes - the funding of an additional class is being funded by Welsh Government until September 2021. If this funding isn't made permanent this will require a pressure of the equivalent amount to be funded.	0	0	39	28
Education	n/a	n/a		Revenue Support Grant (RSG) Transfer in - Free school meals grant	221	0	0	0
PLACE								
RIH	RIH9	Centralised Properties		Norse JV - Increased contract payment as a result of assumed 2% pay award in 19/20. Subsequent years assume 1% pay award as per NJC staff	99	122	154	186
RIH	RIH30	Transporter Bridge		Discovery Centre - A Heritage discovery centre, tourist trail and garden trail in the city will be launched. Likely to be established beyond 20/21	0	0	tbc	tbc
City Services	STR26	Customer Services		Customer Care Manager - resource to adequately manage the councils complaints and feedback policy and processes in order to meet our statutory and regulatory obligations	43	0	0	0
City Services	STR4	Asset Management		Legislative requirements of the Flood and Water Management Act - the authority must establish an approval body team to consider applications submitted from developers	60	0	0	0
City Services	STR11	Sustainable waste		Corporate Plan promise - New Household Waste Recycling Centre (HWRC) - the opening of a second HWRC supports the corporate plan and the waste strategy. Investment required to meet the promises set out in the Corporate Plan	0	349	0	0
City Services	STR12	Refuse Collection		Waste collections from additional properties - Newport is constantly growing with significant number of new developments being built or designed therefore existing services need to be provided to these properties	190	0	0	0

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City Services	Various	Various		City Services - investment across a number of services including grounds maintenance income adjustment, drainage surveys and other pressures within the service to support the delivery of the function.	335	0	0	0
CORPORATE								
People Services	n/a	n/a		Risk Contingency set aside from minimum revenue provision (MRP) saving to mitigate demand pressures associated with People Services	(2,200)	0	0	0
People & Business Change	PBC1	HR Strategy & Op		Clear Review - to establish a budget for the licence costs of the Clear Review performance management system	22	0	0	0
People & Business Change	PBC1	HR Strategy & Op		Newport Live SLA - The HR SLA with NL has come to an end meaning that the income target is no longer achievable	22	0	0	0
People & Business Change	PBC3	Bus Chg et al		BIPT Income generation - unable to meet future years income target, therefore pressure required to remove unachievable income.	48	0	0	0
People & Business Change	PBC10	Digital		Corporate Plan Promise - Delivery of digital aspirations - improvement of the IT infrastructure and other digital services. Investment required to meet the promises set out in the Corporate Plan	220	500	500	0
People & Business Change	PBC1	HR Strategy & Op		Implementation of new Talent Management Framework to deliver commitment to develop a motivated, capable and engaged workforce, alongside building capacity and managerial leadership.	56	0	0	0
NON-SERVICE								
Non-Service	n/a	n/a		Capital Financing pressure from an additional capital expenditure of £10m	0	tbc	tbc	0
Non-Service	n/a	n/a		Interest payable - future pressures due to increasing capital expenditure and reduced capacity to use our own cash reserves to fund this.	0	287	155	122
Council Wide	n/a	n/a		Universal Credit - Impact of universal credit across the whole council	tbc	tbc	0	0
NEW BUDGET INVESTMENTS TOTAL					2,648	1,743	2,148	666

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Agreed/ Revised Investments

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PEOPLE								
Adult & Community Services	SOC10.2	Community Care Packages		Supporting People Grant Reductions: Due to the correct application of the pricing policy of learning disability (LD) supported living following Welsh Government review, costs previously funded from this grant are no longer eligible resulting in a £726k budget pressure profiled over four years (17/18 to 20/21). These pressures were offset with corresponding saving proposals.	138	138	0	0
Adult & Community Services	SOC10.1-10.3	Community Care Packages/ Mental Health		Price Inflation within Adult social care budgets - From April 2016 all organisations are required to pay the National Living Wage rate therefore increasing our external provider fees. This amount is in additional to general inflation applied to the budget.	385	549	0	0
Adult & Community Services	SOC10.1	Community Care Packages - Older People		Adults Capital Limit Change in relation to charging for Residential Care - One of Governments top six 'Taking Wales Forward' campaign. The limit rose to £30k in 2017, £40k in 18/19 then £50k in 19/20 thereby reducing clients contribution towards their cost of care. There is no indication of further increases after 2020.	209	0	0	0
Children & Young People Services	SOC32/ 33	Independent Foster Agency Placements/ In house fostering		Fostering Service - The 19/20 pressure is to accommodate 185 in-house foster placements (average over the last 5 years) and an average of 37 Independent Fostering Placements (externally commissioned). 20/21 pressure is to reflect the expectation that the higher level of in house fostering placements now being experienced in 2018/19 (currently 200) will continue. This pressure will enable the service to maintain independent fostering agency placements at the 37 level.	263	205	0	0
Education (Schools)	EDU1	Schools		Corporate Plan Promise - Demand and Pricing Investment in schools - there are a number of pressures identified within schools. For 19/20 this includes pay inflation, price inflation & increments (£3,259k) and demand on new & growing schools (£2,980k). It is proposed an investment of £3,178k is made into the schools budget an increase of 3.3%. Future years show the pricing and demand pressures that have been identified for schools. Investment required to meet the promises set out in the Corporate Plan	3,178	4,520	4,331	4,244

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PLACE								
RIH	RIH9	Centralised Properties		Norse joint venture (JV) - pension deficit. A regular tri-annual review of the pension fund attributed to those staff that transferred was undertaken by the fund managers, Greater Gwent (Torfaen) which has highlighted an annual shortfall of pension contribution as well as a deficit payment.	5	5	5	5
City Services	STR9	Leisure Trust		Newport Live - Pension Deficit	3	3	2	2
City Services	STR9	Leisure Trust		Newport Live - contract fee increases as a result of National Minimum Wage. Newport Live bear the costs of inflationary pay increases therefore no pay award pressure	87	19	19	18
CORPORATE								
People & Business Change	PBC12	Shared Res Serv		Shared Resource Service (SRS) - Increased contract payment as a result of assumed 2% pay award in 19/20. Subsequent years assumes 1% pay award as per NJC staff. Pension deficit costs is also included.	62	51	53	55
NON-SERVICE								
Non-Service	n/a	n/a		Other pressures' - To Be Identified as annual detailed budget work undertaken - there is normally miscellaneous budget pressures identified. This amount here provides an 'allowance' for this - so that the overall budget gap in each year takes account of some amount for this.	0	1,000	1,000	1,000
Non-Service	n/a	n/a		Corporate Plan Promise - Capital Programme - To fund the capital financing costs of the current (in principle) capital programme. Investment required to meet the promises set out in the Corporate Plan	0	568	351	101
AGREED/ REVISED BUDGET INVESTMENTS TOTAL					4,330	7,058	5,761	5,425
BUDGET INVESTMENT TOTAL					6,978	8,801	7,909	6,091

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Pressures Summarised:

Pressures by Type	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
New budget pressures	2,648	1,743	2,148	666
Previously agreed budget pressures	4,330	7,058	5,761	5,425
New and previously agreed pressures	6,978	8,801	7,909	6,091
Inflationary pressures	4,394	3,050	2,921	2,970
Specific grant - capital limit pressure	(209)	0	0	0
TOTAL BUDGET PRESSURES	11,163	11,851	10,830	9,061