

APPENDIX 5 – Budget Investments

New Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
PEOPLE							
Children & Young People Services	SOC33	Independent Fostering Agency Placements	Demand - Social Care	Independent Fostering Agency Placements - The 19/20 budget can only afford 50 placements. Current forecasts suggest a trend rising to 66 by March 2020. HoS requesting budget to be maintained for 60 placements, which is a conservative estimate and requires on-going monitoring and management.	382	0	0
Children & Young People Services	SOC31	Out of area residential placements	Demand - Social Care	Out of Area Placements - The 2019/20 budget can afford 19 placements. There are 29 placements as at July 19 reducing to 24 by year end. HoS decision to maintain budget at 20 which is a conservative estimate. Therefore an increase in budget provision for and extra 1 placement @ £3500 p/w is requested. If £1.3m grant from WG is non-recurring funding of £1.482m will be needed to maintain budget for 20.	182	0	0
Children & Young People Services	SOC28	Child Protection	Other	Legal Fees - Social care legal fees budget overspent by £495k in 2018/19 and the July 2019 year end forecast assumes the same give the numbers of looked after children within the city. The pressure being requested is £50k less than current forecasts as efficiencies are being discussed between the Head of Legal and Head of Children Services.	445	0	0
Adult & Community Services	SOC10.1	Community Care Packages	Other	RSG Transfer in - NHS Funded Nursing	80	0	0
Adult & Community Services	SOC10.1/11	Community Care Packages/ CC Packages Mental health	Pricing	Impact of NLW increase on social care contracts - increase confirmed in January 2020 of 6.21% from April 2020. This is a significant increase on the costs passed to external social care providers	504	0	0

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PEOPLE							
Education	EDU23	Joint Services	Demand - Other	SENCOM - reduce the saving target	225	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Bryn Derw Expansion - Expand the provision of YBD to 68 places from September 2019. MTFP pressure based on AWPU costs only. 2019/20 funding has been found within existing ISB budget.	108	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Expansion of Nursery provision within maintained schools: Expanding nursery provision in St Michaels, Marshfield and Pentrepoeth Primary Schools from September 2020 from 16 FTE to 20 FTE.	99	71	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Expansion of Tredegar Park Primary - increase admissions to 75 from 60 on a year by year basis starting with reception from September 2021	0	25	61
Education (Schools)	EDU2	Schools	Schools-Pricing	RSG Transfer in - Teachers pay award	1,011	0	0
Education (Schools)	n/a	n/a	Other - Schools	Teachers pension - full year effect of uplift to 23.68%	1,622	0	0
PLACE							
RIH	RIH17	Planning Pol & Imp	Other	Strategic Delivery Plan (SDP) - Climate Change Response (CCR) Regional Cabinet agreement to support the delivery of a SDP which covers the CCR planning authority areas. This will take 5 years to complete from 2020. The preparation of the SDP is additional to the continued work on the Local Development Plan	55	0	0

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PLACE							
City Services	STR18	Home to School Transport	Other	Home to School transport - new schools transport requirement	65	0	0
City Services	STR2	Cemeteries	Other	Cemeteries Income - Decline in those choosing to be buried, income shortfall estimated between £101K and £161K	100	0	0
City Services	STR13	HWRC	Other	HWRC Site - Decision by Monmouthshire and Caerphilly council to prohibit Newport residents from there sites, meaning those on the outskirts of Newport now use docks way	70	0	0
City Services	STR11	Sustainable waste	Other	Sustainable waste grant - ongoing reductions in grant although the operating costs of service cannot be reduced as commitment to reach nationally set targets	130	0	0
CORPORATE							
Corporate	n/a	n/a	Other	Western Partnership - Increase in fees payable to partnership	20	0	0
People & Business Change	PBC1	HR Strategy + Op	Pricing	Graduate Scheme - To fund two trainee graduates	70	0	0
People & Business Change	PBC1	HR Strategy + Op	Other	Salary sacrifice - Undelivered Council wide saving. Uptake on employment related salary sacrifice scheme lower than anticipated	50	0	0

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NON-SERVICE							
Non-Service	n/a	n/a	Other	Provision for further 1% increase in Teachers pay award	253	0	0
Non-Service	n/a	n/a	Pricing	Gwent Coroner - Increase in fees	12	0	0
Non-Service	n/a	n/a	Pricing	Accounting requirement for loan/ investment mitigation	200	0	0
Non-Service	n/a	n/a	Pricing	South Wales Fire Levy - costs have risen significantly for NCC due to population increase	250	0	0
NEW BUDGET INVESTMENTS TOTAL					5,933	96	61

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Agreed/ Revised Investments

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PEOPLE							
Adult & Community Services	SOC10.1-10.3	Community Care Packages	Demand - Social Care	Demand on Adult Community Care budgets - Whilst it is impossible to predict how the whole of the community care cohort 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 but now are unable to look after them. This is the value of those packages expected to impact on future year budgets less a targeted efficiency saving of £250k which expected to be achieved through negotiations with providers.	1,477	286	460
Children & Young People Services	SOC32	In house fostering	Demand - Social Care	In-House Fostering Service - The 2019/20 budget can accommodate 185 in-house foster placements (average over the last 5 years). The 2020/21 pressure is to reflect the higher number of placements and will allow the budget to afford 210.	205	0	0
Education	EDU6	SEN Recoup OOC	Demand - Other	SEN Out of County pupil demand - the 19/20 budget for OOC can accommodate 131 placements at the average cost of £35,000. Current modelling suggests an increasing trend in statmented pupils, rising from a forecast position of 811 pupils in 2019/20 to 820 in 2020/21 and an additional increase of 12 pupils per year thereafter and a conversion rate of 75% moving into OOC placements. This will be monitored on a regular basis with the SEN team.	239	319	319
Education	EDU14	Breakfast clubs	Demand - Other	Breakfast Clubs - The number of breakfast clubs is increasing, it is anticipated that in September 2021 all primary schools will offer breakfast club provision.	20	35	15

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PEOPLE							
Education (Schools)	EDU1	Schools	Demand - New Schools	Secondary School Transitions - Net increase for 2020/21 financial year and beyond adjusted for the pupil increases for Welsh Medium secondary within Ysgol Gyfun Gwent Is Coed separately. Position based on 2019/20 funding for English Medium secondary places and forecast demand for places in line with POSP. This amounts to 350 pupil increase from January 2020 to 2021, then 293, 336 and 174 to January 2024 (this is the total pupil increase and includes WM pupils which are netted from the calculated AWPU sum)	611	906	947
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Gyfun Gwent Is Coed: This is the new Welsh Medium Secondary School, which was established from September 2016 as a seedling school with a capacity of 750. The school will continue to grow beyond the current MTFP cycle. The school is a seedling school and expanding by 1 year group per academic year, the school will have year 7 - 11 pupils in September 2020, growing to accommodate post 16 pupils in the following 2 years. The costs built into the MTRP based on the AWPU at 2019/20 rates and do not account for potential changes in rates to the AWPU or inflationary costs.	542	36	117
Education (Schools)	EDU1	Schools	Demand - New Schools	New Jubilee Park Primary School: This school has been established on the housing development of the former Alcan Site, and was built by the developer as part of S106 agreements. The school is a 1.5 FE school, with a nursery and LRB unit on site. The school opened in September 2017 as a growing school with a small number of pupils in each year group with the intention of these growing each year. The school pressure identified is based on the school reaching capacity from September 2020, with 45 pupils in yr R-6 and nursery at 24 FTE and a 10 place LRB unit based on AWPU only.	128	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	New West Glan Llyn Primary School: This school will be established on the housing development at St Modwens, and is being built by the developer as part of S106 agreements. The school will be a 2 FE school, with a nursery and 20 place LRB unit on site. The school will open in September 2019 as a growing school with a small number of pupils in every year group with the intention of these growing each year.	365	253	193

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PEOPLE							
Education (Schools)	EDU1	Schools	Demand - New Schools	New Primary School - Whiteheads: This school will be established on the housing development at the Whiteheads site, and is being built by the developer as part of S106 agreements. The school will allow for the move and expansion of Pillgwenly Primary school to expand from 2FE to 3FE. The MTFP assumes that the school will expand from January 2023.	0	0	64
Education (Schools)	EDU1	Schools	Demand - New Schools	Welsh medium primary school: The school will be a 2FE, with a nursery on site. The MTRP assumes that the school will open in September 2021 as a seedling school. The school will open with a nursery and reception classes in the first years with a year group being added every year until it reaches capacity. The capacity is 444. A further 10 place LRB unit will open in the school in September 2023 and is anticipated to be full upon opening.	0	246	212
Education (Schools)	EDU1	Schools	Other - Schools	RSG Transfer in - Teachers pension increase - From September 2019 - March 2021 employers pension rates for teachers will increase from 16.48% to 23.68%. This will be a significant cost to the authority for the 2020/21 budget (£3.8m). It is currently assumed that this will be externally funded.	2,021	tbc	0
PLACE							
RIH	RIH9	Centralised Properties	Pricing	Norse joint venture (JV) - pension deficit. Greater Gwent (Torfaen) highlighted an annual shortfall of pension contribution as well as a deficit payment. These figures remain consistent with the 2016 tri-annual pension review. The outcome of the 2019 review will be known at the end of 2019.	5	5	5

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PLACE							
RIH	RIH9	Centralised Properties	Pricing	Norse JV - Increased contract payment as a result of assumed 2% each year from 20/21.	122	154	186
RIH	RIH30	Transporter Bridge	Investment	Corporate Plan Promise - Discovery Centre - A Heritage discovery centre and tourist trail in the city will be launched. Likely to be established beyond 20/21	0	tbc	tbc
City Services	STR9	Leisure Trust	Pricing	Newport Live - Greater Gwent (Torfaen) highlighted an annual shortfall of pension contribution as well as a deficit payment as part of the 2016 review. These figures remain consistent with the 2016 tri-annual pension review. The outcome of the 2019 review will be known at the end of 2019.	0	2	2
City Services	STR9	Leisure Trust	Pricing	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	0	19	18
City Services	STR11	Sustainable waste	Investment	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
CORPORATE							
People & Business Change	PBC12	Shared Res Serv	Pricing	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.	51	53	55
People & Business Change	PBC10	Digital	Investment	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	0
NON-SERVICE							
Non-Service	n/a	n/a	Investment	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	568	501	251

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NON-SERVICE							
Non-Service	n/a	n/a	Other	Interest payable - future pressures due to increasing capital expenditure and reduced capacity to use our own cash reserves to fund this.	87	155	122
Non-Service	n/a	n/a	Pricing	Pension Deficit - Estimated 1% pa increase from 2020/21 following valuation of the public service pension schemes. This assumes that employer contributions will increase to 24.2% by 2022/23 however the outcome of the 2019 triennial pension valuation will be confirmed by the Greater Gwent Pension Scheme at the end of this calendar year.	0	0	753
Council Wide	n/a	n/a	Other	Universal Credit - Impact of universal credit across the whole council	tbc	0	0
AGREED/ REVISED BUDGET INVESTMENTS TOTAL					6,661	3,819	3,719
BUDGET INVESTMENT TOTAL					12,594	3,915	3,780

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Pressures Summarised:

Pressures by Type	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)
New budget pressures	5,933	96	61
Previously agreed/ revised budget pressures	6,661	3,819	3,719
New and previously agreed/ revised pressures	12,594	3,915	3,780
Inflationary pressures (Inc increments)	7,239	6,550	6,415
TOTAL BUDGET PRESSURES	19,833	10,465	10,195