

## APPENDIX 1 – Budget Investments

### New Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
<b>SOCIAL SERVICES</b>					
Children Services	Other	Children Looked After - Additional support as a result of the international crisis and emerging impact of COVID on wellbeing. Increased translation costs , transport costs and professional fees. This is a conservative estimate based on the rising cost of living and fuel.	180	0	0
Children Services	Demand - Social Care	Supported Accommodation age 16 -18 rising demand. Working with social housing to provide new accommodation opening in January 2023 @ £925 per week. As well as accommodating increased demand, this will be less expensive than current accommodation used. The pressure has therefore been partially mitigated by corresponding savings in the Leaving Care budget.	198	0	0
Children Services	Demand - Social Care	Increased number of children being placed into emergency accommodation due to a lack of provision, this will be exacerbated by the eliminate profit legislation. This pressure will enable the use of 2 fully staffed NCC owned annex's providing 4 placements and will avoid the use of unregulated, more expensive placements.	1,360	0	0
Children Services	Policy change	Change in funding structure for projects established under the Regional Integrated Care Fund. Funding will reduce by £368k in 25/26.	0	0	368
Preventions & Inclusion	Other	Aspire Project - potential funding gap between Education and Social Services joint arrangements.	TBC	0	0
Adult Services	Other	Full fibre technology to provide telecare to the 3 in-house residential care homes. A successful bid was made to Welsh Government's Local Broadband Fund for the investment but there will be on-going revenue costs of £29k from 25/26.	0	0	29
Adult Services	Other	Older People Residential Care Fee uplifts - Fee increases above inflationary pressure provided in 22/23, exacerbated by the fee increases awarded by neighbouring authorities. This is a conservative estimate of the pressure as there is a rising cost of utilities, food etc.	174	0	0
Adult Services	Demand - Social Care	Short Breaks Loss of unpaid carers grant as well as an increased demand for short breaks which enables older people to live in their own homes for longer.	182	0	0
Adult Services	Demand - Social Care	Residential Placements Demand Increase - Based on the July monitoring overspend less forecast overachievement on income	515	0	0

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<b>SOCIAL SERVICES</b>					
Adult Services	Other	Non Residential Fee Increases LD Providers - Cost of living pressures. Retendering exercise has resulted in significant additional costs from providers due to the rising inflation and cost of living	558	0	0
Adult Services	Demand - Social Care	Direct Payments - In order to incentivise the take up of direct payments and to encourage new entrants to the social care workforce there is a need to offer a further uplift to the Direct Payment rate. This will also incentivise current staff to remain in post. The pressure request is to increase the hourly rate paid to £11.50 per hour which would be the second highest across the region. NCC currently pays the lowest at £10.37 per hour	113	0	0
Adult Services	Policy change	Change in funding structure for projects established under the regional Integrated Care Fund. Funding will reduce by £122k in 25/26, no further reduction in 26/27, further £589k reduction in 27/28.	0	0	122
<b>ENVIRONMENT &amp; SUSTAINABILITY</b>					
Housing & Communities	Demand - Other	Homelessness costs - Costs this year are in the region of £2.2m - £2.5m and are anticipated to decrease over time to £2m. There remains a degree of uncertainty as to what proportion of these costs are temporary or permanent so will continue to be closely monitored. RG Update - HB element approx. £2.75m, residual shortfall in Homelessness circa £750k	3,500	0	0
Housing & Communities	Other	Adult Community Learning - WG drive to increase service provision	40	0	0
Infrastructure	Other	Highways materials - above inflation price rises in materials being experienced across the market	17	0	0
Environment & Public Protection	Other	Fixed Penalty Notice (FPN) and Environmental Licence Income - the community safety warden service over a number of years has reduced operating hours and coverage by area resulting in a reduction in FPNs issued and subsequent income collected. Environmental licence fees have been reduced by DEFRA which has impacted on the income levels generated.	47	0	0
<b>TRANSFORMATION &amp; CORPORATE</b>					
People, Policy & Transformation	Other	Community Safety Network - a reserve was established a number of years ago to meet the ongoing costs associated with the Community Safety Network that provides CCTV for the city. The reserve will be fully depleted in 23/24 but the annual contract of £128k will remain. There is potential to reduce contract value dependant on review of need.	86	42	0
People, Policy & Transformation	Other	Occupational Health Contract - renewal of contract	60	0	0

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<b>TRANSFORMATION &amp; CORPORATE</b>					
People, Policy & Transformation	Other	Salary Sacrifice - a salary sacrifice scheme and income target was introduced following the implementation of Total Reward in 2018, the income target has never been fully met.	30	0	0
People, Policy & Transformation	Other	Welsh Language Translation - a reserve is in place for Welsh language costs which has funded a range of activities to increase the use of the Welsh language in Newport City Council and across the city. Based on current projections this reserve will have been utilised fully by March 2024. The budget for Welsh language translation costs has remained at the same level for a number of years and our continued work to develop the use of the Welsh language, increased service area need, and the introduction of the Welsh language skills policy will result in a budget pressure from 24/25 onwards.	0	40	0
Law & Standards	Pricing	Insurance Premium - renegotiation of contract price based on 30% increase in other local authorities	214	0	0
Finance	Other	My Council Services (MCS) Operational Support Team & Project Team - The Operational Support Team is an integral part of the Council's Contact centre operation and also includes an unfunded project team who initially implemented the Councils 'My Council Services (MCS)' system' and continued to roll it out further to services since then. MCS is a business-critical tool; key to several services across the council, supporting our digital strategy with over 260 online forms, a Customer Portal and Newport App. There is no base budget to fund the MCS project team and underspends/reserves which have funded it to date are now depleted.	82	0	0
Finance	Other	Creation of a combined Revenues & Benefits Service - restructure of existing teams to strengthen management posts and align officers on equivalent grades	90	0	0
<b>CHIEF EXECUTIVE</b>					
Education (Schools)	Demand - New Schools	New East Glan Llyn Primary School - This school will be the second to be established on the Glan Llyn development, and is being provided by the developer through the S106 agreement. The school will be a 2 FE school, with a nursery and 2 10-place learning resource base (LRB) classes on site.	0	0	TBC
Education (Schools)	Demand - New Schools	New East Glan Llyn Primary School - Head Teacher (HT) required in post from May 2025 and School Support Officer (SSO) and Caretaker required in post from June 2025 in advance of official opening to support new school requirements.	0	0	TBC

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<b>CHIEF EXECUTIVE</b>					
Education (Schools)	Demand - Other	<p>ALN Funding to Schools:</p> <p>Part 1: ALN funding for the development of universal, targeted provision and specific provision has not been increased to Schools in line with inflation. Previously this element would have been linked to a lump sum amount and the number of School Action Plus pupils in their School. Primarily the funding Schools receive is used to employ Teaching Assistants to run a variety of universal, targeted and specific interventions however this funding has not increased to match the increased costs of staffing. This means that current funding is not allowing schools to meet the needs of its ALN learners</p> <p>Part 2: There continues to be a lack of provision available in secondary schools to meet the needs of those pupils who are due to leave a primary Learning Resource Base (LRB). Placing a secondary LRB into each of the nine 11-18 schools is not a desirable or an affordable model for the future. However a transitional provision is required to support more complex ALN needs and to prevent exclusions and the requirement of Out of County places.</p>	0	TBC	TBC
Education	Demand - Other	<p>ALN Transformation and core staffing</p> <p>Potential pressure as staff critical to LA statutory requirements under new ALN Act are currently funded by a 3 year grant from WG and should this not be extended at the end of that period there will be a pressure on Education budgets to retain these posts.</p>	0	TBC	TBC
Education (Schools)	Other	Teachers pension - Estimated 1% pa increase over the next three years from 2023/24. This assumes that pension rates will increase to 26.68% by 2025/26 however the outcome of the pension valuation is yet to be confirmed	566	566	566
Education (Schools)	Other	Teachers pay - Additional 1% provision set aside for teachers pay award increasing total provision to 3.5%	600	0	0
Regeneration & Economic Development	Other	Management post in Place - shortfall in budget against the newly created Culture Manager due to Evaluation Panel awarding a higher grade than anticipated	5	0	0
Regeneration & Economic Development	Other	Medieval Ship - cessation of WG grant to support the maintenance of the ship has led to budget pressure.	20	0	0

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<b>NON-SERVICE</b>					
Non-Service	Other	Housing Benefit technical overpayments	600	0	0
Non-Service	Other	NNDR Revaluations - Revaluation of NNDR properties. Draft values will likely be known in December	TBC	TBC	0
Non-Service	Pricing	NJC pay award - 4% provision was allowed within the 22/23 budget. When applying the 22/23 proposed pay award to the current structure this works out on average as 6.4% increase before any assumed pay award in 23/24. This pressure represents the budget uplift in 22/23 for the proposed pay award before any future awards	3558	122	126
Non-Service	Pricing	Pension Deficit - Estimated 2.6% increase over the next 4 years from 2024/25. This assumes that employer contributions will increase to 24.8% by the end of the 4 year period. If the funding available to the council improves during this time would look to bring forward/ accelerate the increase.	0	537	537
<b>NEW BUDGET INVESTMENTS TOTAL</b>			<b>12,795</b>	<b>1,307</b>	<b>1,748</b>

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### Agreed/ Revised Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
<b>SOCIAL SERVICES</b>					
Children Services	Policy Change	Child Looked After (CLA) Education Support - Statutory duty - new requirement from September 2021 as WG require additional educational support to be provided to CLA. Investment to support 1 co-ordinator, a part time teaching assistant and part time admin posts.	32	0	0
Children Services	Demand - Social Care	When I'm ready - Supports the requirement to support care leavers up to the age of 25. Numbers are increasing due to children being encouraged to use the service. The pressure represents an additional 10 per year from 24/25.	0	105	105
Children Services	Other	South East Wales Adoption Services (SEWAS) - the basis of the contribution to the regional service has been reviewed. Regional Heads of Service agreed that this should follow RSG formula basis, therefore requiring additional investment from Newport each year. Whilst this will be implemented in 22/23 the first year will be funded via a specific reserve.	87	0	0
Children Services	Other	Early intervention and prevention - to create additional capacity within the safeguarding hub to support families in crisis and ultimately reduce the severity of situations increasing	43	0	0
Adult Services	Demand - Social Care	Increased demand on Adult Learning Disability Budgets - Learning disability (LD) children turning 18 and LD clients who were previously looked after by relatives but now are unable to look after them.	960	346	0
<b>ENVIRONMENT &amp; SUSTAINABILITY</b>					
Environment & Public Protection	Other	Climate change - Investment in EV/ energy/ fleet decarbonisation	44	0	0
Housing & Communities	Other	Homelessness officer	11	0	0
Environment & Public Protection	Investment	New Household Waste Recycling Centre (HWRC) - The opening of a second HWRC supports the corporate plan and the waste strategy.	0	0	300
Environment & Public Protection	Other	Sustainable Waste Management Grant - based on estimated reduction in grant funding across Wales. The impact on NCC is yet to be confirmed so could be subject to change	50	50	0

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<b>ENVIRONMENT &amp; SUSTAINABILITY</b>					
Environment & Public Protection	Other	Closure of asbestos cell - The cell has closed therefore resulting in loss of income. There is likely to be a small reduction in cost which has the potential to reduce the required investment.	139	0	0
Environment & Public Protection	Other	Cemeteries - 4 x cemetery liaison officers	35	0	0
Infrastructure	Other	Highways - Asst structural engineer, highways planning and H&S officer	35	0	0
Environment & Public Protection	Other	Cleansing - increased provision in the city centre	50	0	0
Environment & Public Protection	Other	Parks/ play areas - maintenance and replacement of equipment	150	0	0
Environment & Public Protection	Other	Additional Environmental Health officer	11	0	0
<b>TRANSFORMATION &amp; CORPORATE</b>					
People, Policy & Transformation	Pricing	Norse JV - Increased contract payment as a result of assumed uplift each year.	89	92	0
People, Policy & Transformation	Pricing	Shared Resource Service (SRS) - Increased contract payment as a result of assumed pay award	35	35	0
People, Policy & Transformation	Other	Health & safety posts	81	0	0
Law & Standards	Other	Electoral reform	10	0	0
Finance	Other	Accountancy	15	0	0

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<b>CHIEF EXECUTIVE</b>					
Education	Demand - Other	SEN Out of County (OOC) pupil demand - Demand increasing at 15 pupils per year based on trend data at an average cost for 22/23 of £35k and a conversion rate of 75% for pupils moving to out of county provision. Pressure reduced by increases in provision in secondary sector and special sector as increased capacity should avoid OOC costs	0	0	11
Education	Demand - Other	Gwent Music - An ongoing review of the service will bring about a requirement to change in line with the WG's national plan for music. A national framework will be established and provide recommendations as to how the music service is organised.	0	290	0
Education	Demand - Other	New Llanwern Village Primary - School to open September 2024. Head Teacher (HT) required in post from May 2024 and School Support Officer (SSO) and Caretaker required in post from June 2024 in advance of official opening to support new school requirements.	0	46	0
Education	Other	Early intervention and protection - additional resource to provide a proactive approach into assessing and supporting vulnerable pupils	45	0	0
Education (Schools)	Demand - New Schools	Secondary School Transitions (net change) - In line with pupil projections as reviewed by Planning of School Places group and 2022/23 average pupil funding for secondary school pupils. This equates to an increase of 170 FTE from 22/23 to 23/24, 14 FTE from 23/24 to 24/25 and 34 FTE from 24/25 to 25/26.	632	52	126
Education (Schools)	Demand - New Schools	Primary School Transitions (net change) - In line with pupil projections as reviewed by Planning of School Places group and 2022/23 average pupil funding for primary school pupils. This equates to a reduction of 77 FTE from 22/23 to 23/24, 63 FTE from 23/24 to 24/25 and 86 from 24/25 to 25/26.	-215	-176	-240



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<b>CHIEF EXECUTIVE</b>					
Education (Schools)	Demand - New Schools	<p>New Llanwern (Village) Primary Schools - This school will be established on the housing development at Llanwern Village, and is being funded as part of S106 agreements. The school will be a 1.5 FE school, with a nursery and 10 place learning resource base (LRB) unit on site. The MTFP assumes that the school will open in September 2024 as a growing school with a small number of pupils in each year group with the intention of these growing each year.</p> <p>Year 1 N = 20 FTE R = 30 Y1-6 = 15 pupils LRB = 10 pupils</p> <p>Y2 N = 20 R-Y6 = 30 LRB = 10</p> <p>Y3 N = 20 R-Y6 = 45 LRB = 10</p>	0	542	528
Education (Schools)	Demand - New Schools	<p>New West Glan Llyn Primary School: This school was established on the housing development at St Modwen's, and was built by the developer as part of S106 agreements. The school is a 2 form entry school, with a nursery and 20 place learning resource base (LRB) unit on site. The school opened in September 2019 as a growing school with a small number of pupils in every year group with these growing each year and will be fully grown by September 2022.</p>	98	0	0
Education (Schools)	Demand - New Schools	<p>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 Pillgwenlly Primary school to expand from 2 form entry (FE) to 3FE from April 2024.</p>	0	229	104
Education (Schools)	Demand - New Schools	<p>Welsh medium primary school: The school will be a 2 form entry, with a nursery on site. The school opened in September 2021 as a seedling school, with a capacity of 444 with a nursery and reception class in the first year and a further year group added every year until it reaches capacity. A 10 place learning resource base will open in the school in September 2024 and is anticipated to be full upon opening.</p>	40	191	205

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<b>CHIEF EXECUTIVE</b>					
Education (Schools)	Demand - New Schools	Expansion of Tredegar Park Primary - increase admissions to 75 from 60 on a year by year basis starting with reception, initially planned from September 2021 but due to delays now from September 2024.	0	0	32
Education (Schools)	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - (Kimberley site) Funding based on Category 2 Special school place led funding. To open a total of 28 places over the foundation phase - 8 places Y1 then 10 places per year group for reception, year 1 and year 2.	230	96	0
Education (Schools)	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - (Lodge Infants site) Funding based on Category 2 special school place led funding. To open a total of 48 places for Key Stage 2 provision, 12 places per year group for years 3 to 6. Opening to year 3 pupils in September 2024.	0	187	290
Education (Schools)	Demand - New Schools	Llanwern ASD Base Opening Sept 23 as a 20 place provision Growing at 4 per year from Sept 23	0	88	87
Education (Schools)	Demand - New Schools	Maesglas Primary Expansion - Maesglas Primary school to increase published admission number (PAN) from 38 to 45 pupils, growing from reception in September 2024.	0	12	32
Education (Schools)	Demand - Other	eFSM - increase in entitlement  Continued review required to establish the permanent increase in entitlement. Significant uncertainty remains due to the effect of the pandemic and current cost of living crisis.	0	TBC	TBC
Regeneration & Economic Development	Other	To fund the full year impact of the newly created City centre manager	16	0	0
Regeneration & Economic Development	Other	Destination management - place marketing	14	0	0
Regeneration & Economic Development	Other	Tourism - promotion of the city	13	0	0

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<b>NON SERVICE</b>					
Non-Service	Capital Financing - other	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	208	0
<b>AGREED/ REVISED BUDGET INVESTMENTS TOTAL</b>			<b>2,750</b>	<b>2,393</b>	<b>1,580</b>
<b>BUDGET INVESTMENT TOTAL</b>			<b>15,545</b>	<b>3,700</b>	<b>3,328</b>

### Pressures Summarised:

Pressures by Type	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
New budget pressures	12,795	1,307	1,748
Previously agreed/ revised budget pressures	2,750	2,393	1,580
<b>New and previously agreed/ revised pressures</b>	<b>15,545</b>	<b>3,700</b>	<b>3,328</b>
Inflationary pressures (Inc increments)	29,717	21,934	19,912
<b>TOTAL BUDGET PRESSURES</b>	<b>45,262</b>	<b>25,634</b>	<b>23,240</b>