

The Proposal in the Budget Report under Agenda Item 4 be amended as below:

Alternative Budget Proposal – Lliswerry Independent Group

Overview of Proposed Amendments

Removal of Budget Pressures / Investments

Remove staffing resource for client role in leisure services	(65,000)
Reduce Cabinet's proposed increase to annual sums capital budget from £700,000 to £200,000	(500,000)
Fund pressure from Out of Area Placements from reserves for 2 years, with a view to a strategy of developing additional placements over that time so that this investment is no longer required. £4.528m from the Capital Expenditure Reserve will be reallocated for this purpose.	(2,264,000)

New Budget Pressures / Investments

Re-instate maintenance of watercourse at the rear of Thompson Avenue, Newport	30,000
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Removal of Budget Savings

Cancel closure of Civic Centre for 2 days per week, decision needs to be taken in line with asset management review and not prematurely	94,000
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New Budget Savings

Remove the role of the presiding officer	(9,000)
Reduce publication of Newport Matters from 2 monthly to 4 monthly	(21,500)
Remove Leader's Car and reduce driver budget	(17,500)

Net impact of budget amendments	(2,753,000)
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Amended Budget Summary and Council Tax Rate

The table below shows the available and required budget funding with a 4.63% increase in Council Tax. In setting Council Tax, the Council needs to be aware of the need to set a balanced budget.	
Council Tax at Band D at 4.63%	£1,444.02
Budget requirement	£000
Base budget 2023/24	373,676
2024/25 Inflation	17,678
2024/25 use of reserve 'movement'	(2,235)
DRAFT BASE BUDGET 2024/25 (before investments/savings)	389,119
2024/25 Budget investments – (inc. increase of £705k required in Council Tax Reduction Scheme based on 4.63% Council Tax increase)	12,863

2024/25 budget savings	(5,234)
DRAFT BASE BUDGET 2024/25	396,748
<u>Draft funding available</u>	
Draft WG settlement	307,464
Current council tax at new tax base	84,641
Increased council tax @ 4.63%	3,918
Council Tax premiums	725
Total	396,748
Balance	0

Proposed by Councillor Mark Howells

Seconded by Councillor Allan Morris

Commentary from Statutory Officers

Chief Finance Officer (Section 151 Officer) Commentary

A key driver in the budget strategy and MTFP framework is the need to manage the Council's general and financial risks, its financial resilience and performance. The Chief Financial Officer is required to report to the Council on the robustness and sustainability of the estimates in the budget report, and on the adequacy of the reserves and balances. The Council is required to take these comments into account when making its budget and Council Tax decisions.

The alternative budget proposal from the Lliswerry Independent Group removes one budget pressure, reduces a budget investment, and amends another pressure, both in terms of funding source and timeframe. In addition, the proposal introduces a new budget investment, removes one of the proposed budget savings and introduces three new budget savings. The net credit value of these amendments totals £2.753m, which is proposed to be used, in full, to reduce the value of the proposed Council Tax increase from 8.5% to 4.63%. Whilst the proposal is legal in that it maintains a balanced revenue budget and is robust for 2024/25, there are some specific matters that present a level of risk and uncertainty, particularly over the medium term, when considering the challenging outlook contained within the Council's Medium Term Financial Plan. These risks and the relevant considerations are set out below:

- The proposal to utilise earmarked reserves to fund the £2.264m Children's Services out of area placements pressure for a two-year period will result in the Capital Expenditure Reserve reducing by £4.528m. Utilising reserves in this way reduces the scope to support emerging capital expenditure pressures, should they emerge over the medium term. Should such pressures be unavoidable, this would potentially create an unfunded pressure upon the Council's capital programme. Whilst it has been suggested that future revenue underspends could be used to replenish reserves, this is not guaranteed and cannot be relied upon.
- As part of the same proposal, it has been assumed that it will be possible to eradicate the out of area placements pressure in two years' time. This assumption is not without risks

because, as things currently stand, the pressure contained within the MTFP is based on actual numbers coming through the system and there is not currently a transformational plan in place. Therefore, if the assumed transformation is not achieved, it would mean that the pressure could potentially still exist at the end of the two-year period, which would require either the use of further reserves or result in a new pressure being added to the Council's MTFP, which would be especially challenging when considering the challenging medium term outlook already identified.

- The proposal to reduce the annual sums allocation by £500k will impact upon the Council's ability to address the maintenance backlogs that currently exist in relation to both the highways network and property estate. This will reduce the pace at which the backlog will be eroded and potentially increase the likelihood of asset failure occurring, which could have a more significant financial impact.
- By reducing the proposed rate of Council Tax increase to 4.63%, this means that the Council is unlikely to improve its position, relative to other councils, in terms of the rate being one of the lowest in Wales. As has been described in previous reports, the low rate of Council Tax impacts the Council in the form of its funding levels which, if higher, would be available to support services. At a time when public sector funding is likely to be under strain, but demand for services high, a lower Council Tax rate will constrain the ability to meet the demands being placed upon the Council by a growing population.

Monitoring Officer Commentary

The legal context and implications set out in the main budget report also apply to these proposals and regard should be had to them. As regards the proposed utilisation of earmarked reserves, attention is drawn to the requirement, when the Council is considering its budget, to have regard to the s151 Officer's advice as to the robustness of estimates and the adequacy of the proposed reserves in the budget proposals. The body of the main report and this alternative proposal sets out this advice, including advice on financial resilience, reserves and contingencies.

Specific plans which are developed in relation to the proposals put forward will require evaluation. This evaluation will include whether there is a requirement for consultation with staff and trade unions and potentially the public, this may include undertaking Fairness and Equality Impact Assessments and wellbeing evaluations. Decisions taken in advance of this evaluation work can only be "in principle" decisions subject to more detailed work having been undertaken. The results of any further consultation or assessments required must be taken into account by the decision makers when considering any decision whether or not to implement. This may result in these proposed savings not being delivered in full immediately, therefore not meeting a full in-year saving for 2024/25.

Recommendations to Council

1. That full Council approve the alternative budget proposal in line with the Council Tax resolutions set out below; and
2. That full Council resolve to remove the role of Presiding Member and return to a Mayoral chair of the Council.

Council Tax Resolutions

RESOLUTION TO SET COUNCIL TAX LEVELS

1. That the revenue estimates for 2024/25 recommended by the Cabinet on 14 February 2024, as amended by this alternative budget proposal, be approved.
2. That it be noted that the Council at its meeting on 20 February 2007 delegated the setting of the tax base to the Head of Finance and that on 13 November 2023, the Head of Finance acting in accordance with that delegation calculated the following amounts for the year 2024/25 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992: -

(a) Council Tax Base

61,329.00 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (calculation of council tax base) Regulations 1992, as its council tax base for the year;

(b) Council Tax base for parts of the Council's Area

Area	Tax base
Bishton	766.77
Coedkernew	997.42
Goldcliff	182.31
Graig	2,478.82
Langstone	1,904.01
Llanvaches	238.44
Llanwern	1,672.89
Marshfield	1,513.35
Michaelstone	164.64
Nash	139.18
Penhow	464.83
Redwick	117.87
Rogerstone	6,114.92
Wentlooge	357.95

3. That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992: -
 - (a) £567,062,328.69 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act (**Gross Expenditure**).
 - (b) £170,506,959.71 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act (**Gross Income**).

- (c) £396,555,368.98 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year (**Budget + Community Council precepts**).
- (d) £307,463,669 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant or additional grant (**RSG + NDR**).
- (e) £1,452.68 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year (**Average Band 'D' Tax for NCC including Community Councils**).
- (f) £531,509.53 being the aggregate amount of all special items referred to in Section 34(1) of the Act and detailed below (**Community Council precepts**).

Area	Special Item £
Bishton	34,954.00
Coedkernew	4,987.10
Goldcliff	7,808.34
Graig	70,894.25
Langstone	60,607.00
Llanvaches	10,074.09
Llanwern	35,670.00
Marshfield	36,320.40
Michaelstone	6,585.60
Nash	2,625.00
Penhow	27,451.00
Redwick	5,500.00
Rogerstone	209,741.75
Wentlooge	18,291.00
	531,509.53

- (g) £1,444.02 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (**NCC Band 'D' Council Tax**).

(h) Council Tax level for parts of the Council's Area

Area	Basic Council Tax £
Bishton	1,489.61
Coedkernew	1,449.02
Goldcliff	1,486.85
Graig	1,472.62
Langstone	1,475.85
Llanvaches	1,486.27
Llanwern	1,465.34
Marshfield	1,468.02
Michaelstone	1,484.02
Nash	1,462.88
Penhow	1,503.08
Redwick	1,490.68
Rogerstone	1,478.32
Wentlooge	1,495.12

Being the amounts given by adding to the amount at 3(g) above, the amounts of the special item or items in 3(f) divided by the amount at 2(b) for the specified area of the council. These amounts are calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

NCC + Community Councils	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
Bishton	993.07	1,158.59	1,324.09	1,489.61	1,820.63	2,151.66	2,482.68	2,979.22	3,475.76
Coedkernew	966.01	1,127.02	1,288.01	1,449.02	1,771.02	2,093.03	2,415.03	2,898.04	3,381.05
Goldcliff	991.23	1,156.44	1,321.64	1,486.85	1,817.26	2,147.68	2,478.08	2,973.70	3,469.32
Graig	981.75	1,145.37	1,308.99	1,472.62	1,799.87	2,127.12	2,454.37	2,945.24	3,436.11
Langstone	983.90	1,147.89	1,311.86	1,475.85	1,803.81	2,131.79	2,459.75	2,951.70	3,443.65
Llanvaches	990.85	1,155.99	1,321.13	1,486.27	1,816.55	2,146.84	2,477.12	2,972.54	3,467.96
Llanwern	976.89	1,139.71	1,302.52	1,465.34	1,790.97	2,116.61	2,442.23	2,930.68	3,419.13
Marshfield	978.68	1,141.80	1,304.90	1,468.02	1,794.24	2,120.48	2,446.70	2,936.04	3,425.38
Michaelstone	989.35	1,154.24	1,319.13	1,484.02	1,813.80	2,143.59	2,473.37	2,968.04	3,462.71
Nash	975.25	1,137.80	1,300.33	1,462.88	1,787.96	2,113.05	2,438.13	2,925.76	3,413.39
Penhow	1,002.05	1,169.07	1,336.07	1,503.08	1,837.09	2,171.12	2,505.13	3,006.16	3,507.19
Redwick	993.79	1,159.42	1,325.05	1,490.68	1,821.94	2,153.21	2,484.47	2,981.36	3,478.25
Rogerstone	985.55	1,149.81	1,314.06	1,478.32	1,806.83	2,135.35	2,463.87	2,956.64	3,449.41
Wentlooge	996.75	1,162.87	1,328.99	1,495.12	1,827.37	2,159.62	2,491.87	2,990.24	3,488.61
All Other Parts of the City	962.68	1,123.13	1,283.57	1,444.02	1,764.91	2,085.81	2,406.70	2,888.04	3,369.38

Being the amounts given by multiplying the amounts at 3(g) and 3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in the valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into

account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted for the year 2024/25, that The Police and Crime Commissioner for Gwent has stated the following amount in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below: -

The Police and Crime Commissioner for Gwent	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
All Parts of the City	233.01	271.85	310.68	349.52	427.19	504.86	582.53	699.04	815.55

5. That having calculated the aggregate in each case of the amounts at 3(i) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2024/25 for each of the categories of dwelling shown below: -

Total Council Tax Demand	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
Bishton	1,226.08	1,430.44	1,634.77	1,839.13	2,247.82	2,656.52	3,065.21	3,678.26	4,291.31
Coedkernew	1,199.02	1,398.87	1,598.69	1,798.54	2,198.21	2,597.89	2,997.56	3,597.08	4,196.60
Goldcliff	1,224.24	1,428.29	1,632.32	1,836.37	2,244.45	2,652.54	3,060.61	3,672.74	4,284.87
Graig	1,214.76	1,417.22	1,619.67	1,822.14	2,227.06	2,631.98	3,036.90	3,644.28	4,251.66
Langstone	1,216.91	1,419.74	1,622.54	1,825.37	2,231.00	2,636.65	3,042.28	3,650.74	4,259.20
Llanvaches	1,223.86	1,427.84	1,631.81	1,835.79	2,243.74	2,651.70	3,059.65	3,671.58	4,283.51
Llanwern	1,209.90	1,411.56	1,613.20	1,814.86	2,218.16	2,621.47	3,024.76	3,629.72	4,234.68
Marshfield	1,211.69	1,413.65	1,615.58	1,817.54	2,221.43	2,625.34	3,029.23	3,635.08	4,240.93
Michaelstone	1,222.36	1,426.09	1,629.81	1,833.54	2,240.99	2,648.45	3,055.90	3,667.08	4,278.26
Nash	1,208.26	1,409.65	1,611.01	1,812.40	2,215.15	2,617.91	3,020.66	3,624.80	4,228.94
Penhow	1,235.06	1,440.92	1,646.75	1,852.60	2,264.28	2,675.98	3,087.66	3,705.20	4,322.74
Redwick	1,226.80	1,431.27	1,635.73	1,840.20	2,249.13	2,658.07	3,067.00	3,680.40	4,293.80
Rogerstone	1,218.56	1,421.66	1,624.74	1,827.84	2,234.02	2,640.21	3,046.40	3,655.68	4,264.96
Wentlooge	1,229.76	1,434.72	1,639.67	1,844.64	2,254.56	2,664.48	3,074.40	3,689.28	4,304.16
All Other Parts of the City	1,195.69	1,394.98	1,594.25	1,793.54	2,192.10	2,590.67	2,989.23	3,587.08	4,184.93